

The section on Board Policies is 95 pages (the Bylaw section is 49 pages) and is not subject to member approval. It is voted on by the board and as such only a change in the board trustees will have any effect on their adoption, change, etc. Despite this actuality, members should be familiar with the board policies for its insight into the workings of the board and their outlook on the entire SEC.

ITEMS OF NOTE:

BOARD POLICY No. 102 Subject: Board Meetings

II. "The Board of Trustees shall hold its regular monthly Board Meeting on the fourth Wednesday of each month at 2:00 p.m...."

This time shift was made during the last two years to accommodate Trustee Dorrough and Manager Herrera who did not want an evening or Saturday meeting time. It was protested by SEC members at that time as being detrimental to the ability of members to attend at a time when most are working or at school.

BOARD POLICY No. 104 Subject: Committees of the Board of Trustees

The committees are fine, the method of appointment of committee members by the President has in the past led to the president appointing friends and allies, an unfair usage of power. An instance of this was the appointment of Manager Herrera to serve as representative to the NMRECA (statewide) and Tri-State boards, positions always held by trustees because none of the three majority trustees wished to attend and the Chair would not appoint either of the minority trustees. The committees should be representative of all trustees.

BOARD POLICY No. 108 Subject: Standards of Conduct **This whole Policy has the potential for a great deal of harm.**

II. Policy Content. B. Conduct with Respect to Fellow Board Members 2. "Except when in the best interest of the Cooperative, (who decides what is 'best interest') Board member shall not reveal differences of position among Board members on matters considered and acted upon by the Board of Trustees except to other Board members or the Chief Executive Officer. This standard applies to informal as well as formal communications."

This policy has the potential to do damage to the issue of Transparency and the Constitutional Right of Freedom of Speech. Shows why it is necessary to tape the Board meetings and for members to attend them.

C. Board Member Access to Cooperative Information. "The President shall approve a Board member's request to obtain access to information which is reasonably germane to his/her standing as a Board member and which is requested for a proper purpose. The President shall take such actions as are necessary to provide a timely response to the Board member's request. Notwithstanding the foregoing, Board members shall obtain guidance and access from the Cooperative's legal Counsel if the request would pertain to concerns of actual or potential criminal activity involving the President. The President is the first among equals and should not be given such power. It seems to be a "Nanny" state of operation.

C. 2. "Information received by a Board member pursuant to this policy shall not be revealed to any other individuals, unless the Board member sincerely convinced that to do so is compelled by law or the overriding best interests of the Cooperative."

C.3. "A Board member shall not disclose information received pursuant to this policy if the effect of such disclosure is to damage the Cooperative or the public's perception of the Cooperation. Again what about Transparency and Democratic Control by Members.

BOARD POLICY No. 116 Subject: Trustee's Fee and expenses.

This policy and ARTICLE V. TRUSTEES Section 511 – Trustee Compensation ignores the cap that the members' voted into the Bylaws in 2010. In both policy and bylaw, the Board of Trustees sets the fees and compensation. There is no clearly stated requirement for actual receipts stated in either bylaw or policy. The policy does state: Policy No. 116, IV. Responsibility. A. It is the responsibility of each Trustee to submit an itemized expense report to include fee, all necessarily incurred expenses, and other authorized reimbursement expenses, including travel. Expenses of spouses accompanying Trustees to meeting will not be reimbursed.

D. “It is the responsibility of the Board of Trustees to develop, with the assistance of the Trustee Vice President (presently Trustee David Wade) and General Manager and the Controller, an annual budget for fees and expenses of the Board of Trustees to be included in the Cooperative’s Annual Work Plan and Budget.”

Several items in Board Policies are in direct opposition to bylaws recently passed by the members. The same is true of the Bylaws.