

New Mexico Renewable Energy Transmission Authority

Minutes of Board Meeting
June 24, 2020
9:00 a.m.

ZOOM MEETING

<https://us02web.zoom.us/j/87670098308?pwd=SVFsSjlXUxnam5UTXdaNU5sZFpSQ09>

Present

Robert (Bob) Busch, Chairman
Dr. James Miller, Member
Megan O'Reilly, Member
Noah Long, Member
Louise Martinez, Designee for EMNRD Cabinet Secretary
Diana Rosales-Ortiz, Designee for State Treasurer Tim Eichenberg

RETA Staff

Fernando Martinez, Executive Director
Brian Johnson, Clean Energy Engineer
Lynn Mostoller, Anne P. Browne, and Mariposa Padilla-Sivage – General Counsel, Sutin Thayer & Browne
Ginny Selvin – RETA Manager of Finance
Gloria Castillo – RETA Administrative Assistant

1. Call to Order and Roll Call

Chairman Busch called the meeting to order at 9:00 a.m. A quorum was present for the meeting.

2. Approval of Agenda

Chairman Busch requested an amendment to the Board Agenda to table Agenda Item #14 (Review and Consider Approving Resolution Regarding Amendments to the BTA) until the next regularly scheduled RETA Board meeting. Ms. Mostoller explained that the parties were not quite ready to approve the amendment.

Member Long made a motion to accept the agenda as modified, tabling Agenda Item #14 until the next regular meeting of the RETA Board of Directors. Member O'Reilly seconded the motion. There being no further discussion, Chairman Busch called for a vote and the motion passed unanimously.

3. Approval of February 26, 2020 Board Meeting Minutes

Member O'Reilly made a motion to accept the February 26, 2020 Board Meeting Minutes as presented. Member Long seconded the motion. There being no additional discussion, corrections, additions or updates to the minutes, Chairman Busch called for a vote and the motion passed unanimously.

4. Public Comments (written public comments received by Monday, June 22, 2020 at 3:00 p.m.)

No written public comments were received by the deadline date of Monday, June 22, 2020 at 3:00 p.m.

5. Report of the Chairman

Chairman Busch reported on the following:

- He felt that progress of Western Spirit was going well and commented on an article which appeared in the Santa Fe New Mexican regarding Pattern Energy, SunZia, and Western Spirit.
- He summarized the support mechanism for Western Spirit and noted that the status of legal issues will be discussed later on the Agenda, during the Closed Session. Chairman Busch reported that major contracts are being issued, major financial commitments for the line are being made and the route is now complete.
- He reported that following the Legislative Session, it appears that RETA funding was maintained.

6. Report of the Executive Director

Executive Director Fernando Martinez reported on the following:

- He reported on business operations being conducted via telecommunication during the COVID-19 stay at home regulations.
- He announced that new RETA employee Brian Johnson, Clean Energy Engineer, had commenced work on March 9, 2020.
- He reported that the FY2021 Special Appropriations of \$250,000 was not changed during the Special Legislative Session.
- He reported on the progress of the Transmission and Storage Study, stating that ICF will submit the final draft of the Study to RETA by the end of the week. Mr. Martinez informed the Board members that RETA will spend time and effort on defining RETA's role and action plan in an Executive Summary. As soon as the Study is complete, Board members will be provided with a copy.
- He noted that he has been working on public outreach during the past four months and held meetings with stakeholders from various counties and responding to concerns such as transmission routes.
- He is working on building existing partnerships and strengthening them to form new partnerships as well.
- He reported on Western Spirit's progress noting that construction will start this Fall.
- He reported on RETA's involvement with the Governor's Initiative with the Grid Modernization Action Team.
- He is working with the State Investment Council on House Memorial 9. He reported on the Investment Strategies for Renewable Energy. Mr. Martinez commented that they will be using a lot of the information contained in the Transmission and Energy Storage Study that RETA has been working on as well as conducting their own study.

Chairman Busch added that RETA will be working on making the Study easier to read and will be providing legislators and others with an Action Plan. Member Long expressed the importance of highest tier results, with the highest-level result being the Study's conclusion on the most likely successful areas for large areas of development and range of corridors and connecting those to an existing transmission system. He further stressed the importance of a map to communicate information, as well as charts and photographs. Mr. Martinez responded that the Executive Summary would lay out the resource potentials and options for the next 10 to 12 years.

Member Miller emphasized using simple photos and maps so that the audience can better understand the information. He suggested the use of good visuals.

7. Review and Consider Approval of Draft Financial Statement for the Year Ending May 31, 2020

Ms. Selvin presented the financial statements for the period ending May 31, 2020. She reported that state appropriation funds will be spent by the end of the fiscal year.

Member Long made a motion to approve the financial statements for the period ending May 31, 2020. Member O'Reilly seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

Member Rosales-Ortiz requested a copy of the Financial Statement for the first quarter of the year. Ms. Selvin said she will provide Member Rosales-Ortiz with a copy of it.

8. Proposed NMRETA 2021 Budget and Assumptions – Ginny Selvin

Ms. Selvin reported on the estimated FY2020 Revenue Expense and FY 2021 Proposed Budget. She explained changes to the FY2021 budget, noting that RETA expects contributions from RETA's partners during 2021 in the amount of approximately \$600,000 to supplement the State Appropriations to cover RETA's expenses and for the fiscal year.

Member O'Reilly made a motion to approve the proposed NMRETA 2021 Budget and Assumptions. Member Miller seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

9. Consider Approval of New Auditor – Dr. James Miller and Ginny Selvin

Member Miller, Audit Committee Chairman reported that the Audit Committee had received two responses to an RFP that was sent out seeking a new auditor for RETA. He noted that the Audit Committee, consisting of himself, Member Rosales-Ortiz and Member O'Reilly met online on April 9, 2020, to evaluate the RFP responses for recommendation to the Board.

Member Long made a motion to authorize Mr. Martinez and Ms. Selvin to contract with SJT for RETA's upcoming audit. Member Miller seconded the motion. Mr. Miller informed the Board that SJT had given the Committee a three-year pricing and if pleased with their work on the audit, RETA can use SJT's pricing for an additional two years. There being no further discussion, Chairman Busch called for a vote and it passed unanimously. Member Miller commended Ms. Selvin for all her hard work.

10. Review and Consider Approval of Revised and Updated Personnel Policies – Noah Long and Lynn Mostoller

Member Long, Personnel Committee Chairman, reported that at the last Personnel Committee meeting, the Committee decided that further review was needed prior to bringing the Policies before the Board for approval. He explained that the need to update the policies is the result of the Personnel Policies being ten years old and no longer up to date. Ms. Mostoller summarized several key changes made to the Policies, noting that the Policies dated back to when RETA was first formed and there were only two employees now, therefore, some of the provisions no longer made sense and had been deleted from the Policies. Ms. Mostoller informed the Board that the Table of Contents was inadvertently dropped from the final draft of the Personnel Policies presented to the Board; however, she will finalize the draft and add the Table of Contents. There will be no material content changes. Member Miller asked if staff was comfortable with the childcare portion of the Policies. Mr. Martinez responded that they had put a lot of thought into that and he felt it is fair for the COVID-19 situation.

Member O'Reilly made a motion to approve the Revised and Updated Personnel Policies for RETA. Member Miller seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimous. Board members will be provided with a pdf copy of the updated Personnel Policies.

11. Review and Consider Approving Resolution Regarding Alternative Signature Authority in the Event the Chairman is Not Available – Lynn Mostoller

Ms. Mostoller explained that the resolution approved at the last Board meeting was to allow the Executive Director to sign contracts up to \$50,000; however, in the event the Chair is not available to sign contracts over the \$50,000 due to reasons of inaccessibility, RETA gives authority to Member Long to sign.

Member Miller made a motion to approve the Resolution giving Member Long authority to sign in place of the Chairman. Member O'Reilly seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed 5-0-1 (Member Long abstained).

12. Update on the Western Spirit Project

Member Kottler reported on the progress of the Western Spirit Project. He explained that Western Spirit has finalized all the different locations where they will be building the windfarms that will connect with the transmission line. The turbines are in the process of being manufactured and delivery schedules are being set. With respect to the transmission line, the design is being finalized, and key contracts are being negotiated and signed. Permitting is being finalized, and financing is in process. Mr. Kottler added that they will start seeing all the actual wind turbines showing up in early 2021. He added that Pattern Energy is making progress on acquiring all the access rights-of-ways for the transmission lines and finalizing plans regarding where the different trucks and equipment will be accessing the projects. Mr. Kottler concluded that they are looking at having everything operational in the fourth quarter of 2021.

13. Closed Session

Chairman Busch called for a motion to go into closed session for confidential discussion of potential amendments to Build Transfer Agreement and Letter Agreement associated with the Western Spirit Project; confidential discussion related to real estate acquisition and permitting status for Western Spirit Project, confidential discussion of pending administrative complaint, *see* NMSA 1978, § 10-15-1(H)(7) (meeting subject to attorney-client privilege pertaining to threatened or pending litigation in which the public body is or may become a participant); § 10-15-1(H)(8) (meeting for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body); § 62-16A-16 (protecting the proprietary technical or business information obtained by the authority as confidential); *see also* NMAC § 17.8.2.9.

Member Long made a motion for the Board to go into closed session. Member O'Reilly seconded the motion. There being no further discussion or comments, Chairman Busch called for a vote and it passed unanimously.

Chairman Busch announced that the RETA Board of Directors would now go into closed session. The Board went into closed session at 10:16 a.m.

Chairman Busch called for a motion for the RETA Board of Directors to come out of closed session. Member Long made a motion to come out of closed session. Member O'Reilly seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

The Board returned to its regular meeting at 10:59 a.m.

The Chairman announced that there was no other discussion during the Closed Session other than what was on the agenda.

14. Review and Consider Approving Resolution Regarding Amendments to the Build Transfer Agreement – Lynn Mostoller and Anne Browne

This item was tabled at the beginning of the meeting until the next RETA Board meeting, due to the parties needing to work on some of the items.

15. Review and Consider Approving Resolution Regarding Amendments to the Letter Agreement – Lynn Mostoller and Anne Brown

Member O'Reilly made a motion to approve the Resolution Regarding Amendments to the Letter Agreement. Member Long seconded the motion. There being no further discussion, Chairman Busch called for a vote and it passed unanimously.

16. Next Meeting

The next Board meeting to be determined.

Adjournment

Chairman Busch called for a motion to adjourn the Board meeting.

Member O'Reilly made a motion to adjourn the RETA Board of Directors meeting. Member Miller seconded the motion. The Board voted unanimously to adjourn.

The RETA Board meeting adjourned at 11:00 a.m.