

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

NOVEMBER 21, 2013

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Thursday, November 21, 2013 in Socorro, New Mexico.

INDEX

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

                                      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 Administrator  
                                      Lorna Wiggins, Attorney  
                                      Bruce Wiggins, Attorney

SEC MEMBERS PRESENT:     Audrie Clifford, Charlene Wagner, Melissa Amaro,  
                                      Christie Chavez, Michelle R. Jojola, Diana Rivera,  
                                      Steve Grossman, Marie Watkins, Charlene West,  
                                      Gerrie Hardern, Hubert R. Hardern, Cyndi Mae Wade,  
                                      Doreen Baca, Abie Baca, Jr., Bryan Romkey,  
                                      MG ???, Carey Hall, James Cherry, Elva Osterreich.  
                                      Dorothy Brook, and illegible name

Secretary Wolberg reported a Quorum of Trustees present.

QUORUM

President Aguilar led everyone in the Pledge of Allegiance.

PLEDGE OF  
ALLEGIANCE

After review of the Agenda, a motion was made by Trustee Dorough and seconded by Trustee Mauldin to place Items E and F after Item I of the Agenda. After a roll call vote, motion carried unanimously.

APPROVAL OF  
AGENDA

A motion was then made by Trustee Dorough and seconded by Trustee Wolberg calling for an Executive Session. Motion carried unanimously by roll call vote.

EXECUTIVE  
SESSION

President Aguilar called for Executive Session to discuss Litigation.

After discussion among the Trustees, The Board decided not to go into Executive Session due to Trustee Wagner's refusal to acquiesce to the request by President Aguilar to leave the executive session.

The Board adjourned to Executive Session at 5:36 p.m.

The Board returned to Regular Session at 5:45 p.m.

REGULAR SESSION

Trustee Wagner requested that Item F – Public Input be removed from the Agenda.

CERTIFICATION OF  
DISTRICT II  
ELECTION

A motion was made by Trustee Dorough and seconded by Trustee Mauldin to certify the District II Trustee Election held on November 9, 2013. Election results as follows:

Regular Meeting

	<u>Poll Place</u>	<u>Mail</u>	<u>Hand Tally</u>	<u>Total</u>
Manuel Marquez	30	46	4	80
Charles A. Wagner	39	76	4	119

Motion carried unanimously.

Attorney Wiggins gave a report relating to the District III Meeting and the question of determining the existence of a quorum at the meeting citing N.M. State Statutes, SEC's Bylaws, Robert's Rules of Order and the N.M. Open Meeting Act. (Copy of Letter Attached.)

CERTIFICATION OF  
DISTRICT III  
ELECTION

A motion was then made by Trustee Mauldin and seconded by Trustee Wagner to certify the District III Trustee Election held on November 16, 2013.

	<u>Poll Place</u>	<u>Mail</u>	<u>Hand Tally</u>	<u>Total</u>
Leroy C. Anaya	48	23	5	76
Melissa A. Amaro	115	22	3	140
Donald L. Wolberg	4	2	0	6
Prescilla Mauldin	17	9	1	27

Discussion ensued among the Board regarding the District III Quorum and call for a quorum count during the meeting.

Trustee Wagner moved the previous question.

President Aguilar called for the vote on Trustee Mauldin's motion. Motion carried unanimously.

A motion was made by Trustee Dorough and seconded by Trustee Mauldin to Resume with the agenda. After a roll call vote, the motion carried unanimously.

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the Draft of the Minutes of the Regular Meeting held on October 30, 2013 as written. Motion carried unanimously.

APPROVAL OF  
PREVIOUS  
MINUTES

There was no public comment brought forth by members present.

PUBLIC COMMENT

Manager Herrera reported that expenditures for the month of October, 2013 totaled \$642,840.63.

EXPENDITURE  
REPORT

Trustee Wolberg inquired about Check #48370 to the City of Socorro and Check #48372 to Doctors Review Service.

Trustee Wagner thanked Manager Herrera for his effort to correcting years of incorrect accounting procedures and inquired as to how much longer Bryce Wilson would be utilized by the SEC. Trustee Wagner also expressed his opinion that invoices to the Wiggins Law Firm remain high. Trustee Wolberg disagrees.

Manager Herrera answered each of the questions and concerns posed from the Board.

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

After a discussion on utilization and accounting procedures for the American Express Credit Card, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the Credit Card Report as information. Motion carried with Trustee Wagner abstaining from voting on the motion.

CREDIT CARD  
REPORT

Manager Herrera reviewed the RUS Form 7 for October, 2013 with the Board as follows:

RUS FORM 7

- Total Operations & Maintenance Expense \$1,227,494
- Cost of Purchased Power \$ 960,548
- Net Margins for the Month \$ 217,036
- Net Margins Year to Date \$ 919,226
- Equity as a Percent of Assets 30.034%
- OTIER 2.11%
- ODCS 2.63%
- Line Loss 9.596%

Discussion ensued on the Tri-State A-37 Rate and the current savings to members because the rate increase has not been passed on to members which will result in SEC having to catch up in the future.

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the Managers Report for October, 2013 as presented. Motion carried unanimously.

Manager Herrera reported that Energy Delinquencies had increased from the previous month and that the Collections Department is continually working on delinquent accounts. Manager Herrera also reported that the Winter Liheap Moratorium began on November 15, 2013 and currently forty (40) members qualify for Liheap assistance.

DELINQUENT  
REPORT

Discussion ensued regarding the qualification requirements for members to apply for Liheap assistance and the Moratorium mandated by the N.M.P.R.C.

A motion was then made by Trustee Mauldin and seconded by Trustee Dorough to accept the Delinquent Report for October, 2013 as presented. Motion carried unanimously.

Manager Herrera reviewed the Outage Report for October 21 to November 15, 2013 and reported on the lengthy outage in Horsesprings.

OUTAGE REPORT

Manager Herrera reported there were no loss time accidents during October, 2013.

SAFETY REPORT

Manager Herrera informed the Board that Springer Electric Coop discussed at the Tri-State Manager's Meeting the possibility of N.M. Coops electing to move to the new Tri-State rate. Manager Herrera added that Capital Credits allocated by Tri-State will be less due to the fact that N.M. Coops are not currently being charged with the rate increase due to the protest filed with the N.M.P.R.C.

OTHER

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

- New Connects 13
- Reconnects 114
- Disconnects 167

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

Trustee Wolberg reported on NMRECA October, 2013 Minutes with the Board by reviewing

NMRECA REPORT

- Discussion on Coop becoming pro-active
- Sale of coal mines on the Navajo nation
- The Enchantment being the #2 publication in New Mexico
- The Evaluation of the NMRECA Manager scheduled for the December Meeting

Manager Herrera stated that a comment was made during one of the district meetings regarding SEC's payment for the back page of the Enchantment.

Trustee Wolberg responded that the Enchantment is the only publication that reaches every Coop and every member in the State of New Mexico.

Trustee Wolberg gave a lengthy report on the Tri-State Rate Case and the possibility of large rate increases in the future because rate increases have not been passed on to New Mexico.

Manager Herrera added that, as a result, the N.M.P.R.C is scrutinizing Western Farmers, who provides power to the eastern N.M. coops. Manager Herrera stated a possible scenario could be the break-up of Tri-State and the creation of a paper G&T which would provide service Colorado, Nebraska, Wyoming and New Mexico. Tri-State is currently purchasing power on the market which means a risk of higher energy prices in the future..

Trustee Mauldin, Chairman of the Annual Meeting/Awards Committee Meeting, read the Minutes of the committee meeting held on November 14, 2013.

ANNUAL MEETING/  
AWARDS COMMITTEE  
MEETING.

After questions by the Board, a motion was made by Trustee Mauldin and seconded by Trustee Wolberg to approve the recommendation of the Committee for Employee Awards. Motion carried with Trustee Wagner abstaining.

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

OTHER BUSINESS

- Mrs. Benses Romero \$1,070.28
- Paula Garcia \$1,144.01
- Gladys Z. Birchfield \$1,144.77

Regular Meeting

Page 4

November 21, 2013

- 
- Eugenia Griego \$ 683.99
- J.F. Edwards Sr. \$ 58.10

- Andrew Vallejos Jr. \$ 604.79
- Helen B. McLemore \$1,759.66

A motion was made by Trustee Wade and seconded by Trustee Wolberg to approve Attorney Wiggins recommendation to Retire Patronage Capital to the above-mentioned Estates. Motion carried unanimously.

Trustee Wolberg inquired about the status of the Bolnick Investigative Reports and when they can be released since copies of the reports have been requested.

SUBJECTS BY  
TRUSTEES

Attorney Wiggins clarified statements made by Trustee Wagner by stating that the Board requested the investigation; explained attorney-client privilege and that contributors to the report were merely interviewed and not under oath. Attorney Wiggins added that the 1<sup>st</sup> report is subject to the Open Meeting Act and can be requested.

Attorney Wiggins recommended that any action by the Board to release the 2<sup>nd</sup> report to the public can be placed on the agenda for the December meeting.

Trustee Wolberg informed the Board that the USDA/RUS will begin issuing loans for solar panels and that he will attend a law seminar on tribal law.

Trustee Wagner discussed the feasibility of setting up a pilot office on the Alamo Indian Reservation and requested that the matter be addressed during the January, 2014 Board Meeting.

Trustee Wagner also discussed the possibility of doing a feasibility study on/geothermal generation for the Alamo Reservation.

President Aguilar suggested that both of these items could be discussed during the Strategic Planning Session of the Board.

Manager Herrera informed the Board that he had reached out to N.M. Coops and Tri-State regarding rewards for reporting copper theft.

Discussion ensued regarding the copper/metal theft issue and the legality of creating policy to address the issue which is being addressed by the N.M. State Legislature.

Trustee Wagner made a motion to table discussion on rewards for reporting of copper theft until 2014. Motion failed for lack of a second.

Trustee Mauldin made a motion to approve a donation to compensate the District II and III Election Officials for their service during the district meetings. Trustee Cordova seconded the motion. After discussion, President Aguilar called for a vote on Trustee Mauldin's motion. Motion carried unanimously.

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

EXECUTIVE SESSION

President Aguilar called for an Executive Session to discuss Limited Personnel.

President Aguilar advised Trustee Wagner that he was not permitted to participate in the Executive Session. Trustee Wagner and SEC member, James Cherry refused to leave the meeting until the sheriff's deputy intervened..

The Board adjourned to Executive Session at 7:26 p.m.

A motion was made by Trustee Mauldin and seconded by Trustee Wolberg to return to Regular Session. Motion carried unanimously.

REGULAR SESSION

\*Trustee Wagner did not return for Regular Session.

The Board returned to Regular Session at 8:45 p.m.

President Aguilar reported that the Manager Herrera's evaluation forms were reviewed with him during Executive Session and that it was the consensus of the Board present to give a merit increase and a contribution to Manager Herrera's pension deferral fund.

After discussion a motion was made by Trustee Mauldin and seconded by Trustee Dorrough to set the date and time for the Regular Meeting for December 19, 2013 at 5:30 p.m. Motion carried unanimously.

Regular Meeting  
Page 5  
November 21, 2013

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.

President Aguilar adjourned the meeting at 8:55 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 "Cooperative" and the above is a true and exact copy of the Minutes of the Regular Meeting held on November 21, 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