

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
HELD ON
NOVEMBER 30, 2018

The meeting of November 30, 2018 was called to order at 12:20 p.m. by Robert M. Quintana, Board Chairman.

1. ROLL CALL AND DETERMINATION OF QUORUM

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

2. INVOCATION – Vice Chairman Robert Baca led us in prayer.

3. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was recited.

4. APPROVAL OF AGENDA – Today's meeting agenda was presented for review and approval. Robert Baca made a motion to move **13. b. Agriculture/Irrigation Rate Discussion – Schedule "AIR" to 17. d. Executive Session and to approve the Agenda with the amendment.** Joe C de Baca seconded that motion. 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 held their monthly meeting on November 14, 2018. Items covered included the following:

- There were no accidents to report in Mora or Pecos for the month of October
- There were no near misses or on-the-job injuries to report in Mora or Pecos
- One on-the-job incident was reported in Mora. Central Dispatch reported that a man from Tecolotito had called and stated he had gotten shocked when he touched his breaker panel. He also stated he had power but his meter was not lit up. When the linemen arrived at the residence, they checked the voltage and the meter box was not energized. After they removed the meter, one of the prongs on the top side was bent and was not making good contact with the meter. The meter was burnt but there was no arcing to the breaker box.
- There were no on-the-job incidents to report in Pecos.

- Employee stated that while he is out working in the field, he gets confronted by consumers who have concerns regarding their electric bill and asked who should they call or talk to regarding their concerns. CEO Montoya advised him to direct them to the billing department.
 - Employee asked how many fire retardant pants the Cooperative was going to purchase for the linemen per year. Mr. Montoya indicated that three pairs. Employee stated that 3 pair is not enough especially if they are worn every day. The Operations Manager suggested the Coop purchase each lineman a pair on non-insulated fire retardant overalls to keep in the unit.
 - CEO Montoya asked the Operations Manager about the review of a recent employee accident and if he had filed a report as to what had happened and if it could have been prevented. The Operations Manager stated he would follow up and do so.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON OCTOBER 24, 2018** – The Board Minutes of the Meeting held on October 24th, 2018 were presented for review and approval. After review, **a motion was made by Virginia Mondragon, seconded by Robert Baca, to approve the Minutes as presented. Motion carried unanimously.**
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 20 – PECOS 24)** – Forty-four New Memberships were presented for review and approval. After review, **a motion to approve all forty-four New Memberships was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**
9. **MANAGER'S REPORT**
- a. **Delinquent Report** – The Delinquent Report for October 2018 had 935 delinquent accounts totaling \$411,071.68. After collections, 560 of accounts remained unpaid totaling \$93,622.08.
 - b. **RUS Form 7** – CEO Montoya reported on the RUS Form 7 for the month ending October 31, 2018. The Operating Revenue and Patronage Capital was \$1,003,238; Cost of Purchased Power was \$529,179 and Total Operation & Maintenance Expense was \$871,037. Total Cost of Electric Service was \$1,091,172; Patronage Capital & Operating Margins was a negative \$87,934 and Patronage Capital or Margins a negative \$76,296. TIER for the month was 0.20% and 1.86% YTD.
 - c. **Outage Report** – There were a large number of outages during the month of October. These outages resulted in approximately 3200 consumers affected with 128 total hours of interruption. Outages were caused due to problems at the substations, weather, broken trees, blown fuses and birds.
 - d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report was reviewed. Unlike reports from prior months, numbers were higher than normal from

the actual to budgeted amounts. Tri-State will be contacted and asked to verify these numbers.

10. FINANCE REPORT – After review of the Finance Minutes of the meeting held earlier today, **Robert Baca made a motion to approve those Minutes and to approve the Manager’s Report as presented. Joe C de Baca seconded that motion. Motion carried unanimously.**

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their November meeting. A few of the items covered included:

- Board’s fiduciary duties
- Tri-State’s long-term forecast – No rate increases until possibly 2022
- Long discussion on cyber security and how everyone is susceptible
- Updated presentation on Affordable Clean Energy
- Robert Baca will serve as Tri-State’s Alternate to the NMRECA Board by a vote of 32 to 10

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

- The Board received as information a presentation concerning governance and transparency and stressed to be diligent according to their bylaws
- RUS Loan interest rates – Long-term @ 3.24% and short-term @ 2.34%
- The Board was provided a copy of the proposed NMRECA board meeting schedule for 2019
- A copy of the proposed resolution to be considered by NRECA Member Resolutions Committees for January 2019 was provided
- The Board was advised that the committee had met to discuss the Benefits Survey that is being developed in regard to what other Co-op’s are providing in health insurance, retirement R&S and 401K
- Kit Carson Electric Cooperative (KCEC) will be terminating their membership from NMRECA effective December 31, 2018
- Due to termination of KCEC’s NMRECA membership, the budget will have to be re-worked
- Electric vehicle tax credit bill has been drafted and will be introduced in the 2019 session
- The Evaluation Committee met and given the budget issue now, no action was taken regarding a salary increase for the CEO/General Manager

13. ON-GOING BUSINESS

- a. **Amendment to Job Description – Customer Service Billing/IT Supervisor** – CEO Montoya presented for review a copy of the amended Customer Service Billing/IT Supervisor Job Description. The additional responsibilities include procurement of operational equipment goods and services and processing for payment of the same.

These responsibilities were not spelled out in the previously approved job description.

- b. Sealed Bid Results for Excess Property & Equipment** – MSMEC received 32 sealed bids for eleven items which were recently advertised as excess property. Items included metal corrugated pipe, wood pallets, wood spools, trucks and IT equipment. CEO Montoya presented a list of the sealed bid results. After review with a **motion by Robert Baca and second by James Ortiz, the full Board agreed to award items to the highest bidder and to give away the wood pallets and spools since no one bid on those two items. Motion carried unanimously.**
- c. Cooperative Educational Services – Approved Application** – A letter of approval of MSMEC’s Cooperative Purchase Agreement was received from Cooperative Educational Services. We are now approved to purchase equipment and/or construction as a non-profit. A copy of CES’s Blue Book was enclosed with approval letter which consists of awarded CES vendors and contains an index of products and services available.
- d. Auditing Services Proposal submitted by Bolinger, Segars, Gilbert & Moss, LLP** – Requests for proposals to perform auditing services was recently advertised. Bolinger, Segars, Gilbert & Moss, LLP was the only proposal submitted to perform the 2018-2020 annual financial audits and federal tax returns. After some discussion and recommendation, **James Ortiz, seconded by Virginia Mondragon, made a motion to approve the proposal received from Bolinger, Segars, Gilbert & Moss, LLP to perform MSMEC’s Audits. Motion carried unanimously.**
- e. Cut-Out Status Report** – A report with the 2018 Fused Cut-outs installed and replaced on our system was provided to the Board for their information.
- f. Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for October 2018 was \$506,498.32. MSM Solar bill was \$22,680.35 with a credit from Tri-State of \$9,234.37.

14. NEW BUSINESS

- a. Job Descriptions – Meter Technician I and Meter Technician II** – CEO Montoya presented the Board with two job descriptions due to the implementation of the AMI Meters network which requires a change in responsibilities and job classifications. The positions of Meter Technicians I & II were presented for review and consideration of approval. After review, **a motion for approval was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**
- b. Advice Notice 63 – Finding of Fact Filing** – New Mexico Coop managers determined it necessary to file a Statement of Fact for a contractor certificate to be used by Coop’s for new service requests in oil fields, gas fields, reservations and federal lands. CID recently determined it does not have jurisdiction to complete inspections of consumer systems in these circumstances or on these lands. Coops require inspection of the consumer’s side prior to connecting services; therefore, the contractor certificate requires inspection by a national qualified inspector who will attest to the inspection. Advice Notice 63 filed on November 13, 2018 is pending PRC approval, and although it may not impact MSMEC, it will set in place inspection

requirements of consumer systems for new electric services in oil fields, gas fields, reservation and federal lands.

- c. **CFC – Integrity Fund** – For information only.
- d. **2019 NRECA Annual Meeting – March 10-13, 2019 – Orlando, FL** – Information on the NRECA Annual Meeting was presented to the Board. Staff will follow-up and look into registration and flights.

15. CORRESPONDENCE

- a. **CFC – Report from the Boardroom** – For information only.
- b. **American Public Power Association – Membership Information & Application** – For information only. No action taken.
- c. **Thank You Letter for Donation – Leadership New Mexico** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Tri-State Meetings will be held on December 4th and 5th. NMRECA meetings are scheduled for December 6th and 7th. NMRECA Education Courses will be held in Albuquerque on December 12th, 13th and 14th. Offices will be closed in observance of the Christmas Holiday on December 24th and Christmas Day, December 25th. MSMEC's next Finance and Regular Board Meetings are scheduled for Thursday, December 27th starting at 10:00 a.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. **Agriculture/Irrigation Rate Discussion – Schedule "AIR"**

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

18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

- d. **Agriculture/Irrigation Rate Discussion – Schedule "AIR"** – A motion was made by Robert Baca, seconded by Virginia Mondragon, to file an amendment with NMPRC to make Schedule "AIR" consistent with other accounts that are disconnected from the system. Motion carried. Robert Quintana abstained.

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 3:11 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman