

New Mexico Renewable Energy Transmission Authority

**Minutes of Board Meeting
August 7, 2018
1:30 p.m.**

**NM State Capitol – Room 317
490 Old Santa Fe Trail
Santa Fe, New Mexico, 87501**

Present

Bob Busch, Chairman
Dr. James Miller
Brian Moore
Julie Filatoff
Jonathan Elms
Louise Martinez

Absent

Robert Apodaca

RETA Staff

Lynn Mostoller – General Counsel, Sutin Thayer & Browne
Ginny Selvin – Consultant
Angela Gonzales - 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 Moore made a motion to accept the agenda as presented. Member Martinez seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

3. Approval of March 7, 2018 Board Meeting Minutes

Member Miller made a motion to approve the Board Meeting Minutes as presented. Member Elms seconded the motion. There being no other discussion, corrections, additions or updates to the minutes, Chairman Busch then called for a vote and it passed unanimously.

4. Report of the Chairman

Chairman Busch informed the board that he made a presentation to the Legislative Water and Natural Resources Committee in Farmington NM. The presentation centered on the topic of eminent domain. Chairman Busch stated that he was part of a panel discussion on eminent domain which consisted of himself, Ms. Mostoller, a representative from SunZia, and a representative from the Cattle Growers Association.

Chairman Busch informed the board that a Projects Committee Meeting had taken place earlier in the day. Member Elms provided an overview of what took place during the Projects Committee Meeting. The Projects Committee met to review and discuss the Request for Proposals (RFP) received for legal services. Members Elms informed the board that after review and ranking of RFP's the Committee recommends that the board retain Sutin, Thayer & Browne as its legal counsel.

Member Elms made a motion to approve the Sutin, Thayer & Browne as RETA's legal counsel. Member Miller seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

5. Update on Western Spirit Project

Chairman Busch introduced Ms. Sachtleben, Senior Project Developer and Ms. Dodds, Manager of Right of Way Acquisition with Pattern Energy and informed the board that Pattern Energy is the new owner of the Western Spirit Project. Ms. Sachtleben informed the board that Pattern Energy acquired the Western Spirit Project along with the Mesa Canyons Wind Project from Clean Line Energy in May 2018. Since that time, Pattern Energy, along with RETA has held three Open Houses for the Western Spirit Project. The Open Houses were held in Mountainair, Estancia and Albuquerque, New Mexico. Two other Open Houses have been scheduled for the following week. One Open House will be held in Belen, NM and the other at the request of the State Land Office will be held in Mountainair, NM. Ms. Sachtleben informed the board that environmental field studies on the Western Spirit Project are anticipated to begin during the last part of this year and Pattern is in current negotiations with potential customers in the California area.

Ms. Dodds informed the committee of the right of way process that has taken place thus far. Chairman Busch enquired if things such as cattle displacement or other farming issues are taken into consideration when evaluating the right of way. Ms. Dodds explained that all items of concern for the landowner are discussed and worked through in the negotiation process.

6. Update on the SunZia Southwest Transmission Project

Mr. Getts, General Manager of the SouthWestern Power Group, introduced Ms. Hunt and informed the board that Ms. Hunt is now a full-time employee with SunZia. Ms. Hunt stated that it made sense for her to make a switch from Pattern Energy to SunZia since she has been spending the majority of her time working on the Project.

Mr. Getts provided an update to the board on the SunZia Southwest Transmission Project. The SunZia Southwest Transmission Project has had several hearings with the Public Regulations Commission (PRC) on its Location Permit and right of way width request for the Project. The hearing examiner's recommended decision was to approve the Project's right of way width and to deny without prejudice the Location Permit. Mr. Getts stated that he believes the hearing examiner felt that SunZia did not provide enough information to definitively locate a second line and therefore there was not enough information to make a judgement under the statute on whether or not the hearing examiner could approve the location of the lines. Mr. Getts informed the board that the process now is to have 2 more filings with the PRC and an open meeting will most likely be scheduled for some time mid to late September to discuss the hearing examiners recommended decision. Mr. Getts stated that he is confident that SunZia will be able to

propose an approach to the PRC that will enable them to approve their request for at least the first line.

Mr. Getts informed the board that SunZia has selected its contractor. The contractor selected is EC Source out of Arizona. EC Source is a preferred contractor and are currently working on an EPC contract for the first line of the Project. Mr. Getts informed the board that its partner Pattern Energy just announced two 200-Megawatt Power Purchase Agreements (PPA). The SunZia Southwest Transmission Project will be utilized for these two PPA's.

7. Review and Consideration of Financial Statements for the Period ending June 30, 2018

Ms. Selvin called the Boards attention to the June 30, 2018 financial statements. Ms. Selvin explained that the expenses consist of legal, accounting, audit and administrative services. Ms. Selvin informed the board members that the audit has begun and is running smoothly.

Member Elms made a motion to approve the financial statements for the period ending June 30, 2018. Member Moore seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

8. Review and Consideration of the FY 2019 Budget

Ms. Selvin called the Boards attention to the draft FY 2019 Budget. Ms. Selvin stated that she worked alongside the Chairman to put together the draft budget. The draft budget consists of anticipated revenues from commercial revenues only. There are no general fund appropriations accounted for. Expenditures include contractual services and audit fees. A draft copy of the FY 2019 Budget has been submitted to the Department of Finance and Administration and the Legislative Finance Committee. Once approved, a copy of the final budget will be submitted to both agencies.

Member Elms made a motion to approve the FY 2019 Budget. Member Moore seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

9. Review and Consideration of Open Meetings Resolution

Ms. Mostoller informed the board that the Open Meetings Resolution has not been modified from last year's version. The Resolution outlines reasonable notice provisions for the RETA board meetings.

Member Miller made a motion to approve the Open Meeting Resolution Number 2018-01. Member Martinez seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

10. Review and Consideration of Conflict of Interest Policy

Ms. Mostoller informed the board that the draft Conflict of Interest Policy is a new policy which identifies what conflicts of interests would be to the board members and includes a disclosure mechanism through an annual form that will need to be signed by each board member. This new policy is a way to codify the manner in which the Board will deal

with conflicts of interest. In previous years RETA has used the Governmental Conduct Act of New Mexico for guidance.

Member Elms made a motion to approve the Conflict of Interest Policy. Member Moore seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

11. Public Comments

Mr. Dan Embree from Mountainair expressed his concerns for the Open Houses that took place concerning the Western Spirit Project. Mr. Embree stated that public commentary has not taken place and that a meeting should have been held in which a presentation was given on the Project and afterwards allowed for questions and answers in which everybody heard the same information.

Mr. Jim Williams from Mountainair expressed his concerns over the routing of the Western Spirit Project. Mr. Williams stated that the routing was mostly over homesites where property values are going to be diminished and enquired if there is any type of consideration for diminished loss of property value. Mr. Williams was also concerned about herbicides used and what effects that would have on the high-water table.

Ms. April Quaid from Mountainair enquired as to how the public comments are heard, digested and responded to if the board does not interact with the public during public comments.

Ms. Nancy McCloud expressed her concerns about the routing of the Western Spirit Project and its effects on the watershed. Ms. McCloud expressed her concerns about not being involved in the planning portion of the right of way design and the impact of the line's damage on the watershed's water-flow.

12. Next Meeting

Chairman Busch stated that the next meeting will most likely be sometime in October.

13. Adjournment

Chairman Busch requested a motion to adjourn the meeting. Member Miller so moved, and Member Elms seconded. The Board voted unanimously to adjourn.