

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
FEBRUARY 21, 2018

The Regular Board Meeting of Wednesday, February 21, 2018 was called to order by Robert M. Quintana, Board Chairman, at 11:07 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, Vice-Chairman
Joseph C de Baca, Member
Virginia Mondragon, Secretary/Treasurer
Robert M. Quintana, Chairman

Absent: James Ortiz, Member

Others Present: Les Montoya, Manager
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 was presented for review and approval. After review, a motion to approve today's Agenda as presented was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.

5. RECOGNITION OF GUESTS

- a. Invited Speakers – (15 minute time limit) – None.
- b. General Public Comment (5 minute time limit) – None.
- c. Introduction of Employees
 - 1. Antonio Maes – Temporary Meter Reader (Mora Office)
 - 2. Francisco Caro, 1st Year Apprentice Lineman (Mora Office)
 - 3. Shane Morris, 1st Year Apprentice Lineman (Pecos Office)

Newly hired employees, Francisco Caro and Shane Morris, were introduced to the Board. Both were hired as 1st year apprentice linemen. Francisco works out of the Mora Office and Shane will work out of the Pecos Office. Both employees were welcomed to MSMEC. Antonio Maes, temporary Meter Reader, was unable to attend today's meeting due to work schedule. Antonio will be included in next month's agenda.

6. SAFETY REPORT/MINUTES – The Safety Committee Minutes of February 13, 2018 were reviewed by Manager Montoya as follows:

- There were no accidents, near misses or on-the-job injuries to report in Mora or Pecos in January
- There was one incident to report in Mora – On February 7, 2017, a journeyman lineman was driving between Watrous and Las Vegas from an outage when he heard a loud noise. The truck started to shake and the cab began to fill with smoke. The lineman grabbed the fire extinguisher and sprayed to suppress the flames. NM State Police and the local fire department were called. The truck was towed to Las Vegas and later taken for repairs at Platinum Performance. The incident was included in this month's report as it was not reported in February of last year.
- There were three incidents to report in Pecos for the month of January: 1) On January 10, 2018, a contractor with Anixter approached a consumer while exchanging meters. The consumer responded by asking the contractor what he was doing and did so with a rifle in hand. The contractor responded respectfully and was allowed to complete the change-out of the meter; 2) On January 25, 2018, a message was received from a consumer regarding damage the meter contractor caused – a guy wire was reported to have been damaged. The consumer repaired the damaged guy wire and notified the Coop. The contractor apologized and stated it was an accident. No claim was filed; 3) On January 29, 2018, a consumer called the Pecos Office reporting that a lineman had damaged the gate to their property while chipping brush. The crew replaced a hinge on the gate.
- Employee asked if the new apprentice linemen were certified climbers. He was advised that they were not certified climbers but they would be scheduled for training in March so that after completion of this training, they will be certified.
- Employee voiced concerns regarding Glorieta 2.0 and the arrangement in place where the linemen work on lines within the property past the metering point. This situation can be dangerous for our crews and a liability problem as well. Matter will be discussed at our next Board meeting.
- Linemen from both offices were trained on Hazards Energy Control (De-energizing line for employee protection, Company Procedures/Policy and Hypothermia Exposure.
- Staff from both offices was also trained on Hypothermia Exposure.

7. ACTION OF REGULAR MEETING MINUTES HELD ON JANUARY 25, 2018 – The Minutes of the Meeting held on January 25, 2018 were presented for review and approval. After review and discussion, **a motion to approve the Minutes of January 25, 2018 as presented was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

8. **APPROVAL OF NEW MEMBERSHIPS (MORA 12 – PECOS 11)** – A total of 23 new memberships were presented for approval. **With a motion from Joe C de Baca and second by Robert Baca, all new memberships were approved. Motion carried unanimously.**
9. **MANAGER’S REPORT**
- a. **Delinquent Report** – The Delinquent Report was reviewed by Manager Montoya. There were 923 delinquent accounts totaling \$363,272.21. After collections, 716 customer accounts remained unpaid totaling \$81,938.10.
 - b. **RUS Form 7** – The RUS Form 7 for the period ending December 31, 2017 was presented for review. Operating Revenue and Patronage Capital was \$1,339,743; Cost of Power was \$620,250; and Total Operation & Maintenance Expense was \$899,104. Patronage Capital or Margins totaled \$610,867. YTD TIER was at 1.91% and OTIER @ 1.23%. MSMEC has 10,994 consumers and 1,957 miles of line. Due to circumstances, RUS Form 7 for the month of January 2018 was not completed in time for the February Board Meeting but will be presented to the Board as soon as it is available.
 - c. **Outage Report** – The Outage Report was reviewed. There were fewer outages to report on during the month of January. A number of outages were reported in the Watrous area for a number of days which seemed to be occurring at approximately the same time each day. The lines were patrolled and refused resolving the problem with the power in that area.
10. **FINANCE REPORT** – The Finance Minutes of the meeting held earlier today, together with the Manager’s Report, **were approved with a motion by Robert Baca and second by Joe C de Baca. Motion carried unanimously.**
11. **TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their February meeting. A few of the items covered included:
- Discussion on the organized market
 - Member Sales are 3% over budget – non-member sales are down
 - Discussion and long presentation on the purchase of batteries to store power for use during peak hours
 - Tri-State Campaign – Commercials advertising on TV and radio
12. **NMRECA TRUSTEE REPORT** – Robert M. Quintana, NMRECA Trustee, reported on their meeting held on February 2, 2018. Some of the items covered included:
- State Senator Munoz introduced himself to the Board stating he is a candidate for NM’s State Land Commissioner
 - State Treasurer Eichenberg also addressed the Board and thanked the Coops for their services

- NRECA will increase registration fees for their annual meetings by \$100 in 2019 and another \$100 in 2020
- RUS long-term interest rate is 2.80% and 1.44% for short-term loans
- Mr. Tomas Rivas reported that Mr. Benjamin Leyba, Executive Vice President and General Manager from Northern Rio Arriba Electric Cooperative (NORA) will be retiring on May 30th

13. ON-GOING BUSINESS -

- RDUP Form 674 – Certificate of Authority to Submit or Grant Access to Data and Board Resolution** – RDUP Form 674 and Resolution were presented to the Board for review and approval. Resolution is to resolve that Les W. J. Montoya will be the Certifier and Julie Pacheco the Security Administrator to comply with the instructions for RDUP Form 674 in regard to use of the government's data collection system. After review, **a motion was made by Robert Baca and seconded by Virginia Mondragon to approve Board Resolution and Form RDUP 674. Motion carried unanimously.**
- Resolution - Rincones Presbyterian Credit Union** – A Resolution was presented to the Board for review and approval to grant Officers and Trustees authority to execute documents and instruments required by Rincones Presbyterian Credit Union for the deposit, investment and withdrawal of all funds and investments maintained by and in the name of the Cooperative with any two signatures required. **A motion to approve the Resolution for the Rincones Presbyterian Credit Union was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- Long Rope Safety Nomination – Larry Barela** – Mr. Larry Barela, Systems Operations Manager and MSMEC employee for 25 years, was nominated for this year's Long Rope Safety Award. Work habits, attitude, leadership and communication skills are a few examples of how Larry has influenced his peers and supervisors and for these reasons, was nominated to receive this award. The NM Rural Electric Self-Insurer's Fund's selection committee will conduct the selection process and review all nominees submitted from the NM Cooperatives and select a winner. Award winner will be announced during the NMRECA Annual Meeting in May.
- Recommendation to Award Competitive Bid – KNMX Tower Service Area – Misc. Trenching and Backfilling** – Two contractors, KAVE Construction and Frank L. Trambley Construction, submitted bids for miscellaneous trenching and backfilling at the KNMX Tower Service Area. Bids were reviewed by the Board and recommendation was made by Manager Montoya to award to the low bidder. **A motion was made by Virginia Mondragon, seconded by Joe C de Baca, to award the bid to Frank L. Trambley Construction. Motion carried unanimously.**
- Recommendation to enter into Agreement(s) - Diesel & Gasoline Maintenance & Repair Services** – Manager Montoya presented the Diesel & Gasoline Maintenance & Repair Services rating sheet for the RFP's received. Those submitting sealed bids were DAG Enterprises, Pacheco's "66", Platinum Performance, and Martinez Diesel. After review, Manager Montoya made the recommendation to enter into

agreements with all mechanic shops that submitted bids and award repair work according to the lowest bid per repair service(s) for that particular repair. **Virginia Mondragon, seconded by Joe C de Baca, motioned to approve the recommendation and authorize the General Manager to enter into agreement with all mechanic shops who submitted bids for repair services. Motion carried unanimously.**

- f. Recommendation to Award Competitive Bids to Purchase Tires for MSMEC Vehicles & Equipment** – Sealed bids for tire purchases by MSMEC were received from six vendors – Big ‘O Tires, Franken Tires, Pacheco’s “66”, Platinum Performance, Roybal’s Conoco & Tires, and Tommy’s Auto. A list of tire sizes with lowest price bid was presented to the Board. A recommendation was made by Manager Montoya to award the purchase of tires from all six vendors according to the lowest tire bid price per tire needed to be purchased. After review and discussion, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the recommendation made by Manager Montoya to purchase the tires needed from the vendor with the lowest bid per tire. Motion carried unanimously.**
- g. RUS Loan Fund Debt Service Schedule** – The RUS loan fund debt service schedule was presented to the Board for information. The total loan advancement is \$8,381,134.03. The loan will mature on December 31, 2046 at an interest rate of 2.989%.
- h. Tri-State Bill/MSM Solar Bill** – The Tri-State bill for January 2018 totaled \$612,425.77. The MSM Solar bill was \$24,390.65 with a credit from Tri-State of \$16,507.47.

14. NEW BUSINESS

- a. Proclamation of Election** – A draft of the Proclamation of Election for the District 2 Trustee election was presented. After review, the Trustee Election for District 2 will be held on Tuesday, May 8, 2018. Proclamation will be mailed out not less than sixty (60) days, nor more than ninety (90) days, before the district meeting.
- b. Notice to Ratepayers** – Manager Les Montoya advised the Board that the final Notice to Ratepayers will be published in The Enchantment, which is scheduled to be mailed out in the next couple of days. The Notice will then be filed with the New Mexico Public Regulation Commission on April 10, 2018.
- c. Basin Electric Scholarships Selection** – Five students from our service area submitted scholarship applications for the Basin Electric Power Cooperative Scholarship Program, which MSMEC is now a member of. Basin Electric Power Cooperative from Bismarck, ND offers a \$1000 guaranteed scholarship to a dependent for our Cooperative’s member group; and one dependent from our Cooperative’s Employee Group which will be included in a pool of Basin Cooperative’s entire employee dependents where 20 students will be selected to receive a \$1000 scholarship. The cooperative’s member group scholarship is selected by the Board after reviewing the following requirements: 1) completeness and neatness; 2) academic transcript; 3) college entrance exam scores; 4) essay; and 5) applicant appraisal. The student selected to receive the Basin Electric Power

Cooperative's Member Group Scholarship is Emily Mendoza from Mora High School. The Cooperative's Employee Group dependent scholarship application submitted is that of Anicieto Chavez from Mora High School. He is the son of MSMEC employee Tami Hernandez at our Mora Office. Congratulations to Emily and Anicieto.

- d. **St. Gertrude's the Great Catholic Church – Advertisement** – After review of the church bulletin advertisement request form, the Board decided to go with a single space ad for \$300.00 per year.

15. CORRESPONDENCE

- a. **List of NM Declared Candidates for June Primary** – For information only.
- b. **2018 CoBank Energy & Water Executive Forum** – For information only.
- c. **NRECA 2018 Legislative Conference – Timelines** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Statewide meetings will be held on Thursday, March 1st and Friday, March 2nd. Tri-State meetings are scheduled for March 6th and 7th. MSMEC Finance and Regular Board meeting are scheduled for Wednesday, March 28th starting at 10:00 a.m. Statewide has scheduled its April meetings on March 29th and 30th due to Tri-State's Annual Meeting being held on April 3rd, 4th, and 5th. Offices will be closed on Friday, March 30th in observance of Good Friday 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 Joe C de Baca. 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. Motion carried unanimously. Meeting adjourned at approximately 2:30 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman