

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
HELD ON
SEPTEMBER 29, 2011

The Regular Meeting of the Board of Trustees was held on September 29, 2011. Mr. Robert M. Quintana, Board Chairman, called the meeting to order at approximately 12:45 P.M.

CALL TO ORDER:

1. Roll Call and Determination of Quorum

Members Present: Robert M. Quintana, Chairman
Peter Sena, Vice-Chairman
Virginia Mondragon, Secretary/Treasurer
Diego Quintana, Member
Daniel Romero, Member

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

Lorna Wiggins, Attorney

- 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: Change - #16 – Executive Session to #10 following #9 – Finance Report; and Add – to #9 Finance Report – a) Discussion on Attorney Fees; and b) Administrator Issues; #13 – New Business – b) District Maps (before redistricting); #18 – Other Business to come before the Board – a) Sangre De Cristo Radio Ad Cost on Special Meeting; and b) Cost of Service Study. A motion was made by Peter Sena, seconded by Daniel Romero, to accept the Agenda as amended. Motion carried unanimously.**

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

- 9. Finance Committee Report** – Abran Romero, General Manager, read the Minutes of the Finance Committee held earlier today. Everything was found to be in order. **A motion was made by Peter Sena, seconded by Daniel Romero, to approve the following recommendations made by the Finance Committee: 1) Approval of Techline, Inc. as low bidder for the purchase of poles for Pecos and Mora; 2) Approval renewal of NRECA Dental & Business Travel Accident Insurance; 3) Approval of price quote for internet service upgrade for Mora and Pecos offices from Century Link Communications; and, 4) Approval of donation of \$50 to Ride to Pride Partnership, Inc. Motion carried unanimously.**

- a. Discussion on Attorney Fees** – There was a lengthy discussion regarding the attorney fees being paid by MSMEC. Diego Quintana stated that there is a big difference in what is being paid today and that of a few years ago. He stated that the biggest expense is being paid on general matters which should be done by the general manager and the board and that they need to protect the Coop's money. Diego Quintana recommended forming board committees to work on many of the items that the attorney(s) are now being paid to work on. Diego Quintana stated that the board needs to take charge and stop some of these expenses. He indicated that an attorney does not have to be present at every meeting. Dan Romero stated that there are many occasions when the attorney is needed at our meeting. Diego stated that during negotiations the board members and administration should handle a lot of this before the attorney is involved. Ms. Wiggins stated that during NLRB negotiations, issues and examples, especially the "language", need to be understood by an experienced person, but that it is the board decision as to what they want to do. The issue of calling the attorney during the meeting also was discussed. The General Manager asked Diego Quintana and the rest of the Board if they would assume the monetary

risk and liability for making decisions that should be advised by legal counsel.

- b. Administrator Issues** –After some discussion concerning the attorney expenses and Manager’s credit card receipts, Diego Quintana made a motion, seconded by Virginia Mondragon, that it be on the agenda and that he be allowed to come in an hour before the finance meeting to review the attorney and credit card receipts. After further discussion, the motion was withdrawn. It was agreed upon that starting in November, prior to the Finance Committee Meeting, attorney and credit card receipts will be reviewed on a quarterly basis by Diego Quintana and he will report back to the Board. Discussion also took place as to whether or not the Cooperative’s emblem should be on the Manager’s vehicle. Chairman Quintana stated he had observed coop vehicles driven by managers of other cooperatives and only a few had emblems on them. Diego Quintana also stated that he had called other coops in the state and many did have emblems on their vehicles. Diego Quintana stated that he believed the emblem should be on the manager’s vehicle and driven with honor. Virginia Mondragon agreed. After continued discussion, the majority of the Board recommended that it be left to the Manager’s discretion.

A motion to move into Executive Session was made by Diego Quintana and seconded by Virginia Mondragon. Motion carried unanimously.

10. Executive Session

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

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

- 11. Tri-State Trustee Report** – Daniel Romero, Tri-State Trustee, reported on Tri-State’s September meeting. Some of the items discussed included the following:

- Solar Pilot Program for MSMEC – not available through Tri-State because of high cost
- External Affairs Committee – Policy review and study
- Legislative Session & Renewable Energy in NM
- 2012 Tri-State Budget passed – MSMEC will have a 4.8% increase effective January 1, 2012 and a 7.8% in 2013
- Difference between Class Rates

A motion was made by Peter Sena and seconded by Virginia Mondragon, to approve the Tri-State Trustee Report as presented. Motion carried unanimously.

12. NMRECA Trustee Report – Robert Quintana, NMRECA Trustee, reported on the Statewide Meeting held in Santa Fe. Some of the items covered included the following:

- Kit Carson Electric – money spent on attorney fees to get rate hike approval
- PRC getting involved in Kit Carson’s spending on a local level (ex. Trustee expenses, etc.)
- BBQ – good gathering for employees/trustees/members of different cooperatives
- There will be no report next month, as the Statewide meeting is being held in Las Cruces on same day as our meeting here today

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

13. On-Going Business

- a. Update on Engineering Services** – The General Manager reviewed and updated the Board on the engineering services for the 2012 Construction Work Plan which is 90% complete. Once completed and presented by the engineers, MSMEC can move forward if approved by the Board.
- b. Action Item – Request Board Approval to hold Special Membership Meeting regarding sale of Transmission assets to Tri-State G & T on Tuesday, October 11, 2011 at the City of Las Vegas Chamber Hall at 6:00 P.M. – Power Point Presentation for Membership Meeting. A motion**

was made by **Dan Romero** and seconded by **Diego Quintana** to hold a **Special Meeting** regarding the sale of **Transmission assets to Tri-State G & T on Tuesday, October 11, 2011. Motion carried unanimously.**

- c. **NRECA Region 10 Meeting – Voting Delegate – Change or add Alternate** – Daniel Romero was appointed voting delegate at our August Meeting but because he no longer will be attending the Region 10 Meeting, Peter Sena will now serve as voting delegate for MSMEC.
- d. **MSMEC 2011-2015 Strategic & Operational Plan** – After a short discussion, it was decided that since our last Strategic & Operational Plan was held in February of 2011 there is no need to schedule another even if three of our Board Members are new and did not attend. This Strategic & Operational Plan will not be used in the evaluation of the general manager.
- e. **Tri-State – Monthly Power Bill** – For information only.

14. New Business

- a. **National Rural Utilities Cooperative Finance Corporation – District 10 Meeting – CFC Delegate Registration Card & Official Mail Ballot** – Peter Sena, Vice-Chairman, will attend the District 10 Meeting and is the voting delegate for MSMEC.
- b. **District Maps (before redistricting)** – Discussion on potential redistricting will be included in next month's agenda. Maps will also be provided at our October meeting.

15. Correspondence

- a. **Employee Memo – Employee Assignment of Duties & Phone Answering** – For information only.
- b. **NMRECA Commentary** – For information only.
- c. **Keep Electricity Affordable** – For information only.

16. Information

- a. **Calendar of Events** – Tri-State will meet on October 4th and 5th in Denver. Statewide will meet on October 27th and 28th in Santa Fe. The Columbus Day Holiday will be observed on Monday, October 10th. The Special Meeting on the discussion on the sale of the transmission line will be on Tuesday, October 11th at 6:00 p.m. at the City Chamber Hall in Las

Vegas, NM. The Finance Committee Meeting will be held at 10:00 a.m. and Regular Board Meeting at 12:30 p.m. on Thursday, October 20th, 2011 in Mora, NM. NLRB hearings will commence on October 25th through possibly the 28th. Robert Quintana and Peter Sena will leave to the Region 10 Meeting in Scottsdale Arizona on Monday, October 31st, 2011.

- b. **Tri-State Annual Meeting – April 7th & 8th, 2010** – For information only.
- c. **Tri-State Manager’s Meeting – April 13th & 14th, 2010** – For information only.

17. Action on Items Discussed in Executive Session – No action items discussed in Executive Session.

18. Other Business to come before the Board

- a. **Sangre De Cristo Radio Ad Cost on Special Meeting** – The Manager presented the Board with a letter/quote on the cost of the radio ads to inform the membership of the Special Meeting scheduled for October 11, 2011 related to the sale of assets to Tri-State G & T. The amount for the advertising on the radio equaled \$937.44 plus tax. **A motion to approve the radio ad advertising was made by Diego Quintana, seconded by Peter Sena. Motion carried unanimously.**
- b. **Cost of Service Study** – General Manager Romero discussed the Cost of Service Study and informed the Board that as members of CFC, they can provide the Coop with a full cost of service study at no cost but it can take up to a year to complete. In Catt Cobb’s proposal of her Cost of Service Study, a part was overlooked and an analysis can be done for a fee of \$6000 to increase the customers fixed charge.

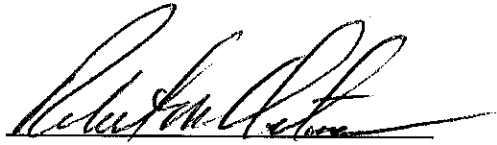
19. Adjournment - Motion to adjourn the meeting was made by Peter Sena and seconded by Dan Romero. Motion carried unanimously.

Meeting adjourned at approximately 4:15 p.m.

ATTEST:



**Virginia Mondragon
Secretary/Treasurer**



**Robert Quintana
Board Chairman**

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
FINANCE COMMITTEE MEETING
October 20, 2011

Robert Quintana, Board Chairman, called the meeting to order at 10:10 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

September 30, 2011

Cash Balance	\$69,057.23
Outstanding P.O.'s	<u>- -0-</u>
Ending Balance	\$69,057.23

3. 2011 Budget to Actual – January thru September

4. Advance in Aid of Construction

September 30, 2011

Payments on Pending Work Orders	\$32,744.05
Payments on Closed Work Orders	3,056.60
Miscellaneous Cash Payments	-0-
Total	\$35,800.65

5. Customer Refunds –

September 30, 2011 = \$603.70

6. Donations -

**a. Valley Elementary & Middle School – Spanish Club Field Trip-
Committee recommends \$50 donation.**

- b. Mayor Alfonso E. Ortiz, Jr. – Mayor’s Community Initiative Fund – Committee recommends no donation.**
- c. Valley Elementary & Middle School – Participate in Academic Programs – Committee recommends \$50 donation.**

- 7. Investments – September 2011 – Interest Income = \$1557.07**
- 8. CFC 2011 Patronage Capital Allocation - \$1,998.60 and Retirement \$999.30 (FYI – please review)**
- 9. Review of Roybal Conoco Invoice for (7) Spare Tires – Committee recommends approval.**
- 10. Deceased Capital Credits owed of \$37,303.01**
 - a. Board Policy No. 406 – Retirement of Capital Credits to Deceased Patrons**
 - b. Board Policy No. 407 – Equity Capital Objectives & Patronage Capital Payments**
 - c. Board Policy No. 408 – Equity Plan**
- 11. Review September Board Member and General Manager Expenses – Found to be in Order.**
- 12. Other Items:**
 - a. Committee approves 2 sets of tires from Big “O” for Meter Reader trucks.**

Meeting Adjourned at 12:02 p.m.