

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
OCTOBER 29, 2015

The Board of Trustees Meeting of Thursday, October 29, 2015 was called to order by Robert M. Quintana, Board Chairman, at 12:50 p.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, Vice-Chairman
 Virginia Mondragon, Secretary/Treasurer
 James Ortiz, Member
 Robert Quintana, Board Chairman

Others LaDonna LaRan, Interim Manager/CFO
Present: Debbie H. Alexander, Administrator

2. INVOCATION – The invocation was led by Robert Baca, Vice-Chairman.

3. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was recited.

4. APPROVAL OF AGENDA – The Agenda was presented for review and approval. **A motion was made by Virginia Mondragon, seconded by Robert Baca, to approve the Agenda as presented. Motion carried unanimously.**

5. SAFETY REPORT – The Safety Report for the month of September 2015 was presented by LaDonna LaRan, Interim Manager. There were no accidents, near misses, nor on-the-job injuries in either Mora or Pecos. Mr. Roy O'Day of Statewide conducted training on CPR/AED Certifications.

6. RECOGNITION OF GUESTS –

a. Invited Speakers – (15 minute time limit)

1. Gibson & Frank – Insurance Brokers – Jan Gibson and Tom Frank with Gibson and Frank, Insurance Brokers, gave the full Board a presentation on the medical/dental insurance renewal for employees. The presentation included benefit comparisons between our current insurance carrier as well as other competitive insurance companies. After continued discussion, **a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve medical coverage with Cigna and dental coverage with Delta Dental. Motion carried unanimously.**

b. General Public Comment (5 minute time limit)

1. Jerome Lucero – Mr. Lucero addressed the Board regarding the following issues:

1. Las Conchas Fire - Courts recent decision
2. MSMEC Manager – Will he be replaced? Need stability
3. As a previous manager at MSMEC, he offered to help if needed

2. Gabe Estrada – Mr. Gabe Estrada addressed the Board regarding a previous issue which had already been addressed. Mr. Estrada wants a tree to be removed which he claims is our responsibility and on our easement. A letter had previously been sent to Mr. Estrada in April 2015 letting him know that this tree was not in our cooperatives right of way and that the tree in question would not be removed. Another copy of the letter was given to Mr. Estrada, which he claimed he had not received. A picture taken prior by our Operations Manager, Larry Barela, was passed around for review. Board Chairman, Robert Quintana and Vice-Chairman Robert Baca will make another trip to look at the property in question and then get back with Mr. Estrada.

7. ACTION OF REGULAR MEETING MINUTES HELD ON SEPTEMBER 25, 2015 – The Minutes of the Regular Board Meeting held on September 25, 2015 were presented for review and approval. **A motion to approve the minutes as presented was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 21 – PECOS 31) – A total of fifty-two new memberships were presented for review and approval. After review, **a motion to approval all new memberships was made by James Ortiz and seconded by Robert Baca. Motion carried unanimously.**

9. MANAGER'S REPORT

a. Delinquent Report – The Delinquent Report for the month of September 2015 was reviewed. There were a total of 897 delinquent consumer accounts totaling \$214,909.33. After collections, 85 of those accounts remained unpaid totaling \$16,902.59.

b. RUS Form 7 – Interim Manager, LaDonna LaRan, reported on RUS Form 7. Operating Revenue and Patronage Capital for the month of September 2015 was \$904,606, Cost of Purchased Power was \$405,572 and Total Operation & Maintenance Expense equaled \$704,272. Patronage Capital or Margins was \$56,865 for the month and YTD total was \$606,334. MSMEC net worth is at 41.5%. TIER is at 2.11% for the month and 2.47% YTD. DSC is at 1.73% for the month and 2.05% YTD. Our Cooperative debt is 10% REA Debt, 3% CFC Debt, and 87% CoBank Debt. Number of employees at MSMEC is 31.

c. Outage Report – The Outage Report for the month of September was reviewed. In mid-October an outage in the Mora area affecting 1000 consumers was due to an underground fault. Power was restored after 6.25 hours. Other outages were relatively small affecting a small number of consumers for no more than 2.5 hours.

10. FINANCE REPORT – A motion to approve and dispense with the reading of the Minutes of the Finance Meeting held earlier today, together with the approval of the Manager's Report, was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Virginia Mondragon, Tri-State Trustee, reported on Tri-State's monthly meeting. A few of the items covered included:

- ✓ Las Conchas Fire – Courts determination of guilt – Jemez Electric 75% - Tri-State 20% - US Forest Service 5%. Tri-State plans to appeal.
- ✓ Unanimous agreement to let Kit Carson withdraw from Tri-State contract. Money amount was not disclosed.
- ✓ Strategic Planning Session was held to prepare for the first of the year
- ✓ Next Tri-State's meetings are scheduled for November 10th and 11th

12. NMRECA TRUSTEE REPORT – Robert Baca, NMRECA Trustee, reported on the October meeting held in Las Cruces. A few of the items covered included:

- ✓ Clean Power presentation is scheduled in Santa Fe on Thursday, November 5th from 3 – 5 p.m.
- ✓ Discussion on money being used to help politicians help our cooperatives
- ✓ There were no NM ACRE Coop members at the Region 10 Meeting held in Albuquerque

13. ON-GOING BUSINESS

a. Re-Districting – Proposal from Research & Polling, Inc. – The Board was polled on the re-districting proposal submitted by Michael Sharp with Research & Polling, Inc. After some discussion, the full Board agreed to go with Option 2. Option 2 re-districting plan will include using both census and member data. Further discussion/meetings will follow.

b. Bylaws – Update – LaDonna LaRan, Interim-Manager, advised the Board that she had contacted Lorna Wiggins in regards to helping us with the re-writing of the bylaws. Ms. Wiggins deferred this work to Bruce Wiggins since he has worked on bylaws before. Ms. LaRan is to contact Mr. Wiggins and set up a phone conference. Board members were also asked to review the current bylaws and make notes of any changes or additions which they feel are needed.

c. Cost of Service Study – Update – After a short discussion as to where we are at with the cost of service study and whether to move forward with it, Mr. Justin Proctor with Guernsey will be contacted to further continue with the discussion.

d. Resolution – Rincones Presbyterian Credit Union – After last month's approval of a \$100,000 CD investment with Rincones Presbyterian Credit Union, papers need to be signed as well as an approval of Resolution presented. **Robert Baca motioned to approve the Resolution as presented to the Board. Motion was seconded by James Ortiz. Motion carried unanimously.**

e. Resolution - Audit Firm – Bolinger, Segars, Gilbert & Moss, LLP – Resolution to have Bolinger, Segars, Gilbert & Moss, LLP conduct our audit for year ending December 31, 2015 was presented to the Board. **A motion to approve this resolution as presented was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.**

f. Tri-State’s Advice Notice No. 21 – Rate Schedules filed with NMPRC on 10-9-15 – For information only.

g. Tri-State’s Power Bill & MSM Solar Bill – For information.

14. NEW BUSINESS

a. Approval of Deceased Capital Credits – After review and discussion on the pending capital credits on deceased patrons from 2011 through 2014, **a motion to approve and pay out the pending 2011 deceased patron capital credits totaling \$20,294.61 was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.** This matter will be reviewed again after the first of the year.

b. District 5 Election Scheduled – December 15, 2015/Proclamation of Special Election – For information only.

c. NRECA Training Courses – December 8th and 9th – For information only.

15. CORRESPONDENCE

a. Tri-State Announces 25-Megawatt Alta Luna Solar Project – For information only.

b. Tri-State to buy NM Solar Power – For information only.

c. La Voz de Mora – Mora/San Miguel Solar Project – Update – For information only.

d. El Paso Electric faces setback – For information only.

16. INFORMATION

a. Calendar of Events – Statewide Meeting is scheduled for November 5th & 6th. Tri-State Meeting is scheduled for November 10th and 11th. MSMEC Offices will be closed on November 11th in observance of Veteran’s Day. Finance and regular Board Meeting are scheduled for Wednesday, November 25th starting at 10:00 a.m. MSMEC Offices will be closed on Thursday, November 26th and Friday, November 27th in observance of the Thanksgiving Holiday.

A motion to move out to Regular Session and into Executive Session was made by Robert Baca, seconded by Virginia Mondragon. Motion carried unanimously.

17. EXECUTIVE SESSION

a. Personnel Matters

b. Update on Union Matters

c. Review of Tri-State Mediation

d. Retirement of Capital Credits

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

18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – No action taken.

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

20. ADJOURNMENT – A motion to adjourn today's meeting was made by James Ortiz and seconded by Virginia Mondragon. Motion carried unanimously. Meeting adjourned at 3:05 p.m.

ATTEST:


Virginia Mondragon


Robert M. Quintana