

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
APRIL 27, 2017

The Regular Board Meeting of April 27, 2017 was called to order by Robert M. Quintana, Board Chairman, at 10:45 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca
Joseph C de Baca
Virginia Mondragon
James Ortiz
Robert Quintana

Others Present: Les W. J. Montoya, General Manager
Debbie H. Alexander, Administrative Assistant
LaDonna LaRan, Finance Manager

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 for today's meeting was presented for review and approval. The following was added to today's Agenda: On Going Business (h) Community Meetings regarding Bylaws; and, Executive Session (d) Bylaw Proposals. **A motion to approve today's Agenda with two amendments was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

5. SAFETY REPORT – Les Montoya, General Manager, reported on the Safety Committee Minutes of March 17, 2017. Items covered included:

- There were no accidents, near misses, incidents or on-the-job injuries for Mora or Pecos
- Problems with dispatch are still occurring
- Dilia up-date project has started and moving quickly
- The Current Transformer (CT) and the Potential Transformer (PT) at the Storrie Lake Substation are waiting to be replaced
- The digger truck is being evaluated to see what repairs need to made to it
- Larry Rose, GIS Analyst, is working on the mapping process
- Building improvements are being addressed
- Linemen from both offices were trained on transformer connection & trouble shooting Board. Also on checking voltages & voltage regulators hazards and office ergonomics

6. RECOGNITION OF GUESTS –

- a. Invited Speakers – (15 minute time limit) - None.**
- b. General Public Comment (5 minute time limit) – None.**
- c. Introduction of Employees –** Manager Les Montoya introduced our new employee, Daniel Martinez, Journeyman Lineman. Mr. Martinez has been with our Coop for nearly a month. Daniel addressed the Board stating that he has been a lineman for ten years, most recently at Kit Carson Electric. He also thanked MSMEC for the opportunity to work here and said he will to his best here.

Other Guests Present: Jacob Regensberg, Agnes Padilla, Anna Marie Trujillo and Tom R. Martinez.

7. ACTION OF REGULAR MEETING MINUTES HELD ON MARCH 23, 2017 – The Minutes of the Regular Board Meeting held on March 23, 2017 were presented for review and approval. After review, **a motion to approve the Minutes of March 23, 2017 was made by Virginia Mondragon, seconded by Joe C de Baca. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 17 – PECOS 17) – A total of 34 new memberships were presented for approval. After a short discussion, **a motion to approve all new memberships presented was made Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. 2016 Audit Report – Randy Robbins – Bolinger, Segars, Gilbert & Moss, L.L.P.**
- b. Delinquent Report –** The Delinquent Report was reviewed. There were 832 delinquent accounts totaling \$234,772. After collections, 456 of those accounts remained unpaid for a total of \$130,230.
- c. RUS Form 7 –** General Manager Montoya went over some of the items on RUS Form 7. Operating Revenue and Patronage Capital for the month of March was at \$886,373, Cost of Purchased Power was \$522,428 and Total Operation & Maintenance Expense was at \$869,667. Total Cost of Electric Service was at \$1,002,477. The percentage of Line Loss was 12.8 for the month and 5.5% YTD. TIER for the month was at -1.62% and 2.90 YTD. Negative number on TIER for the month is due to a timing issue as many large payments are made on a quarterly basis affecting the TIER.
- d. Outage Report –** Mr. Montoya reported there were a total of 27 outages in the month of March, with a cumulative total of 122 hours for these outages. Mr. Montoya provided the Board with a handout showing the outage log for 2016.

10. FINANCE REPORT – A motion to approve the Finance Minutes of the meeting held earlier today, dispensing of the reading of those minutes, and the approving of the Manager's Report was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on Tri-State’s April Meeting: A few of the items covered included:

- Legislation
- Since 2009, there are 137 new restrictions affecting the cost of power.
- Continued effort to eliminate Coal Plants
- Solar & Wind Power cannot generate enough power
- Strategic Planning Survey

12. NMRECA TRUSTEE REPORT – Robert Quintana, NMRECA Trustee, reported on their April meeting held in Santa Fe. Some areas covered included:

- Mr. David Spradlin reported to the Board that 226 Congressional house members signed letters supporting the RUS Electric Loan Program
- Mr. Larry McGraw, RUS, reported that the long-term loan interest rate is 2.65% and short-term is 0.81%
- RUS has still not hired a new administrator
- Keven Groenewold, NMRECA, reported on the on-going easement issue and the NM State Land Office. They have now accepted NMRECA’s proposed fees
- Save-the-date for the NMRECA Annual BBQ to be held on Thursday, August 31st
- Mr. Groenewold provided the Board a copy of NRECA’s analysis of President Trumps initial budget proposal

13. ON-GOING BUSINESS

a. Annual Meeting Discussion – Use of School Facilities – There was a short discussion concerning the use of the school cafeteria for the luncheon for the Annual Meeting. The cafeteria will be under some construction work during that time and unavailable. Staff will inquire about holding the meal at the local VFW Hall if it is available on June 24th.

b. Update on Capital Credits & Payment Approval – LaDonna LaRan, Finance Manager, presented an update on the capital credit payment process. A total of approximately 16,000 checks will be issued to MSMEC consumers totaling \$2.6 million. Payment of these capital credits will consist of 11 years, 1989 through 2000. The process of cutting these checks will begin in mid-June. Completion will take office staff a number of weeks before these checks can be mailed out to our consumers. **A motion to approve the payment of capital credits from years 1989 through 2000 was made by James Ortiz, seconded by Robert Baca. Motion carried unanimously.**

c. 2017 Cost of Service and Rate Study -

d. Yearly Blanket Bid Information on Line Material Purchases – May 1, 2017 – December 31, 2017 – The yearly blanket bid information on purchasing line materials was presented to the Board and reviewed by April Duran, Systems Operations Supervisor. April stated that she had solicited bids for all materials used except for poles because pole prices tend to change from day to day. Since the attached quotes were received, some prices have already gone down as the market gets more competitive. Two companies never responded. After some discussion and questions, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to go with April’s recommendations to purchase items at the best price. Motion carried unanimously.**

e. Electric Consumption Services Supervisor – Job Description – Manager Montoya presented the Board with the Electric Consumption Services Supervisor Job Description, which deals with all aspects of the monthly meter readings. Previous job description classification was Meter Reader Supervisor. **A motion to accept the reclassification to the new job description was made by Joe C de Baca, seconded by Robert Baca. Motion carried unanimously.**

f. Resolution authorizing RUS Loan 14 AE8 Termination - Date Extension – Manager Montoya presented the Board with a cover letter and Resolution requesting an extension of our RUS Loan termination date of September 2017 to be extended to September Of 2018 in accordance with 7 CFT 1714.56. This extension is requested to complete the Dilia Upgrade and the AMI installation. **A motion to approve RUS Resolution requesting a date extension on RUS Loan 14 AE8 was made by Robert Baca, seconded by Joe C de Baca. Motion carried unanimously.**

g. Tri-State's Power Bill & MSM Solar Bill – The Tri-State power bill for March 2017 was \$491, 857 and the MSM Solar was \$30,570.

h. Community Meetings regarding Bylaws – Community meetings will be scheduled in Mora, Las Vegas, Pecos and San Miguel to go over bylaw amendments that will be presented for adoption at the Annual Meeting on June 24, 2017. **A motion to schedule this community meetings to present and review bylaw amendments with our Cooperative members was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

14. NEW BUSINESS

a. Notice of NRECA Director Election – After review, a motion was made by Virginia Mondragon, seconded by Joe C de Baca, that Robert Baca will serve as Voting Delegate and Robert Quintana will serve as Alternate. **Motion carried unanimously.**

b. PRC Filing – Advice Notice No. 60 – Second Revision to Rate No. 12 – Manager Montoya advised the Board that the Advice Notice No. 60, second revision to Rate No. 12, dealing with net metered customers had been filed with PRC. MSMEC will now provide monthly banking (carrying forward and crediting to the customer's bill) of any net excess energy supplied by a net metered customer to MSMEC unless service by MSMEC is terminate for any reason, in which case any unused credits for excess kWh generated shall be paid to the net metered customer at the Coop's applicable energy rate. **A motion to accept the filing was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

15. CORRESPONDENCE – None.

16. INFORMATION

a. Calendar of Events – District 1 Election will be held in Mora on May 2nd. Tri-State Meeting is scheduled for May 2nd & 3rd. The Statewide Annual Meeting will be held in Ruidoso, NM on May 23rd, 24th, and 25th. CFC Workshop will also be held in Ruidoso on May 22nd. MSMEC Offices will be closed on Monday, May 29th in observance of Memorial Day. Tri-State Manager's Orientation will be held on May 30th in Denver.

MSMEC Finance and Regular Board Meeting are scheduled for Wednesday, May 31st starting at 3:00 p.m.

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
- d. Bylaw Proposals

A motion was made by Virginia Mondragon, seconded by Robert Baca, to move out of Executive Session and back into Regular Session. 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 and seconded by Virginia Mondragon. Motion carried unanimously. Meeting adjourned at 3:20 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman