

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

SEPTEMBER 26, 2012

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc, was held on Wednesday, September 26, 2012 in Socorro, New Mexico.

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The Meeting was called to order at 5:31 p.m. by President Bustamante.

CALL TO ORDER

Secretary Aguilar reported those present and attending the meeting as follows:

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

Charles Wagner, Trustee
Representative, District II

Leroy Anaya, Trustee
Representative, District III

Prescilla Mauldin, Trustee
Representative, District III

Milton Ulibarri, Trustee
Representative, District III

Donald Wolberg, Trustee
Representative, District III

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
Eileen Latasa, Sr. Admn. Asst./HR Manager
Lorna Wiggins, Attorney

SEC MEMBERS PRESENT: James Cherry, Anne & Jim Dorough, Richard Tafoya, Sr.,
Cyndi Mae Wade, James R. Franks, David L. Wade,
Tamara Irelan, Herbert Myers, Jonathan D. Miller,
Charlene West, Marie Watkins, Charlene Wagner,
Doug May

Secretary Aguilar declared a Quorum of Trustees present.

QUORUM

President Bustamante led everyone in the Pledge of Allegiance.

PLEDGE OF
ALLEGIANCE

Discussion ensued regarding Trustee Wagner's request for an addition to the Agenda.

APPROVAL OF
AGENDA

There were no changes or additions to the Agenda.

After review of the Draft of the Minutes, a motion was made by Trustee Ulibarri and seconded by Trustee Wolberg to approve the Draft of the Minutes of the Regular Meeting held on August 29, 2012 as written. Motion carried with Trustee Wagner opposed.

REVIEWOF
PREVIOUS
MINUTES

Herbert Myers expressed his concern with the Board abandoning their fiduciary duty and for the number of attorneys representing the Cooperative.

PUBLIC INPUT

A motion was made by Trustee Wagner and seconded by Trustee Mauldin to approve the Resolution on the 2012 Load Forecast. Motion carried unanimously.

APPROVAL OF
2012 LOAD
FORECAST

Manager Herrera recommended writing off \$87,225.32 of Inactive Cable TV Accounts.

APPROVAL OF
CABLE TV
INACTIVE
ACCOUNT
WRITE-OFFS

A motion was made by Trustee Wolberg and seconded by Trustee Ulibarri to approve Manager Herrera's recommendation to write-off \$87,225.32 of Inactive Cable TV Accounts with the understanding that the SEC will continue to collect on these accounts made. Motion carried unanimously.

Manager Herrera also recommended writing off \$136,942.99 of Inactive Energy Accounts from 2007-2009.

APPROVAL OF
ENERGY
INACTIVE
ACCOUNT
WRITE-OFFS

A motion was made by Trustee Wagner and seconded by Trustee Wolberg to approve Writing-off \$136,942.99 of Inactive Energy Accounts from 2007-2009 and to continue collecting on these accounts. Motion carried unanimously.

A motion was made by Trustee Wolberg and seconded by Trustee Cordova to approve the Agreement between the SEC and Robert Bilbrey for a study to determine the feasibility of developing an alternative energy generation facility on 500 acres of unimproved real estate.

APPROVAL OF
ALTERNATIVE
ENERGY
AGREEMENT

After discussion on the Policy Committee meeting to generate a Renewable Energy Policy, President Bustamante called for the vote on Trustee Wolberg's motion. Motion carried with Trustee Wagner opposed.

Manager Herrera explained that the 401k and RS Plan Restatement Plans required Board approval in order to remain in compliance with the IRS.

APPROVAL OF
RS AND 401K
AMENDMENT
AND
RESTATEMENT
RESOLUTION

A motion was made by Trustee Wagner and seconded by Trustee Anaya to approve the Resolution on the Amendment and Restatement of RS and 401k Pension Plans. Motion carried unanimously.

President Bustamante read the list of Election Officials and the dates for the District I and IV Meetings as follows:

APPROVE OF
DISTRICT I &
IV ELCTION
OFFICIALS

	<u>Candidate</u>	<u>Election Official</u>
• District I	James D. Bockenstette Leo C. Cordova	Steve Jones Angie Lovato
• District IV	Byttye (Gayl) Dorr David P. Wade	Kathy Albrect Alex Matcham

A motion was made by Trustee Wagner and seconded by Trustee Cordova approving the Election Officials for the District I and IV Meetings. Motion carried unanimously.

A motion was made by Trustee Wagner and seconded by Trustee Mauldin to approve The Pole Attachment Agreement for Socorro County. Motion carried unanimously.

APPROVAL OF
SOCORRO
COUNTY POLE
ATTACHMENT
AGREEMENT

A motion was made by Trustee Wagner and seconded by Trustee Mauldin to approve The Pole Attachment Agreement for the BBS Group, LLC. Motion carried unanimously.

APPROVAL OF
BBS GROUP, LLC
POLE
ATTACHMENT
AGREEMENT

Manager Herrera reported that Expenditures for the month of August, 2012 totaled \$856,920.29. Manager Herrera added that the purchase of a bucket truck for \$190,350.00 was the sole large acquisition during the month.

EXPENDITURE
REPORT

There being no questions from the Board, a motion was made by Trustee Wagner and seconded by Trustee Anaya to approve the Expenditure Report for August, 2012. Motion carried unanimously.

Trustee Mauldin questioned an Expenditure on the Credit Card Report. Manager Herrera explained that the expenditure was for lunch for the Employee Informational Meeting.

CREDIT CARD
EXPENDITURES

Trustee Wagner questioned the Expenditure for Meals and Lodging in Quemado.

Manager Herrera explained that SEC crews were working on tree trimming projects and were staying in Quemado.

Manager Herrera reported that Margins for August, 2012 totaled \$216,555 and \$893,795 Year-to-Date. TIER was at 2.5 for the month and 1.6 for the year.

RUS FORM 7

A motion was made by Trustee Wagner and seconded by Trustee Mauldin to approve the RUS Form 7 for August, 2012. Motion carried unanimously.

Manager Herrera reported that Delinquent Accounts totaled \$550,152 on 90 day past due accounts for the month of August, 2012.

DELINQUENT
REPORT

Manager Herrera reviewed the Outage Report for August 22 to September 12, 2012.

OUTAGE REPORT

Manager Herrera also reviewed the Construction Report for August 29 to September 20, 2012.

CONSTRUCTION
REPORT

Manager Herrera reported that there were no loss-time accidents during August, 2012.

SAFETY REPORT

There were no items under Personnel.

PERSONNEL

Manager Herrera informed the Board that he was monitoring the MainStay funds and would possibly consider utilizing the funds to purchase a bucket truck.

OTHER

Secretary Aguilar reported Eighteen (18) New Connects; One Hundred Seventy Three (173) Reconnects and One Hundred Fifty One (151) Disconnects during the month of August, 2012.

MEMBER
APPLICATION/
CANCELLATION
REPORT

A motion was made by Trustee Ulibarri and seconded by Trustee Cordova to approve the Member Application/Cancellation Report for August, 2012 as information. Motion carried unanimously.

Trustee Wolberg reported that the Annual BBQ was a success. Trustee Wolberg also announced that the 4.9 % rate increase was approved by the Tri-State G&T Board of Directors which would go into effect in January, 2013.

NMRECA REPORT

Trustee Wolberg also reported that the applications for the Carl Turner Scholarship would be considered during the October, 2012 Board Meeting in Las Cruces, New Mexico.

Trustee Anaya reiterated that the Tri-State Board of Directors approved an average 4.9% rate increase effective January, 2013.

TRI-STATE
REPORT

Trustee Anaya reported that the Policy Committee met on September 17, 2012 and turned the floor over to Manager Herrera.

Manager Herrera informed the Board that the Committee looked over the current Grievance Policy and after comparing it to other policies from cooperative in New Mexico and the nation, it was the consensus of the Committee that no action was necessary to change the current Grievance Policy.

POLICY
COMMITTEE

Manager Herrera reported that the Policy Committee approved the recommended addition to Policy 201-15, Tools.

A motion was made by Trustee Mauldin and seconded by Trustee Ulibarri to approve the recommendation of the Policy Committee for Policy 201-15, Tools. Motion carried unanimously.

Trustee Wagner explained his view on generating a Conduct/Performance Evaluation Procedure,

ACTION ON
EMPLOYEE
GRIEVANCE
POLICY

There was no action taken by the Board.

After discussion on awarding door prizes during the upcoming District Meetings, a motion was made by Trustee Wagner and seconded by Trustee Mauldin, for discussion purposes, to not engage in awarding door prizes.

APPROVAL
DISTRICT DOOR
PRIZED

President Bustamante called for a show of hands and the vote on the motion was as follows:

- FOR: Trustees Aguilar, Wagner and Mauldin
AGAINST: Trustee Ulibarri, Wade, Anaya and Cordova
ABSTAIN: Trustee Wolberg.

President Bustamante announced that the motion not to award door prizes failed.

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

OTHER BUSINESS

- Paul Bensley \$ 675.23
- W.R. Huffman \$2,053.47
- Aurora Naranjo \$ 473.20
- Josefina Tarango \$1,065.30

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

Manager Herrera informed the Board that he was in the process of obtaining quotes for medical insurance for consideration during the October Board Meeting.

Manager Herrera also noted that he was also working on the 2013 Budget.

Trustee Wolberg gave a list of state and federal agencies that provide programs which offer assistance and block grants for weatherization projects in light of the Board taking action to discontinue the Section XII, Weatherization Program for the time being.

SUBJECTS BY
TRUSTEES

Trustee Wolberg expressed his opinion on the disparaging remarks made during Public Input towards SEC's attorney and the class-action lawsuit.

Trustee Wagner asked Attorney Wiggins to provide her opinion on the class-action lawsuit.

Attorney Wiggins stated that it was inappropriate for her to state her opinion on the matter.

Trustee Aguilar stated that he was disturbed about an e-mail he received stating that Management of the SEC has a history of election tampering and he felt that it demeaning to SEC employees. Trustee Aguilar asked Manager Herrera to respond.

Manager Herrera responded that since he began employment with the SEC, that utilizing a third party election administrator, which SEC members are paying for and has never been used before, is being utilized and that his staff works hard to ensure compliance with the By-laws.

Trustee Wolberg stated that Manager Herrera is held in high regard with other cooperative managers for his high ethical standard.

A motion was made by Trustee Cordova and seconded by Trustee Wade to set the date and time of Wednesday, October 24, 2012 at 5:30 p.m. for the next Regular Meeting of the Board. Motion carried unanimously.

SET DATE AND
TIME FOR
NEXT REGULAR
MEETING

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

ADJOURNMENT

President Bustamante adjourned the meeting at 6:40 p.m.

Luis Aguilar, Secretary

APPROVED:

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 the above is a true and exact copy of the Minutes of the Regular Meeting held on September 26, 2012. 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.

Luis Aguilar, Secretary