

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING**  
**HELD ON**  
**OCTOBER 24, 2018**

The meeting of October 24<sup>th</sup>, 2018 was called to order at approximately 11:10 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**           **Les Montoya, CEO/General Manager**  
**Present:**       **Debbie 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 for today’s meeting was presented for review and approval. After review, a **motion to approve the Agenda as presented was made by Robert Baca and seconded by Virginia Mondragon. 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** – Antonio Maes, Meter Reader, was introduced to the Board as a 6-month probationary employee. Due to the AMI transition, his title as well as other meter readers will be reclassified to Meter Tech I.

**6. SAFETY REPORT/MINUTES** – The Safety Committee met on September 13, 2018. Some of the items covered included the following:

- There were two accidents to report in Mora. 1) Disconnects for Cycle 1 took place on September 5<sup>th</sup>. The billing supervisor distributed service orders to meter readers and billing staff. A consumer on the disconnect list called and made payment soon after his meter was disconnected. Information did not get to appropriate staff and consumer was without power from 9/5 to 9/17 when he returned from being away. The consumer filed a claim for lost goods and freezer.

Claim was paid. 2) A line crew was working on an outage in Loma Parda. They patrolled the line in the Rio Mora Wildlife Refuge property and discovered a broken pole and downed power line. Unfortunately, two buffalo had come in contact with the downed power line.

- No accidents to report in Pecos
- There were no near misses nor on-the-job injuries to report in either Mora or Pecos
- CEO Montoya stated that two of the bucket trucks in Pecos will be up for replacement in December and will request approval from the Board to replace these units
- A total of 9,800 meters have been switched out and there are about 900 more to complete the switch to AMI's. Mr. Montoya also stated that approximately 36 consumers have opted out of having an AMI meter installed
- The Rainsville Substation has been connected through broadband to the Mora Office. This should assist in consistent reporting from AMI meters to the office
- MSMEC will be setting up a new telephone system once Pecos is connected to broadband
- A preliminary 2019 budget will be presented to the Board of Directors before December 2018
- There were no safety trainings for any of the employees during the month of September

**7. ACTION OF REGULAR MEETING MINUTES HELD ON SEPTEMBER 27, 2018** – The Board Minutes of the meeting held on September 27<sup>th</sup>, 2018 were presented for review and approval. After review, **a motion was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**

**8. APPROVAL OF NEW MEMBERSHIPS (MORA 7 – PECOS 21)** – Twenty-eight new memberships were presented for review and approval. After review, **a motion to approve 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 the month of September was reviewed. There were 855 delinquent accounts totaling \$397,582.76. After collections, 688 accounts remained delinquent for a total of \$86,475.79.
- b. RUS Form 7** – CEO Montoya went over the RUS Form 7. Operating Revenue and Patronage Capital was at \$911,059, Cost of Purchased Power at \$433,074 and Total Operation & Maintenance Expense at \$870,978. Total Cost of Electric Service was \$1,032,741, Patronage Capital & Operating Margins at (\$121,682) and Patronage Capital or Margins was at (\$119,686). TIER for the month was at -2.19% for the month and 2.22% year-to-date.

- c. **Outage Report** – There was a short review of the Outage Report. A large number of the outages were caused by lightning. The outage affecting the most consumers in September, 15 for an estimated 7 hours, was caused due to broken pole in the Loma Parada area.
- d. **Member Sales Budget Report** – The Tri-State G & T Member Sales Budget Report was reviewed. The Actual numbers to the Budgeted numbers were right on the budget once again in September. Quantities – Total Energy was 5,102,644 Actual, Budgeted was 5,111,869. Revenues – was \$404,534 Actual, Budgeted was \$402,048.

**10. FINANCE REPORT** – After review, **Virginia Mondragon** motioned to approve the Finance Report together with the Manager's Report. **Robert Baca** seconded that motion. Motion carried unanimously.

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

- Tri-State received 12 Safety Awards – No injuries in 6 years
- Policy 115 – Planning to do away with committee working on this policy and use the Contract Committee instead
- A couple of coops are looking to get out of their Tri-State contract – Delta Montrose and La Plata
- There is some false/negative information going around regarding Tri-State's renewables
- Discussion on giving special rates to bigger coops -- would only create big problems
- Tri-State is the 2<sup>nd</sup> largest G & T in the US

**12. NMRECA TRUSTEE REPORT** – Robert M. Quintana, NMRECA Trustee, reported on their meeting held in Santa Fe on October 5, 2018. Some of the items covered included:

- Joseph Herrera, General Manager at Socorro Electric, was seated to the NMRECA Board of Directors at their representative
- Stephanie Garcia Richard, democratic candidate for New Mexico's State Land Commissioner, introduced herself to the Board and gave a good presentation
- RUS long-term interest rate is 3.23% and short-term is 2.23%
- Chris Martinez, Executive Vice President and General Manager at Columbus Electric, received an award at the Annual Award Ceremony for the New Mexico Association of Energy Engineers. The award was for the Renewable Energy Project of the year.
- The Board was provided with a copy of the 1<sup>st</sup> draft of the proposed budget for 2019
- Strategic Planning Session was held on October 4<sup>th</sup>. MSMEC Board Chairman Robert Quintana and CEO/General Manager Les Montoya both attended.

### 13. ON-GOING BUSINESS

- a. **2019 NMRECA Telephone Directory – New Photos** – For information only.
- b. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of September totaled \$404,533.82. The MSM Solar Bill was \$28,540.60 with a credit from Tri-State of \$18,186.29.

### 14. NEW BUSINESS

- a. **2019 Youth Tour to Washington, D. C. – Essay Question** – The full Board approved the essay question presented to them in their Board packets. The essay question, dealing with electric vehicles in our future, will be presented to those juniors and seniors who attend a high school in our service area and are interested in applying for the 2019 Youth Tour to Washington, D. C. which will be held in June 2019.
- b. **Western United Electric Supply Corporation – 2019 Fiscal Year Patronage Retirement Check** – Due to continued positive margins in their 2019 fiscal year, Western United Electric (WUE) mailed a patronage retirement check representing one-half redemption of the outstanding patronage certificate from 2011. The check was in the amount of \$139.89.
- c. **NRECA Training Courses** – NRECA will be offering two courses designed to address the learning needs of electric cooperatives in understanding the roles, responsibilities, knowledge and skills necessary to govern today's electric cooperatives. These courses will be held in Albuquerque in December. CEO/General Manager Montoya was given approval to attend both courses.
- d. **Bucket Trucks – Lease Renewal and/or Purchase of new trucks** – The term lease for two units out of the Pecos Office will mature in December 2018. In anticipation of these terms and the condition of the vehicles, staff is recommending replacement of these bucket trucks. Availability of 2019 units from the manufacturer is April or May of 2019, therefore, staff is proposing to extend the present lease purchase agreement for a 6-month period after December 2018. After some discussion and review of the information obtained regarding the unit replacement options and estimated costs, a **motion was made by Robert Baca, second from James Ortiz, to give authorization to CEO Montoya to extend the lease agreement for another 6-month period and to move forward with the purchase of the two units. Motion carried unanimously.**
- e. **MSMEC Integrated Vegetation Management Procedures, Policies and Plan** – CEO Montoya reported to the Board that MSMEC Operations prepared a draft Vegetation Management Plan for the Cooperative for their review and consideration. The RESAP Committee also reviewed the draft and recommended presenting the plan to the Board for approval. The purpose of the Plan is to outline MSMEC's vegetation management program in accordance with applicable industry standards and regulations. The primary objective is to provide safe, reliable and economical delivery of electric energy to its consumers with access for facility maintenance or emergency repairs. The secondary objective is to be an environmental leader and steward of the unique natural resources of our service

area. After discussion regarding this being a Federal requirement and previous problems our Coop had due to fire, a **motion was made by Virginia Mondragon, seconded by Robert Baca, to approve the draft Integrated Vegetation Management Procedures, Policies and Plan as presented today. Motion carried unanimously.**

- f. **Draft Copy of Form 990 – Return of Organization Exempt from Income Tax for 2017** – Julie Pacheco, Finance Manager, presented a draft copy of Form 990, Return of Organization Exempt from Income Tax for year 2017, with the Board. Our audit firm completed the form with MSMEC financial data and other information requested by the auditors. After review and discussion, a **motion was made by Virginia Mondragon to approve the completed Form 990 for year 2017 to be filed with IRS. Joe C de Baca seconded that motion. Motion carried unanimously.**

#### **15. CORRESPONDENCE**

- a. **Thank you letter for Donation – Cleveland Roller Mill Museum** – For information only.
- b. **2018 CoBank Director Election Results** – For information only.
- c. **Mora Arts & Cultural Fall Festival – Thank you for Support** – For information only.

#### **16. INFORMATION**

- a. **Calendar of Events** – Statewide Meetings will be held on November 1<sup>st</sup> & 2<sup>nd</sup>. Offices will be closed on November 12<sup>th</sup> in observance of the Veteran’s Day Holiday. Tri-State Meetings will be held on November 13<sup>th</sup> & 14<sup>th</sup> in Westminster. Offices will be closed on November 22<sup>nd</sup> & 23<sup>rd</sup> in observance of the Thanksgiving Holiday. The Finance and regular Board Meetings are scheduled for Friday, November 30<sup>th</sup>, 2018 starting at 10:00 a.m.

**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**

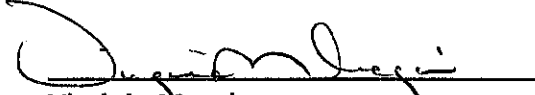
**A motion to move out of Executive Session was made by James Ortiz and seconded by Virginia Mondragon. Motion carried unanimously.**


**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 Robert Baca.  
Motion carried unanimously. Meeting adjourned at approximately 2:10 p.m.**

**ATTEST:**

  
Virginia Mondragon  
Secretary/Treasurer

  
Robert M. Quintana  
Board Chairman