

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
HELD ON SEPTEMBER 28, 2010

The Finance and Regular Meeting of the Board of Trustees was held on September 28, 2010. Mr. Daniel Romero, Board Chairman, called the meeting to order at 12:30 p.m.

CALL TO ORDER:

1. Roll Call and Determination of Quorum:

Members Present: Daniel Romero, Chairman
Mary Lou Roybal, Secretary/Treasurer
Robert Baca, Member
Alex Garcia, Member

Others Present: Abran H. Romero, General Manager
Debbie H. Alexander, Exec. Administrator

Lorna Wiggins, Attorney

2. Invocation – The invocation was led by Robert Baca, Member.

3. Pledge of Allegiance – The Pledge of Allegiance was recited.

4. Approval of Agenda – The Agenda was presented and reviewed. The following additions were made to the Agenda: **4. a) Purchase of Two Fluke Cameras and possible violation of Open Meeting Guidelines; and #12. I) Resolution – Board Approval for General Manager to negotiate the sale of the Rainsville Sub-Station & Transmission Line to Tri-State. A motion to approve agenda was made by Robert Baca and seconded by Mary Lou Roybal. Motion approved unanimously.**

a) There was a discussion concerning the purchase of two Fluke Infrared Cameras without full Board approval and the possible violation of the Open Meetings guidelines. Chairman Romero and General Manager Romero stated that the cameras were purchased for two reasons; 1) to save some money because the cameras were less expensive through Irby, and 2) because there was

a free training on the use of these cameras in Albuquerque, avoiding out-of state travel expenses. There was no intention of violating the Open Meetings Guidelines. **After continued discussion, a motion was made by Robert Baca and seconded by Mary Lou Roybal to amend Board Policy 108 – Page 7, # 4. Financial - a.) to read “Non-budgeted items up to \$20,000 subject to prior approval by the Board Chairman for emergencies only”. Motion carried.**

5. Recognition of Guests

a. Daniel Fondy – NM Opens Records Act – Mr. Fondy thanked the Board and General Manager for the improvements that are taking place at MSMEC, including our website. He asked if changes were being made to Policy No. 300 to comply with the Open Records Act. Mr. Fondy was advised that a new policy has been drafted by our attorney and will be brought before the full Board for approval.

b. Tamara Reynolds – CoBank – Refinancing RUS Debt - The Board and General Manager were presented with a packet by Ms. Reynolds showing areas of discussion related to CoBanks history and the advantages of refinancing the Coop’s RUS debt with CoBank. Ms. Reynolds went over proposals including long term financing and lines of credit. If the decision is made to refinance with CoBank and as new borrowers, it could take as little as 2 to 2 ½ months for MSMEC to get approved and receive the loan.

c. Andy Aragon – Creating Funds - No show.

6. Action of Minutes of Regular Meeting held on August 25, 2010 – The Minutes of August 25, 2010 were presented and reviewed. **A motion was made by Robert Baca, seconded by Mary Lou Roybal, to approve the Minutes of August 25, 2010 as presented. Motion carried unanimously.**

7. Approval of New Memberships (Mora 22 – Pecos 21) and Membership Refund 31- The New Memberships and Membership Refunds were presented and reviewed. **Motion to accept the new Memberships and Membership Refunds was made by Robert Baca and seconded by Alex Garcia. Motion carried unanimously.**

8. Manager’s Report

a. Delinquent Report - Abran H. Romero, General Manager, reported that the format of the Delinquent Report had been changed. For the month of

August 2010, the Mora area started with 449 unpaid accounts totaling \$89,473.36 and after collections on September 21, 2010 a total of 22 accounts totaling \$5,674.67 remained unpaid. The Pecos area had 518 unpaid accounts totaling \$109,832.63. After collections, 22 accounts for a total of \$1,618.00 remained unpaid.

b. Agenda Amplification – General Manager Romero explained the corrections on the previous Form 7's from March 2010 through July 2010. The RUS Form 7 for the period ending August 31, 2010 was reviewed.

c. Outage Report/Maintenance Log – Mr. Romero reviewed the Outage Report and the Maintenance Log and advised the Board about the two outages in the Mora area that were caused by lightening. The General Manager also gave an update on the La Cueva project and explained the reason for the big increase in cubic yards of concrete being used. Forty-one steel poles remain to be set and this is scheduled to be completed by October 20th. Wire should start to be set by October 25th and this should take 6 to 8 weeks to complete. Once the wire is all up, it should take another 2 weeks to change over. Project should be completed about two weeks before Christmas.

The General Manager also reported that the employee handbook would be ready for their review and approval by the October meeting. Mr. Romero also gave an update on the insurance coverage.

Motion to approve the Manager's Report as presented was made by Alex Garcia and seconded by Mary Lou Roybal. Motion carried unanimously.

9. Finance Committee Report – Mary Lou Roybal, Finance Committee Chairwoman reviewed the Finance Committee Minutes and items on agenda. Everything was found to be in order. General Manager Romero discussed the issue of paying off the Coop's debt early and saving interest in the long run. The following recommendations were made: 1) Las Vegas FFA – will wait for individual requests from students in service area before we issue checks for \$50 each; and 2) 2010 Young American Football League Sponsorship - approval for \$500 sponsorship request. The General Manager also updated the Board on the completion of the first pole contract. **A motion to approve the Finance Committee Report including all recommendations made by the**

Finance Committee was made by Alex Garcia and seconded by Mary Lou Roybal. Motion carried unanimously.

10. Tri-State Trustee Report – Mr. Robert Baca, Tri-State Trustee, reported on Tri-State’s September 2010 meeting. Items covered included:

- Rate Structure for the Future – Different Options
- Approval of Budget
- No Rate Increase for 2011
- NM EIB

Motion to approve Tri-State Trustee Report was made by Mary Lou Roybal and seconded by Alex Garcia. Motion carried unanimously.

11. NMRECA Trustee Report – Mr. Alex Garcia reported on the September 2010 Statewide Meeting. Some of the topic covered included:

- Annual Meeting and Annual Barbecue costs
- Total Budget
- Voting by Mail and/or Proxy – Coop’s choice
- Oklahoma Region 10 Meeting
- Statewide meeting in Las Cruces

Motion to approve NMRECA Trustee Report was made by Robert Baca and seconded by Mary Lou Roybal. Motion carried unanimously.

12. On-Going Business

a. MSMEC Inspection of Records Policy – Board Policy No. 308 – A Draft of Policy No. 308, to supersede Policy No. 300 and to follow the guidelines voted on at the June 26, 2010 Annual Meeting, was presented to the Board. After some discussion, **a motion to approve Board Policy No. 308 – Inspection of Records Policy - was made by Robert Baca, seconded by Alex Garcia. Motion carried.**

b. Policy No. 118 – Amendments to Cooperative Bylaws- Motion to revise Policy No. 118 was made by Robert Baca and seconded by Mary Lou Roybal. Motion carried unanimously.

c. Continental Divide Director requesting vote for CFC Director’s Position for Region 10 – Information.

d. CFC Voting Registration Card for 2010 District Meeting 1 – Mr. Alex Garcia, Region 10 Voting Delegate, will be representing MSMEC. Chairman Romero signed the registration card.

e. CFC Candidate Profiles – District 10 – Manager Position – Information.

f. CoBank Luncheon Invitation – Regional Meeting – Mr. Alex Garcia has been registered and will be attending the CoBank luncheon.

g. District 2 Election – Discussion – General Manager Romero advised all present that the District 2 election will be held on Saturday, November 6th with two voting locations – Buena Vista Fire Department and Bachicha Trucking Building south of Las Vegas. Deadline for petitions to be turned in for interested candidates is October 4th. Two members have submitted their petitions thus far – Robert Quintana and John Pintek.

h. Tri-State Power Bill – Information only

i. Resolution – Board Approval for General Manager to Negotiate the Sale of the Rainsville Sub-Station and Transmission Line to Tri-State - A motion was made by Robert Baca and seconded by Alex Garcia to grant approval to the General Manager to negotiate the sale of the Rainsville Sub-Station and Transmission Line to Tri-State. Motion carried unanimously.

13. New Business - None

14. Correspondence

a. Cooperatives being sued for Patronage Capital – Information.

b. Lawsuits against Co-ops at All-Time High. Who's Next? – Information.

c. Letter from Smart Grid regarding all-expense paid trip to Puerto Rico – Information for Board review only.

d. Letter from Senator Tom Udall – Information.

15. Information

a. Calendar of Events – Statewide will meet on September 30, 2010 and October 1, 2010 in Las Cruces, NM. Tri-State will meet on October 4th, 5th and 6th, 2010. MSMEC will be closed on Monday, October 11th in observance of Columbus Day. Union negotiation will be scheduled. The Finance Committee Meeting and Regular Board Meeting will be held at 12:30 p.m. on Thursday, October 21st, 2010. The General Manager and Board Chairman will be attending a Smart Grid Summit in Puerto Rico the

week of October 25th thru the 29th. Alex Garcia will also be attending the NRECA Region 10 Meeting in Oklahoma City on October 26th thru the 29th.

b. Press Release for Immediate Information – Outage – Information.

c. Newspaper Articles – Informational only.

Motion to move into Executive Session was made by Robert Baca and seconded by Mary Lou Roybal. Motion carried unanimously.

16. Executive Session

a. Attorney's Report

b. Personnel

Motion to move back into Regular Session was made by Mary Lou Roybal and seconded by Alex Garcia. Motion carried unanimously.

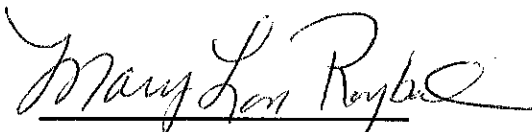
17. Action on items discussed in Executive Session – None.

18. Other Business to come before the Board – None.

19. Adjournment – A motion to adjourn was made by Alex Garcia and seconded by Mary Lou Roybal. Motion carried.

Meeting adjourned at approximately 5:40 p.m.

ATTEST:



**Mary Lou Roybal
Secretary Treasurer**



**Daniel Romero
Board Chairman**

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE
RESOLUTION**

WHEREAS, the Board of Directors at its regular meeting on January 29, 2009 at which a quorum of directors was present, authorized its chair to contact Mr. Joel Bladow, the Senior VP of Transmission of Tri-State Generation & Transmission Association, Inc. ("Tri-State"), regarding its interest in exploring Tri-State's possible acquisition of MSMEC's Rainsville substation;

WHEREAS, the Chair of the Board of Directors, H. Felix Vigil, on or about May 1, 2009, contacted Mr. Bladow seeking information regarding the purchase price and terms of any agreement in which Tri-State would acquire the Rainsville substation, including information regarding what entity would be responsible for maintaining the system after any acquisition by Tri-State;

WHEREAS, MSMEC's General Manager, Abran Romero, has continued to seek such information;

WHEREAS, the Board of Directors desires to enter into an agreement with Tri-State for the sale of the Rainsville substation should the parties negotiate terms and conditions of such sale that are acceptable to the Board of Directors; and

WHEREAS, the Board of Directors desires to authorize its General Manager to initiate discussions and obtain for the Board updated information necessary for its consideration of such sale;

IT IS RESOLVED that MSMEC's General Manager is hereby authorized to pursue negotiations with Tri-State regarding Tri-State's acquisition of the Rainsville substation and to regularly report on such negotiations and such discussions to the Board of Directors for its consideration of any agreement.

MORA-SAN MIGUEL ELECTRIC COOPERATIVE

By 
Its Secretary

Dated: 9-28-2010