

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

MAY 22, 2013

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Wednesday, May 22, 2013 in Socorro, New Mexico.

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The meeting was called to order at 5:31 p.m. by Luis Aguilar, President.

CALL TO ORDER

Secretary Wolberg called roll and reported those present as follows:

ROLL CALL

TRUSTEES PRESENT: Luis Aguilar, President
 Representative, District III

 Prescilla Mauldin, Vice-President
 Representative, District III

 Donald Wolberg, Secretary
 Representative, District III

 Leo C. Cordova, Treasurer
 Representative, District I

 Charles Wagner, Trustee*
 Representative, District II

 David Wade, Trustee
 Representative, District IV

 Anne Dorough, Trustee
 Representative, District V

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
 Eileen Latasa, Executive Asst/Human Resource Manager
 Lorna Wiggins, Attorney

SEC MEMBERS PRESENT: Jimmy Dorough, Elva Osterreich, James Cherry,
 Richard Tafoya, Sr., Charlene Wagner, Marie
 Watkins, Cyndi Mae Wade, David L. Wade

Secretary Wolberg declared a Quorum of Trustees present.

DETERMINATION
OF A QUORUM

President Aguilar led everyone in the Pledge of Allegiance.

After review of the Draft of the Minutes of the Regular Meeting held on April 24, 2013, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the draft of the minutes as written. Motion carried unanimously.

REVIEW OF
PREVIOUS
MINUTES

There were no matters under Public Input brought before the Board.

PUBLIC INPUT

Manager Herrera reported that expenditures totaled \$1,397,486.11 during the month of April, 2013.

EXPENDITURE
REPORT

Trustee Mauldin inquired about the Check #47587 to Creative Graphics and Check #47613 to Garcia's Cleaning Services.

Trustee Wagner also had questions on Check # 47578 to Bryce Wilson; Check #47649 to Integrated Technology; and Check #47655 to the U.S. Treasury.

Manager Herrera gave an explanation for each of the expenditures in question.

A motion was then made by Trustee Mauldin and seconded by Trustee Wolberg to approve the Expenditure Report for April, 2013 as information. Motion carried unanimously.

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

CREDIT CARD
EXPENDITURES

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Manager Herrera reviewed the RUS Form 7 for April, 2013 with the Board. Manager Herrera reported that Margins for the month totaled \$28,102 and \$292,578 Year-to-Date.

RUS FORM 7

Manager Herrera also reviewed the Outage Report for April 16 to May 15, 2013 and explained that extreme winds caused the outage on May 7, 2013.

OUTAGE REPORT

Manager Herrera reported that the Collections Department is working diligently on the 30 day delinquent accounts in order to keep them as low as possible. Manager Herrera also reported that the 90 Day Inactive Accounts total approximately \$500,000.

DELINQUENT REPORT

Manager Herrera reported that there were no loss time accidents during the month of April, 2013. Manager Herrera also informed the Board that he had been advised that the SEC would be recognized with the Safety Award for 2012.

SAFETY REPORT

Manager Herrera reported that crews were currently working on two (2) major jobs for the new hospital wing and the new dormitory at New Mexico Tech.

CONSTRUCTION REPORT

Manager Herrera requested a donation for the 2013 NRECA Power-Up Conference being held in Albuquerque, New Mexico and hosted by New Mexico Cooperatives.

OTHER

After discussion, a motion was made by Trustee Wolberg and seconded by Trustee Wade to provide support of \$500 for the 2013 NRECA Power-Up Conference. Motion carried with Trustees Dorough and Wagner opposed.

Trustee Wolberg reported on the Member Application/Cancellation Report as follows:

MEMBER APPLICATION/CANCELLATION REPORT

- New Connects 7
- Re-Connects 113
- Disconnects 124

A motion was then made by Trustee Wagner and seconded by Trustee Wolberg to approve the Member Application/Cancellation Report for April, 2013 as information. Motion carried unanimously.

President Aguilar opened the floor for nominations for Voting Alternate to the 2013 NMRECA Annual Meeting.

ELECTION OF VOTING ALTERNATE TO THE 2013 NMRECA ANNUAL MEETING

A motion was made by Trustee Wolberg and seconded by Trustee Mauldin that President Aguilar be elected as the Voting Alternate to the 2013 NMRECA Annual Meeting. Motion carried with Trustee Wagner opposed.

Trustee Wolberg informed the Board that Keven Groenewold, NMRECA Executive V.P./General Manager, will be actively participating in discussions to assist in bridging the gap between New Mexico Cooperatives and Tri-State G&T.

NMRECA REPORT

Trustee Wolberg informed the Board that the evaluation of Ken Anderson, Executive V.P./General Manager, was conducted during the meeting.

TRI-STATE REPORT

Discussions are ongoing regarding the uneasiness with proposed rate increases and with the possibility of establishing regional rates.

Trustee Mauldin, Chairman of the Finance/Audit/Bid Committee read the Minutes of the Committee Meetings held on April 24 and May 14, 2013.

COMMITTEE REPORT

After discussion on the refinancing of CFC loans with CoBank, a motion was made by Trustee Wolberg and seconded by Trustee Mauldin to accept the recommendation of The Committee to re-finance CFC loans of \$8,951,955 and \$1,709,985 prepay penalty with Co-Bank. Motion carried unanimously.

Attorney Wiggins recommended the Retirement of Patronage Capital to the following Estates:

OTHER BUSINESS

Joe Olguin	\$1,090.49	Estevan Saavedra	\$ 347.81
Lee B. Guerra	237.12	Lucy Faye Wellito	114.65
Heinz Lessau	245.54	Thelma Van Winkle	241.57
Eldon Douglas	480.03	Bernard Heinsohn	441.25
Walter C. Shrode	372.75	Arthur Gutierrez	828.55
Andy R. Sanchez	1,109.05	Andy Vallejos, Sr.	912.89
Mary G. Avalos	1,665.79	Emerlinda G. DeBrine	4,001.11
Paul Marshall	346.92	Peggy P. Dailey	1,124.08
Nettie G. Dodson	406.45	Tom D. Key	532.65 cont.
Regular Meeting			

James R. Hogg	\$ 1,538.23	Agnes E. Fitch	\$284.37
Gabriel Baca	221.73	Walter E. Clayton	\$375.97
Manuel Rosas	429.50		

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to accept Attorney Wiggin's recommendation to Retire Patronage Capital to the above-mentioned Estates. Motion carried unanimously.

President Aguilar passed out a letter addressed to Trustee Wagner and proceeded to read the letter resulting from the independent investigation conducted by Ira Bolnick with respect to Trustee Wagner's violation of board policy, breach of fiduciary duty, inappropriate contact with an SEC vendor, abuse of per diem reimbursement and secretly recording executive session without Board knowledge.

SUBJECTS BY
TRUSTEES

Discussion ensued with no action taken by the Board regarding President Aguilar's letter Trustee Wagner.

President Aguilar also passed out a document regarding a petition. President Aguilar stated that he would consider the document for informational purposes.

Trustee Mauldin expressed her opinion with Trustee Wagner's actions during the 2013 Annual Members Meeting by not following Robert's Rules of Order because he was not recognized by the chair and added that the continuance of the Annual Meeting for June 8, 2013 should not be validated.

Discussion ensued on whether a member has to be registered and issued a wristband in order to act during a meeting and whether Trustee Wagner was the registered member of his joint account. Trustee Wagner confirmed that his wife was the registered member for the Annual Meeting.

Trustee Dorough also expressed her concern with the mess created by the Board and it's attorney regarding the resolutions voted on during the District V Meeting held in October, 2012 and the amendment to the Bylaws regarding mail-in ballots counting toward a quorum.

Attorney Wiggins proceeded to explain the legality of the resolution of mail-in ballots counting towards a quorum. Attorney Wiggins stated that the issue is very complex and suggested that the Board consider asking the N.M. Attorney General for an opinion.

Trustee Wagner made a motion to remove President Aguilar and Secretary Wolberg from their office on the Board. Motion died for lack of a second.

A motion was made by Trustee Wolberg and seconded by Trustee Wade calling for an Executive Session. Motion carried with Trustee Wagner opposed.

President Aguilar called for the Executive Session.

The Board adjourned to Executive Session at 7:00 p.m.

Trustee Wagner departed the meeting under protest.

The Board returned to Regular Session.

*Trustee Wagner did not return for Regular Session.

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

A motion was made by Trustee Wolberg and seconded by Trustee Dorough to set the date and time for the next regular meeting for June 26, 2013 at 5:30 p.m. Motion carried unanimously.

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

President Aguilar adjourned the meeting at 7:35 p.m.

