

New Mexico Renewable Energy Transmission Authority

Minutes of Board Meeting

May 18, 2016

1:30 p.m.

State Capitol – Room 317

Santa Fe, New Mexico

Present

Bob Busch, Chairman
Stephen Elliott
Robert Apodaca
Louise Martinez
Cindy Cordova
Jonathan Elms (via telephone)

Absent

Brian Moore

RETA Staff

Lynn Mostoller – General Counsel, Sutin Thayer & Browne
Ginny Selvin – Consultant

1. Call to Order and Roll Call

Chairman Busch called the meeting to order at 1:35 p.m. A quorum was present for the meeting.

2. Approval of Agenda

Member Cordova made a motion to accept the agenda as presented. Member Apodaca seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

3. Approval of October 26, 2015 Board Meeting Minutes

Member Cordova made a motion to approve the Board Meeting Minutes as presented. Member Elliott seconded the motion. Chairman Busch discussed the importance of the Board Minutes as they outline the recommencement of RETA and the withdrawal of the cancellation of the Lease with Clean Line Energy Partners. There being no other discussion, corrections, additions or updates to the minutes, Chairman Busch then called for a vote and it passed unanimously.

4. Consideration and Approval of Resolution Number 2016-01 Open Meetings

Chairman Busch presented the Open Meetings Act Resolution and explained that it is not a requirement of the Board but RETA voluntarily adopts the Open Meetings act annually. Member Apodaca made a motion to approve the open meetings act resolution. Member Cordova seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

5. Report of the Chairman

Chairman Busch provided an update to the Board on the process for getting RETA back in operation. In order to comply with being a state authority certain things must be completed such as financial statements, conducting an audit, and creating a budget. The Board was informed that all of these items have been completed or are currently being worked on. Chairman Busch also informed the Board that a Joint Development Meeting was held to consider and approve a FERC filing to move forward the Clean Line Energy Partners Western Spirit Project.

6. Review and Approval of April 30, 2016 Financial Report

Chairman Busch informed the Board that an accountant, Virginia Selvin was retained to continue the financial reporting where Accounting and Consulting left off. Mrs. Selvin informed the Board of the steps she has taken to obtain the information needed to create the April Financials. Mrs. Selvin called the Board's attention to the end balance of what RETA has to continue its operations. Ms. Selvin also informed the board that she is prepared to begin work with the auditor on RETA's FY 2016 Audit.

Member Elliott made a motion to approve the April 30, 2016 Financial Report. Member Cordova seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

7. Review and Approval of FY 2017 Budget

Chairman Busch presented the FY 2017 budget for the Boards consideration. It was stated that the budget was created based on RETA's current financial status. A basic budget was created which includes but is not limited to: audit, legal, accounting and administrative expenses. A discussion was had on the role Clean Line Energy Partners has on the budget. Mr. Apodaca inquired about the legal expenses budgeted. Ms. Mostoller explained that it is anticipated the legal expenses will be used for review of potential land contracts and general legal counsel for RETA.

Member Cordova made a motion to approve the FY 2017 Budget. Member Elliott seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

8. Update on FY 2016 Audit Contract

Ms. Mostoller provided the Board with an update on the FY2016 Audit Contract. RETA is required to follow the NM State Auditor Rules. In 2016 a new rotation requirement was created in which an entity is allowed to use the same independent accountant firm for no longer than 6 years in a row. A two-year break in-between is required. Ms. Mostoller requested an exemption to this requirement based RETA's extenuating circumstances. An exemption was approved by the New Mexico Office of the State Auditor to allow RETA to use Barraclough and Associates for 1 more year based on RETA's extenuating circumstances. This is a one-time exemption. RETA will need to RFP for a new independent accountant for the FY 2017 Audit.

9. Update on Western Spirit Project

Mr. Keith Sparks, Project Manager and Jonathan Abebe, Head of Development with Clean Line Energy Partners updated the Board on the current progress of the Western Spirit Project. Mr. Sparks stated that an application for negotiated rate authority through FERC has been submitted. Mr. Sparks is confident of a favorable response from FERC. Clean Line Energy Partners has requested negotiated rate authority on two other projects they are currently working on and have received a favorable response on both. The Board was informed at its last meeting that the right of way through Pueblo lands had been executed. The next step is to submit an application for an Environment Assessment from the Bureau of Indian Affairs (BIA). It is anticipated that the application will be submitted by June 15, 2016. New BIA rules state that the application has to be reviewed within 60 days of submission. A routing report is also currently underway. The routing report will identify a preferred route. Chairman Busch discussed why this project works and thanked Mr. Sparks and Mr. Abebe for the update.

10. Legislative Update

Chairman Busch updated the Board on the 2016 Legislative Session. RETA was included in the approved State Budget for \$100,000 but was line item vetoed. Chairman Busch discussed the possibility of receiving \$50,000 from an emergency fund with the State Board of Finance. A letter of support with this recommendation was sent to the Governor by Mr. Don Tripp, Speaker of the House of Representatives. Chairman Busch will keep the Board informed of any progress made on the potential funds.

11. Other Business

There was no other business to come before the Board.

12. Public Comments

Mr. Sparks with Clean Line Energy Partners expressed his appreciation for all the help the RETA Board has done for the State of New Mexico.

13. Closed Session

Chair Busch requested a motion to go into closed session for the purpose of discussing limited personnel matters pursuant to 10-15-1 (H)(2) NMSA 1978 (hiring a specific person for part-time assistance). Member Cordova made the motion to go into closed session for the purpose of discussing certain personnel matters pursuant to 10-15-1 (H)(2) NMSA 1978. Member Martinez seconded the motion. There being no further discussion or comments, Chairman Busch called for a vote and it passed unanimously.

At 2:30 p.m. the Board returned to its regular business meeting. Chair Busch reported the only topic discussed in closed session was certain personnel matters and that no action or vote was taken.

14. Next Meeting – Wednesday, September 7, 2016 1:30 p.m., State Capitol Room 317

15. Adjournment

Chairman Busch adjourned the meeting at 2:35 p.m.