

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

JULY 31, 2012

A Special Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Tuesday, July 31, 2012 in Socorro, New Mexico.

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

CALL TO ORDER

Secretary Aguilar called roll and reported those Trustees present:

ROLL CALL

TRUSTEES PRESENT: Paul J. 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

Leroy Anaya, Trustee  
Representative, District III

Prescilla Mauldin, Trustee  
Representative, District III

Milton Ulibarri, Trustee  
Representative, District III

Donald Wolberg, Trustee  
Representative, District III

OTHER: Charles Wagner, Trustee\*  
Representative, District II

\*Although present at the meeting, Mr. Wagner was attending as a complainant against the Cooperative.

OTHERS PRESENT: Joseph Herrera, General Manager  
Eileen Latasa, Admn. Asst/HR  
Lorna Wiggins, Attorney  
Darin Foster, Attorney  
William Ikard, Attorney  
Kimmie Selinger, Attorney  
Lee Deschamps, Attorney

SEC MEMBERS PRESENT: Charlie Wagner, Herb Myers, Carol Ann Auffrey, Cyndi Mae Wade, David L. Wade, Phillip Anaya Jr., Dave Bockenstette, Jonathan Miller, Elia Osteride, James Cherry, Ruth White, Charlene Wagner, Gayl Dorr, Al Hickox, Marie Watkins, Charlene West, Tamara Irellan, Al and Mary Cate, Elaine Spencer Marr, Elliott Moore, Edmund Fahy, Linda Berd, Doug Scott, Bob Hayes, Paul Stoehr

Secretary Aguilar declared a Quorum of Trustees present.

QUORUM

President Bustamante led everyone in the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

There were no additions or deletions to the Agenda.

APPROVAL OF AGENDA

Mr. Ikard presented a history of the litigation which began in 2010. Three (3) of the complaints against the SEC were resolved in May, 2011 as a result of Judge Mitchell's ruling on the resolutions approved by the members during the 2010 Annual Members Meeting.

PRESENTATION BY COUNSEL

Mr. Ikard went on the state that two concerns remained; the management of Patronage Capital and the forensic audit conducted in 2010.

Mr. Wagner also made a statement regarding redistricting, N.M. Open Meetings Act and the N.M. Inspection of Public Records Act.

Attorney Foster questioned Mr. Ikard on the patronage amount of \$10,000,000.00 he proposed be returned to members and where did he obtain that figure. Also, Attorney Foster asked Mr. Ikard for an explanation on his statement that the SEC had a \$4,000,000.00 Line of Credit that the SEC could borrow on to return Patronage Capital to its members, which the members would ultimately have to pay for.

Attorney Foster stated that the SEC had been retiring Capital Credits and gave an accounting of the refunds made to Mr. Myers and Mrs. Auffrey.

Mr. Ikard requested that the Board consider conducting a new forensic audit focusing on trustee and employee compensation and reporting reimbursable expenses.

A motion was made by Trustee Ulibarri and seconded by Trustee Wolberg calling for an Executive Session. Motion carried unanimously after a roll call vote.

EXECUTIVE  
SESSION

President Bustamante called for an Executive Session as per Section 10-15-1 (H)(7) of the N.M.O.M.A to discuss Litigation

The Board adjourned to Executive Session at 6:20 p.m.

The returned to Regular Session at 6:44 p.m.

REGULAR  
SESSION

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

Attorney Foster stated that the Board be given 60 days to address Policy 108 regarding Trustee advances for per diem and reimbursements. Attorney Foster also stated that the Board would look into obtaining a price for a forensic audit, which cost \$32,000 in 2010. The Board would also seek an opinion from Bolinger, Segars, Gilbert and Moss, LLP and the Rural Utilities Services on the Patronage Capital refund proposed by Mr. Ikard.

Due to a conflict with the date of the Regular Meeting in August, 2012, a motion was made by Trustee Mauldin and seconded by Trustee Ulibarri to set the date of August 29, 2012 for the next regular meeting which was originally set for Wednesday, August 22, 2012. Motion carried unanimously.

RECONSIDERATION  
OF DATE FOR  
REGULAR MEETING

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

President Bustamante adjourned the meeting at 6:59 p.m.

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Luis Aguilar, Secretary

APPROVED:

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Paul J. 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 that the above is a true and exact copy of the Minutes of the Regular Meetings held on July 31, 2012. A Quorum of Trustees was present and acted upon throughout the Meeting and None of the Minutes on the above have been rescinded or modified.

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Luis, Aguilar, Secretary

