

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
SEPTEMBER 28, 2017

The Regular Board Meeting of September 28, 2017 was called to order at approximately 11:15 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, Member
 James Ortiz, Secretary/Treasurer
 Robert Quintana, 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 review and approval. The following was added to the agenda: 14. New Business – e. Election Directors Position – Federated Rural Electric. **A motion to approve today's agenda with one amendment was made by Virginia Mondragon, seconded by Joe C de Baca. Motion carried unanimously.**

5. SAFETY REPORT/MINUTES – General Manager, Les Montoya, reported on the minutes for the Safety Committee held on September 19, 2017. Some of the following was reported for the month of August 2017:

- There were no accidents, near misses or on-the-job injuries to report in either Mora or Pecos
- Two incidents were reported in Mora in August. A line crew was working in Wagon Mound on a URD fault when the truck got stuck. They had to wait seven days for ground to dry before they were able to pull the truck out. The other incident was that a truck broke down in the Pendaries area while line crew was working there. Truck had to be towed and repaired.
- Miscommunication with Central Dispatch giving the line crew incorrect information in the Pecos area

- Board has given directive for improvements on the facilities in Mora
- The RESAP committee met to review the evaluation summary done by the Statewide RESAP team. The committee prioritized the key attention areas and developed a Safety Improvement Plan
- Linemen from both offices were trained on metering basics and safety and hazard recognition

6. RECOGNITION OF GUESTS

a. Invited Speakers – (15 minute time limit) –

1. Dean Church, Vice President, CoBank - CoBank Changes to Capital Plans and Patronage Customer-Owners – Mr. Church presented CoBank’s announcement on the changes to capital plans and patronage programs for eligible customers-owners. The changes, which will take effect in 2018 for patronage distributed in 2019, include reduction in targeted patronage levels and the creation of a separate capital plan for rural electric and water customers. These changes are designed to strengthen their long-term capacity to serve customers’ borrowing needs, enhance the bank’s ability to capitalize future customer growth, and ensure equitability among different customer segments. For Rural electric and water the cash/equity split on the former plan was 75%/25%, the new plan will be 60%/40% on the cash/equity split.

2. John McPhee & Deanna Schmidt - SMART Meter Installation – Santa Fe Alliance for Public Health and Safety – Mr. McPhee and Ms. Schmidt addressed the Board as private individuals concerned about the installation of the SMART Meters in our service area. A handout expressing their concerns was distributed to each Board Member and the General Manager. Some of the areas of concern include: Billing Questions, Fire Hazards, Privacy, Health Hazards and Liability Hazards. They asked MSMEC to consider several options, those being; a) Moratorium on the installation of the SMART meters until the PRC reaches a decision on the SMART meter proposal for Public Service of NM; b) Moratorium on the installation of SMART meter until the legality of the changeover is examined in greater detail; and c) Allow customers to choose an “Opt-Out”, where they can continue use of an analog meter.

b. General Public Comment (5 minute time limit) – None.

c. Introduction of Employees – None.

7. ACTION OF REGULAR MEETING MINUTES HELD ON AUGUST 29, 2017 and ACTION OF SPECIAL MEETING MINUTS HELD ON SEPTEMBER 11, 2017 – The minutes of the regular meeting held on August 29, 2017 and the minutes of the special meeting held on September 11, 2017 were presented for review and approval. After review, a

correction was made on page 7 of the regular meeting minutes of August 29, 2017. On 16. Information -letter a – Calendar of Events – the word “mediation” should be changed to “negotiation”. **A motion to approve the minutes of August 29, 2017, with the one correction made, and September 11, 2017 was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

- 8. APPROVAL OF NEW MEMBERSHIPS (MORA 31 – PECOS 16)** – The new memberships were presented for review and approval. **After review, a motion to approve all 47 new memberships was made by Joe C de Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

9. MANAGER’S REPORT

- a. Delinquent Report** – The Delinquent Report was reviewed. There were a total of 877 delinquent accounts totaling \$510,587.19. After collections, 685 accounts remained unpaid for a total of \$175,412.26.
- b. RUS Form 7** – Manager Montoya reviewed the RUS Form 7. Operating Revenue and Patronage Capital was \$878,353, Cost of Purchased Power was \$446,055 and Total Operation & Maintenance Expense was \$679,620. Total Cost of Electric Service was at \$805,888. MSMEC has a total of 11,062 consumers. TIER for the month is at 2.89% and 2.69% YTD.
- c. Outage Report** - The Outage Report was reviewed. A number of outages were once again caused by lightning. Outages in one area were caused by underground lines causing constant problems and require upgrades/replacements.

- 10. FINANCE REPORT** – The minutes of the Finance Meeting held earlier today were reviewed. **A motion to approve those minutes together with the Manager’s Report was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

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

- Mr. David Spradlin talked about ACRE and encouraging all Coops to join
- 2018 budget approval – Tri-State capital expenditures = \$251 million and operation expenses = \$1.2 billion
- No rate change for 2018
- Xcel Colorado Energy Plan will close two Comanche Units – Unit 1 by 2022 and Unit 2 by 2025
- Clean Air Legislation

- 12. NMRECA TRUSTEE REPORT** - Robert M. Quintana, NMRECA Trustee, reported on their meeting held in Santa Fe on September 1, 2017. Items covered included:

- A large number of people attended the September Meeting

- RUS long-term loan interest rate is 2.48% and short-term is 1.03%
- CoBank has contributed \$100K to victims of Hurricane Harvey
- NMRECA will make a \$1000 contribution to Harvey Disaster Relief Fund
- Thank you to Daniel Martinez and Garrick Martinez, MSMEC employees, for their help during the Annual NMRECA BBQ
- NORA's Annual Meeting will be held in Chama on September 25th
- Tony Casados will be retiring after the NORA Annual Meeting
- Jerry Partin from Roosevelt County Electric will also be retiring

13. ON-GOING BUSINESS

- Review of Secretary/Treasurer Board Position** – There was a short discussion regarding the Secretary/Treasurer board position. James Ortiz surrendered the position due to the fact that he started a new job and makes it difficult for him to come in to Mora to sign checks, etc. if needed. Virginia Mondragon accepted taking over the Secretary/Treasurer position. **A motion approving that Virginia Mondragon take over the Secretary/Treasurer board position was made by Robert Baca, seconded by Joe C de Baca. Motion carried unanimously.**
- CoBank Refinancing - Bucket & Pickup Trucks to replace units to be paid off in 2018** - Manager Montoya gave a breakdown of the lease quote given on the purchase of new bucket & pickup truck and what the monthly payments will be. Also reviewed, were the current payments being made on the trucks we now have and that will be paid off in 2018.
- Proposed Property Lease Agreement – Buena Vista Property** – The proposed property lease agreement was reviewed. Lease Agreement should be changed to read \$15 per animal per month before agreement is signed. **A motion was made by Robert Baca, seconded by Virginia Mondragon, to authorize Manager Montoya to move forward with the lease agreement. Motion carried unanimously.**
- CFC – Notice of District 10 Meeting and CFC Delegate Registration Card & Official Ballot** – After review, **Robert Baca was appointed as voting delegate with a motion from Virginia Mondragon and a second from Joe C de Baca. Motion carried unanimously.**
- Resolution – Authorizing the Request to Borrow Funds for the Purchase of one (1) New 2017 Chassis and Pressure Digger** – Les Montoya, General Manager, presented the Board with a Resolution authorizing the approval to borrow funds to purchase a new chassis and pressure digger. After review of the Resolution, **a motion was made by Joe C de Baca, seconded by Robert Baca, to approve the Resolution and authorize the General Manager to pursue the financing to purchase the new vehicle identified through the Community First Bank in Las Vegas New Mexico. Motion carried. Robert M. Quintana, Chairman, abstained.**
- Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for August was \$420,545.79. The MSM Solar bill was \$25,509.37 with a Tri-State credit of \$19,306.86.

14. NEW BUSINESS

- a. **Western United Electric Supply Corporation – 2017 Patronage Dividend Certificates and Check** – A patronage dividend check in the amount of \$4,733.24 was received from Western United Electric Supply Corporation. For information only.
- b. **Cooperative Finance Corporation (CFC) – 2017 Patronage Capital Certificate and Check** – A patronage capital check in the amount of \$249.70 was received from Cooperative Finance Corporation. For information only.
- c. **Resolution – Setting MSMEC Board of Trustees Compensation and Travel Expenses when performing Cooperative Business In and Out of State** – Manager Montoya reviewed the Resolution presented regarding our recent approved bylaws on trustee compensation. Per Diem shall be paid at a rate of \$150 per day when attending meetings within the State and \$200 when out of State. Meals and travel shall be paid in accordance to GSA standards. **A motion to approve the Resolution setting MSMEC Board of Trustees Compensation and Travel Expenses was made by Virginia Mondragon, seconded by Joe C de Baca. Motion carried unanimously.**
- d. **Board Policy No. 211-A – Smartphone/Cell Phone** – Board Policy No. 211-A – Smartphone/Cell Phone was reviewed. There was some discussion about the use of a “hands-free device” being added to the Policy. After continued discussion, it was determined that it was not good practice to use a hands-free device, but rather to have employees/drivers pull over to make or answer a call when operating a cooperative vehicle. **A motion to approve Board Policy No. 211-A as presented was made by James Ortiz and seconded by Virginia Mondragon. Motion carried unanimously.**
- e. **Election Director’s Position – Federated Rural Electric** – After review, a **motion to appoint Robert Baca as the MSMEC voting delegate for Federated Rural Electric during the Region 10 Meeting was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **Retirement of Jerry Partin, General Manager, Roosevelt County Electric** – For information only.
- b. **Thank you letter for donation – Christy Hubbard – Pecos Studio Tour** – For information only.
- c. **NRECA Directors School** – For information only.
- d. **Thank You to Pamela Brown & Daniel Martinez – 3rd Annual LEPC Expo** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Tri-State Meeting will be held on October 3rd and 4th in Westminster. Statewide Meeting will be held in Las Cruces on October 5th and 6th. Offices will be closed on Monday, October 9th in observance of the Columbus Day

Holiday. Tri-State Manager's Meeting is scheduled for October 10th and 11th. Our next Finance and Regular Board Meetings are scheduled for Thursday, October 26th. NRECA Region 10 Meeting will be held in Scottsdale, Arizona from October 31st through November 2nd. Our next meetings for November were scheduled for Tuesday, November 28th due to Thanksgiving Holiday.

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

A motion to move out of Executive Session was made by Robert Baca and seconded by James Ortiz. 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 James Ortiz. Motion carried unanimously. Meeting adjourned at approximately 3:40 p.m.

ATTEST:



**Virginia Mondragon
Secretary/Treasurer**



**Robert M. Quintana
Board Chairman**