

La Montañita Food Cooperative
Board of Directors Meeting Minutes
November 17, 2015 – 5:30 pm

Board Present: Ariana Marchello, Marshall Kovitz, Lisa Banwarth-Kuhn, Tracy Sprouls, James Esqueda, Jessica Rowland, Tammy Parker

Board Absent: None

Also Present: John Mulle (Interim GM), John Heckes (CFO), Deborah Good (admin assistant), Jennifer Cornish (facilitator), Michelle Franklin (staff), Sharret Rose (staff), Valerie Smith (staff), David Ritchie (finance committee), Greg Gould (member)

The meeting started at 5:35 p.m. at the Immanuel Presbyterian Church in Albuquerque. Jennifer Cornish facilitated and Deborah Good took notes.

1. Welcome

Issues Raised: None

Actions Taken: None

Actions Required: None

2. Moment of Silence

- All present held a moment of silence in memory of Bob Tero, who had served as the co-op's Interim General Manager until his unexpected passing on October 29.

3. Approve the Agenda

Issues Raised:

- Tammy moves and Tracy seconds to approve the agenda.

Actions Taken: The agenda is approved unanimously.

Actions Required: None

4. Member Comments

Issues Raised:

- Board received an email from a couple who attended Annual Meeting. They gave positive feedback about the co-op café, and were curious if more were planned for the future.
- Gallup store staff and members have expressed that they want to feel more connected to the organization, including having events there.

Actions Taken: None

Actions Required: None

5. Consent Agenda

- a. Board Meeting Minutes (October 20, 2015)
- b. Member Engagement Committee Minutes (November 9, 2015)

c. New Director Orientation Proposal

Issues Raised: Ariana moves and Jessica seconds to approve the consent agenda.

Actions Taken: The consent agenda is approved unanimously.

Actions Required: None

6. Patronage Dividend Proposal

Issues Raised:

- Proposal is from the Finance Committee. It is similar to last year's proposal.
- Process: Co-ops are allowed to designate an amount of revenue (net profit, including non-operational) as dividend, tax free. Members consider it an important benefit. A proportion goes as cash to members proportionate to their shopping during the past year. The rest cycles back into co-op projects.
- At the Board's discretion, money can be refunded to member-owners if, for example, they are moving out of state, but this has happened very rarely.
- Interim GM clarifies that the retained portion is the owners' equity in the business in support of the co-op's thriving and growing. The co-op has record of the dividend for the last fifteen years.

Actions Taken: Proposal is approved unanimously.

Actions Required: None

7. **Board Study – Drought, Climate Change, and Other Existential Threats**

Issues Raised: See Appendix A

Actions Taken: None

Actions Required: None

8. **Board Functioning**

Issues Raised:

a. Election Update

- Electronic and paper ballots total just over 300. Last year we had about 800.
Possible reasons for the decrease:
 - Some report trouble with getting into the electronic voting platform.
 - Fewer emails went out.
 - Not a contested election so maybe fewer people felt the need to participate.
- Preliminary results:
 - Three sitting incumbents won three-year terms.
 - Gregory Gould won a two- year term.
 - Courtney White won a one-year term.

b. New Board Member Orientation will take place on December 19.

c. Retreat date has been set for March 26.

d. New Board Members, new GM, and anyone else who would like to attend will go to the full-day training offered by CBLD – CBLD 101 or the Leadership Training – on January 23

- e. Board Members are to complete the next self-evaluation. Deborah will send out the Survey Monkey link.
- f. Tracy will remain point of contact for Board's attorney
- g. Upcoming committee meetings:
 - Board Development – December 2, 5:30pm, at the church
 - Member Engagement – January 11, 2016, 5:30 at the CDC
 - Finance – December 9, 5:15pm at the CDC

Actions Taken: None

Actions Required: None

9. Task List

Issues Raised: Tasks will be added to the ongoing to-do list in Basecamp:

- Deborah to write Co-opera article.
- Deborah to prepare the Self-Evaluation Survey for the Second Half of R Policies.
- Deborah to type up notes from the co-op cafes.
- Deborah to update roster after the December meeting.
- Marshall to prepare and deliver gift to the church.
- Deborah to contact church and request contract regarding scheduling – cc Tracy who will sign by next meeting

Actions Taken: None

Actions Required: None

10. Meeting Evaluation

Issues Raised:

- Good discussion during the Board Study
- Regenerative farming – Rodale Institute – good resource on water conservancy

Actions Taken: None

Actions Required: None

11. Next Meeting Agenda Construction

Issues Raised:

- Final election results
- New Board members will be seated

Actions Taken: None

Actions Required: None

12. Adjourn Regular Session

Issues Raised: Tracy moves and James seconds to adjourn.

Actions Taken: Meeting adjourns at 7:16pm, followed by an executive session.

Actions Required: None

ATTACHMENT A: BOARD STUDY

La Montañita Food Co-op
Board of Directors Meeting – November 17, 2015

Topic – Drought, Climate Change, and Other Existential Threats

Facilitated by: Ariana Marchello, Board President

Topic: Climate assessments for New Mexico invariably focus on water. Drought is already a part of the climate cycle and climate change is predicted to make the situation worse, affecting many areas of life. Drought and climate change will affect the way we do our business, what we have to sell, and many other aspects of our work. How are we going to account for these and other existential threats as we look toward La Montañita's future?

Discussion:

Theme: What is the current situation?

- As greater Albuquerque grows and Las Cruces grows, how is urbanization going to affect water issues?
 - Agriculture is the largest user of water in the state. Urban areas use only about 12%. That is comparable to the amount of water that evaporates from the reservoirs.
- Conserving water on larger scales is important—new industries and developments can make a difference faster than individuals making small efforts at conservation, although these are also important.
- Drought and climate change have already affected some planning. For years, ranchers and the cattle industry have been impacted by the drought. Prices of beef have gone up. This year was a bit of a reprieve.

Theme: Shifts in the agricultural industry to address water shortages

- Could the co-op organize a water bank? People could sell or acquire water rights.
 - I don't know what would be possible in the context of current New Mexico laws.
- Could we shift the market from water-thirsty products (both animals and crops) to less water-thirsty products? This would require an educational component—educating customers about the amount of water different products require.
 - Beef is the largest agricultural industry in the state. It would be hard to shift to poultry; there isn't a poultry processing plant in the state.
 - It also makes a difference whether it is feed lot beef or grass fed, and whether it is grazed on BLM land.
 - In California, almond farmers are making decisions to return to other less thirsty crops because of drought.
 - People find other ways to do things when prices go up. If beef got expensive enough, would people change their diets?

- Range of temperatures could also affect our food sources. What will the next generation of foods look like? And what education will our members need to make use of new products? Napoles, topiary beans, insects.
 - During the Depression, there was a spike in rabbit eating.
- Another educational component: Techniques for producers that require less water – could we support this type of education?
- NM Department of Agriculture has a huge opportunity to influence the direction of the agricultural industry.

Theme: Community efforts to share and store water

- I'm a land owner south of Taos. We had drought three years ago. I have been attending parciante meetings to discuss water rights. Interesting thing I have been exposed to: U.S. Army Corps of Engineers have pipeline projects underway to restore acequias in Northern New Mexico. There has been a lot of erosion and damage, and a lack of mayordomos. Sometimes the property is sold out of state. People are paying for water rights without owning the land any more. There is a lot of debate about the amount that landowners should pay for their water – should it vary by the size of their property? A lot of farmers need financial help. Co-op talks about education and has loan programs but could maybe take more of an active role in educating producers, including in areas in northern New Mexico. Might want to reach out to the Army Corps of Engineers.
- In-land de-salination plants. Gray water treatment plants are becoming more and more important.
- There are some water-banking efforts going on along the acequias – owners who don't use water can release their rights to the next owner.
- In cities: Rainwater storage. This could be expanded.
- New Mexico Water Collaboration had a project to increase the number of rain barrels.
- Strategies for water storage that reduce evaporation: Cement lining ditches; covered reservoirs; California has plastic balls on top of some of the reservoirs

Theme: What can the co-op do?

- Make sure that our systems (“our piece of the pie”) are efficient in our water use.
- We also maybe can't just be grocers, if product quantities continue to decrease and prices continue to go up. As the cost of water goes up, the cost of all our products will go up, not just produce. What else could we sell?
 - Alternative products like rabbit.
 - Advertise “water smart” products.
 - We may sell different products (e.g. insects).
 - We also might sell products from further away
 - Suggestions from recent “co-op café” discussions: Expand beyond being a grocery store to having a “mercantile” section.
- Also need to spotlight local/regional products as important over products from farther away, and become more connected with the local producers and supporting them.
 - It could be a problem if we lose our “local food” edge over Sprouts and Whole Foods.
- A network of small farms that don't demand much water, and together the amount they sell aggregates into a good amount – like “Agricultura.” How can we support these efforts? Support

doesn't always mean financial. We can also provide education. This could help save some dying farms.

- This is already happening a lot. We are doing food safety trainings, and value chain coordination.
- This needs to be marketed more, along with the value of the co-op model. In addition to the marketing we are already doing, this needs to be in the stores.
- Marketing is a challenge. Even after a lot of marketing and outreach efforts, member-owners still say they didn't hear about well-advertised events.