

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
STANDING COMMITTEES AND ORGANIZATIONS
FOR BOARD OF TRUSTEES
BOARD POLICY NO. 111
Supersedes Policies No. 2,5 & 10

SUBJECT: To Review, as Needed With Management the Operating and Financial Policies of the Cooperative and or Association Are Being Properly Administered.

OBJECTIVE: To determine if any corrective action is required and make appropriate recommendations to the board.

POLICY:

The Board of Trustees ("Board") has established the following standing Committees and needs for representation to other RUS Associations

Committee Assignments:

1. The President of the Board will make committee assignments for a tenure of one year at the first Board meeting following the Annual Meeting.
2. The President of the Board may assign additional members of the Board to assist in committee assignments if he deems it necessary in the execution of a specific task.
3. Special committees are discouraged in the interest of economy and the chance of circumventing any prerogative of a committee area of operation.

A. Standing Committees of the Board of Trustees:

1. The Executive Committee: The Executive Committee shall be composed of the President of the Board as chairman, and the Vice-President, and Secretary/Treasurer of the Board. The Executive Committee shall be responsible for tasks assigned by the President, generally as follows:

- a) Advice and counsel to the Manager in matters he feels exceed his authority;
- b) Advice and counsel to the Manager in matters of critical or sensitive nature;

c) Advice and counsel to the Manager in matters of Planning, Organization, and Programming; and

d) Other tasks assigned by the President of the Board.

2. The Finance and Credit Committee: The Finance and Credit Committee shall be made up of the Secretary-Treasurer of the Board, as chairman, and three (3) members of the Board appointed by the President. The Finance and Credit Committee shall be responsible for tasks assigned by the President generally as follows:

- a) Matters related to finance;
- b) Reviewing and recommending approval of expenditures and disbursements to the;
- c) Reviewing and recommending approval of Loans.
- d) Review and monitor all existing contracts.

3. Consumer and Labor Relations Committee: The Consumer and Labor Relations Committee shall be made up of the Vice President of the Board, as chairman, and four (4) members of the Board appointed by the President. The Consumer and Labor Relations Committee shall be responsible for tasks assigned by the President, generally as follows:

- a) Labor grievances and matters related to labor union activities including representing management in negotiations with union contract;
- b) Consumer problems of a critical and sensitive nature.

4. Building Committee: The Building Committee shall have (3) three members appointed by the President. The Building Committee shall be responsible for tasks assigned by the President, generally:

- a) Maintain a current account of land and other capital assets.
- b) Assess value and recommend purchases, sales, leases or trades of assets.
- c) Determine improvements or expansion needs and recommend to the Board.

5. Marketing/Diversification Committee: The Marketing/Diversification Committee shall consist of (3) three

MSMEC Policy #111

Page 3

Board members appointed by the President. The Marketing/Diversification Committee shall be responsible for tasks assigned by the President, generally:

- a) Establish marketing goals on a annual basis.
- b) Identify marketing/diversification opportunities and recommend options to the Board.

6. Ad/Hoc

- a) Will be appointed as needed.

B. Representation to National, Regional and State Organizations

1. It shall be the policy of the Board to actively participate in the functioning of those membership organizations formed to further the best interest of electric cooperatives. It shall be both the duty and the privilege of the Board members to attend these meetings. In the interest of economy, no more than two (2) Trustees, plus the Manager and/or Attorney when needed, will attend any one out of state meeting unless a majority of the Board determines that the attendance of a larger number of Board Members is appropriate. Attendance at meetings held within the state will be limited to no more than three (3) Trustees, plus the Manager and/or Attorney when needed unless a majority of the Board determines that the attendance of a larger number of Board members is appropriate.

Delegates shall be selected at a meeting of the Board, in advance of the meeting or meetings to be attended, and attendance at meeting will be rotated among Board members. Such delegate to report to next regular Board Meeting.

C. Cooperative Representation:

1. **Tri-State Generation and Transmission Association, Inc.** – One (1) Board member will be elected by the Board to serve a two (2) year term on the Board of Trustees of Tri-State Generation and Transmission Association, Inc. and one (1) Board Member shall be elected to serve as an Alternate to serve a two (2) year term. The Board member attending the Tri-State Board meeting will be responsible to report the activities of the Tri-State Board in detail at each regular Board meeting of the Cooperative. Activities and conduct of such a representative will be developed in a Board Policy under the subject of Conduct

MSMEC POLICY #111

Page 4

Representatives of the Cooperative.

2. **New Mexico Rural Electrification Cooperative Association:** One (1) Board member will be elected by the Board to serve a two (2) year term on the Board of Trustees of the New Mexico Rural Electrification Association ("NMRECA") and one (1) Board Member shall be elected to serve as an Alternate. The Board Member attending the Statewide meeting will be responsible to report the activities of the NMRECA in detail at each regular Board meeting of the Cooperative. Activities and conduct of such a representative will be developed in a Board policy under the subject of Conduct of Representatives of the Cooperative.

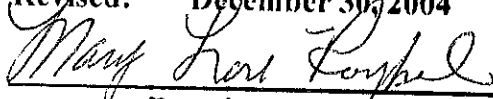
The Board shall be responsible for the enforcement of this Policy.

Approved: April 13, 1993

Effective: April 13, 1993

Reaffirmed: February 24, 1995

Revised: December 30, 2004


Board Secretary