

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

August 28, 2013

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Wednesday, August 28, 2013 in Socorro, New Mexico.

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The Meeting was called to order at 5:30 p.m. by Luis Aguilar, President.

CALL TO ORDER

Secretary Wolberg called roll and reported those Trustees present and attending the meeting 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

 Charles Wagner, Trustee*
 Representative, District II

 Dave Wade, Trustee*
 Representative, District IV

 Anne L. Dorough, Trustee
 Representative, District V

TRUSTEES ABSENT: Leo C. Cordova, Treasurer
 Representative, District I

ASO PRESENT: Joseph Herrera, General Manager
 Eileen Latasa, HR Manager/Executive Asst.
 Bruce Wiggins, Attorney

SEC MEMBERS PRESENT: Jimmy Dorough, Elva Osterreich, J. Cherry
 Richard P. Tafoya, Charlene West
 Charlene Wagner, Cyndi Wade
 David L. Wade

Secretary Wolberg declared a Quorum of Trustees present.

QUORUM

President Aguilar led everyone in the Pledge of Allegiance.

PLEDGE OF
ALLEGIANCE

President Aguilar asked if there were any additions or deletions to the Agenda.

APPROVAL OF
AGENDA

Trustee Wagner expressed his concern that the Personnel Items under Executive Session infringe on the confidentiality of Executive Sessions. After discussion, a motion was made by Trustee Wolberg and seconded by Trustee Mauldin to approve the agenda as presented.

Trustee Wagner then made a motion to add an item for Executive Session to include a confidential report on a highly placed employee. Trustee Dorough seconded the motion. Trustees Wagner and Dorough voted in favor of the motion. Trustees Wolberg and Mauldin were opposed. President Aguilar voted against the motion. The motion failed.

President Aguilar called for the vote on Trustee Wolberg's motion for approval of the agenda. Motion carried with Trustee Wagner opposed.

*Trustee Wade arrived at 5:37 p.m.

After review of the Draft of the Minutes of the Regular Meeting scheduled for July 24, 2013, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the Draft of the Minutes as presented. Motion carried with Trustee Wagner opposed.

APPROVAL OF
MINUTES

There were no items brought before the Board.

PUBLIC INPUT

Regular Meeting

Manager Herrera explained the resolution for an addition to Tri-State G&T'S Bylaws initiated by Poudre Valley Electric Coop on Rates and Terms of Electric Service.

CONSIDERATION
TRI-STATE
BYLAW
AMENDMENT

After discussion, a motion was made by Trustee Wagner and seconded by Trustee Wolberg to support the Proposed Tri-State Bylaw Amendment. Motion carried unanimously.

Manager Herrera reported that Expenditures for the month of July, 2013 totaled \$929,496.00.

EXPENDITURE
REPORT

Trustee Wagner questioned Check #47943 to Bryce Wilson.

Trustee Wagner also questioned Check #48007 to Wiggins, Williams & Wiggins.

After a lengthy discussion regarding both of the expenditures, a motion was then made by Trustee Mauldin and seconded by Trustee Wolberg to approve the Expenditure Report for July, 2013 as information. Motion carried unanimously.

There being no questions from the Board on the Credit Card Report, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to accept the Credit Card Report for July, 2013 as information. Motion carried unanimously.

CREDIT CARD
REPORT

Manager Herrera reported on the RUS Form 7 for July, 2013 as follows:

RUS FORM 7

- Total Operations and Maintenance Expense \$1,665,625
- Cost of Purchased Power \$1,228,561
- Interest on Long Term Debt \$ 174,735
- Margins, July \$ 130,429
- Margins, Year to Date \$ 533,464
- ODSC .96%
- Line Loss Less than 5%
- Total kWh sold 16,831,062

After questions from the Board, a motion was made by Trustee Wolberg and seconded by Trustee Mauldin to approve the RUS Form 7 Report as information. Motion carried unanimously.

DELINQUENT
REPORT

Manager Herrera reported that SEC's delinquent accounts were one of the worst in the nation when he began his employment and as difficult as they are, work on the delinquencies are a continual process. Manager Herrera also stated that the SEC wrote off more than \$400,000 in inactive delinquent accounts.

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

Manager Herrera explained that even though there were 2 pages of outages on the Outage Report for July 17 to August 6, 2013, most of outages were the result of rainstorms in District V.

OUTAGE
REPORT

Manager Herrera reported that an employee hurt his back while backfilling a hole.

SAFETY
REPORT

Manager Herrera reported that Mary Aragon and Gina Mora had been hired as Member Service Representatives and Joshua Turrietta was hired as an Apprentice lineman. In addition, Manager Herrera reported that Rauni Montoya earned her Bachelor's Degree in Business Administration.

PERSONNEL

Manager Herrera informed the Board that during the Tri-State Manager's Meeting In July, 2013 that discussion continued on the rate design. Manager Herrera Stated that the rate increase was frozen for the N.M. Co-ops and that a double digit rate increase was being discussed which was met with resistance by New Mexico Co-ops. Manager Herrera also stated that Tri-State will introduce the new rate at the next board meeting

OTHER

Manager Herrera also informed the Board that metering upgrades and accuracy tests were done on thirty (30) commercial sites. Manager Herrera added that the bucket trucks which were ordered in December, 2012 had been delivered.

Secretary Wolberg reported on the following:

MEMBER
APPLICATION/
CANCELLATION
REPORT

- 3 New Connects
- 57 Reconnects
- 33 Disconnects

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

Trustee Wolberg informed the Board of new and proposed features to generate income for the Enchantment through social media were discussed.

NMRECA
REPORT

Trustee Wolberg also explained fines imposed on the Jemez Mountains Electric Coop by ten (10) tribes due to right-of-way issues.

Trustee Wolberg reported on the increase in RUS interest rates to 3.28%.

Trustee Wolberg reported that the Tri-State Draft Budget was approved and that Tri-State is faced with dim revenues and increasing costs.

TRI-STATE
REPORT

Trustee Wolberg also stated that the new rates would be introduced at the September Board Meeting.

Manager Herrera stated that due to the protest filed by three (3) New Mexico Co-ops with Tri-State's proposed rate increase that further discussion would follow in order to reach a compromise.

Trustee Mauldin read the minutes of the Finance/Audit Bid Committee Meeting held on August 13, 2013.

Trustee Mauldin reported that two (2) bids were received for the Third Party Administrator for the upcoming district meetings. Bids were received from Survey And Ballot for \$57,000 which included \$15,000 for travel expenses; and Automated Election Services in the amount of \$30,875.

FINANCE/AUDIT
BID COMMITTEE
REPORT

After discussion, a motion was made by Trustee Wolberg and seconded by Trustee Wagner to accept the bid from Automated Election Services for \$30,875. Motion carried with Trustee Wagner opposed.

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

OTHER
BUSINESS

- Seferino Gonzales \$ 838.44
- Benito Benavidez \$1,208.31
- Jacky Barrington \$ 837.77
- Rose Torres \$1,544.21
- Jack Caldwell \$1,859.90
- Mabel G. Brandvold \$ 360.69
- Ivan Howes \$1,669.49
- H.E. Sylvester \$ 451.83
- Clifford L. Chastain \$ 111.07

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the Retirement of Patronage Capital to the above-mentioned Estates. Motion carried with Trustee Wagner opposed.

Trustee Wolberg reported that he requested a donation of \$1,000 from Tri-State to the Socorro Public Library for books and educational materials.

SUBJECTS BY
TRUSTEES

Trustee Wolberg stated that he hoped that the SEC would match Tri-State's donation and requested that the Board consider the matter and place it on the next month's agenda.

Trustee Wagner made a motion that the Board investigate Bid Committee action for the purchase of trucks by accepting bids from one vendor and to hire an independent investigator.

After determination that Trustee Wagner could not make a motion because the item was not on the agenda and after further discussion, Attorney Wiggins stated that the item could be placed on the agenda for the next meeting.

Trustee Wagner made a motion, and requested that it be placed on the agenda for the next board meeting, calling for investigation of the general manager for obstruction of the Whistle-Blower Policy of the SEC.

Trustee Wolberg noted that he received a criticism on the Enchantment for reporting of incorrect information.

Trustee Wagner stated that "Subjects by Trustees" should be stated as New Business on the Agenda according to Robert's Rules of Order.

Trustee Wolberg urged that the Board look into utilizing other parliamentary rules, which are not as complex.

Trustee Dorough suggested looking into the American Institute of Parliamentarians.

President Aguilar requested that Trustee Dorough and Attorney Wiggins conduct further research on the matter.

A motion was made by Trustee Wolberg and seconded by Trustee Mauldin calling for an Executive Session in accordance with the NMOMA. Motion carried unanimously.

EXECUTIVE
SESSION

President Aguilar then called for an Executive Session and asked Trustee Wagner to excuse himself.

The Board adjourned to Executive Session at 7:05 p.m.

*Trustee Wagner excused himself and did not return for Regular Session.

The Board returned to Regular Session at 7:22 p.m.

REGULAR
SESSION

President Aguilar reported that only the items listed on the agenda were discussed during Executive Session and that no action was taken by the Board.

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to Set the date and time of Wednesday, September 25, 2013 at 5:30 p.m. for the next Regular Meeting. Motion carried unanimously.

SET DATE &
TIME FOR
NEXT REGULAR
MEETING

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

ADJOURNMENT

President Aguilar adjourned the meeting at 7:24 p.m.

Donald Wolberg, Secretary

APPROVED:

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 August 28, 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.

Donald Wolberg, Secretary

