

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
HELD ON JULY 28, 2011

The Regular Board Meeting of the Board of Trustees was held on July 28, 2011. Daniel Romero called the meeting to order at approximately 1:00 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 Peter Sena, 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: **#5) Installation of Newly Elected District 3 Board Member – Peter M. Sena (this will move each number on agenda down one); and 19. a) Meeting Discussion. Motion to approve the Agenda as amended was made by Diego Quintana and seconded by Virginia Mondragon. Motion carried unanimously.**

5. INSTALLATION OF NEWLY ELECTED DISTRICT 3 BOARD MEMBER – PETER M SENA – Peter M. Sena read the “Directors Creed” and was installed as the new Board Member to represent District 3.

6. REORGANIZATION OF BOARD – Ms. Lorna Wiggins, MSMEC Attorney, advised that the reorganization of the Board would be conducted by voice ballots. The following nominations were made:

the Membership key factors related to the sale of the transmission line and high side of the Rainsville Substation to Tri-State:

- 39 of 44 Coops own high voltage assets
- Tri-State has the ability and equipment to service and keep high voltage lines in compliance
- Cash will be paid to pay off Coop's debt – approximately \$2.5 to \$2.6 million
- Depreciation of \$8,400 per month
- Easements were paid for but not recorded and originals were not found
- Tri-State needs 75' easements to service these lines

Mr. Vigesaa was asked what Tri-State had to gain from purchasing these transmission lines and he replied that it did not matter to Tri-State if Coops sell or not. MSMEC will continue to look into the pros and cons of this sale.

2. Carl Daffron, CEO/President of Daffron Accounting – No show.

b. General Public Comment (5 minute time limit)

1. Bridget Maloney – Cooperative concerns –Prior to meeting, Ms. Maloney sent a letter via email to the Board Members stating she would not be in attendance.

8. ACTION OF MINUTES OF REGULAR MEETING HELD ON JUNE 23, 2011 – The Board Minutes of the Meeting of June 23, 2011 were presented and reviewed. **A motion to approve the Board Minutes of June 23, 2011 was made by Daniel Romero and seconded by Peter Sena.** Diego Quintana objected the approval of the Minutes questioning Daniel Romero's investigation by the Audit Committee. Mr. Quintana was advised that affidavits were taken from Coop Board Members and staff and there was no evidence found of any conflicts of interest or violation of ethical standards and that these minutes reflected this. **Motion carried to approve Minutes by Board Members seated during the June 23, 2011 meeting. Gina Mondragon, Diego Quintana and Peter Sena abstained.**

9. APPROVAL OF NEW MEMBERSHIPS (MORA 24 – PECOS 27) AND

MEMBERSHIP REFUNDS – 64 – New Memberships and Membership Refunds were presented and reviewed. **A motion to accept the new Memberships and Membership Refunds was made by Diego Quintana and seconded by Dan Romero. Motion carried unanimously.**

10. MANAGER’S REPORT

a. Delinquent Report – General Manager Romero reviewed the Delinquent Report for the month of June 2011 and also went over the May 2011 report.

b. Agenda Amplification – RUS Form 7 was reviewed. The Operating Revenue and Patronage Capital equaled \$767,284 and Total Operation and Maintenance Expense totaled \$740,896. Total cost of electric Service for the month of June 2011 was \$841,874. MSMEC has 10,743 consumers and 1915 miles of line.

c. Outage Report/Maintenance Log – Mr. Romero reviewed the Outage Report. There were a very small number of outages during the month of June.

11. FINANCE REPORT – The Minutes of the Finance Meeting held earlier today were reviewed. Everything was found to be in order. **A motion to approve the Finance Report and Minutes was made by Dan Romero and seconded by Diego Quintana with the following recommendations: 1) Donations – San Miguel/Mora County Fair Chile Cook-Off; St. Gertrude Catholic Church; Endure Believers Boot Camp; and Historic Mora Valley Foundation – Committee recommends a donation of \$50 each; 2) Mora County 4-H Council – Committee recommends a donation of \$500; 3) Committee recommends purchase of a fireproof 4-drawer file cabinet @ \$1,889.99 + tax; 4) Committee recommends approval of Moss Adams LLC to prepare the 2010 IRS Form 990 for the Cooperative @ \$3000; 5) Committee recommends approval for proposal by T & D to provide cost estimate to extend Guadalupita line to Colfax County; 6) Committee recommends approval of NRUCFC interest rate reprising of a 4-year term at 3.7%; and 7) Committee recommends approval to write-off Uncollectible Promissory Notes of \$21,429.25 and False Call Bills of \$2,547.00. Motion carried unanimously.**

12. TRI-STATE TRUSTEE REPORT – Tri-State Trustee Report for the month of July 2011 was given by Daniel Romero and Abran Romero, both who attended July’s Meeting. Some of the items covered included:

- Daniel Romero was appointed to Engineering & Operating Committee
- 2012 Rate Analysis – A-35 and A-36 rate plans
- Double Digit Increase for 14 of 44 Coops – This increase does not include MSMEC
- Policy 506
- Tri-State can supply 22 mega-watts of power per hour

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

13. NMRECA TRUSTEE REPORT – Abran H. Romero, General Manager, attended the July 2011 meeting in Santa Fe, NM. Some areas of discussion included:

- Endangered Species Act (lizard) and the effect on Coops
- Carbon Emissions
- Potential legislation on Coops due to up-coming PRC elections
- Road tax by counties on easements held by Coops on County right-of-ways

A motion to approve the NMRECA Trustee Report was made by Dan Romero and seconded by Peter Sena. Motion carried unanimously.

14. ON-GOING BUSINESS

a. Sale of Transmission Line & High Side of Rainsville Substation –

Presentation was given by Claire Vigesaa from Tri-State earlier. The reading material in board packet is for review at Board’s discretion and for further discussion at next board meeting. Attorney will provide a legal analysis of “what is substantial” in regard to the sale of the Rainsville transmission line, and whether decision to sell is made by the Board or the Membership.

b. Back-Up Generators Grant Approval – General Manager Romero reported that the NM Homeland Security had denied the 100% grant but had now approved the 50% grant for the back-up generators for the Mora and Pecos Offices. San Miguel County is in the process of submitting a RFP for these propane generators. They will be installed before winter.

- c. **Tri-State Up-date on Rowe Substation** – Tri-State brought in a mobile to the Rowe Substation and took everything off-line while they did repairs. New breakers and relays were installed. Substation is now up-to-date.
- d. **Tri-State Power Bill** – For information only.

15. NEW BUSINESS

- a. **Pecos Billing Cycle Error** – General Manager Romero gave a short summary of what had happened with this billing error and how it was corrected. Although, Mr. Daffron did not make it for his presentation today, every effort will be made for him to attend our next meeting.
- b. **Improving Board Performance by NRECA** – Continuing Board Director Education options for review.
- c. **Tri-State Assistance with Right-of-Way Clearing on MSMEC Transmission Lines** – Information on the assistance from Tri-State to clear some trees/branches from MSMEC transmission lines was discussed earlier.
- d. **CFC Key Ratio Trend Analysis for MSMEC** – For review and discussion at a later time.
- e. **NRECA Voting Delegate Certification** – After some discussion, certification for Regional Meeting was tabled.
- f. **NMRECA Annual BBQ** – For information only.
- g. **NMRECA Training Courses** – Peter Sena will be registered for both classes – “Board Roles & Relationships” and “Financial Decision Making”. Robert Quintana will be registered for the second class. Virginia Mondragon will be unable to attend classes at this time and Diego Quintana will look at his calendar before he commits to attending.
- h. **Information from Trustees for Business Cards** – Information from new Board Members was collected so that business cards may be ordered. After some discussion, **a motion was made by Diego Quintana and seconded by Daniel Romero to stipend the Board Chairman, Robert Quintana, the base amount on his personal phone not to exceed \$60. Motion carried unanimously.**
- i. **Banking Resolution** – The General Manager read the contents of the Banking Resolution. Because of the changes due to newly elected board members and reorganization, signatures are needed for continued banking purposes at the Bank of Las Vegas. **Motion was made by Daniel Romero and seconded by Peter Sena to approve the Banking Resolution signed and dated July 28, 2011. Motion carried unanimously.**

16. CORRESPONDENCE

- a. Thank You – Julia Fernandez – Youth Tour – For information only.
- b. Thank You – Jacklyn Dominguez – Youth Tour – For information only.
- c. Thank You – Adrian and Brandon Gallegos – BPA – For information only.
- d. Thank You – Mora Little League- For information only.
- e. Letter to Gilbert Vallejos, Bank of Las Vegas – For information only.

17. INFORMATION

- a. **Calendar of Events** – Statewide will meet in Santa Fe on Thursday, August 4th and Friday, August 5th, 2011. Tri-State will meet on August 9th, 10th and 11th, 2011. MSMEC Finance and Regular Board Meetings will be held on Tuesday, August 30th, 2011. Lunch will be served at 12 Noon. Finance Committee will begin at 12:30 p.m. and Regular Board Meeting will begin at 1:30 p.m.
- b. **News Clippings** – For information only.

Motion was made by Daniel Romero and seconded by Virginia Mondragon to move into Executive Session. Motion carried unanimously.

18. EXECUTIVE SESSION

- a. **Attorney's Report**
 - 1. **Litigation Update**
- b. **Personnel Issues**

Motion was made by Peter Sena and seconded by Diego Quintana to move back into Regular Session. Motion carried unanimously.

19. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

A motion for ratification of all items approved during the April and May 2011 Board Meetings was made by Dan Romero and seconded by Robert Quintana. Motion carried. Abstaining were Diego Quintana, Gina Mondragon and Peter Sena as they were not yet elected to the Board.

20. OTHER BUSINESS TO COME BEFORE THE BOARD

- a) **Meeting Discussion** – Scheduling of meeting was discussed earlier.

Diego Quintana stated that he wanted it on record - and that he believed Abran Romero was on the verge of insubordination for hanging up the phone on him. Mr. Quintana said this was wrong and he will not accept this from Mr. Romero again.

Abran Romero stated that he was threatened by Mr. Quintana with a write-up and termination. Mr. Quintana denied this and said he had a witness.

21. ADJOURNMENT – A motion to adjourn was made by Daniel Romero and seconded by Gina Mondragon. Motion carried unanimously.

Meeting adjourned at 5:45 P.M.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
FINANCE COMMITTEE MEETING
July 28, 2011

Daniel Romero called the meeting to order at 10:08 A.M.

Present: Virginia Mondragon

Diego Quintana

Robert Quintana

Daniel Romero

Peter Sena

Abran H. Romero, General Manager

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

2. Review of Cash Analysis

June 30, 2011

Cash Balance	\$245,851.94
Outstanding P.O.'s	<u>-14,615.75</u>
Ending Balance	\$231,236.19

3. Advance in Aid of Construction

June 30, 2011

Payments on Pending Work Orders	\$31,993.46
Payments on Closed Work Orders	595.11
Miscellaneous Cash Payments	-0-
Total	\$32,588.57

4. Customer Refunds –

June 30, 2011 = \$4,573.96

5. Donations

Committee recommends the following:

- **San Miguel/Mora County Fair Chile Cook-Off - \$50**
- **St. Gertrude Catholic Church - \$50**
- **Mora County 4-H Council - \$500**
- **Endure Believers Boot Camp - \$50**
- **Historic Mora Valley Foundation - \$50**

6. Investments – June 30, 2011

Interest Income = \$1921.65

7. Request to Purchase a Fireproof 4-Drawer File Cabinet – Committee recommends approval of purchase.

8. Bid Proposal by Moss Adams LLC to prepare the 2010 IRS Form 990 for Cooperative - \$3000 – Committee recommends approval.

9. Request for Proposal for T & D to provide cost estimate to extend Guadalupita line to Colfax County – Committee recommends approval.

10. NRUCFC Interest Rate Reprising – Committee recommends approval of 4-year term at 3.7%.

11. Discussion on lighting costs for Digger Unit #16 based on original estimate

- a) **Costs for just unit #16**
- b) **Provide original estimate for all trucks - \$25,000**

Manager to address this issue with vendor.

12. RUS Form 605 – Current Reserve in Balance Up-date

13. Proposals for Rain Gutters for Pecos Office

- 1) **Joe's Seamless Rain Gutters and accessories**
- 2) **Alex's Seamless Rain Gutters**

Tabled – required to get additional bids from Santa Fe.

14. Additional cost request by Manager related to Accounting System Upgrade – Tabled.

15. CFO Discussion on IRS Form 990 for Board Members – Tabled.

16. CFO request for approval to write-off balances for uncollectible Promissory Notes and False Calls

1) Uncollectible Promissory Notes = \$21,429.25

2) False Call Bills that we could not collect because of rate being disputed by consumer = \$2,547.00

Committee recommends approval.

17. Review of Board Member and General Manager expenses for June 2011 – Found to be in order.

Motion to adjourn was made Robert Quintana and seconded by Daniel Romero. Meeting adjourned at 12:30 p.m.