

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
AUGUST 29, 2017

The Regular Board Meeting of August 29, 2017 was called to order at approximately 10:51 a.m. by Board Chairman, Robert M. Quintana.

CALL TO ORDER:

1. ROLL CALL AND DETERMINATION OF QUORUM

Present:	Robert Baca, Vice-Chairman Joseph C de Baca, Member Virginia Mondragon, Re-elected Member James Ortiz, Secretary/Treasurer Robert M. Quintana, Board Chairman
Others	Les Montoya, General Manager
Present:	Debbie H. 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 for today's meeting was presented for approval. The following amendments were made to the Agenda: Move Installation of Re-Elected Board Member – Virginia Mondragon to #5; #13 – c. Board Policy No. 209 – Employment Benefits for MSMEC Non-Exempt and Exempt Employees will be discussed during Executive Session and then brought back into regular session; #17 – Executive Session will be move up to start at 12 noon due to one Board Members' need to leave early. **A motion to approve Agenda with amendments was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**

5. INSTALLATION OF RE-ELECTED BOARD MEMBER – VIRGINIA MONDRAGON – DIRECTOR'S CREED – Virginia Mondragon was re-elected as the District 1 Trustee at the Special Election held on August 23, 2017. As per MSMEC Board Policy 104-B, Ms. Mondragon read the Director's Creed prior to being installed to the District 1 Trustee position. Ms. Mondragon was welcomed back.

6. SAFETY REPORT/MINUTES – Les Montoya, General Manager, reported on the Safety Committee Minutes of the meeting held on August 21, 2017. The following was reported for the month of July:

- ✓ There were no accidents, near misses nor on-the-job injuries in Mora or Pecos

- ✓ There was one incident to report in Mora. A lineman was headed to do a line locate when the tensioner pulley on his unit locked up causing the serpentine belt to cut disabling the power steering and brakes. The truck had to be towed and repaired.
- ✓ There was also an incident to report in Pecos. The line crew went to a residence to install a 40-foot pole. The consumer had installed their water line in the same trench as MSMEC's electric line conduit. When the line crew started to dig, they hit the water line.
- ✓ Linemen has some concerns regarding the Merchant's Program
- ✓ Systems Operations Manager position in Pecos is still open. A committee has been assembled to assist in the interviewing process
- ✓ The roofs on both MSMEC buildings and the water line will be redone
- ✓ There was approval for purchase of a new digger truck
- ✓ An employee from the meter department was offered the position of Apprentice Lineman and was transferred to the line department on July 17th
- ✓ The installation of the AMI System at the substations has been completed
- ✓ RESAP will be at MSMEC to begin the walk through of the Cooperative
- ✓ Linemen were trained on Pole Top Rescue and Practices and reviewed the RESAP process and walk-through

7. 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.**

8. ACTION OF REGULAR MEETING MINUTES HELD ON JULY 20, 2017 AND ACTION OF EMERGENCY MEETING MINUTES HELD ON JUNE 26, 2017 – The minutes of the meetings held on June 26, 2107 and July 20, 2017 were presented for review and approval. After review, a motion to approve both sets of minutes was made by James Ortiz and seconded by Robert Baca. Motion carried.

9. APPROVAL OF NEW MEMBERSHIPS (MORA 29 – PECOS 23) – A total of 52 new memberships were presented for review and approval. After review, a motion to approve all new memberships was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.

10. MANAGER'S REPORT

- a. **Delinquent Report** – Les Montoya, General Manager, reported on the Delinquent Report for the month of July. There were a total of 1013 delinquent accounts totaling \$541,457.42. After collections, 599 accounts remained unpaid for a total of \$157,849.64.
- b. **RUS Form 7** – The Operating Revenue and Patronage Capital for the month of July was at \$925,958, Cost of Purchased Power was \$499,124, Total Operation &

Maintenance Expense was \$825,672 and Total Cost of Electric Service was at \$953,066. TIER was at 0.34% for the month and 2.66% year-to-date.

- c. **Outage Report** – The Outage Report was reviewed. A majority of the outages reported were due to storms and lightening. During the month of July, there were 25 outages in the District 2 area affecting consumers in this area quite often.

11. FINANCE REPORT – The minutes of the Finance Meeting held earlier today were presented for review. **A motion to approve these minutes, to dispense with the reading of these minutes, and to approve the Manager's Report was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

12. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on Tri-State's August Meeting. Some of the items covered are as follows:

- Tri-State - most solar energy of all G & T's in the US
- Review of Energy Efficient Programs in September and October
- Tri-State has received 12 safety awards
- Cost savings of Management
- Educational programs will be available to schools
- Budget will be lower in 2018

13. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their August Meeting. Some of the items covered included:

- Mr. Gary Rinker, General Manager, from Southwestern Electric Cooperative in Clayton will retire in February. Mr. Travis Sullivan, Assistant Manager, will take over as General Manager
- Mr. David Spradlin reported that NRECA Board approved a 2.3% increase for the 2018 dues – Mr. Spradlin opposed the increase
- Mr. Larry McGraw, RUS, reported the long-term interest rate is 2.59% and short-term is 1.08%
- Mr. Groenewold brought to the Board a copy of NMRECA's Status of Strategic Goals
- A Bylaws comparison grid and definitions of all NM Cooperative's individual Bylaws was brought to the Board
- Region 10 Meeting will be held in Scottsdale, AZ from October 31 – November 2, 2017
- Letters were provided from those Board Members seeking election to Federated Rural Electric Insurance Exchange Directors position for Region 8-10

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

14. EXECUTIVE SESSION

- a. Personnel Matters
- b. Update on Union Matters
- c. Litigation Matters
- d. Board Policy No. 209 – Employment Benefits for MSMEC Non-Exempt and Exempt Employees

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

15. ON-GOING BUSINESS

a. NRECA – Adoption Agreement “A” – 401 (K) Pension Plan – Ms. Julie Pacheco, HR Director, presented the renewal of the NRECA Adoption Agreement “A” 401(k) Pension Plan for approval. Ms. Pacheco indicated that there were no changes in the plan. **A motion to approve the 401(K) Pension Plan as presented was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

b. Bid Award and Rejection for MSMEC Building Improvement Projects – Manager Montoya presented the Board information on the MSMEC building improvement projects. Mr. Montoya recommended awarding Bid Lot #1, Administration and Boardroom Roofing, to JMC Roofing for the amount of \$36,440; and Bid Lot #4, Water Line, to Sophia’s Plumbing for \$4,700. In addition, Mr. Montoya recommended the rejection of Bid Lots #2, Building Remodeling and #3, Asphalt. **A motion was made by Virginia Mondragon and seconded by Joe C de Baca to authorize General Manager Montoya to award Bid Lots # 1 and #4. Motion carried unanimously. A motion to reject Bid Lots #2 and #3 was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

c. Board Policy No. 209 – Employment Benefits for MSMEC Non-Exempt and Exempt Employees – After review of Board Policy No. 209 in Executive Session, item was brought back into regular session. After a short discussion, **a motion to approve Board Policy No. 209, Employment Benefits for MSMEC Non-Exempt and Exempt Employees, was made by Joe C de Baca, and seconded by Robert Baca. Motion carried unanimously.**

d. AMI System/Meter Installation Project Status Report – Jason Trujillo, Electric Consumption Supervisor, reported on the status of the meter installation project. Mr. Trujillo reported on the following:

1. Training on meter installation was held in Salon, Ohio for five employees
2. Substation hardware and communications were installed
3. Approximately 600 new meters have been installed
4. A handful of Demand Meters have also been installed
5. Daffron’s AMI integration package will need to be purchased in order for TWACS operations to flow smoothly

6. Brief training on Aclara iIDEAS software was held – some of the basic functions in the software had bugs and did not work. We hope to have these bugs remedied promptly

7. Questions on man power to complete the installation of these meters

e. Request for Proposal – Recommendation to Award NM Licensed Electrical Contractors “as needed” Contract – Manager Montoya reported to the Board that two proposals were received in response to our Request for Proposals (RFP) soliciting NM licensed electrical services were opened. The two companies submitting proposals were L.B. Regensberg Construction and Extreme Power Electric. Both proposals were in compliance and Manager Montoya recommended to the Board that both be awarded an agreement to complete this work on an as-needed basis. **A motion to negotiate the RFP with both L. B. Regensberg Construction and Extreme Power Electric before entering into agreement was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

f. Tri-State Power Bill and MSM Solar Bill - The Tri-State power bill for the month of July totaled \$470,203 and MSM Solar bill was \$28,919.71. For information only.

16. NEW BUSINESS

a. Tri-State’s Filing – Stand-By Rate Follow-Up – Les Montoya, General Manager, shared a letter which was sent by Michael S. McInnes, CEO of Tri-State to NM Public Regulation Commission on their filing of Advice Notice No. 23 and Accompanying Rate Schedules. This was provided for information only as MSMEC does not currently have consumers who will be affected by these rate schedules.

b. Board Policy No. 217 – Retirement Recognition – New Board Policy No. 217 – Retirement Recognition – was presented to the Board for review and approval. The purpose of this policy is to recognize MSMEC employees for years of service worked at retirement and to create a policy for consistent recognition of employees retiring from MSMEC. Policy will provide for a monetary recognition, as well as a commemorative recognition. Presentation shall take place prior to the date of retirement and during a scheduled retirement lunch or dinner provided by MSMEC (not during working hours). All MSMEC employees shall be invited. **A motion to approve Board Policy No. 217 – Retirement Recognition was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

c. SAMBA Contract – The Samba Safety Driver Record Monitoring (DRM) Compliance Agreement was presented to the Board by Julie Pacheco for review and approval. This compliance agreement satisfies government requirements to view employees’ driver monitoring reports and MVRs. Samba provides continuous visibility into employees’ driving records. This service is provided to NM Coops at no cost. After further review and discussion, **a motion to approve the SAMBA Safety agreement was made by Virginia Mondragon, seconded by Robert Baca. Motion carried unanimously.**

d. 2018 Youth Tour Commitment Form – NMRECA is once again beginning to plan for the 2018 Government-In-Action Youth Tour to Washington D.C. and are asking NM Coops to commit to sending youths from our service areas to this attend this tour. After some discussion, **a motion was made by Robert Baca, seconded by Virginia**

Mondragon, to send two (2) students from schools in our Cooperative service area to attend the Youth Tour in June of 2018. Motion carried unanimously.

e. Board Policy No. 411 – Credit Card Usage Policy – New Board Policy No. 411- Credit Card Usage Policy, was presented to the Board by LaDonna LaRan, Finance Manager. Ms. LaRan stated that our auditors had recommended that we have a policy on credit card usage. The objective of this policy is to establish appropriate and prohibited uses, identify those employees who may be issued or authorized usage, and to set dollar procurement limits on uses of the Cooperative credit card. It shall be the responsibility of the Finance Manager to review all receipts and statements recording procurement when such credit card is used. Identification or knowledge of prohibited uses shall be reported to the General Manager immediately. The General Manager and or the Board shall take appropriate personnel action to address the violation of this policy. **A motion to approve Board Policy No. 411 – Credit Card Usage Policy - was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

f. Board Policy No. 218 – Emergency Action Plan – New Board Policy No. 218 – Emergency Action Plan - was presented to the Board by Ms. Julie Pacheco, HR Director. The purpose of this plan is to provide for the safety and well-being of all employees working for MSMEC. The plan will identify necessary management and employees recommended actions during emergency life threatening situations that may occur during working hours and/or in MSMEC facilities. Training and education promotion shall be provided to ensure all employees are aware of our Emergency Action Plan and what is required during such episodes. After further review, **a motion to approve Board Policy No. 218 – Emergency Action Plan – was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**

g. Loan Agreement Approval to Purchase Chassis & Pressure Digger - \$240,000 – General Manager Montoya presented the Board with a copy of a letter sent to him from Mr. Ed Swanson, President and CEO of Community 1st Bank after inquiring about a loan to purchase a truck chassis with pressure digger. Mr. Swanson's letter stated that Community 1st Bank (CFB) will lend up to \$250,000 at 5.25% for 72 months contingent to approval. **A motion to give Mr. Montoya authority to enter into a loan agreement with CFB was made by Joe C de Baca and seconded by Robert Baca. Robert M. Quintana abstained. Motion carried.**

17. CORRESPONDENCE

- a. Manager's Letter to Luzia Manuel – 2017 Youth Tour Participant –** For information only.
- b. Manager's Letter to Alonzo Aragon – 2017 Youth Tour Participant –** For information only.
- c. Letter from Charles Wagner Seeking Election to the Federated Rural Electric Insurance Exchange Director's Position – Region 10 –** For information only.
- d. Thank you Letter from Virginia Gable on Line Crew –** For information only.

18. INFORMATION

- a. **Calendar of Events** – NMRECA Meeting will be held on September 1st. Offices are closed on Monday, September 4th in observance of the Labor Day Holiday. Tri-State will meet on September 6th & 7th. Special Meeting is tentatively scheduled for Monday, September 11th for negotiation on pending case and to discuss MSMEC buildings & facilities. Four employees will be attending the Aclara Training in Solon, Ohio on September 20th – 22nd. NORA Annual Meeting on Monday, September 25th. Regular Finance and Board Meetings are scheduled for Thursday, September 28th. A visit to the Mora County Court House Complex is scheduled on that same day starting at 9:00 a.m.


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

20. OTHER BUSINESS TO COME BEFORE THE BOARD

- a. **Schedule Meeting to Discuss MSMEC Buildings & Facilities** – Meeting will tentatively be scheduled for Monday, September 11th. Time and place to be determined.

21. ADJOURNMENT – A motion to adjourn today's meeting was made by Robert Baca, seconded by Virginia Mondragon. Motion carried unanimously. Meeting adjourned at 4:02 p.m.

ATTEST:


Robert Baca
Vice Chairman


Robert M. Quintana
Board Chairman