

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
SEPTEMBER 25, 2015

The Board of Trustees Meeting of Friday, September 25th, 2015 was called to order by Board Chairman, Robert M. Quintana at approximately 10:12 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca
 Virginia Mondragon
 James Ortiz
 Robert Quintana

Others LaDonna LaRan, CFO
Present: Debbie H. Alexander, Administrator

2. INVOCATION – The invocation was led by Robert Baca, Vice-Chairman.

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

4. APPROVAL OF AGENDA – The Agenda was presented for review and approval. The following amendments were made to agenda: **Add – New Business – c. Approval of Rincones Presbyterian Credit Union CD; d. 2015 Audit Proposal – Bolinger, Segars, Gilbert & Moss, LLP; and under Executive Session – c. 2014 990 Update, Discussion & Approval. A motion to approve the Agenda with amendments was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.**

5. SAFETY REPORT – LaDonna LaRan, CFO, presented the Safety Report for the month of August 2015. There were no accidents, near misses, nor on-the-job injuries in either Mora or Pecos. Mr. Roy O'Day conducted training on driving risk and responsibilities, conducting a hazard assessment on an assigned task (practical exercise) and understanding hazards and risks.

6. RECOGNITION OF GUESTS –

- a. Invited Speakers – (15 minute time limit)- None**
- b. General Public Comment (5 minute time limit) - None**

7. ACTION OF REGULAR MEETING MINUTES HELD ON AUGUST 30, 2015 – The Minutes of the Regular Meeting held on August 30, 2015 were presented for review and approval. **A motion was made by Robert Baca, seconded by James Ortiz, to approve the minutes as presented. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 22 – PECOS 30) – Fifty-two new memberships were presented for review and approval. **A motion to approve all new memberships was made Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.**

9. MANAGER'S REPORT

a. Delinquent Report – The Delinquent Report for the month of August 2015 was reviewed. There were 906 delinquent accounts totaling \$222,804.28. After collections, 81 of those accounts remained unpaid for a total of \$17,752.75.

b. RUS Form 7 – Operating Revenue and Patronage Capital for the month of August 2015 was \$948,542, Cost of Purchased Power was \$426,916 and Total Operation & Maintenance Expense equaled \$710,517. Patronage Capital or Margins was \$102,503 for the month and YTD was \$549,468. MSMEC has 10,903 number of consumers and 1,942 miles of line. TIER was 3.40% for the month and 2.52% YTD. DSC was 2.30% for the month and 2.06% YTD. Percentage of debt is as follows: REA – 10%, CFC – 3%, and CoBank – 87%.

c. Outage Report – CFO LaRan also reported on the Outage Report for August 2015. An outage affecting 442 consumers for 2.75 hours was reported in the Pecos area due to a tree falling on the power line. Another outage affecting a large number of consumers occurred after the Rainsville Sub-station opened up after strong winds hit the area. Other outages affected small number of consumers for a minimum amount of time before power was restored.

10. FINANCE REPORT – **A motion to dispense with the reading of the Finance Meeting Minutes, the approval of those minutes and the Manager's Report was made by Virginia Mondragon, seconded by Robert Baca. Motion carried unanimously.**

11. TRI-STATE TRUSTEE REPORT – Virginia Mondragon, Tri-State Trustee, reported on the monthly meeting held in Denver. Some of the topics covered included:

- ✓ Rate Design approval to move forward in 2016
- ✓ October Meeting will consist of one extra day for Strategic Planning Session
- ✓ Colowyo Mine Plan approved by U.S. Department of Interior
- ✓ Approval of Tri-State's 2016 Budget

12. NMRECA TRUSTEE REPORT – Robert Baca, NMRECE Trustee, reported on the September meeting held in Santa Fe. A few of the items covered included:

- ✓ RUS Loan Rates – Short-Term = 0.03% and Long-Term = 2.61%
- ✓ E-mail communication and risks associated with social media
- ✓ Tri-State's rate hike
- ✓ Annual BBQ held in Santa Fe was a big success

13. ON-GOING BUSINESS

a. Re-Districting – There was a short discussion concerning the re-districting issue. LaDonna LaRan informed the Board that she has not yet received any information from Michael Sharp. Decision was made to contact Mr. Sharp again and have him send us an

estimate on the re-districting proposals. Once estimate is received, a phone poll will be taken with board members so that we can move forward.

b. Bylaws – LaDonna LaRan informed the Board that she had a long conversation with the CEO from another NM cooperative concerning the re-writing of their bylaws. It took a lot of time to do this and it was not cheap. There was a lot of public relations involved including meetings with their membership. After further discussion, it was decided that Lorna Wiggins, Attorney, would be our starting point to re-writing our bylaws since she is already so familiar with them. Ms. LaRan will contact Ms. Wiggins and discussion will continue during our October meeting.

c. Cost of Service Study – After some discussion, **a motion was made by Robert Baca, seconded by James Ortiz, to table the cost of service study until further information can be obtained from Justin Proctor with Guernsey. Motion carried unanimously.**

d. Tri-State's Power Bill & MSM Solar Bill – For information only.

14. NEW BUSINESS

a. CFC Delegate Registration Card for 2015 District 10 Meeting – After some discussion, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to have James Ortiz serve as voting delegate and Robert M. Quintana as alternate delegate at the District 10 Meeting. Motion carried unanimously.**

b. CoBank 2015 Board Election – Ballot and Authorization Form – After review, **a motion was made by Virginia Mondragon, seconded by Robert Baca, to have James Ortiz serve as voting delegate and Robert M. Quintana serve as alternate delegate. Motion carried unanimously.**

c. Approval of Rincones Presbyterian Credit Union CD – Discussion was held during the Finance Meeting concerning the investment of a \$100,000 on a CD with the Rincones Presbyterian Credit Union in Chacon, NM. **A motion to approve the \$100,000 CD investment, with a \$30 membership fee, was made by Robert Baca and seconded by Virginia Mondragon. Those authorized to sign on this CD are LaDonna LaRan, CFO, Chairman Robert Quintana, and Secretary/Treasurer Virginia Mondragon. Motion carried unanimously.**

d. 2015 Audit Proposal – Bolinger, Segars, Gilbert & Moss, LLP – LaDonna LaRan, CFO, informed the Board that she had been in contact with Bolinger, Segars, Gilbert & Moss, LLP in regards to our 2015 audit. They are proposing a cost of somewhere between \$27,000 and \$30,000. **After discussion, a motion was made by Robert Baca, seconded by Virginia Mondragon to look at getting them to lower cost to \$25,000. Motion carried unanimously.**

15. CORRESPONDENCE

a. Thank you card – Lorna Wiggins & Family – For information only.

16. INFORMATION

a. Calendar of Events – Statewide Meeting will be held in Las Cruces, NM on October 1st & 2nd. Tri-State will meet on October 5th for their Strategic Planning Session and on October 6th & 7th for their regular monthly meetings. MSMEC Offices will be closed on

Monday, October 12th in observance of the Columbus Day Holiday. The NRECA Region 10 Meeting will be held in Albuquerque on October 20th, 21st & 22nd. MSMEC next monthly meetings are scheduled for Monday, October 26th beginning with Finance Meeting at noon and regular Board Meeting at 12:45 p.m.

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. 2014 – 990 Update, Discussion and Approval

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

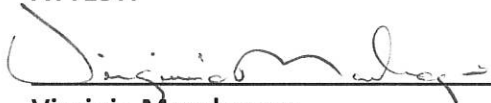
18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

- 1. A motion was made by James Ortiz, seconded by Virginia Mondragon, to appoint LaDonna LaRan as Interim Manager effective today, September 25th, 2015. Motion carried unanimously.
- 2. A motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the filing of the 2014 990 tax forms. Motion carried unanimously.
- 3. A motion to accept Diego Quintana's letter of resignation, effective September 22, 2015 and dated September 24, 2015, was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.

19. OTHER BUSINESS TO COME BEFORE THE BOARD – LaDonna LaRan was approved to attend the Southwest Accountants Association Conference on October 22nd and 23rd.

20. ADJOURNMENT – A motion to adjourn was made at 12:40 p.m. by Virginia Mondragon, seconded by James Ortiz. Motion carried unanimously.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman