

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
HELD ON AUGUST 30, 2011

The Regular Board Meeting of the Board of Trustees was held on August 30, 2011. Robert Quintana, Board Chairman, called the meeting to order at approximately 3: 37 p.m.

CALL TO ORDER:

1. ROLL CALL AND DETERMINATION OF QUORUM

Members present: **Virginia Mondragon**
 Diego Quintana
 Robert Quintana
 Daniel Romero
 Peter Sena

2. INVOCATION – The Invocation was led by Daniel Romero, Member.

3. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was recited.

4. APPROVAL OF AGENDA – The Agenda was presented and reviewed. The following amendments were made to the Agenda: **Add – 15 (c) Information on CoBank Energy & Water Forum; and 15 (d) Board Policies 114 and 116. A motion to approve the Agenda as amended was made by Daniel Romero and seconded by Peter Sena. Motion carried unanimously.**

5. RECOGNITION OF GUESTS –

a. Invited Speakers –

1. Carl Daffron, CEO/President of Daffron Accounting – Mr. Carl Daffron addressed the Board concerning the error that took place by IMS, the bill printer, with the printing and mailing of the Pecos billing cycle. Daffron took full responsibility and picked up any and all expenses related to this error. They will do visual checking from now on to make sure this does not occur again. IMS's services will be

terminated in January of 2012 and a new printer, Postal Pros, will be used starting in February 2012 for January 2012 bills.

b. General Public Comment (5 minute time limit)

6. ACTION OF MINUTES OF REGULAR MEETING HELD ON JULY 28, 2011 – The Board Minutes of the Meeting of July 28, 2011 were presented and reviewed. Diego Quintana asked that an amendment be made to page 8 of the minutes to include some wording that had been left out. **Motion to approve minutes as presented was made by Daniel Romero and seconded by Virginia Mondragon with changes to be made to page 8, if upon listening to the recording Mr. Quintana did use the word “disingenuous” when referring to Abran Romero’s claim of him threatening him and also referring to his witness by name. Motion carried unanimously.**

After listening to the recording of the meeting of July 28, 2011, Diego Quintana did state that Abran H. Romero was “very, very disingenuous in saying that he had threatened him”. However, Mr. Quintana did not refer to his witness by name.

7. APPROVAL OF NEW MEMBERSHIPS (MORA 22 – PECOS 8) AND MEMBERSHIP REFUNDS – 43 – The new Memberships and Membership Refunds were presented and reviewed. **A motion to accept the new Memberships and Membership Refunds was made by Virginia Mondragon and seconded by Daniel Romero. Motion carried unanimously.**

8. MANAGER’S REPORT

a. Delinquent Report – Abran H. Romero, General Manager, reviewed the Delinquent Report for July 2011. In the Mora area, there were 397 delinquent accounts totaling \$84,036.67 and after collections, a total of 17 accounts remained unpaid for a total of \$2,322.52. In the Pecos area, there were 515 delinquent accounts totaling \$106,172.50 and after collections, a total of 20 accounts remained unpaid totaling \$2,324.63.

b. Agenda Amplification – General Manager Romero reviewed the RUS Form 7, including the Key Performance Statistics.

c. Outage Report/Maintenance Log – Mr. Romero reviewed the Outage Report for the month of July 2011 and went over the outages with the most consumers affected by these outages.

A motion to accept the Manager's Report as presented was made by Diego Quintana and seconded by Daniel Romero. Motion carried unanimously.

9. FINANCE REPORT – The Minutes of the Finance Meeting held earlier today were reviewed and read by the General Manager. Everything was found to be in order. **A motion to approve the Finance Report and Minutes was made by Daniel Romero and seconded by Virginia Mondragon with the following committee recommendations: 1) approval to change mileage reimbursement as per IRS from .51 to .55; 2) approval of maintenance contracts on heating and cooling system with Anthony's Air Pros; 3) purchase of 5 litebox standard system from Farwest Line Specialties - \$637.50; 4) purchase of 288 solid state digital meters at \$8928.00; 5) purchase of 6 pole racks for the Las Vegas Yard from The Blacksmith Shop; 6) approval of lighting costs for Digger Unit #16 from Prestige Automotive; 7) approval of accounting system upgrade of \$7200 for e-staking training; and 8) approval of \$50 donation to Mora Rangerettes Volleyball Team. Motion carried unanimously.**

After some discussion, a committee to review Policy 302 on Sponsorships and Donations was developed. Those on committee will be Diego Quintana, Peter Sena and Daniel Romero. It was recommended that a meeting be scheduled in Las Vegas at a later time.

General Manager Romero stated that the credit card statement and attorney's bill will be included for Board review in the Finance Packets starting next month.

10. TRI-STATE TRUSTEE REPORT – Daniel Romero, Tri-State Director, reported on the August meeting. Some of the items covered included:

- Daniel Romero was moved from the Operations Committee to the External Affairs Committee
- 2012 consolidated budget review
- 4.8 rate increase effective January 1, 2012 – to affect all 44 member Coops of Tri-State
- MSMEC Board invited to tour Tri-State facility and control room at anytime
- Coal Mine tour is also available to MSMEC Board Members
- Carbon Capture

- Next meeting September 6th and 7th, 2011

A motion to approve the Tri-State Trustee Report was made by Diego Quintana and seconded by Peter Sena. Motion carried unanimously.

11. NMRECA TRUSTEE REPORT – Robert Quintana, NMRECA Trustee, reported on the meeting held on August 5th, 2011. Some of the following items were discussed:

- EIB discussion on hearing to remove rules created by previous Board
- Change of Cultural Policy – NEPA
- Long term debt – 3.4% on new RUS loans
- Copper theft and how to minimize this from occurring
- Annual BBQ – September 1st, 2011
- The liability of alcohol drinking in events like this sponsored BBQ

A motion was made by Daniel Romero and seconded by Virginia Mondragon to approve the NMRECA Trustee Report. Motion carried unanimously.

12. ON-GOING BUSINESS

a. Tri-State Rate Design – After some discussion, General Manager Romero recommended that the Board Members review the information provided on this complex issue.

b. Audit Report Discussion – Diego Quintana asked about the Audit Report and the letter which is provided with the report. He stated that corrections needed to be made to this letter. He was advised by the General Manager that those corrections were made and that he could be provided a copy if needed.

c. Building a Culture of Accountability – For Board review.

d. Tri-State Power Bill – For information only.

e. Continued Discussion on MSMEC Sale of Transmission Line & High Side of Rainsville Substation – There was a lengthy discussion concerning the sale of the transmission line and high side of the Rainsville Substation including the following:

- Pros and cons of selling
- Taking this decision to be voted by the membership or letting the Board make the decision

- Legality of selling without going to the membership
- What the meaning of “Substantial” is and evaluating different language of the meaning
- Sale not prohibited by statute or by-law
- MSMEC must go to PRC first before selling
- Depreciation of \$8400 per month
- Possibility of also selling the actual substation building/property

After continued discussion, the General Manager recommended that this be tabled until sometime in the spring because of all the work that is going on at this time. **Motion was made by Diego Quintana and seconded by Virginia Mondragon to table the sale of the Transmission Line and High Side of the Rainsville Substation until sometime in April or May of 2012. Further discussion took place and motion was then withdrawn and amended to state that the scheduling of an informational meeting for the purpose of the potential sale of the Transmission Line and Rainsville Substation to Tri-State would take place during the second week in January 2012. Motion carried unanimously.**

Some estimates as to the cost to publish this informational meeting in the newspaper and radio will be made available to the Board during our November meeting. It was suggested that information on meeting can also be sent out with the billing statements.

13. NEW BUSINESS

a. NRECA Region 10 Meeting – Scottsdale, AZ – November 1st – 4th, 2011
 – After a short discussion, a motion was made by Diego Quintana for Daniel Romero to be the voting delegate to represent MSMEC. The motion was seconded by Peter Sena. Motion carried unanimously. Reservations will be made for those attending.

Peter Sena, Vice-Chairman, reported on the two Director Courses he attended in Albuquerque during mid-August. Mr. Sena stated that both courses had been very educational and beneficial and encouraged others to take these courses when available.

14. CORRESPONDENCE

- a. **Brandon & Clark, Inc. – Invitation** – After a short discussion, this item was tabled.
- b. **Tri-State – Powering the West** – For information only.
- c. **Memo to Office Staff on Double-Time Costs and Safety** – For information only.
- d. **Email – Margarett Tanuz** – For information only.
- e. **Thank you – Peggy Thompson & Family** – For information only.
- f. **NMRECA Commentary** – For information only.
- g. **Thank You – St. Gertrude the Great Catholic Church** – For information only.
- i. **Thank You – Julianne Mendoza – Mora Fiesta Queen** – For information only.

15. INFORMATION

a. **Calendar of Events** – Statewide will meet on Thursday and Friday, September 1st and 2nd. The Annual BBQ will be held on Thursday afternoon/evening September 1st. September 5th is the Labor Day Holiday. Tri-State will meet on September 6th and 7th. The General Manager will take a flight to Denver on the morning of the 6th and return to Albuquerque on the morning of the 8th for Union prep and arbitration on September 9th. The General Manager will fly out on Sunday, September 11th to Madison, WI to attend the Internship Management Program and will return on the 22nd of September. Finance and Regular Meetings are scheduled for Thursday, September 29th starting at 10:00 a.m.

b. **News Clippings** – For information only.

c. **CoBank Energy & Water Forum** – Daniel Romero and Robert Quintana reported on their attendance at this forum. The forum had excellent speakers and was very intense. Items covered included:

- Global Business
 - Health Care
 - Water Energy
 - Smart Meters
 - Finances
 - Economy
 - Crooked Politics
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Free is the wrong price for water because it encourages waste - We use more water in one day than 4 days of oil

d. Board Policies 114 and 116 – There was a short discussion on board policies 114 and 116. Diego Quintana wanted to know which the most current pages of these policies were.

A motion to move into Executive Session was made by Peter Sena and seconded by Daniel Romero. Motion carried unanimously.

16. EXECUTIVE SESSION

a. Attorney's Report

1. Litigation Update

b. Personnel Issues

A motion to move back into Regular Session was made by Daniel Romero and seconded by Virginia Mondragon. Motion carried unanimously.

17. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – No action taken on items discussed in Executive Session.

18. OTHER BUSINESS TO COME BEFORE THE BOARD – None.

19. ADJOURNMENT – A motion to adjourn was made by Diego Quintana and seconded by Daniel Romero. Motion carried unanimously.

Meeting adjourned at 8:27 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
FINANCE COMMITTEE MEETING
September 29, 2011

Robert Quintana, Board Chairman, called the meeting to order at 10:00 A.M.

Present: Robert Quintana, Board Chairman
Peter Sena, Board Vice Chairman
Virginia Mondragon, Secretary/Treasurer
Diego Quintana, Member
Daniel Romero, Member

Abran H. Romero, General Manager

1. Review of Payables – Found to be in order.

2. Review of Cash Analysis

August 31, 2011

Cash Balance	\$246,118.47
Outstanding P.O.'s	<u>-0-</u>
Ending Balance	\$246,118.47

3. Advance in Aid of Construction

August 31, 2011

Payments on Pending Work Orders	\$12,278.94
Payments on Closed Work Orders	1,769.77
Miscellaneous Cash Payments	-0-
Total	\$14,048.71

4. Customer Refunds –

August 31, 2011 = \$8526.20

5. Investments – Interest Income = \$1,664.39

a. Letter from Bank of Las Vegas – For information only.

**6. Quotes from vendors for Poles for Pecos and Mora Office.
Recommend Techline – Lowest Bidder – Committee recommends
low bidder – Techline, Inc.**

- **Techline, Inc.**
- **McFarland Cascade**
- **Stuart C. Irby**
- **Bell Lumber & Pole Co.**
- **HD Supply**
- **Border States**

**7. NRECA Dental & Business Travel Accident Insurance Renewal
Rates/Coverage – Committee recommends approval.**

8. Discussion on Attorney Reimbursements (Diego Quintana)

**9. Trial Balance Book Value of Transmission Assets as of August 31,
2011 - \$2.3 Million – Please see handout for your information. For
discussion only.**

**10. RUS For 605 – remaining balance of \$2.4 Million to draw down to
reimburse Coop cash. For discussion only.**

**11. Capital Credit Register by year starting 1979 – with amount
allocated per year. Five year increment payments suggested. For
discussion only.**

**12. Price Quote for Quest Communications Internet Service Upgrade
for Mora/Pecos Offices. Committee recommends approval.**

13. Donations

- **Ride to Pride Partnership, Inc. – Table of 8 for \$180 –
Committee recommends \$50 donation.**

14. Review of Board Member and General Manager expenses for August 31, 2011 – Found to be in order.

Motion to adjourn was made by Peter Sena and seconded by Virginia Mondragon. Meeting adjourned at 12:12 p.m.