

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

JULY 24, 2013

A meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., was held on Wednesday, July 24, 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 trustees 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

                                  Dave Wade, Trustee  
                                  Representative, District IV

                                  Anne L. Dorough, Trustee  
                                  Representative, District V

TRUSTEES ABSENT:       None

ALSO PRESENT:           Joseph Herrera, General Manager  
                                  Donna Wilkins, UPN/Payroll Specialist  
                                  Bruce Wiggins, Attorney  
                                  Lorna Wiggins, Attorney

SEC MEMBERS PRESENT:  James Cherry, Charlene Wagner, Mike Scott  
                                  Marie Watkins, Richard Tafoya, Sr., Cyndi  
                                  Mae Wade, David L. Wade, Benjamin Wilkins  
                                  Leroy Anaya, Jimmy Dorough, Frank Jaramillo  
                                  Gene Cole, Elva Osterreich

Secretary Wolberg declared a quorum of trustees present.

QUORUM

President Aguilar led everyone in the Pledge of Allegiance.

PLEDGE OF  
ALLEGIANCE

There being no additions or deletions to the Agenda, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the agenda as presented. Motion carried unanimously.

APPROVE OF  
AGENDA

After review of the Draft of the Minutes of the Regular Meeting held on June 26, 2013, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the draft of the minutes as written. Motion carried with Trustee Wagner opposed.

APPROVAL OF  
PREVIOUS  
MINUTES

There were no items under Public Comments brought forth by SEC members present.

PUBLIC  
COMMENTS

A motion was made by Trustee Cordova and seconded by Trustee Wolberg to set the date and time for the District I Meeting for October 17, 2013 with Registration from 3:00 p.m. to 5:00 p.m. and the Business Meeting beginning at 5:00 p.m.

SET DISTRICT I  
MEETING DATE  
AND TIME

After discussion, President Aguilar calls for the vote on Trustee Cordova's motion. Motion carried unanimously.

A motion was made by Trustee Wagner and seconded by Trustee Dorough to set the date and time for the District II Meeting for Saturday, November 9, 2013 with Registration from 1:00 to 3:00 p.m., and the Business Session at 3:00 p.m.at the Macey Center.

SET DISTRICT II  
MEETING DATE  
AND TIME

After discussion, President Aguilar calls for the vote on Trustee Wagner's motion.

Trustees Cordova, Wade, Mauldin and Wolberg were opposed; Trustees Wagner and Dorough voted in favor of the motion. Motion failed.

Trustee Wagner then made a motion for the same date and time for the District II Meeting at the Arts Center on the New Mexico Tech Campus. Trustee Dorough seconded the motion.

After discussion, President Aguilar calls for the vote on Trustee Wagner's motion.

Trustees Cordova, Wade, Mauldin and Wolberg were opposed; Trustees Wagner and Dorough voted in favor of the motion. Motion failed.

A motion was then made by Trustee Mauldin and seconded by Trustee Wolberg to set the same date and time for the District II Meeting as in the previous two motions but at the Alamo Navajo Indian Reservation. Motion carried with Trustee Dorough opposed.

A motion was made by Trustee Wolberg and seconded by Trustee Mauldin to set the date and time for the District III Meeting for Saturday, November 16, 2013 with registration from 1:00 – 3:00 p.m., the Business Meeting at 3:00 p.m. and a candidate forum from 10:00 a.m. to 12:00 noon. Motion carried unanimously.

SET DISTRICT III  
MEETING DATE  
AND TIME

Trustee Wade made a motion with a second by Trustee Wolberg to set the date and time for the District IV Meeting for October 29, 2013 with registration from 3:00 – 5:00 p.m. and the Business Session at 5:00 p.m. at the San Antonio Elementary School Gym. Motion carried unanimously.

SET DISTRICT IV  
MEETING DATE  
AND TIME

A motion was made by Trustee Dorough and seconded by Trustee Wagner to set the date of October 5, 2013 for the District V Meeting with registration from 10:00 a.m. to 1:00 p.m. and the business meeting at 1:00 p.m. at the Quemado High School. Motion carried unanimously.

SET DISTRICT V  
MEETING DATE  
AND TIME

A motion was made by Trustee Wolberg and seconded by Trustee Cordova to elect President Aguilar as the Voting Delegate to the 2013 NRECA Region X Meeting. Motion carried unanimously.

ELECTION OF  
VOTING  
DELEGATE AND  
ALTERNATES TO  
NRECA REGION X  
MEETING

A motion was made by Trustee Wagner and seconded by Trustee Mauldin that the President be elected as the Voting Alternate to the 2013 NRECA Region X Meeting. Motion carried unanimously.

Manager Herrera reported that expenditures for the month of June, 2013 totaled \$699,457.86 and opened the floor for questions from the Board.

EXPENDITURE  
REPORT

Trustee Wagner expressed the reasonableness of the amount disbursed for legal fees. Discussion ensued regarding attorney's fees charged for SEC legal work.

Trustee Wolberg pointed out that SEC's attorney fees are less than 1% of annual expenditures and within industry standards and reflect the burden of legal matters that require expertise.

There being no further items open for questions, a motion was made by Trustee Mauldin and seconded by Trustee Cordova to approve the Expenditure Report for June, 2013 as information. Motion carried unanimously.

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

CREDIT CARD  
EXPENDITURES

Manager Herrera reviewed the RUS Form 7 as follows:

RUS FORM 7

- |  |             |
|--|-------------|
| • Total Operations and Maintenance Expense | \$1,655.269 |
| • Interest on long term debt               | \$ 168,298  |
| • Margins for the month                    | \$ 89,241   |
| • Margins Year To Date                     | \$ 403,036  |
| • Total Energy Sold (kWh)                  | 14,499,946  |
| • Equity for Month                         | 29.74%      |
| • Operating Tier Year to Date              | 1.49        |

Manager Herrera informed the Board that a Statement of Cash Flow was added to the report for information.

After discussion, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the RUS Form 7 for June, 2013 as information. Motion carried unanimously.

Manager Herrera reported that the 30 day Active and Inactive Accounts had decreased.

DELINQUENT  
REPORT

Manager Herrera requested Board approval for the Energy Write-Offs as follows:

ENERGY  
WRITE-OFFS

- \$165,451.80 January 1, 2010 through December 31, 2010
- \$141,919.12 January 1, 2011 through December 31, 2011

A motion was made by Trustee Wagner and seconded by Trustee Dorough to approve the Energy Write-offs as stated above. Motion carried unanimously.

Manager Herrera reported that outages were due to rain storms in the west area.

OUTAGE  
REPORT

Manager Herrera reported that there were no loss time accidents during the month of June, 2013.

SAFETY  
REPORT

Manager Herrera reported that two major projects with the Socorro General Hospital and the New Mexico Tech Dormitory Projects were completed.

CONSTRUCTION  
REPORT

Manager Herrera reported that a Petition Requesting a Member's Special Meeting was submitted on July 18, 2013 by Trustee Wagner and Mr. Herb Myers.

PETITION TO  
CALL FOR  
SPECIAL  
MEMBER MEETING

Manager Herrera added that the signature validation process had begun. Discussion ensued on the setting the date for the meeting which is dependent on the required number of validated signatures required by the bylaws.

Manager Herrera informed the Board that Maria Rivera and Tony Pino, SEC Employees have requested approval to take college courses for credit for reimbursement by the SEC.

A motion was made by Trustee Wolberg and seconded by Trustee Cordova to authorize Manager Herrera to approve the request by Ms. Rivera and Mr. Pino to take college courses for credit and reimbursement as per policy. Motion carried unanimously.

OTHER

Manager Herrera informed the Board that by negotiating with Federated Insurance, SEC's premiums were reduced by \$27,000. Manager Herrera also stated that coverage for trustee liability increased from \$8,000,000 to \$12,000,000.

Manager Herrera informed the Board that the cost for both the 2013 Annual Member's Meeting and the Continuation Meeting totaled \$71,690.12.

Manager Herrera also reported briefly on the CFC KTRA Report.

Discussion ensued on the rising costs for the meetings as well as the five (5) districts that will be held, which could ultimately affect the bottom line. Door prizes and having a parliamentarian preside over the meeting were also discussed.

Trustee Wolberg reported on the following:

MEMBER  
APPLICATION/  
CANCELLATION  
REPORT

- New Connects 10
- Reconnects 127
- Disconnects 137

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to accept the Member Application/Cancellation Report for June, 213 as information. Motion carried unanimously.

Trustee Wolberg briefly reviewed the NMRECA and Tri-State Reports.

NMRECA &  
TRI-STATE  
REPORTS

Trustee Wolberg also stated that the Enchantment is trying to enhance revenue through interaction with social media and that one-third of the cooperatives are involved in court action for various reasons.

Trustee Wolberg also reported that Tri-State's legal fees are approximately \$4 million as a result of the complications with federal lawsuits and the proposed rate increase.

Trustee Wolberg thanked Tri-State and the other NM Cooperatives for their facility tours.

Attorney Wiggins recommended the approval of the Retirement of Patronage Capital to the following estates:

OTHER BUSINESS

- Mary Garcia \$1,125.35

- Harold Lacy \$760.96
- Eloisa Tafoya \$757.04
- Earl Towner \$610.64
- John P. Tipton \$ 4,229.36
- Pat G. Zamora \$476.47
- Refugia Chavez \$581.36

A motion was made by Trustee Wade and seconded by Trustee Cordova to approve the Retirement of Patronage Capital to the above-mentioned estates. Motion carried unanimously.

Manager Herrera requested authorization to attend the NRECA Region X Meeting in October, 2013.

A motion was made by Trustee Wolberg and seconded by Trustee Cordova to approve Manager Herrera's request to attend the NRECA Region X Meeting. Motion carried.

Trustee Wagner stated that the District IV Election results indicated that seven (7) votes were incorrect and should be disqualified, in his view, and therefore the election should be invalidated and an investigation conducted and to re-schedule the election for the upcoming District IV Meeting.

SUBJECTS BY  
TRUSTEES

Attorney Wiggins asked if the election was contested and if a formal complaint had been made and added that the damaged party should be the appropriate party to contest the election.

Trustee Wagner contended that the candidate had filed a complaint. Manager Herrera stated that a formal complaint had not been filed with SEC.

Trustee Wolberg discussed Tri-State's grants for renewable energy courses.

President Aguilar entertained a motion to go into Executive Session to discuss potential Litigation concerning a Capital Credit Retirement and Bylaw Amendments.

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

The Board adjourned to Executive Session at 6:48 p.m.

Trustee Wagner left the Executive Session under protest.

The Board returned to Regular Session at 7:25 p.m. \*Trustee Wagner did not return to Regular Session.

REGULAR  
SESSION

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

A motion was made by Trustee Mauldin and seconded by Trustee Dorough to set the Date and Time for the Regular Meeting for August 28, 2013 at 5:30 p.m. 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.

ADJOURNMENT

President Aguilar adjourned the meeting at 7:30 p.m.

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Donald Wolberg, Secretary

APPROVED:

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Luis Aguilar, President

I, Donald Wolberg, 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 July 24, 2013. 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.

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Donald Wolberg, Secretary

