

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**JULY 31, 2018**

The Meeting of July 31, 2018 was called to order at approximately 11:03 a.m. by Board Chairman, Robert M. Quintana.

**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** – Vice-Chairman Robert Baca 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 - #14 – New Business – m. Wi-Fi Connectivity at Mora Office. **A motion to approve the Agenda as amended was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.**

**5. RECOGNITION OF GUESTS**

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

**6. SAFETY REPORT/MINUTES** – The Safety Committee Minutes of the meeting held on July 12, 2018 were reviewed. Some of the items covered included:

- There were two accidents to report in Mora for the month of June. 1) An outage was reported in Chacon and while the line crew was getting to the location they met up with a fire crew who had already extinguished a ground fire. The linemen patrolled the line and found a loose strand on phase. Line crew repaired strand and refused; 2) there was a down power line in El Aguila. A cross arm split and fell to the ground causing an outage. A cow and dog came in contact to downed power line. Repairs were made and power restored.

- There were four accidents in Pecos. 1) A J-Box was reported damaged in the La Joya area by a Pecos business owner. J-Box was replaced; 2) Lights were blinking throughout the Pecos area. The Systems Operation Manager went to locate the cause and on his way met up with the Fire Department fighting a small fire on a flatbed trailer and the ground around it. The trailer and fire were located underneath the pole where MSMEC's power line to Colonias comes from. A gentleman stated that fire may have started from a spark from the electric pole. It was determined by the Crew that the hotline clamp was loose where the line connects to the clamp. There were burn marks on the line and clamp. The line crew replaced the line and hotline clamp with new hardware; 3) a contractor hit the phone line with excavator and ripped down MSMEC's power pole. The line crew disconnected the tap and restored power. An invoice was sent to contractor for damages; 4) a line crew was working at the Pecos Schools when the turn table cable on the digger caught exhaust pipe and pulled into cab and broke the coupling on exhaust pipe. Digger will need to be repaired.
- There were no near misses, no on-the-job injuries, nor on-the-job incidents in Mora or Pecos.
- CEO Montoya met with office employees to advise them regarding the location of our distribution system and to discuss phone etiquette.
- The Board of Directors approved upgraded smart phones for the working foremen so as to have access to the S.A.F.E app.
- The new digger truck will be delivered soon.
- The 4-Year Construction Work Plan for 2018-2021 will be presented to the Board for approval during their meeting of July 31, 2018.
- The Linemen from both offices were trained on Pole Top Rescue and Field Training Exercise. There was no safety training for inside staff for the month of June.

**7. ACTION OF REGULAR MEETING MINUTES HELD ON JUNE 21, 2018** – The Minutes of the Regular Board Meeting held on June 21, 2018 were presented for review and approval. After review, **a motion to approve those minutes was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.**

**ACTION OF ORGANIZATIONAL MEETING MINUTES HELD ON JUNE 23, 2018** – The Minutes of the Organizational Meeting held on Saturday, June 23, 2018 were presented for review and approval. After review, **those minutes were approved with a motion by Robert Baca and second by Joe C de Baca. Motion carried unanimously.**

**8. APPROVAL OF NEW MEMBERSHIPS (MORA 24 – PECOS 17)** – The new memberships were presented for review and approval. After review, **a total of 41 new memberships were approved with a motion from Robert Baca and second from Virginia Mondragon. Motion carried unanimously.**

**9. MANAGER'S REPORT**

- a. **Delinquent Report** – The Delinquent Report was presented for review. There were 949 delinquent accounts totaling \$471,900.71. After collections, 806 of those accounts remained unpaid for a total of \$79,277.36.
- b. **RUS Form 7** – CEO Montoya reported on the RUS Form 7. Operating Revenue and Patronage Capital for the month of June was \$973,262 and \$5,984,634 year-to-date. Cost of Purchased Power was \$503,464 and \$3,165,352 year-to-date; Total Operation & Maintenance Expense \$784,561 and \$4,630,596 year-to-date; and Total Cost of Electric Service was \$917,066 and \$5,525,690 year-to-date. Patronage Capital or Margins for the month of June was \$57,077 and \$480,268 YTD. TIER was 2.50% for the month and 2.75% YTD.
- c. **Outage Report** – The Outage Report was presented for review. The majority of the outages reported for the month of June were weather related.
- d. **Member Sales Budget Report** – The Member Sales Budget Report was not available for the month of June, but will be included in next month's agenda.

**10. FINANCE REPORT** – A motion was made by Virginia Mondragon, seconded by Robert Baca, to approve both the Manager's Report and the Finance Minutes of the Meeting held earlier today. Motion carried unanimously.

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on Tri-State's monthly meeting. A number of items covered included:

- Delta Montrose buy-out from Tri-State contract – 3 hour hearing
- Long discussion on eliminating Policy 115 and the 5% renewable energy allowed to cooperatives as part of their contracts

**12. NMRECA TRUSTEE REPORT** – Robert M. Quintana, NMRECA Trustee, reported on Statewide's monthly meeting. Some of the items covered during the meeting included:

- Health insurance plan increase
- Increase on dues – not approved
- RUS Loan Rates – Long-term 2.9% and Short-term .93%
- 2019 Youth Tour to Washington, DC dates – June 14-21, 2019
- Mr. Groenewold reported on the 2018 Annual Meeting survey results. Only 36 out of 259 responded. The survey showed 53% rated the overall meeting excellent and 46.88% as good. The Board will explore other venues, other than Ruidoso, as to where the Annual Meeting can be held next year
- NRECA Region 10 Meeting will be held in Oklahoma City in October
- Susan Espinoza reported to the Board that the committee is looking for ways to save money in the production of the Enchantment. One idea was to publish 10 issues instead of 12 per year

### 13. ON-GOING BUSINESS

- a. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of June was \$471,864.05. The MSM Solar bill was \$31,599.77, with a credit from Tri-State of \$18,914.75.

### 14. NEW BUSINESS

- a. **T & D Engineering – 4-Year Work Plan (2018-2021) Presentation** – Kyle Padilla, Jorge Garza and Adam Roybal presented the 2018 – 2021 Construction Work Plan. The presentation existed of the system planning for the next 4 years and included historical data, engineering analysis and support and projects information. The engineering study on the MSMEC proposed projects was reviewed. These proposed projects are needed due to system aging which in turn result in outages occurring throughout our system area. After further discussion and questions related to the work plan, **a motion to approve the 4-Year Construction Work Plan was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**
- b. **N-Com, Inc. – Broadband Services – Mr. Rob Wilkinson** – Mr. Rob Wilkinson introduced himself and stated that N-Com, Inc. has provided engineering services to telecommunication companies and Internet Service Providers throughout the United States for over 20 years and are currently assisting other electric companies deploy fiber broadband services. MSMEC has areas of its electric service territory that is currently unserved with broadband service and is evaluating the possibilities of providing that service in those specific areas. Mr. Wilkinson stated that they help clients get RUS loans to build out to areas that don't have broadband, in our situation, outside the La Jicarita area. There was some discussion about how this could be set up, cost estimates and building a model to see what it would actually cost and looking into easements. Assessment will take place first to see where we go from here.
- c. **NRECA Region 10 Meeting – Registration Open** – After review of the NRECA Region 10 Meeting schedule/agenda, no one from MSMEC will be attending at this time.
- d. **NRECA Annual & Regional Meeting Voting Delegate Certification and Credentialing Process** – No action was taken since no one from our Coop will be attending.
- e. **CFC Request for Candidates – District 10, Position M** – For information only.
- f. **Basin Electric – 2018 Annual Meeting Designation of Authorized Representative Form** – For information only.
- g. **Resolution - MSMEC 2018 Load Forecast** – After reviewing the 2018 Load Forecast Study developed by Tri-State Generation and Transmission Association, in cooperation with MSMEC, **a motion to approve the MSMEC 2018 Load Forecast was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**
- h. **Resolution – Secretary's Certificate Identifying Certifier for RUS/Loan** –After review, **a motion to approve the Resolution, as presented to the Board of Directors, showing the Secretary's Certificate Identifying the Certifier for RUS/Loan was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

- i. **Resolution – Requesting Guaranteed Federal Financing Bank (FFB) Loan** – As presented to the Board, it has been determined on the basis of the current Construction Work Plan that financing is needed for electric facilities as shown on RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers. A Loan requesting for facilities from RUS Guaranteed Federal Financing Bank (FFB) totals \$7,338,000. **A motion to approve and adopt the Resolution requesting a loan in the amount of \$7,338,000 from Guaranteed Federal Financing Bank (FFB) was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**
- j. **Resolution – Approval of Ten Year Financial Forecast** – The Resolution for the ten year financial forecast, for the period of 2018 through 2027 as prepared and included with the loan application, was presented to the Board for approval. The financial forecast includes estimates taken from a previously Board approved Load Forecast and Four Year Construction Work Plan , both of which have been approved by the Rural Utilities Service. **With a motion from Virginia Mondragon, second by Robert Baca, the Board approved and accepted the Ten Year Long Range Financial Forecast as proposed. Motion carried unanimously.**
- k. **2019 Youth Tour Delegate Commitment Form** – After some discussion, a motion was made by Robert Baca and seconded by Virginia Mondragon that MSMEC would commit to sending two students to the 2019 Youth Tour. The Board will review all essays turned in, select the 2 best essays and those will be the students selected to attend the Youth Tour. **Motion carried unanimously.**
- l. **Rural Business Development Grant – Letter of Conditions – Mora Valley Grocery Store Feasibility Study** – CEO Montoya reported to the Board that the \$20,000 Grant for the Mora Valley Grocery Store Feasibility Study was approved and now needs to get finalized. MSMEC will have to contribute \$2500.00 as part of this feasibility study, which was previously approved. There was some discussion about MSMEC’s approach to this study, the need for a community grocery store and our need for a new building.
- m. **Wi-Fi Connectivity at Mora Office** – The subject of being able to connect to Wi-Fi here in the Board Room and in our office buildings in general was a topic of discussion. Telephone service and being able to connect to the internet has not been working very well lately. CEO Montoya was asked to look into purchasing a modem.

## 15. CORRESPONDENCE

- a. **Emily Mendoza – Thank You Letter for Scholarship** – For information only.
- b. **Alonzo Aragon – Thank You from Mora Rancher Championship Baseball Team** – For information only.
- c. **Mone Mondragon – Thank You – Washington, DC Youth Tour** – For information only.
- d. **Otero County Electric Cooperative – Annual Meeting Invitation – August 4, 2018** – For information only.
- e. **Annual NMRECA Barbecue Invitation – August 30, 2018** – For information only.
- f. **CFC Election “Financial Expert” At-Large Board Seat – Elizabeth “Betsy” Higgins** – For information only.

**16. INFORMATION**

- a. **Calendar of Events** – NMRECA Meeting will be held on August 2<sup>nd</sup> and 3<sup>rd</sup> in Santa Fe. Tri-State Meeting is scheduled for August 7<sup>th</sup> and 8<sup>th</sup> in Westminster, CO. CoBank's Energy and Water Forum is scheduled to start on August 7<sup>th</sup> and run through August 9<sup>th</sup> in Colorado Springs, CO. The Employee Appreciation Luncheon will be held at Hacha's Restaurant on Thursday, August 16<sup>th</sup>. MSMEC's next Finance and Regular Board Meetings are scheduled for Thursday, August 23<sup>rd</sup> starting at 10:00 a.m. NMRECA September meetings and Annual BBQ will be held on August 30<sup>th</sup> and 31<sup>st</sup>.

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

**17. EXECUTIVE SESSION**

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

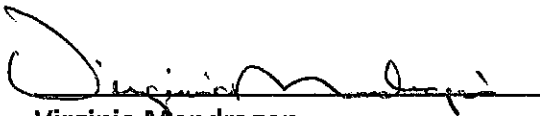
**A motion to move out of Executive Session and back into Regular Session was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**

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

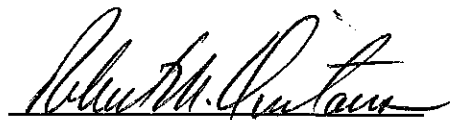
**19. OTHER BUSINESS TO COME BEFORE THE BOARD – None.**

**20. ADJOURNMENT – A motion to adjourn today's meeting was made by Virginia Mondragon. Motion carried unanimously. Meeting adjourned at 2:52 p.m.**

**ATTEST:**



**Virginia Mondragon  
Secretary/Treasurer**



**Robert M. Quintana  
Board Chairman**