

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
AUGUST 23, 2018

The Meeting of August 23, 2018 was called to order by Robert M. Quintana, Board Chairman, at 10:57 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, Chairman

Others Present: Les Montoya, CEO/General Manager
Debbie Alexander, Admin. 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 was made by Robert Baca, seconded by Virginia Mondragon, to approve today's Agenda as presented. 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 – None.

6. SAFETY REPORT/MINUTES – The Safety Committee met on August 20th, 2018. Some of the items covered are as follows:

- There was one accident to report in Mora for the month. On July 25th, an office employee noticed pieces of glass all over her desk. After looking around, her and another employee saw a bullet hole in an exterior window on the east side of the building and another hole in the inside office window. They found the bullet on the floor in front of the vault. The CEO was called to see what had occurred. The CEO called the sheriff's department and an investigation was initiated. Since then, both windows have been replaced and two cameras have been installed.
- There were five accidents to report in Pecos during the month of July. 1) While patrolling the power lines in Serafina, the mirror fell off the passenger side while

driving on a bumpy road. Mirror was broken so a new mirror along with the housing was ordered. 2) Operations Manager was driving unit and when he was going down the hill pressed on the brake pedal and noticed it was very hard and the truck was not slowing down. He cautiously drove the truck to the mechanic shop. According to the mechanic, whoever had previously worked on this truck before had done a very poor job. Mechanic in Pecos was asked to repair the unit. 3) An email from Central Dispatch was received stating that a MSMEC member had reported that when a meter reader had been at his residence, he had hit his car. An investigation was initiated and it was determined that there were no cooperative employees/vehicles near the member's residence during the time frame stated by the member. 4) A line crew was notified about outages in the Wagon Mound/Watrous area. Two cut outs were open at the Storrie Lake Substation. They proceeded to patrol the line and found a pole on the ground in Onava. They then noticed a dead cow near the pole. The crew grounded the line and removed the cow and line from the broken pole. New material and a new pole were brought in to repair and restore power. 5) While working on the outage in Onava, the unit got stuck while they were backing out of a driveway and a wrecker had to be called to pull them out.

- There were no near misses in either Mora or Pecos
- There were no on-the-job injuries or incidents to report in either Mora or Pecos
- During the RESAP meeting, it was agreed to have hard hat lights ordered for the linemen as a backup
- Linemen and Meter Readers from both offices were trained on fire extinguishers, blood borne pathogens, May Day procedures and forklift training. The inside staff were trained on the same except the forklift training. They were also given annual review of Emergency Plans and Procedures.

7. ACTION OF REGULAR MEETING MINUTES HELD ON JULY 31, 2018 – The Minutes of the Regular Meeting of July 31, 2018 were presented for review and approval. After review, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve the Minutes as presented. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 23 – PECOS 17) – A total of 40 new memberships were presented for review and approval. After review, **all new memberships were approved with a motion by Joe C de Baca and second from James Ortiz. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. **Delinquent Report** – CEO Montoya reported on the Delinquent Report. There were 1089 delinquent accounts totaling \$470,596.60. After collections on July 31, 2018, 689 of those accounts remained unpaid for a total of \$65,305.49.
- b. **RUS Form 7** – The RUS Form 7 for the month of July was reviewed. Operating Revenue and Patronage Capital for the month was \$961,667 and \$6,946,300 year-

to-date; Cost of Purchased Power was at \$498,387 for the month and \$3,663,739 YTD; and Total Operation & Maintenance Expense was \$721,834 and \$4,352,429 YTD. Total Cost of Electric Service was \$914,073 and \$5,353,429 YTD and Patronage Capital or Margins was \$49,619 for the month ending July 31st and \$529,887 YTD. TIER was 1.51% for the month and 2.43% year-to-date.

- c. **Outage Report** – There were a large number of outages due to weather conditions. Most outages affected a small number of consumers. An outage on July 1st in the Cow Creek area affected 3 consumers for 8.25 hours due to a tree falling on the power line. The outage affecting the largest number of consumers, 3000 for 6.25 hours, occurred on July 24th due to problems at the Storrie Lake Substation.
- d. **Member Sales Budget Report** – The Member Sales Budget Report for July, 2018 was presented or review. Current-to-budget percent variances are right on track.

10. FINANCE REPORT – With a motion from Robert Baca, and second by Virginia Mondragon, the Manager’s Report and the Minutes of the Finance Meeting held earlier were approved. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on Tri-States’ monthly meeting. Some of the items covered included the following:

- New pilot program on air conditioners/heaters/heat pumps
- Tri-State’s On-Line Directory
- Campaign – Value of Tri-State to its membership
- Survey – Board Member and Managers
- 2019 Budget review
- No rate increase for 2019
- Financial goals for Tri-State
- Vote taken on issue of Delta Montrose Electric Association (DMEA) on contract buy-out. First vote had 6 in favor to give DMEA more information. Second vote was taken and vote was unanimous to support Tri-State staff and not give DMEA information on previous coop’s buy-out
- LED light replacements

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their monthly meeting. A few of the items covered included:

- David Spradlin encouraged the Board to have their Coop’s submit their 2018 ACRE contributions
- RUS’s interest rate is 3.06% for a long-term loan and 2.03% for a short-term loan
- Keven Groenewold reminded everyone about the Annual BBQ to be held on August 30th
- Mr. Groenewold thanked the sponsors and cooperatives who co-hosted the 2018 NMRECA Annual Meeting and their employees for making it a success.

MSMEC was one of the co-sponsoring cooperatives this year and employees working included Debbie Alexander and April Duran

- NRECA Retirement Planning Seminar is tentatively scheduled for March of 2019
- The Board was given as information a copy of Kit Carson Electric Cooperative issues regarding Resolution No. 3-3-18 which was presented to NMRECA's Board at the April Board Meeting. A motion was made that the Board agree to convene a Strategic Planning Session, including all Coop managers plus one other selected participant, for a two day session facilitated by an entity with expertise in strategic planning. After discussion, a motion was made to approve the original motion with an amendment to limit the participation to only two from each coop. Motion was seconded and carried. Also discussed was the when, where and who would pay for this session. Another motion was made that the Strategic Planning Session not be taken out of Statewide's budget and that each Board member ask their perspective Boards to consider paying for this. Another motion amended to include that the fee not exceeds \$500 per Coop. Motion was seconded and carried.

13. ON-GOING BUSINESS

- a. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of July was \$467,926.18. The MSM Solar bill was \$30,460.86 with a credit from Tri-State of \$24,883.17.

14. NEW BUSINESS

- a. **CoBank – Sharing Success Program Application** – CEO Montoya shared with the Board some information on the CoBank Sharing Success Program. Mr. Montoya advised them that MSMEC can apply for support for charitable contributions made by the Cooperative on a match basis. CoBank will accept up to three matching requests per customer. The minimum eligible contribution to each organization is \$1000 and the total of all contributions may not exceed \$5000. The charity must be a 501 C 3 organization or have a taxpayer identification number also referred to as an EIN. One good example mentioned was helping “Los Amigos del Valle de Mora”, a local group that helps school children with scholarships, purchasing of school supplies, etc. Mr. Montoya was advised to get more information and look into other charitable groups.
- b. **CoBank – Resolution & Incumbency Certificate Update** – A copy of the instruction letter, Resolution and Incumbency Certificate, submitted to CEO Montoya giving detailed instructions to assist us in managing the closing process for the Credit Agreement with CoBank, was presented to the Board for their review and approval. Due to changes, the incumbency certificate will need to be updated and signatures obtained of all officers authorized by the resolution presented today. After review and discussion, **a motion was made by Robert Baca to approve the CoBank Resolution as presented and to obtain Incumbency Certificate signatures of all authorized officers. Joe C de Baca seconded that motion. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **Thank you Letter from Mr. Gene Solyntjes, Ojitos Frios Ranches, to MSMEC and Response Letter from MSMEC to Mr. Solyntjes - For review and information only.**
- b. **Thank you for Scholarship – Krystin Villanueva –Santa Rosa High School – For information only.**
- c. **Thank you for Donation – NRECA International – For information only.**
- d. **Reminder – NMRECA Annual BBQ – For information only.**
- e. **Tri-State Communications Advisory Council – New videos, NEED, Day of the Game and More – For information only.**

16. INFORMATION

- a. **Calendar of Events – Offices will be closed on Monday, September 3rd, 2018 in observance of the Labor Day Holiday. Tri-State will hold their meetings on September 5th and 6th. MSMEC Finance and Regular Board Meetings will be held on Thursday, September 27th, 2018.**

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

17. EXECUTIVE SESSION

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

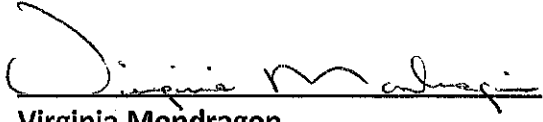
A motion to move out of Executive Session and back into Regular Session was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.

18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None.

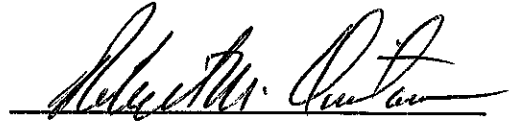
19. OTHER BUSINESS TO COME BEFORE THE BOARD – The 2018 CoBank Energy & Water Forum was held in Colorado Springs on August 8th and 9th. Those attending included Board Chairman Quintana, Board Member James Ortiz and CEO Les Montoya. Mr. Quintana attended the Water presentations and Mr. Ortiz and Mr. Montoya attended the Energy presentations. All were in agreement that all speakers and presentations had been very good and informative. Good contacts were made. CoBank hosts informative free-sponsored forums to their members.

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 1:50 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman