

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**MARCH 28, 2018**

The Regular Board Meeting of Wednesday, March 28, 2018 was called to order by Board Chairman, Robert M. Quintana at 10:55 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**            Les Montoya, General Manager  
**Present:**        Debbie H. Alexander, Administrative 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. 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)**

**b. General Public Comment (5 minute time limit)** – Mr. Rudy J. Romero, Member/Consumer, was in attendance to observe today's meeting.

**c. Introduction of Employees**

1. **Antonio Maes – Temporary Meter Reader (Mora Office)** – Antonio Maes, newly hired temporary Meter Reader, was introduced to the Board. Mr. Maes was welcomed to MSMEC.

**d. Recognition of Employees**

1. **Soni Ortiz** – The Board of Trustees was honored to recognize Ms. Ortiz for her life saving action while on the job. Soni's unselfish act to aid someone in their struggle to breathe speaks highly of her ability to make a lifesaving decision while applying skills she has been trained to perform at MSMEC in

these types of life and death situations. MSMEC is very proud of Soni and how she responded on that day and her actions are to be commended.

2. **Garrick Martinez** – The Board of Trustees recognized Mr. Martinez for his quick thinking and rapid response while responding to an outage. Garrick was recognized for his efforts to extinguish a fire prior to the fire spreading during these extreme dry and windy conditions. Garrick's actions are to be commended for taking action to protect property and life.

Both employees were presented a letter of commendation from the Board.

**6. SAFETY REPORT/MINUTES** – The Safety Committee Minutes of March 13, 2018 were reviewed by Manager Montoya. Some of the items covered were as follows:

- There were no accidents to report in either Mora or Pecos for the month of February
- There were no near misses in Mora. There was one near miss in Pecos to report. On February 5<sup>th</sup>, a line crew was sectionalizing a faulted cable, opened up the cable on both ends and they were still getting back feed. Crew had never experienced this before but contractors have been working on the line and switching cables and moving transformers around, so this may have been the cause.
- There was one incident to report in both Mora and Pecos. In Mora, a lineman responded to a trouble call and a loose hot line clamp started a fire below a power pole. The fire was extinguished with fire extinguishers and the Fire Department was called and mopped up the grass fire. In the Pecos area, the water heater in the warehouse rusted through and started leaking. The water leak caused damage to the ceiling causing it to collapse.
- A lineman has concerns regarding Central Dispatch and the information they are getting from consumers and passing on to them. Information given to the line crew is not always accurate.
- Employee asked if it was possible to purchase a chainsaw that can be handled with one hand. This tool would help the men when trimming trees while in the bucket. Manager Montoya gave direction to look into price quotes for small chainsaws.
- Pamela Brown attended the NMRECA HR Association training. The Merchant's testing was a topic of interest. At other cooperatives, the Merchant's tests are given on the same day as their safety training day and all linemen test in one room at the same time. MSMEC will consider this.
- Linemen and Meter Readers from both offices were trained on Finding the Way (Accident Prevention), Hazard Assessment & Job Briefing and Driver Safety/Distracted Driving.

- Office staff from both offices was also trained on Driver Safety/Distracted Driving. Trainings were conducted by Mr. Roy O'Day, Director of OAEC New Mexico Safety and Loss Control.

**7. ACTION OF REGULAR MEETING MINUTES HELD ON FEBRUARY 21, 2018** – The Minutes of the Meeting held on February 21, 2018 were presented for review and approval. After review, **a motion to approve those Minutes as presented was made by Robert Baca and seconded by Joe C de Baca. James Ortiz abstained as he was not present for the meeting of February 21, 2018. Motion carried unanimously.**

**8. APPROVAL OF NEW MEMBERSHIPS (MORA 18 – PECOS 11)** – Twenty-nine new memberships were presented. **A motion to approve all new memberships was made by James Ortiz, seconded by Joe C de Baca. Motion carried unanimously.**

**9. MANAGER'S REPORT**

- a. **Delinquent Report** – The Delinquent Report for February had 938 delinquent accounts totaling \$376,305.17. After collections, 589 accounts remained unpaid for a total of \$75,592.65
- b. **RUS Form 7** – The RUS Form 7 for the months of January and February were provided for review. The following line items were reviewed for each month:
  - ✓ **Operating Revenue and Patronage Capital**  
January = \$1,148,188 – February = \$1,062,011
  - ✓ **Cost of Purchased Power**  
January = \$635,779 – February = \$561,287
  - ✓ **Total Operation & Maintenance Expense**  
January = \$807,442 - February = \$803,527
  - ✓ **Total Cost of Electric Service**  
January = \$932,839 – February = \$928,924
  - ✓ **Patronage Capital & Operating Margins**  
January = \$215,349 – February = \$133,087
  - ✓ **TIER**  
January = 7.07% - February = 4.53%
- c. **Outage Report** – The Outage Report for February was reviewed. Outages for the month were the least amount reported in a long time. Outages were primarily wind related.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report was presented. A <1.6% >variance is total energy purchased for the month of February and a <2.6%> variance of energy purchased year-to-date. Cost of energy purchased for February is <4.4>% and year to date<3.5>%. This report is a summary of our

monthly purchase of power and a comparison between current to budgeted amounts. This report will now be provided to the Board each month.

**10. FINANCE REPORT – A motion to approve the Minutes of the Finance Meeting held earlier today, together with approval of the Manager’s Report, was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

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

- Audit Report was found to be in order
- Organized market update
- Base rate for most Coops is an average between \$30 and \$35
- San Juan Unit 3 is now retired
- Coal supply is down 50% - Some Colorado Coops are totally against the use of coal and pushing against Tri-State
- Member Sales are 1.9% over budget

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

- Mr. Joseph Sanchez addressed the Board and announced that he was a candidate for the District 40 NM State Representative position and would appreciate the Board’s support.
- Mr. Larry McGraw, RUS, reported that the long-term interest rate is 3.01% and short-term is 1.66%.
- Mr. McGraw also reported that President Trump announced his intention to appoint Mr. Ken Johnson as the next RUS Administrator. Mr. Johnson formally served as the General Manager/CEO of Co-Mo Electric Cooperative and President for Co-Mo Connect in Tipton, Missouri.
- Keven Groenewold announced that PRC Vice-Chair, Cynthia Hall, was appointed to the National Association of Regulatory Utility Commissioners Electricity Committee.
- Mr. Lance Adkins reported to the Board as information that Mr. Jerry Partin, former General Manager of Roosevelt Electric, is running for current PRC Commissioner Patrick Lyons position which is termed out.
- There is some controversy on the structure of NMRECA dues and how Coops are accessed these dues. Committees met and discussed the restructure of the Coop’s dues for 2019. A timeline was set with the goal to finalize restructure of dues by June 28, 2018. Board was encouraged to discuss the dues and budget structure with their perspective boards and send comments and suggestions to Mr. Groenewold before March 29<sup>th</sup>. MSMEC’s Board made the decision to recommend leaving the dues that way they are now.

### 13. ON-GOING BUSINESS

- a. **Anixter AMI Meter Project Status Report** – Jason Trujillo, Energy Consumption Supervisor, presented the Board with a status report on the Anixter AMI Meter Project. Mr. Trujillo reported that as of March 9<sup>th</sup>, 3,322 TWACS AMI meters have been installed onto our system. To date, 632 have been installed by in-house employees. There are about 6508 meters left to install to complete the project. Jason stated that all is progressing well and with the incoming spring season and longer light-hour days, he is confident project can be accomplished within the projected 9 months period. He also believes that once employees go to the four-day week with 10-hour days, it will help speed things up even more.
- b. **Prizes for the 2018 Member Services Safety Coloring Contest** – Prizes were awarded to students from 5 elementary schools in our service area for participating in the safety coloring contest. Schools included Mora, Pecos, Mike Mateo Sena Elementary in Sapello, Valley Elementary and Rita Marquez Elementary in Anton Chico. 1<sup>st</sup> place winners were awarded \$50 each, 2<sup>nd</sup> place winners \$25.00 and 3<sup>rd</sup> place winners \$15.00 each. Congratulations to all the winners and thanks to all students who participated.
- c. **MSMEC Rate Adjustment Filing Advice Notice No. 61** – General Manager Montoya presented the Board of Trustees with a memo advising them that on March 20<sup>th</sup>, 2018, he had signed off on the proposed MSMEC Rates for the various consumer classes. Rate adjustments include the following rate classes: Residential/General Services “GS”, Power Service “PS”, Lighting Services, “LS” and the new Agriculture/Irrigation Service “AIR”. All proposed changes will be filed under Advice Notice No. 61 with the NMPRC. Manager Montoya also presented a table of rate adjustments in comparison to the existing rates. This information was presented to aid in making the distinction between the prior rate and the new rate.
- d. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of February totaled \$533,646.63. The MSM Solar bill was \$26,602.64 with a credit from Tri-State of \$9,195.15.

### 14. NEW BUSINESS

- a. **NRECA Supervisor Training Course – Stepping into your Supervisory Role: Learning to Lead** – NMRECA education course will be held in Moriarty, NM on May 3<sup>rd</sup>. Those attending will be George Valdez, April Duran and Jason Trujillo. Key topics being covered during this training course will include; 1) Four mission-critical areas of electric cooperatives, 2) Supervisors’ role at the co-op and the challenges inherent in that role, 3) Four-step process for setting, monitoring and supporting expectations of team members, 4) Importance of trust and being trustworthy, 5) Three types of power, 6) Leadership styles, 7) Time management, and 8) Personal career development plan.
- b. **Tri-State Annual Meeting – April 3 -5, 2018** – Notice and 2018 Annual Meeting Agenda was presented for Tri-State’s Sixty-sixth Annual Meeting of Member Systems. Annual Meeting will be held April 3<sup>rd</sup> – 5<sup>th</sup> in Broomfield, CO.

- c. **NMRECA Annual Meeting – May 22 – 24, 2018 – Ruidoso, NM – Nominee for Member of Board of Directors 2018 -2019 and Voting Representative Credential 2018** – Notice of the NMRECA Annual Meeting being held from May 22<sup>nd</sup> – 24<sup>th</sup> was presented to the Board. The Annual Meeting will once again be held in Ruidoso, NM. After some discussion, **James Ortiz motioned, with a second from Virginia Mondragon, that Robert Baca serve as voting delegate and Robert Quintana serve as alternate. Motion carried unanimously.**
- d. **Electric Service Security Deposits Policy for MSMEC** – Manager Montoya presented the Board with a copy of the Electric Service Security Deposits Policy developed to be consistent with PRC requirements. In the interest of preventing losses from the sale of electric services to its Members/Consumers, MSMEC will require an Electric Service Security Deposit. The General Manager is asking authorization to enforce a Security Deposit Policy through its Finance Manager and Utility Billing Supervisor. The Electric Service Security Deposit shall be required of all electric customers who have been serviced by MSMEC in their name or where credit has not been satisfactorily established. Upon determination by MSMEC and after 12 months of good credit established with MSMEC, the Security Deposit in accordance with Revised Rate No. 7, plus any interest earned as provided by the law, shall be returned to the consumer upon request or applied to the customer's bill. **A motion to approve the Security Deposit Policy and to submit for filing was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**
- e. **Request for Electric Service and Membership Application** – Copies of current Request for Electric Service/Membership Application used at MSMEC were provided to the Board for their review. A copy of a new version developed to be more consistent with current language and information was also presented for approval. There were some questions as to the necessity of requesting driver's license number and social security number and if these could be marked as optional. Manager Montoya advised the Board that he would inquire about that. **A motion to approve new Request for Electric Service and Membership Form was made by Joe C de Baca and seconded by Robert Baca. Motion carried unanimously.**
- f. **Policy for Settlement Agreements of Delinquent Accounts** – Manager Montoya presented the Board with a new Policy for Settlement Agreements of Delinquent Accounts for their review and approval. The policy is to establish an internal procedure for addressing consumers who fall behind on payment of their monthly electric bill. For the purpose of this policy, delinquent shall mean a MSMEC consumer who has been identified as being 30 days or longer past due payment of MSMEC electric charges with a past due balance of more than \$100 and has been identified as delinquent per our regulations pertaining to designation of delinquent status. Consumers will be required to come in to one of our offices and sign requesting an arrangement to pay delinquent amount. After further review and discussion, **a motion to approve Policy for Settlement Agreements of Delinquent Accounts was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**



- g. **Policy for Budget Billing Consumers** – Manager Montoya presented the Board with a copy of the Policy for Budget Billing Consumers and the Agreement Form for their review and approval. The purpose of this policy is to establish an internal procedure for addressing consumers who elect to enroll in MSMEC’s Budget Billing Plan. This plan is intended to aid residential consumers to have a levelized bill for electric service over a 12-month period. Eligibility requirements are set in place to enroll in this plan. One requirement shall have consumer comply by paying, at minimum, the “Budgeted Amount”. The consumer may pay more, but at no time are they allowed to pay less. After further review, **a motion to approve the Policy for Budget Billing Consumers and Agreement Form was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**
- h. **Security Lighting Discussion** –James Ortiz, Trustee, requested discussion on security lighting in our service areas. Mr. Ortiz stated that in years past there seemed to be many more security lights around our communities than there are now. He suggested if maybe it would be a good idea to ask consumers about installing security lights at a lesser amount which would in turn increase revenue to the Coop in the long run. After continued discussion and a look at the cost involved in installing security lights, fixtures, labor, and monthly charge of security light, etc., the Coop would actually lose money. The Board chose not to take action on this matter.
- i. **CFC – Financial Expert Position on CFC Board** – For information only.

#### 15. CORRESPONDENCE

- a. **Central New Mexico Electric Cooperative – Annual Meeting – April 14, 2018** – For information only.
- b. **Roosevelt County Electric Cooperative – Annual Meeting – April 16, 2018** – For information only.
- c. **USDA – Elimination of Publishing Statement of Nondiscrimination in Newspapers** – For information only.

#### 16. INFORMATION

- a. **Calendar of Events** – Tri-State Annual Meeting is scheduled for April 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup>. The next MSMEC Board of Trustees Finance and Regular Board Meetings are scheduled for Wednesday, April 25<sup>th</sup>, 2018.

**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. **Litigation Matters**

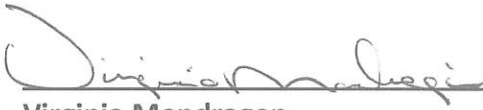
A motion to move out of Executive Session and back into Regular Session was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.

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

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

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 3:00 p.m.

ATTEST:



Virginia Mondragon  
Secretary/Treasurer



Robert M. Quintana  
Board Chairman