

.MINUTES
REGULAR MEETING
BOARD OF TRUSTEES
THE SOCORRO ELECTRIC COOPERATIVE, INC.

DECEMBER 27, 2012

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., was held on Thursday, December 27, 2012 in Socorro, New Mexico.

INDEX

The meeting was called to order at 5:30 p.m. by Paul Bustamante, President.

CALL TO ORDER

Secretary Aguilar reported those present and attending the meeting as follows:

ROLL CALL

TRUSTEES PRESENT: Paul Bustamante, President
Representative, District I

Dave Wade, Vice-President
Representative, District IV

Luis Aguilar, Secretary
Representative, District III

Leo C. Cordova, Treasurer
Representative, District I

Charles Wagner, Trustee*
Representative, District II

Leroy Anaya, Trustee
Representative, District III

Prescilla Mauldin, Trustee
Representative, District III

Milton Ulibarri, Trustee
Representative, District III

Donald Wolberg, Trustee
Representative, District III

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
Eileen Latasa, Sr. Admn. Asst./HR Manager
Lorna Wiggins, Attorney

SEC MEMBERS PRESENT: Anne Dorough, Jim Dorough, Elva Osterreich,
David L. Wade, Richard P. Tafoya, James Cherry,
Charlene Wagner, Marie Watkins, Charlene West,
Cyndi Mae Wade

Secretary Aguilar declared a Quorum of Trustees present.

QUOURUM

President Bustamante led everyone in the Pledge of Allegiance.

PLEDGE OF
ALLEGIANCE

There were no additions or deletions to the Agenda.

APPROVAL OF
AGENDA

After review of the Draft of the Minutes of the Regular Meeting held on November 28, 2012, a motion was made by Trustee Wolberg and seconded by Trustee Cordova to approve the Draft of the Minutes with corrections. Motion carried unanimously.

REVIEW OF
MINUTES

There were no comments introduced by SEC members present.

PUBLIC
COMMENTS

A motion was made by Trustee Anaya and seconded by Trustee Wolberg to approve a \$250 donation as requested by Adam Paz, SHS student, during the previous meeting of the Board.

CONSIDERATION
OF DONATION

Trustee Wagner amended the motion for each trustee to donate \$50 or a donation based on the number of trustees to equal \$250. The amended motion died for lack of a second.

President Bustamante called for a vote on the Trustee Anaya's motion to donate \$250. Motion carried with Trustee Wagner opposed.

Attorney Wiggins recommended that the Board consider engaging the services of Ira Bolnick, Attorney, as Investigative Counsel as discussed during the November meeting of the Board.

APPROVAL OF
INVESTIGATIVE
COUNSEL

Attorney Wiggins informed the Board that Attorney Bolnick would conduct the investigation of actions by Trustee Wagner and report back to the Board at the January meeting.

A motion was then made by Trustee Wolberg and seconded by Trustee Ulibarri to approve Attorney Wiggins recommendation to engage the services of Attorney Ira Bolnick as Investigative Counsel.

Trustee Wagner then questioned what the investigation was for. President Bustamante responded that the investigation was due to a conflict of interest and breach of fiduciary duty on the part of Trustee Wagner.

Further discussion ensued. President Bustamante then called for the vote on Trustee Wolberg's motion. Motion carried with Trustee Wagner opposed.

A motion was made by Trustee Mauldin and seconded by Trustee Ulibarri to certify the results of the District V Meeting. Motion carried unanimously.

CERTIFY
DISTRICT V
ELECTION

Official Results

Anne L. Dorough	60
Buster Green	48

President Bustamante opened the floor for nominations for NRECA Voting Delegate to the 2013 NRECA Annual Meeting. It was determined that Trustees Wolberg, Mauldin and Wagner planned on attending the 2013 NRECA Annual Meeting.

ELECTION OF
VOTING
DELEGATES TO
THE 2013 NRECA
ANNUAL MEETING

Trustee Ulibarri nominated Trustee Wolberg as the NRECA Voting Delegate.

There being no further nominations, Trustees voted unanimously to elect Trustee Wolberg as NRECA Voting Delegate.

A motion was made by Trustee Wagner to elect Trustee Mauldin as the NRECA Voting Alternate to the 2013 NRECA Annual Meeting. Trustee Wolberg seconded the Motion. Motion carried unanimously.

President Bustamante opened the floor for nominations for CFC Voting Delegate to The 2013 NRECA Annual Meeting.

A motion was made by Trustee Cordova and seconded by Trustee Ulibarri to elect Trustee Wolberg as the CFC Voting Delegate. Motion carried unanimously.

A motion was made by Trustee Wolberg and seconded by Trustee Ulibarri nominating Trustee Mauldin as the CFC Voting Alternate. Motion carried.

President Bustamante opened the floor for nominations for Federated Voting Delegate to the 2013 NRECA Annual Meeting.

A motion was made by Trustee Cordova and seconded by Trustee Wolberg nominating Trustee Mauldin as the Federated Voting Delegate. Motion carried unanimously.

A motion was made by Trustee Cordova and seconded by Trustee Wolberg nominating Trustee Wolberg as the Federated Voting Alternate. Motion carried unanimously.

President Bustamante opened the floor for nominations for NRTC Voting Delegate to the 2013 NRECA Annual Meeting.

A motion was made by Trustee Ulibarri and seconded by Trustee Wade to elect Trustee Wolberg as the NRTC Voting Delegate. Motion Carried unanimously.

A motion was made by Trustee Wolberg and seconded by Trustee Wade to elect Trustee Mauldin as the NRTC Voting Alternate. Motion carried unanimously.

Manager Herrera reported that the N.M.P.R.C. suspended the Tri-State Rate Increase On December 20, 2012 and recommended that the Board take action to have a seat at the table to engage in discussion on the rate protest by three N.M. Coops.

ACTION ON
INTERVENING
OF TRI-STATE
RATE PROTEST

A motion was made by Trustee Wagner to postpone a decision until the January Board Meeting. Motion died for lack of a second.

A motion was then made by Trustee Wolberg and seconded by Trustee Cordova to Intervene on the Tri-State Rate Increase Protest before the N.M.P.R.C. Motion carried with Trustee Wagner opposed.

Manager Herrera opened the floor for questions on the Expenditure Report.

EXPENDITURE
REPORT

Trustee Aguilar questioned Manager Herrera on Check # 46897 for the Socorro County Fair.

Trustee Wagner also questioned Manager Herrera on Check # 46918 to Survey and Ballot and Check # 46979 to Wiggins, Williams and Wiggins.

Manager Herrera replied to each of the expenditures in question.

There being no further questions from the Board, a motion was then made by Trustee Wolberg and seconded by Trustee Cordova to approve the Expenditure Report for November, 2012 as information. Motion carried unanimously.

There were no questions from the Board on the Credit Card Expenditures.

CREDIT CARD
EXPENDITURES

Manager Herrera reviewed the RUS Form 7 Report with the Board.

RUS FORM7

There being no questions from the Board, a motion was made by Trustee Cordova and seconded by Trustee Mauldin to approve the RUS Form 7 for November, 2012 as Information. Motion carried unanimously.

DELINQUENT
REPORTS

Manager Herrera noted that there was a slight increase in 90 day Inactive Accounts on the Delinquent Report for November, 2012. Manager Herrera also stated that the LIHEAP Winter Moratorium was also in effect until March 15, 2013.

Manager Herrera also reported that work continues on the Section V & XII Delinquent Accounts.

There were no questions from the Board on the Outage Report for November 14 to December 16, 2012.

OUTAGE REPORT

Manager Herrera was proud to announce that it was his hope to end the year with no loss time accidents for the entire year.

SAFETY REPORT

Manager Herrera reported that the crews were concentrating on maintenance and inventory of warehouse material.

CONSTRUCTION
REPORT

Manager Herrera reported that Ronnita Montoya successfully completed another college semester with a 3.8 G.P.A. and has one semester to complete her BA in Accounting.

PERSONNEL

Manager Herrera gave a work summary for 2012 and goals for 2013.

Trustee Wagner inquired about the results of the Customer Satisfaction Survey done earlier in the year. Manager Herrera responded that he had a scheduled conference call with representatives from Touchstone Energy to discuss the survey. Manager Herrera added that he would report on the survey at the January meeting of the Board.

Trustee Wagner also inquired about the progress on the Wind Farm in the northern Socorro County.

Manager Herrera responded that the project is not off the ground as of this date and that there has been no monetary expense to the SEC as of this date.

Secretary Aguilar reported that there were nine (9) connects, sixty nine (69) reconnects and seventy nine (79) disconnects during the month of November, 2012.

A motion was then made by Trustee Cordova and seconded by Trustee Wolberg to approve the Member Applications and Cancellations Report for November, 2012 as information. Motion carried unanimously.

MEMBER
APPLICATIONS/
CANCELLATIONS
REPORT

Trustee Wolberg reported that Joann Emerson had been selected to replace Glenn English, NRECA Retiring CEO.

NRECA

Other items from the NMRECA Directors Meeting were reported on by Trustee Wolberg.

Trustee Anaya stated that the Tri-State Report was included in the Board Information Packet and had no other information to present to the Board.

TRI-STATE
REPORT

Trustee Wolberg, Chairman of the By-Law Committee, reported that the Committee met on November 29 and December 12, 2012 and reviewed the minutes of the meetings.

BY-LAW
COMMITTEE
REPORT

After answering questions from the Board, a motion was made by Trustee Wolberg and seconded by Trustee Cordova to accept the report of the meetings and approval of the recommendations made by the By-Law Committee regarding resolutions for the 2013 Annual Meeting. Motion carried with Trustees Wagner and Mauldin opposed.

Trustee Wade, Chairman, of the Finance/Audit Committee reported that the Committee met on December 17, 2012.

FINANCE/
AUDIT
COMMITTEE
REPORT

Trustee Wade turned the floor over to Manager Herrera to explain the recommended Revisions to Policy 307, Patronage Capital and Policy 312, Financial Forecast and the Committee's recommendation for full Board approval of the Retirement of Patronage Capital in May, 2013 of \$1.1 million for years 1978 to 1983.

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to accept The Finance/Audit Report recommendations as presented.

After consideration of the recommended policy changes, President Bustamante entertained a motion to include approval of the Finance/Audit Committee Report and to accept all the committee's recommendations. Trustee Ulibarri seconded the motion. Motion carried with Trustee Wagner opposed.

Trustee Anaya, Chairman of the Policy Committee, reported that the Committee met on December 20, 2012 to review recommended policy changes.

POLICY
COMMITTEE
REPORT

After review of the minutes of the Policy Committee, a motion was made by Trustee Mauldin and seconded by Trustee Anaya to approve the recommended revisions to Policy 201-9K, Absence on Day Prior To or After Holiday. Motion carried with Trustee Wagner opposed.

Attorney Wiggins recommended approval of the Retirement of Patronage Capital to the Estates of Manuel Chavez for \$297.51 and Robert Ritt for \$742.52.

OTHER
BUSINESS

A motion was then made by Trustee Cordova and seconded by Trustee Mauldin to approve the Retirement of Patronage Capital to the Estates of Manuel Chavez and Robert Ritt. Motion carried with Trustee Wagner opposed.

Manager Herrera requested approval to attend the NRECA Annual Meeting In New Orleans, Louisiana in February, 2013.

A motion was made by Trustee Anaya and seconded by Trustee Mauldin to approve Manager Herrera's request to attend the 2013 NRECA Annual Meeting. Motion carried unanimously.

Trustee Ulibarri commended Manager Herrera and SEC Staff for their participation In the Christmas Light Parade and for the work on street lights on the north end of Socorro.

SUBJECTS BY
TRUSTEES

Trustee Wolberg expressed his praise and appreciation to retiring Trustees Anaya, Ulibarri and Bustamante.

Trustee Aguilar also thanked Trustees Anaya, Ulibarri and Bustamante for their efforts on behalf of the SEC.

Trustee Aguilar also stated that he had been asked what the coop was hiding and added that he had been on the Board three (3) years now and that he is not ashamed of any action taken by the Board and that the SEC has nothing to hide.

Trustee Cordova congratulated President Bustamante for a job well done during his tenure as President.

President Bustamante thanked the efforts of the Manager Search Committee and Manager Herrera for a job well done.

A motion was made by Trustee Cordova and seconded by Trustee Mauldin calling for an Executive Session. Motion carried.

EXECUTIVE
SESSION

President Bustamante called for an Executive Session as per Section 10-15-1(H)(2)

And Section 10-15-1(H)(7) of the NMOMA.

The Board adjourned to Executive Session at 6:38 p.m.

The Board returned to Regular Session at 7:05 p.m.

President Bustamante stated that there was no action taken by the Board during Executive Session.

*Trustee Wagner did not return for the Regular Session.

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to set the date and time of January 2, 2013 at 9:00 a.m. for the Reorganization Meeting of the Board. Motion carried unanimously.

SET DATE & TIME
FOR
REORGANIZATION
AND REGULAR
MEETING

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to set the date of January 23, 2012 at 5:30 p.m. for the Regular Meeting of the Board. Motion carried unanimously.

There being no further items open for discussion, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to adjourn the meeting. Motion carried unanimously.

President Bustamante adjourned the meeting at 7:05 p.m.

Luis Aguilar, Secretary

APPROVED:

Paul Bustamante, President

I, Luis Aguilar, do hereby certify that I am the Secretary of the Board of Trustees of The Socorro Electric Cooperative, Inc. hereinafter called the "Cooperative" and the above is a true and exact copy of the Minutes of the Regular Meeting held on December 27, 2012. A Quorum of Trustees was present and acted upon throughout the Meeting and none of the Minutes of the above have been rescinded or modified.

Luis Aguilar, Secretary