

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
APRIL 25, 2018

The Regular Board Meeting of Wednesday, April 25, 2018 was called to order at 10:54 by Board Chairman Robert M. Quintana.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, Vice-Chairman
Joseph C de Baca, Member
Virginia Mondragon, Secretary/Treasurer
James Ortiz, Member
Robert M. Quintana, Chairman

Also Les Montoya, General Manager
Present: Debbie Alexander, Administrative Assistant

- 2. INVOCATION** – Robert Baca, Vice-Chairman, led us in prayer.
- 3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was recited.
- 4. APPROVAL OF AGENDA** – The Agenda was presented for review and approval. Manager Montoya asked to add an item to the Agenda: 14. New Business – d. Resolution Recognizing April 18 as MSMEC Line Appreciation Day. **A motion to approve today's Agenda as amended was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- 5. RECOGNITION OF GUESTS**
- a. **Invited Speakers – (15 minute time limit) - None.**
 - b. **General Public Comment (5 minute time limit) – None.**
 - c. **Introduction of Employees – None.**
- 6. SAFETY REPORT/MINUTES** – The Safety Committee Minutes of the meeting held on April 17, 2018 were reviewed. A few of the items covered included:
- There were no accidents, no near misses and no on-the-job injuries in either Mora or Pecos
 - There were three incidents to report in Mora for the month of March. 1) One of our meter readers' was leaving a consumer's home when a young woman came running to her screaming "help him, he's not breathing". The meter reader found a young man face down on the dirt, not breathing and his face was blue. The meter reader rolled him over, felt for a heartbeat and then immediately

started to perform CPR. The ambulance arrived and the young man was taken to the hospital. 2) One of our employees was on his way home after work in Las Vegas and stopped at a red light. The driver of a pickup next to the employee, who was texting, began to accelerate and decelerate after the light turned green. This continued to the next intersection. Employee felt the other driver was offended as the employee attempted to pass him at some point. At the next stop light, the driver started shouting and gesturing at employee. Our employee kept his cool and turned into the BTU parking lot while the driver of the pickup continued on. 3) An employee was pulled over by a NM State Police Officer, citing the employee for failing to slow down. The Officer had a vehicle pulled over and reported that the employee did not slow down.

- No incidents to report in Pecos
- Employees continue to voice concern regarding Central Dispatch. When dispatched to Glorieta for an outage, they found out that the consumer was disconnected for non-pay. After calling Central Dispatch to let them know this, employee was advised that they did not receive a disconnect list form MSMEC. Central Dispatch also stated that they only have the Pecos on-call cell phone number and not Mora's cell number. MSMEC needs to provide dispatch center with updated information.
- Operations Manager has concerns regarding service provided by Martinez Diesel in Las Vegas and the time it is taking to get vehicles worked on and returned.
- Manager Montoya reported that NMDOT will be donating concrete barriers to place along the west side of the building in Mora. Consumers tend to come in driving rather fast to park and employee fears someone may drive into building.
- Manager Montoya reported that he asked committee/employees to be proactive. It is extremely dry and has concerns of fire danger. He asked employees to use caution and to be aware of their surroundings. Les also stated that MSMEC should distribute literature on fire safety at the front office.
- It was asked if MSMEC would be going to a 4-day, 10-hour work week schedule. Mr. Montoya advised the committee that he would present it to the Board at their next meeting and if approved, this schedule would begin on May 2, 2018.
- There was no employee safety training – March is a bye month.

7. **ACTION OF REGULAR MEETING MINUTES HELD ON MARCH 28, 2018** – The Minutes of the Board Meeting held on March 28, 2018 were presented for review and approval. After review, **a motion to approve those Minutes as presented was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 20 – PECOS 14)** – A total of 34 new memberships were presented for review and approval. **A motion to approve all 34 new memberships was made by Robert Baca, seconded by Virginia Mondragon. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. **Delinquent Report** – The Delinquent Report was reviewed by Manager Montoya. There were 965 delinquent accounts totaling \$494,576.28. After collections in March, 538 accounts remained delinquent totaling \$80,651.05.
- b. **RUS Form 7** – Operating Revenue and Patronage Capital was \$1,018,223 for the month of March and \$3,228,422 YTD. Cost of Purchased Power was \$542,462 and \$1,739,527 YTD. Total Operation & Maintenance Expense was \$718,160 for the month and \$2,329,128 YTD. Patronage Capital or Margins for the month of March was \$124,609. Under the Key Performance Status, Percent Loss was 8.7% for the month and 6.9% YTD. TIER was 2.42% for the month and 3.99% YTD.
- c. **Outage Report** – Outages for the month of March impacted 186 consumers. There were twenty outages in Mora and thirteen in Pecos for a total of 102 consumer hours.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report was presented to the Board for their review. The monthly comparison of total energy (kWh) was 6,981,632 actual and 6,800,494 budgeted. The YTD was almost right on the % variance - 22,049,592 actual and 22,263,258 budgeted for a % variance of (1.0).

10. FINANCE REPORT – With a motion by Robert Baca and second by Virginia Mondragon, the Finance Minutes of today's meeting, including the donation requests and the Manager's Report were approved and carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their monthly meeting. A few of the items covered included:

- The repair cost to refurbish Craig Station III was \$13.5 million – insurance paid for all but the \$1 million deductible
- Craig Station II will close in 2022
- Member energy sales volumes were three percent over budget. Non-member energy sales volumes were 68 percent under budget
- Annual Meeting in Broomfield went well but not as many people were in attendance
- Annual Election was held – Rick Gordon will serve his 9th year as Chairman of the Board. There were a couple of upsets. Leo Brekel and Bill Mollenkopf were not reelected.

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their March 30th, 2018 meeting. Some of the items covered included:

- Mr. David Spradlin reported that the NRECA Board will start on the Strategic Planning session at its spring meeting

- RUS Loan Rates are 2.89% long-term and 1.73 short-term
- Mr. Groenewold briefed the Board on Mr. Jerry Partin's candidacy for the NMPRC. Mr. Partin needed 543 signatures but collected about 1,300 so his name is now on the ballot.
- A training request regarding Board Governance, Fiduciary Duties and Ethic's Course was discussed.
- Mr. Lance Adkins, Chairman, reported to the Board that the Manager's Committee had discussed an issue of concern regarding specific liability coverage through Federated that was brought forth by Mr. Chris Martinez from Columbus Electric. The committee will invite Federated and attorney to the Manager's meeting in June
- Kit Carson Electric submitted a Resolution regarding notice of withdrawal to the NMRECA to become effective in one year
- Grant Clawson, Trustee at Continental Divide Electric, asked the Board if NMRECA could assist the Socorro Electric Cooperative (SEC) regarding issue between the SEC and the City of Socorro. A legal analysis has been provided to the SEC concerning the city's threat to take over the co-op

13. ON-GOING BUSINESS

- RUS Loan Close-Out Audit for MSMEC** – A copy of the RUS Loan Close-Out Audit Report and letter was provided to the Board for review. Manager Montoya advised the Board that Mr. Billy Kinter, RUS Field Accountant, had been at our office in Mora in late March conducting an audit of our RUS records for the period November 1, 2011 through January 31, 2018. The review of our Coop's loan fund transactions indicated that except for, \$30,638.86 of unapproved disbursements, all RUS Construction Fund receipts were properly accounted for, and all RUS Construction Fund disbursements were for proper loan program purposes. MSMEC submitted reconditioned transformers on the special equipment summaries for October 2016 and March 2017 totaling the \$30,638.86 which is not allowed. The advancement for the next RUS loan will be deducted that amount.
- Notice of District 2 Meeting – Tuesday, May 8th, 2018** – The Notice of the District 2 Meeting, which will be held on May 8th, 2018, was presented to the Board prior to being mailed to consumers in that district. After review, the full Board approved to mail out the notice as presented.
- NMPRC Case No. 17-00319-UT – Final Order Authorizing Continued Use of its Fuel and Purchased Power Cost – No Board action required** – Manager Montoya updated the Board on the final NMPRC order authorizing continued use of its fuel and purchased power cost (FPPCAC). MSMEC will need to do a number of things to comply with PRC rules and regulations: 1) Next Continuation filing is due on or before April 30, 2020; 2) Future audited financial statements to be filed in accordance with Rule 510; 3) Related FPPCAC monthly filings are to be sent to three different individuals/places. The Commission's concerns for Coops is their failure to file on a timely manner and their disregard for compliance. MSMEC was used as the

example based on our late filing of this Continuation. Manager Montoya advised the Board that MSMEC will make every effort to comply with our regulating agency, NMPRC.

- d. **High School Scholarships Information** – A list of the students awarded the “Frank R. Rodriguez, Jr. Memorial”, Tri-State Generation & Transmission”, and “Basin Electric” scholarships was presented. Students award these scholarships attend Mora High School, Pecos High School, Robertson High School, Santa Rosa High School and West Las Vegas High School. Congratulations to all.
- e. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of March was \$510,599.02. The MSM Solar bill was \$31,862.61 with a credit from Tri-State of \$19,631.02.

14. NEW BUSINESS

- a. **Four-Day Week - 10-Hour Day Schedule – Starting Friday, May 4th, 2018** – Manager Montoya presented the Board with a calendar of the date of MSMEC’s intent to begin their summer hours, working the 10-hour days/four days a week schedule. The 10-hour day schedule will commence on Wednesday, May 2nd, 2018. Working hours will be from 7:00 a.m. – 5:30 p.m. Closed for lunch from 12:00 to 12:30. May 4th, 2018 will be the first Friday the Offices will be closed. This schedule will run through the end of October. After a short discussion, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the 10-hour work day/four days a week schedule. Motion carried unanimously.**
- b. **Farm Credit Leasing Services Corporation - Leasing Contract** – Manager Montoya presented the Board with a letter received from Farm Credit Leasing Services Corporation regarding the lease of one of our Dodge 5500 4x4. The lease contract expires on July 1, 2018. Three options are given prior to the signature and returning of the form at least 45 days prior to the termination date. MSMEC may either purchase the vehicle, renew the lease or surrender the vehicle. After further discussion, the Board was in agreement that Manager Montoya follow up to surrender the vehicle and terminate the lease.
- c. **Resolution – Supporting Application of a Rural Business Development Grant to Fund a Mora Grocery Store – Feasibility Study** – Manager Montoya introduced to the Board a Resolution supporting the application of a rural business development grant and, therefore authorizing the Manager to submit this grant application to fund a Mora Valley grocery store feasibility study and contribute \$2,500.00 as a match. After further discussion, **a motion to approve the said Resolution and the feasibility study match of \$2,500.00 was made by Robert Baca, seconded by Joe C de Baca. Motion carried unanimously.**
- d. **Resolution – Recognizing April 18 as MSMEC Lineman Appreciation Day** – A new Resolution was introduced to the Board recognizing April 18th as Lineman Appreciation Day at MSMEC. The Resolution was signed and approved on the 25th day of April 2018 by Board Chairman Robert M. Quintana, Vice-Chairman Robert Baca and Board Secretary Virginia Mondragon.

15. CORRESPONDENCE

- a. Socorro Electric Cooperative – Annual Meeting – April 28th, 2018 – For information only.

16. INFORMATION

- a. Calendar of Events – Tri-State is scheduled to meet in Denver on May 1st and 2nd. MSMEC District 2 Meeting will be held in Las Vegas on Tuesday, May 8th starting at 4:00 p.m. NMRECA Annual Meeting will be held in Ruidoso, NM from May 22 – 24, 2018. The offices will be closed on Monday, May 28th in observance of the Memorial Day Holiday. MSMEC Finance and Regular Board Meetings will be held on Thursday, May 31st, 2018.

A motion to move into Executive Session was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.

17. EXECUTIVE SESSION

- a. Personnel Matters
- b. Update on Union Matters
- c. Litigation Matters

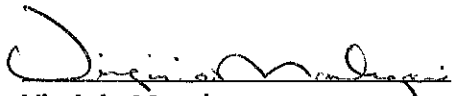
A motion to move out of Executive Session and back into Regular Session was made by Robert Baca, seconded by James Ortiz. Motion carried unanimously.


18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION - None.

19. OTHER BUSINESS TO COME BEFORE THE BOARD – None.

20. ADJOURNMENT – A motion to adjourn today’s meeting was made by Robert Baca. Motion carried unanimously. Meeting adjourned at approximately 2:40 p.m.

ATTEST:


Virginia Mondragon
Secretary/Treasurer


Robert M. Quintana
Board Chairman