Central New Mexico Electric Cooperative, Inc.
Moriarty, New Mexico
Regular Meeting Minutes of the Board of Trustees
12/29/11

Pursuant to previous action, the Regular Meeting of the Board of Trustees of Central New Mexico Electric Cooperative, Inc. was held on Thursday, December 29th, 2011, beginning at 9:00 a.m. at the Moriarty Board Room. (The meeting was changed from December 20th to the 29th due to a snowstorm on the 20th.)

ROLL CALL
Secretary, J.T. Turner declared the required quorum present with the following trustees in attendance: Jerry Britton J.T. Turner Duane Frost Kenny Shaw Wayne Connell Leandro Abeyta Mike Valdez
Phil Wallin was unable to attend.
Staff present: Matthew Collins - General Manager, Alena Brandenberger-Manager of Finance, Kevin Dunlap, Manager of Operations and Birchie West, Manager of Regulatory Compliance, and Ed Burkhart, IT Manager.
Dolores Jones was unable to attend.

CALL TO ORDER
Jerry Britton, President of the Board, called the meeting to order and Matthew Collins recorded the minutes thereof. Birchie West gave the invocation.

AGENDA
Additions to the Agenda were: Old Business: 4) Pension Discussion and 5) Post Retirement Insurance Benefit. Under New Business: 2) Write Offs. A motion was made, seconded, and carried to accept the agenda as amended.

APPROVAL OF MINUTES
After a brief review of the minutes a motion was made, seconded and carried to approve the minutes of the Regular Board Meeting of November 22, 2011 as presented.

STAFF REPORTS

1. **Financials – Alena Brandenberger**
   Ms. Brandenberger reviewed the financials for November. Total Tier is at 1.20; OP TIER is 1.12 and Equity is 20.69%. She explained that on the Fuel pass-thru we had over collected $445,000 and that this figure would be calculated into the new pass thru figures for 2012. We are good financially and we have a good reserve to begin the year. After a brief discussion on the financials a motion was made, seconded and carried to approve the financials subject to audit. Mr. Connell reviewed the check list with the Board.

2. **Regulatory - Compliance – Birchie West**
   Mr. West reviewed the Arrears Report, 3-yr History of Arrears, Payments Received, Write Offs, Dispatch, Safety and Metering Reports. He also reported that the TWN Collection Agency had collected $9,145.09 on 41 accounts.

3. **Operations, Engineering, Support Services – Kevin Dunlap**
   Mr. Dunlap reviewed and answered questions from the System Load, Coincident Demand Values, Temperature Chart, Peak Day System Load, Outstanding Line Ext., Engineering & Op., Wire Drop Summary, and Purchasing reports.

Mr. Dunlap reported on the warehouse audit which was completed a month earlier than usual. The auditors were very pleased with the condition of the inventory and that they found the warehouse to be over $3,205 for all the warehouses.
He also reported that the three new trucks would be delivered on Tuesday January 3rd.

4. **Executive Services & Marketing – Dolores Jones**
   Ms. Jones was unable to attend the meeting.

5. **General Manager – Matthew Collins**
   Mr. Collins reported on the 401K arbitrations, the Barnhill arbitration, and the Union negotiations. He also updated the Board on the Cap and Trade issues with the Environment Improvement Board (EIB).

VII. OLD BUSINESS

1. **Budget**
   Mr. Burkhart, Manager of IT, reported to the Board that he needed to make an addition to the budget of a MaaS360 Management Service for the iPads and iPhones at a cost of $2,880 annually. He also added $6,262 to the Compellent Storage System making it a total of $79,542. After a general discussion a motion was made, seconded and carried to approve the 2012 Budget.

2. **Line Extension Policy**
   After a general discussion on the Line Extension Policy, a motion was made, seconded and carried to approve the Line Extension Policy with corrections. Mr. Dunlap and Mr. Collins will get with Cathy Cobb on the procedures required to put the policy in place.

3. **iPad Training**
   Mr. Burkhart and Mr. Collins were helping the Trustees with their iPads throughout the meeting.

4. **Pension Discussion: Conference call to Kelly Famiglietta of Charles Stephens.**
   Ms. Brandenberger then informed the board on values paid out to the employees and the different options that the employees utilized. A scheduled conference call to Kelly Famiglietta was conducted in order to get information on the costs and procedures of administrating the annuities. She also stated that the IRS gave us 120 days to finalize the transactions. She presented the Board with several insurance company options to choose from to administer the annuities from the plan. After a general discussion a motion was made, seconded and carried to use Mutual of Omaha as the annuities administrator.

5. **Post Retirement Insurance Costs**
   Personnel issue; discussed in Executive Session below.

VIII. NEW BUSINESS

1. **2010 Write-Offs**
   Mr. West reported to the Board that the write-offs for 2010 are at $130,606.94. A motion was made, seconded and carried to approve the write-offs as presented.

IX. TRUSTEE REPORTS

1. NMRECA – Leandro Abeyta

Mr. Abeyta reported on the NMRECA December meeting.

2. TRI-STATE G&T – Wayne Connell

In Mr. Collin's report on the December Tri-State Meeting, he stated that Tri-State voted 29-10 in favor of the new rate design. He also reported that Tri-State had put out an RFP for wind power.

X. EXECUTIVE SESSION

The Board went into Executive Session. Upon returning from the Executive Session a motion was made, seconded and carried to approve the change in language regarding those retirees who qualified for the insurance benefit before the 1992 change. The change would refer to the costs of their insurance being similar and no greater than what employees are currently receiving. Other employee issues were discussed, but no action was taken.

NEXT MEETING

The next regular meeting will be in Mountainair, Thursday January 26th, 2012.

ADOURNMENT: There being no further business to come before the Board, the meeting was declared adjourned.

Certificate of Secretary

I do hereby certify that I am the duly elected qualified Secretary of Central New Mexico Electric Cooperative, Inc. (herein called "Cooperative"); that the foregoing is a complete and correct copy of the original minutes entered in the minute book of the Cooperative of the meeting of its Board of Trustees held December 29, 2011. At the meeting a quorum of the Board of Trustees was present and acted throughout and the minutes of aforementioned meeting have not been modified or rescinded.

IN WITNESS WHEREOF, I have subscribed my name as Secretary and affixed the corporate seal this ____ day of _____, 2011.

(Seal)

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J.T. Turner, Secretary