

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

FEBRUARY 26, 2014

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Wednesday, February 26, 2014 in Socorro, New Mexico.

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The Meeting was called to order at 1:06 p.m. by Anne L. Dorough, President.

CALL TO ORDER

Secretary Cordova called roll and reported those Trustees present and attending the meeting as follows:

ROLL CALL

TRUSTEES PRESENT: Anne L. Dorough, President
 Representative, District V

 Dave Wade, Vice-President
 Representative, District IV

 Leo C. Cordova, Secretary/Treasurer
 Representative, District I

 Charles Wagner, Trustee
 Representative, District II

 Melissa Amaro, Trustee
 Representative, District III

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, CEO/General Manager
 Eileen Latasa, HR Manager/Executive Asst.
 Lorna Wiggins, Attorney
 Larry McGraw, RUS Field Representative

SEC MEMBERS PRESENT: Debbie Leschner, Carol Jean Auffrey, Margaret Marshall, Mike Czosnek, Collette & Barbara Foard Monette Hardern-Lopez, Gerrie Hardern, Hubert R. Hardern, Michelle R. Jojola, Christie Chavez, Paul Stoehr, Bob Hayes, Barbara Romero, Polo Pineda, Jr. Pat Salome, Mable Gonzales, Nann Winter, Ravi Bhasker, Cyndi Mae Wade, Marie Watkins Charlene West, James Cherry, Charlene F. Wagner Don Tripp

Secretary Cordova declared a Quorum of Trustees present.

QUORUM

President Dorough led everyone in the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

There being no additions or changes to the agenda, a motion was made by Trustee Amaro to approve the agenda as presented. Motion seconded by Trustee Cordova. Motion carried unanimously.

APPROVAL OF AGENDA

After review of the Draft of the Minutes of the Regular Meeting of January 29, 2014, a motion was made by Trustee Cordova and seconded by Trustee Amaro to approve the Draft of the Minutes as written. Motion carried unanimously.

REVIEW OF PREVIOUS MINUTES

Mr. Paul Stoehr expressed his dissatisfaction with the difficulty in getting issues resolved with the coop and that the board should consider hiring a new manager and law firm.

PUBLIC INPUT

Ms. Marie Watkins stated that she introduced motions at the 2013 Annual Meeting Continuation and that District V resolutions should be placed on the agenda for the 2014 Annual Meeting.

Ms. Collette Foard presented an update of the capital credits for Trails End Market, Inc.

Mr. Larry McGraw, RUS Field Representative, introduced himself to the members in Attendance and opened the floor to member comments.

RUS- LARRY MCGRAW

A lengthy and considerate discussion ensued among the board, SEC members and Mr. McGraw, Mr. McGraw responded to all questions and concerns posed to him.

Manager Herrera informed the Board that total expenditures for the month of January, 2014 totaled \$779,726.00.	EXPENDITURE REPORT
Manager Herrera responded to questions from the Board on the Expenditure Report.	
President Dorough accepted the Expenditure Report for January, 2014 as information.	
There were no questions from the Board on the Credit Card Expenditures for January, 2014.	CREDIT CARD EXPENDITURES
Manager Herrera gave a lengthy and detailed explanation of the RUS Form 7 for January, 2014.	RUS FORM 7
There being no questions from the Board on the RUS Form 7 Report, a motion was made by Trustee Wagner and seconded by Trustee Amaro to approve the RUS Form 7 for January, 2014 as information. Motion carried unanimously.	
Manager Herrera reviewed the Delinquent Report for January, 2014 with the Board.	DELINQUENT REPORT
President Dorough accepted the Delinquent Report for January, 2014 as information.	
Manager Herrera also reviewed the Outage Report for January and February, 2014.	OUTAGE REPORT
President Dorough accepted the Outage Report for January and February, 2014 as Information.	
Manager Herrera informed the Board that the SEC that a new trainer would be conducting the Employee Safety Meetings and there were no loss time accidents during the month of January, 2014.	SAFETY REPORT
President Dorough accepted the Safety Report for January, 2014.	
Manager Herrera gave a detailed and informative account of the NMRECA Report for January, 2014.	NMRECA REPORT
Manager Herrera informed the Board of the 2014 NRECA Legislative Conference and the 2014 NMRECA Annual Meeting.	
Manager Herrera also gave a detailed and informative account of the Tri-State Report.	TRI-STATE REPORT
Manager Herrera informed the Board that Chapel Mapping completed the GIS Project and that the next phase would be utilizing computers in the trucks for quick accessibility to data when out in the field.	
Manager Herrera announced that the SEC had been awarded a \$40,000 Grant for a backup generator for SEC's main building. Application for the grant was made through Socorro County from the New Mexico Homeland Security.	
Manager Herrera reported on the four year filing process with the N.M.P.R.C. of the Fuel Purchase Power Cost Adjustment and Variance. Manager Herrera reported that the Annual report was being filed but both he and the former general manager were unaware of the four year filing requirement because the report was filed late but the \$5,000 fee was waived contingent upon the next four year report being filed by the due date.	
Manager Herrera also reported that the BP109 Burris Substation distribution line engineered by SGS Engineering and built by CB Ray, Inc., was actually built in the wrong location and was looking at taking possible action on the matter.	
In other matters, Manager Herrera reported on the following:	
<ul style="list-style-type: none">• Questions on the System Charge for members who have meters for their home and shop• Late payment of the franchise tax to the City of Socorro due to a new accounts payable clerk, in addition to refunds to the City for accounts set up as taxable accounts.• 2014 NRECA Directors Conference in March in St. Louis, Missouri.• Meeting with Tri-State New Mexico member coops in Moriarty, New Mexico.	
Secretary Cordova reported on the Member Application/Cancellation Report as follows:	MEMBER APPLICATION/CANCELLATION REPORT
<ul style="list-style-type: none">• New Connects 0• Reconnects 110	

- Disconnects 136

President Dorrough accepted the Member Application/Cancellation Report for January, 2014 as information.

President Dorrough informed the Board that the Special By-Law Committee had one Meeting and planned to have another meeting before the next board meeting.

SPECIAL
BY LAW
COMMITTEE
REPORT

President Dorrough accepted the Report of the Special By-Law Committee as information.

Attorney Wiggins recommended the Retirement of Patronage Capital to the Estate of Roger Williams in the amount of \$1,117.13.

CAPITAL CREDIT
ESTATE
RETIREMENTS

A motion was made by Trustee Cordova and seconded by Trustee Wade to approve the Retirement of Patronage Capital to the Estate of Roger Williams. Motion carried unanimously.

Attorney Wiggins informed the Board that the request for the retirement of Trails End Market Inc.'s Capital Credit's was discussed during Executive Session, after SEC received a letter from counsel for Trails End Market. During its Executive Session, the Board considered all the arguments and authorized Attorney Wiggins to explain the Board's decision on the matter. Attorney Wiggins also stated that she sent a letter to Jeff Taylor, Assistant Attorney General, explaining the position of the Board and to date has not received a response from Mr. Taylor.

TRAILS END
MARKET, INC.
CAPITAL CREDITS

After discussion, a motion was made by Trustee Wagner and seconded by Trustee Amaro to consider making the \$26,000 payment of capital credits to Trails End Market, Inc., in total or in installments based on an accounting analysis that's required by policy.

President Dorrough asked for Attorney Wiggins response.

Attorney Wiggins stated that Board can exercise discretion in approving an early retirement of capital credits but typically retirements are made to estates of deceased patrons as opposed to a corporation that is winding down.

Trustee Wade asked for further clarification on whether the SEC had ever made an early retirement of capital credits to an entity. Attorney Wiggins responded that after talking to staff that an early retirement of capital credits had not been approved in the past.

President Dorrough then called for the vote on Trustee Wagner's motion. Trustee Amaro and Wagner voted in favor of the motion. Trustees Wade and Cordova were opposed. President Dorrough broke the tie and voted against the motion. Motion failed.

A motion was made by Trustee Wagner and seconded by Trustee Amaro to approve the Resolution for RUS Form 675. Motion carried unanimously.

APPROVAL OF
FORM 675
RESOLUTION

A motion was made by Trustee Wagner and seconded by Trustee Cordova to approve the First State Bank Safety Deposit Access Resolution. Motion carried unanimously.

APPROVAL OF
FIRST STATE
BANK
RESOLUTION

President Dorrough appointed Manager Herrera as the Voting Delegate to the Tri-State Annual Meeting by acclamation after no trustee indicated that they were planning on attending.

APPROVAL OF
VOTING
DELEGATE TO
TRI-STATE
ANNUAL MEETING

A motion was made by Trustee Wagner and seconded by Trustee Amaro to approve \$141,344.31 in write-offs for consumer electric accounts for 2012. Motion carried unanimously.

CONSIDERATION
OF ENERGY
UNCOLLECTIBLE
WRITE-OFFS

After discussing possible dates for the 2014 Annual Meeting, a motion was made by Trustee Wagner and seconded by Trustee Amaro to set the date and location of April 26, 2014 at the Finley Gymnasium.

SET DATE,
TIME &
LOCATION FOR
2014 ANNUAL
MEETING

Further discussion ensued on the 2012 District V Resolutions and setting member registration for 1:00 p.m. with the Business Session commencing at 3:00 p.m.

Trustee Wagner made an amendment to his motion to set member registration for 11:00 a.m. and the Business Session to begin at 1:00 p.m. The amendment failed due to lack of a second.

President Dorough then called for the vote to set the date of April 26, 2014 at the Finley Gymnasium with member registration from 1:00 p.m. to 3:00 p.m. and the Business Meeting to start at 3:00 p.m. Motion carried with Trustee Wagner opposed.

After discussion on setting the date and time for the next regular meeting, a motion was Made by Trustee Amaro and seconded by Trustee Wade to set the date of Monday, March 24, 2014 at 2:00 p.m. for the next regular meeting. Motion carried with Trustee Wagner opposed.

SET DATE &
TIME FOR
NEXT REGULAR
MEETING

There being no further items open for discussion, President Dorough adjourned the Meeting at 3:37 p.m.

ADJOURNMENT

Leo Cordova, Secretary/Treasurer

APPROVED:

Anne Dorough, President

I, Leo Cordova,, 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 February 26, 2014.. 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.

Leo Cordova, Secretary/Treasurer

nager Herrera reported that Chapel Mapping project has completed the GIS project