

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
JANUARY 26, 2017

The Regular Board Meeting of January 26th, 2017 was called to order by Robert M. Quintana, Board Chairman, at 10:48 a.m.

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 Les W. J. Montoya, Manager
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. The following amendments were added: 9 – Manager’s Report – d. Management Travel Report; 13 – On Going Business - f. Bylaw Changes; and 14 – New Business – i. IRS Mileage Rate Change. **A motion to approve today’s Agenda with amendments was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

5. SAFETY REPORT – The Safety Committee Minutes of the meeting held on December 14, 2016 were reviewed by LaDonna LaRan:

- There was a minor incident in Mora. A meter reader was stung by a bee on left cheek and received first aid for the sting.
- There were no accidents in Pecos.
- No near misses or on-the-job injuries in either Mora or Pecos.
- Windshield on meter reader truck needs to be replaced but was not reported to supervisor. Driver vehicle inspection reports should be done daily.
- Question was asked as to the lineman’s jackets and if they were going to get 2 new jackets – one for the winter and one for the summer. The winter jackets they presently have are not warm. The Coop will now order insulated jackets for the linemen and let them use the ones they now have for the summer.

- Broken work tools will be replaced.
- Questions were asked about the on-call schedule for the next 6 months.
- Work replacing the primary cable at Glorieta 2.0 will begin.

6. RECOGNITION OF GUESTS –

- a. **Invited Speakers – (15 minute time limit) - None**
- b. **General Public Comment (5 minute time limit) - None**

7. ACTION OF REGULAR MEETING MINUTES HELD ON DECEMBER 28, 2016

ACTION OF EMERGENCY MEETING HELD ON JANUARY 2, 2017

ACTION OF SPECIAL MEETING HELD ON JANUARY 12, 2017 – After reviewing all three sets of minutes, a motion to approve the minutes of December 28, 2016, January 2, 2017 and January 12, 2017 was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.

8. APPROVAL OF NEW MEMBERSHIPS (MORA 12 – PECOS 7) – After review of the 19 new memberships, a motion to approve all new memberships was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.

9. MANAGER’S REPORT

- a. **Delinquent Report** – LaDonna LaRan reported on the Delinquent Report for December 2016. There were 1046 delinquent accounts totaling \$239,700.93. After collections, 171 accounts remained unpaid for a total of \$46,272.45.
- b. **RUS Form 7** – Ms. LaRan reported on the RUS Form 7 for the month of December. Operating Revenue and Patronage Capital was \$962,185, Cost of Purchase Power was \$644,752 and Total Operation & Maintenance Expense was \$1,007,152. Patronage Capital or Margins was (\$178,963) for the month and \$794,833 YTD. MSMEC has 10,928 consumers and 1,950 miles of line. Year-to-date TIER is 2.51%, OTIER is 2.46%, DSC is 1.98% and ODSC is 1.96%.
- c. **Outage Report** – The Outage Report for December 2016 was reviewed. Most outages were short in duration with not too many consumers affected. An outage in the Buena Vista area affected 50 consumers for 8.75 hours due to a bad transformer. There were a couple of outages on Christmas day. One affected 80 consumers for 6 hours due to the high winds and trees on power lines. The other outage on that day affected 5 consumers for 2.5 hours due to a blown fuse.
- d. **Management Travel Report** – Les Montoya, Manager, distributed a handout to the Board Directors summarizing what he observed and learned on his meeting and trip with David Spradlin, General Manager, at Springer Electric Cooperative. Mr. Montoya also summarized his trip to Santa Fe to meet with Keven Groenewold, Ed Rougemont and Vincent Martinez at the NMRECA Office (Statewide). Mr. Montoya went to the NMPRC building and met with the PRC Commissioners. The board praised Mr. Montoya for providing them with this information.

10. FINANCE REPORT – A motion was made by Robert Baca, seconded by Joe C de Baca, to approve the minutes of Finance Meeting held earlier today, to dispense of the reading of those minutes and to approve the Manager’s Report. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their January 2017 meeting. Strategic planning was the main topic during this meeting. There was a long discussion concerning a possible rate increase and whether it will be one big increase or several small ones.

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

- RUS loan rates – short term loans @ .53% and long term loans @ 2.79%
- Keven Groenewold went over the mission statements
- Long Rope Safety Award deadline is February 1st
- CFC Financial workshop
- Annual Meeting will be held in Ruidoso on May 22nd – 25th
- ACRE Membership
- Director courses will be held in August and December
- Jemez Mountain Electric withdrew from Statewide

13. ON-GOING BUSINESS

a. Youth Tour Essays & Selection – The Board was presented with essays submitted by four students from Mora High School. No other students from the other five high schools in our service area submitted an essay. After reviewing all essays on the topic of “The Biggest Challenges Facing Electric Cooperatives”, the full Board agreed that all essays were well written and very informative. The final selection was made and the two students awarded the Youth Tour to Washington, D.C., from June 10th to the 16th, are Luzia Manuel and Alonzo Aragon. Letters will be sent to all four students and to the school counselor. Congratulations to all students for their hard work.

b. Status Report – Meter System Upgrade – Gwen Mascarenas, COO, reported on the TWACS Project update. A presentation was held on January 11 by Anixter representatives and in attendance were Les Montoya, LaDonna LaRan, Larry Barela, Jason Trujillo and Gwen Mascarenas. The purpose for the TWAC’s project is:

- To provide timely & accurate meter readings
- Phase out antiquated Turtle meters/software
- Phase out antiquated Itron/handheld devices
- Software will assist us in pinpointing location of outages, number of consumers without power, etc.
- Provide usage data and statistics for staff and consumers for high bill complaints

Estimated timeline will be provided at our next board meeting. A conference call will be set up with Anixter with questions about the communications portion of the project being part of our package.

c. Billing Software Upgrades – Gwen Mascarenas, COO, presented an update on the billing software. The purpose for the upgrade is to utilize the new and improved net metering package. The new features and enhancements will assist cashiers and member service representatives in performing their duties. There have been issues with Daffron and with the updates, that are available at no additional cost, we will now move forward.

d. Letter and Resolution to Southwest Capital Bank – The Board of Directors were presented with a letter and resolution to Southwest Capital Bank to allow Mr. Les Montoya, Manager, to have access to MSMEC accounts and/or investments. After review, **a motion was made by James Ortiz and seconded by Joe C de Baca to approve the letter and resolution to Southwest Capital Bank. Motion carried unanimously.**

e. Tri-State's Power Bill & MSM Solar Bill – The Tri-State power bill for the month of December was \$622,953.49 and the MSM Solar bill was \$21,798.59 with a credit from Tri-State of \$14,399.13.

f. Bylaw Changes - Tabled.

14. NEW BUSINESS

a. Transmittal Letter introducing Les Montoya as our Manager together with RUS Form 87 – Letter to RUS introducing Mr. Les Montoya as our Manager was provided for review together with RUS Form 87. Signatures were obtained from our Board and our Manager so that it may be mailed to RUS office in Washington, D.C.

b. Resolution and RUS Form 674 – Certificate of Authority to Submit or Grant Access to Data – In accordance with the requirements of RUS, Resolution and RUS Form 674, Certificate of Authority to Submit or Grant Access to Data were presented to the Board. **A motion to approve both Resolution and RUS Form 674 was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

c. Resolution and RUS Form 675 – Certificate of Authority – After review, **a motion was made by Robert Baca, seconded by Joe C de Baca, to approve form of resolution to accompany RUS Form 675 authorizing Les W. J. Montoya, Robert M. Quintana and Virginia Mondragon to sign RUS Form 595, Financial Requirement and Expenditure Statement. Motion carried unanimously.**

d. NRECA Voting Delegate Certification – After review of the NRECA Voting Delegate Certification for the 2017 Annual Meeting, **Virginia Mondragon motioned, seconded by Joe C de Baca, for Robert Baca to be the voting delegate and Robert Quintana the alternate. Motion carried unanimously.**

e. Official Notice of CFC 2017 Annual Membership Meeting, Delegate Registration Card for 2017 and 2016 Minutes –Ms. Virginia Mondragon motioned, seconded by Joe C de Baca, to have Robert Baca also serve as voting delegate for CFC and Robert Quintana as alternate. **Motion carried unanimously.**

f. Proclamation of Election 2017 – The Proclamation of Election for 2017 elections was presented for review. There will be three district elections as follows:

- ✓ District 4 – April 25, 2017
- ✓ District 1 – May 2, 2017
- ✓ District 5 – May 9, 2017

g. Joint Pole Agreement – Les Montoya, Manager, presented the Board a copy of a draft Joint Pole Agreement for their review. Mr. Montoya looked at what MSMEC currently has in place since 1984, and after checking with other Coop managers, recommends the version provided. Our attorney also reviewed the agreement and modified it to fit our Coop. Mr. Montoya stated that he met with members of our staff and is now preparing to do some work on our agreements already in place. We currently have a pending request from ENMR wanting to attach to our poles. The current agreement is for twenty-five years, which is a long time. We would like to change the agreement to be for a 10-year term not 25 years. Mr. Montoya also stated that we need to update the cost so that it is consistent with everyone attaching to our poles. The agreement form will be looked at further so as to finalize it and move forward.

h. Western United Electric Annual Meeting Agenda, Delegates & Alternates – For review and information. No one from MSMEC will be in attendance.

i. IRS Mileage Rate Change – The IRS mileage rate has changed from .54 to .53.5 in 2017. **Motion was made by Robert Baca, seconded by Joe C de Baca, to follow the IRS guidelines as per board policy and pay .53.5 per mile for employee or board member travel. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **Email on Linemen and Marty Armijo** – For review and information only.
- b. **Techline – Customer Appreciation @ NRECA Annual Meeting** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Statewide is scheduled to have their meetings on February 2nd and 3rd. Tri-State will meet on February 7th and 8th. MSMEC is scheduled to have its Finance and Regular Board Meetings on Friday, February 24th starting at 10:00 a.m. NRECA Annual Meeting is scheduled for February 27th, 28th, and March 1st in San Diego, CA.

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

17. EXECUTIVE SESSION

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

A motion to be back into Regular Session was made by Robert Baca, seconded by James Ortiz, Motion carried unanimously.

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

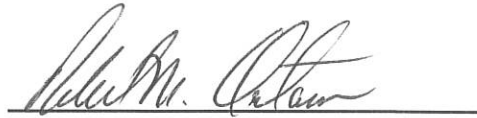
19. OTHER BUSINESS TO COME BEFORE THE BOARD – None.

20. ADJOURNMENT – A motion to adjourn today’s meeting was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously. Meeting adjourned at approximately 3:25 p.m.

ATTEST:



**Virginia Mondragon
Secretary/Treasurer**



**Robert M. Quintana
Chairman**