

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
NOVEMBER 30, 2016

The Regular Board Meeting of Wednesday, November 30, 2016 was called to order at 10:49 a.m. by Robert M. Quintana, Board Chairman.

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, Board Chairman

Others LaDonna LaRan, Interim CEO/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 – Today's Agenda was presented for review and approval. The following amendments were added: 13. On-Going Business – d. Resolution – Aclara/TWACS Metering System; and e. Resolution - Dilia Upgrade Project. **A motion to approve the Agenda with amendments was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

5. SAFETY REPORT – The Safety Committee Minutes were reviewed.

- There were neither accidents nor near misses to report in Mora or Pecos.
- There was an on-the-job injury to one of our Meter readers, who was bit by a dog several times and had to be taken to the emergency room. Another employee was hit on the forehead with some conduit causing a small cut.
- Repairs to one of the restrooms in our Pecos office were finished.
- Cell phones will be provided for each service truck as per the CBA.
- The new Dilia line upgrade has gone out for bids. The new line will be converted into 3-phase and will take 9 months to complete.
- A mobile substation is being set up at the Storrie Lake Substation – breakers will be installed before the transformer so that if there is a fault, it will de-energize at the breaker instead of the transformer.
- Correction on last month's minutes dated September 13, 2016 – George Valdez and Isaiah Romero took the CPR class, not Martin Teran.

- The Line Department was trained on Fiberglass Booms and Sticks and Aerial Device Rescue. Training took place on October 19th.

6. RECOGNITION OF GUESTS –

a. Invited Speakers – (15 minute time limit)

1. Presentation from Cigna on Insurance Renewal Rates for 2017 – Jan Gibson & Tom Frank – Mr. Tom Frank and Mr. Jim Templeton with Gibson & Frank were in attendance at today's meeting to present the medical insurance renewal rates for 2017. Ms. Gibson was unable to attend. Mr. Frank stated that his firm has been involved with MSMEC's insurance coverage since 2011. As with most coverages, there was an increase in MSMEC's insurance rates. This was also due to two large on-going claims within our group.

b. General Public Comment (5 minute time limit) –Tim Hagaman – Economic Development Division– Anton Chico Projects – No show.

7. ACTION OF REGULAR MEETING MINUTES HELD ON OCTOBER 27, 2016 – The Minutes of the meeting held on October 27, 2016 were presented for review and approval. After a short review, **a motion to approve the Minutes as presented was made by Virginia Mondragon and seconded by Robert Baca. Secretary Mondragon, Vice-Chairman Baca and Chairman Quintana voted to approve the Minutes. Joe C de Baca and James Ortiz abstained as they were not present at that meeting. Motion carried.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 20 – PECOS 12) - New memberships were presented for review and approval. After reviewing the 32 new memberships, one of the memberships was questioned but was later clarified by an employee. **A motion was then made to approve all 32 new memberships. Motion was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.**

9. MANAGER'S REPORT

a. Delinquent Report – Delinquent Report was not available for review.

b. RUS Form 7 – The RUS Form 7 was reviewed by Ms. LaRan. Year-to-date totals for Operating Revenue and Patronage Capital was at \$10,084,776; Total Operation & Maintenance Expense equaled \$7,573,608; Total Cost of Electric Service was \$8,885,641; Patronage Capital & Operating Margins was \$2,299,135; and Patronage Capital or Margins equaled \$1,220,315. Total for YTD TIER was 3.79%, OTIER was 3.74%, DSC was 2.57%, and ODSC was 2.55%.

c. Outage Report – There was a short review of the Outage Report for the month of October. The longest outage affected two consumers in the Storrie Project area for 14.75 hours due to a bad primary cable. Another outage affecting 2000 consumers for 2.25 hours was due to a blown fuse at the substation.

10. FINANCE REPORT – After discussion and review of the Finance Meeting Minutes held earlier today, **a motion for approval of the Form 990's was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously. A motion was made to re-**

invest a \$250,000 CD at Southwest Capital Bank, depending on the interest rate given for one year. To finalize the \$250,000 CD at Community 1st Bank. Motion carried. Robert M. Quintana abstained. A motion to transfer \$2 million to Community 1st Bank was made by James Ortiz and seconded by Robert Baca. Motion carried. Robert M. Quintana abstained. Another motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the Manager's Report and to dispense with the reading of the Finance Minutes. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on the November Meeting. Some of the items covered included:

- Compliance Reports – all were approved
- Newsletters will go out to all managers with summary of meetings
- Board judiciary duties
- Strategic Planning – Ideas?
- Discussion on power line control – all power lines tied together
- Wind Turbines

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, Statewide Trustee, reported on their November meeting held in Santa Fe. A few of the items covered included:

- The passing of long-time CNMC Director, Leandro Abeyta, from Vaughn, NM
- Discussion continued on roof-top solar – entity and individual
- Long Rope Safety Award – deadline is February 1st, 2017
- Tim Morrow from Springer Electric was appointed to Budget & Finance Committee
- During the October meeting, Socorro's Resolution to support the use of mail-in ballots was defeated.

13. ON-GOING BUSINESS

a. Federated Rural Electric Insurance Exchange – 2-Year Term Policy – Email was sent advising MSMEC that no additional documentation was needed to proceed with the 2-year term policy which was given Board approval at our meeting last month.

b. By-Law Discussion – There was some discussion about continuing the by-law review by the Board of Directors and some staff members. A special meeting will be scheduled for this during the calendar portion of today's meeting.

c. Tri-State's Power Bill & MSM Solar Bill – October's Tri-State power bill totaled \$397,527.97 and MSM Solar bill was \$30,217.95.

d. Resolution - Aclara/TWACS – After review, a motion was made by Virginia Mondragon, seconded by Robert Baca, to approve the Board Resolution of the agreement between MSMEC and Anixter Inc. with full deployment of the Aclara TWAC Metering System at a cost of \$2,347,303.96. Motion carried unanimously.

e. Resolution - Dilia Upgrade Project – After review, Robert Baca, seconded by James Ortiz, motioned to approve the Board Resolution awarding the Dilia Upgrade Project to Gila Cut-Out Construction at a price of \$2,296,733.20 with the condition that all copper wire is returned to MSMEC. Motion carried unanimously.

14. NEW BUSINESS

a. Letter from NRECA on Credentialed Cooperative Director (CCD) Pins and Certificates of completion for Virginia Mondragon and James Ortiz – Virginia Mondragon and James Ortiz were presented with certificates and pins for their completion of the NRECA Credentialed Cooperative Director (CCD) Program. Directors must complete a series of educational courses/training to receive this accomplishment. The next step in continuing their education is the Board Leadership (BLC) Certificate or Director Gold Program. Congratulations to both Ms. Mondragon and Mr. Ortiz.

b. Discussion on Transformer Size and Rates for Large Business Accounts – Tabled.

c. CoBank, ACB – Special Meeting of Stockholders – Proxy Form – For information

d. 2017 NRECA Annual Meeting & Expo – Registration – Monday, February 27, 2017 thru Wednesday, March 1, 2017 – Pre-Meeting Education – Saturday &/or Sunday Feb, 25 & 26 – After some discussion, arrangements will be made for all board members to attend the Annual Meeting to be held in San Diego. The Board was in agreement to also send Larry Barela, Operations Manager, and Marty Armijo, Pecos District Manager, to attend the Meeting and Expo. This will familiarize them with new ideas and equipment that is available at the Expo.

15. CORRESPONDENCE

a. Thank you letter to Pecos Linemen – For information.

16. INFORMATION

a. Calendar of Events – Statewide meetings are scheduled for December 1st and 2nd in Santa Fe. Tri-State Meetings are scheduled for December 6th & 7th. MSMEC Special Meeting on By-Law Review is scheduled to be held on Monday, December 19th at 519 Douglas Avenue in Las Vegas, NM at 3:00 p.m. MSMEC Offices will be closed in observance of the Christmas holiday on Friday, December 23rd and Monday, December 26th. Our Finance and Regular Board Meetings are scheduled for December 28th starting at 10:00 a.m. @ the Boardroom in Mora.

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

17. EXECUTIVE SESSION

a. Personnel Matters

b. Update on Union Matters

c. Litigation Matters

d. Aclara/TWACS – Contract Approval

e. Management – General Matters

f. Meter Readers

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

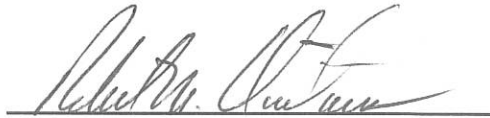
19. OTHER BUSINESS TO COME BEFORE THE BOARD – After some discussion, a motion was made by Robert Baca and seconded by Virginia Mondragon to bring in a consultant to assist in analysis of the office matters. Motion carried unanimously.

20. ADJOURNMENT – A motion to adjourn was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously. Meeting adjourned at 5:34 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman