

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

OCTOBER 30, 2013

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Wednesday, October 30, 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

 Leo C. Cordova, Treasurer
 Representative, District I

 Dave Wade, Trustee
 Representative, District IV

 Anne L. Dorough, Trustee
 Representative, District V

TRUSTEES ABSENT: Charles Wagner, Trustee
 Representative, District II

ALSO PRESENT: Joseph Herrera, General Manager
 Eileen Latasa, HR Manager/Executive Asst.
 Lorna Wiggins, Attorney
 Darin Foster, Attorney

SEC MEMBERS PRESENT: Jimmy Dorough, Monette Hardern-Lopez,
 James Cherry, Richard P. Tafoya, Laura London,
 Charlene West, Marie Watkins, Herbert Myers,
 Hubert Hardern, Gerri Hardern

Secretary Wolberg declared a Quorum of Trustees present.

QUORUM

President Aguilar led everyone in the Pledge of Allegiance.

PLEDGE OF
ALLEGIANCE

Manager Herrera advised the Board that Mr. Foster was running late and that the Board should proceed with the Agenda until Mr. Foster arrives.

APPROVAL OF
AGENDA

After review of the Agenda, a motion was made by Trustee Cordova and seconded by Trustee Mauldin to approve the Agenda as presented. Motion carried unanimously.

After review of the Draft of the Minutes of the Regular Meeting for September 25, 2013, a motion was made by Trustee Wolberg and seconded by Trustee Cordova to approve the Draft of the Minutes of the Regular Meeting for August 28, 2013 with a correction. Motion carried unanimously.

APPROVAL OF
MINUTES

Herbert Myers expressed his concern with the lawsuit against the members.

PUBLIC INPUT

President Aguilar congratulated Trustees Wolberg and Dorough for completing the NRECA Credentialed Certified Director's courses.

CHAIRMAN'S
ADDRESS TO THE
BOARD

Due to Attorney's Foster's delayed arrival, a motion was made by Trustee Dorough and seconded by Trustee Wolberg to postpone the Executive Session until Mr. Foster arrived. Motion carried unanimously.

EXECUTIVE
SESSION

A motion was made by Trustee Wolberg and seconded by Trustee Wade to approve the 2013 Election Officials for the District II and III Meetings as follows:

APPROVAL
DISTRICT II AND III
ELECTION OFFICIALS

District II Joey Anaya
 Edmund Fahy

District III Elena Ulibarri
 Maria Rivera
 Laura Flores

Motion carried unanimously.

Manager Herrera explained his desire to have a Strategic Planning Session in February, 2014 and requested input from the Board on dates to begin the planning process.

APPROVAL OF
2014 STRATEGIC
PLANNING SESSION

After discussion, a motion was made by Trustee Wade and seconded by Trustee Wolberg authorizing Manager Herrera to proceed with planning a Strategic Planning Session for February, 2014. Motion carried unanimously.

Manager Herrera reported that Expenditures for September, 2013 totaled \$737,993.49.

EXPENDITURE
REPORT

There being no questions from the Board, a motion was made by Trustee Cordova and seconded by Trustee Dorough to approve the Expenditure Report for September, 2013 as information. Motion carried unanimously.

There being no questions from the Board, a motion was made by Trustee Wolberg and seconded by Trustee Dorough to approve the Credit Card Expenditure Report for September, 2013 as information. Motion carried unanimously.

CREDIT CARD
EXPENDITURES

Manager Herrera reviewed the RUS Form 7 for September, 2013 as follows:

RUS FORM 7

• Total Operation and Maintenance Expense	\$1,621,151
• Cost of Purchased Power	\$1,141,349
• Margins – Month	\$ 124,133
• Margins – Year to Date	\$ 756,594
• Construction Work in Progress	\$ 586,107
• Total kWh Sold	137,798,561
• Operating TIER	1.35%
• ODCS	0.82%
• Line Loss	1.272%

A motion was made by Trustee Wolberg and seconded by Trustee Mauldin to approve The RUS Form 7 for September, 2013 as presented. Motion carried unanimously.

Manager Herrera reviewed the Delinquent Report by stating the Collection process has improved and the new Collections Clerk has taken the lead with collections by being diligent, professional and organized.

DELINQUENT
REPORT

Manager Herrera also noted that the 90 Day Delinquencies have been reduced due to write-offs for 2010 and 2011.

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

Manager Herrera reviewed the Outage Report for September 15 to October 17, 2013 by stating the outage duration had decreased and there were two major outages in Districts II and IV.

OUTAGE
REPORT

Manager Herrera reported and congratulated SEC employees for no loss-time accidents thus far in 2013 and added that more of the line construction was being done by SEC employees rather than hiring outside contractors.

SAFETY REPORT

Manager Herrera reported that a one-mile line construction project was scheduled in the Horse Springs area and the Automatic Meter Reading project was complete.

CONSTRUCTION
REPORT

Manager Herrera reported that the 2013 Patronage Capital Allocation and Retirement were \$37,687.56 and \$18,843.789, respectively. 2013 Patronage Dividends from Western United Electric totaled \$207.23.

OTHER

Manager Herrera also noted that a thank you note was received for the SEC donation to the 2013 Power Up Conference.

Manager Herrera informed the Board that the RUS Loan Fund was presented by the new RUS Administrator during the NRECA Region X Meeting and that Manager Herrera he expressed his disappointment with RUS funding requirements, the Farm Bill, Green Energy initiatives, the Coal-Ash Issue and the Endangered Species Act.

Manager Herrera also stated that he would like to become pro-active on installing/purchasing/funding solar units to SEC members and that it could be discussed further during the February Strategic Planning Session.

Trustee Wolberg reported on the Member Application/Cancellation Report for October, 2013 as follows:

MEMBER
APPLICATION/
CANCELLATION
REPORT

- New Connects 0
- Re-Connects 120
- Disconnects 161

A motion was made by Trustee Wade and seconded by Trustee Cordova to approve the Member Application/Cancellation Report for September, 2013. Motion carried unanimously.

Trustee Wolberg reported, at length, on the NMRECA Report for October, 2013 as follows:

NMRECA REPORT

- NMSU Fellowship Program
- Tri-State Rate Protest by New Mexico Cooperatives
- Enchantment advertising sales and distribution figures

Trustee Wolberg also reported on the Tri-State Report for October, 2013 as follows:

TRI-STATE REPORT

- Kit Carson Electric Cooperatives possible departure as a Tri-State member
- The Forensic Audit completed by the Jemez Electric Cooperative
- The Jemez Pueblo's geo-thermal well project

Due to Attorney Foster's arrival, a motion was made by Trustee Mauldin and seconded by Trustee Cordova to go into Executive Session to discuss Items H & I of the Agenda. After a roll call vote, the motion carried unanimously.

EXECUTIVE SESSION

The Board adjourned to Executive Session at 6:35 p.m.

The Board returned to Regular Session at 7:40 p.m.

REGULAR SESSION

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

A motion was made by Trustee Dorough and seconded by Trustee Mauldin to authorize Attorney Foster to work with Attorney Wiggins to address the final issue in the Class-Action Litigation regarding fees. Motion carried unanimously.

After reading the Minutes of the Finance/Audit/Bid Committee Meeting held on October 10, 2013, a motion was made by Trustee Cordova and seconded by Trustee Wade to approve the recommendation of the Committee to accept the PHP Option #1, Custom Care-In Network Only Plan, and the VSP Vision Plan for 2014. Motion carried unanimously.

FINANCE/AUDIT/BID
COMMITTEE REPORT

Manager Herrera reviewed the 2014 Draft Budget with the Board by examining the effect of Payroll costs as a result of 2014 Medical, Dental and Vision premiums approved by the Board. Manager Herrera also provided an explanation for the 2014 Proposed Capital Expenditures.

After thorough discussion, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to accept the 2014 Draft Budget with a 2% COLA, and a possible merit Increase of up to 4%, not to exceed a 6% wage increase for employees.

A lengthy discussion ensued among the Board and Attorney Wiggins regarding Trustee Wagner's actions in the Cross-Claim Litigation matter.

SUBJECT BY
TRUSTEES

Trustee Dorough asked Manager Herrera for the amount spent on the 2013 District Meetings. Manager Herrera responded that approximately \$8-12,000 per meeting has been spent thus far.

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

OTHER BUSINESS

- Serafin Gonzales \$1,649.63
- Frank J. Chavez Estate \$ 482.83
- Greg Ludwig \$ 214.25
- Gilbert Stapleton \$ 168.51
- Ronald Engquist \$ 130.74
- Josie Aragon \$ 878.70
- Martin Chavez \$ 593.87
- Edna (Genevieve) Zamora \$ 258.10
- Frances Sarate \$1,142.16

A motion was made by Trustee Cordova and seconded by Trustee Mauldin to accept Attorney Wiggins recommendation for the Retirement of Patronage Capital to the above-mentioned Estates. Motion carried unanimously.

A motion was made by Trustee Mauldin and seconded by Trustee Dorough to adjourn to Executive Session to discuss Limited Personnel matters. Motion carried unanimously.

EXECUTIVE SESSION

The Board adjourned to Executive Session at 8:20 p.m.

The Board returned to Regular Session at 8:40 p.m.

REGULAR SESSION

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

After discussion, a motion was made by Trustee Mauldin and seconded by Trustee Dorough to set the date of Thursday, November 21, 2013 at 5:30 p.m. for the Regular Meeting due to a conflict with the Thanksgiving holiday. Motion carried unanimously.

SET DATE AND TIME
FOR REGULAR
MEETING

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

ADJOURNMENT

President Aguilar adjourned the meeting at 8:45 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 that the above is a true and exact copy of the Minutes of the Regular Meeting held on October 30, 2013. 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.

Donald Wolberg, Secretary