

BY-LAW COMMITTEE MEETING  
BOARD OF TRUSTEES  
THE SOCORRO ELECTRIC COOPERATIVE, INC.

NOVEMBER 10, 2011

A By-Law Committee Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., was held on Thursday, November 10, 2011 in Socorro, New Mexico.

The meeting was called to order at 2:00 p.m. by Leroy Anaya, Chairman.

Members of the Committee present were Trustees Cordova, Wolberg and Bruton.

Also present were Joseph Herrera, General Manager, and Eileen Latasa, Administrative Assistant.

Chairman Anaya stated that the Purpose of the Meeting was for the committee to review SEC's By-Laws.

Trustee Wolberg stated that the present By-Laws had been approved by Judge Mitchell. The approved By-Laws state that the Board needs to be reduced to five (5) trustees representing five (5) districts by as equal population as possible.

The Committee discussed the mail-in ballots as being counted in a quorum count. The mail-in ballots do not count as part of the quorum due to the fact that the By-Laws state that a quorum is members registered.

The Committee reviewed and discussed, in depth, the \$10,000 limit per trustee. The Committee's concern, as discussed, was that currently, due to the cap on per diem, etc., that SEC's trustees are hindered by not receiving the necessary education and training required by NRECA to become knowledgeable in the issues affecting the electric industry and that ultimately, SEC's members will have uninformed trustees that will be unable to make sound decisions on behalf of their members.

After a lengthy discussion, the Committee will present for Board approval to submit to the members at the 2012 Annual Meeting, to amend Article V, Section 7 – Compensation: This sum includes but is not limited to: per diem payment, insurance, travel, conference fees, meals ...

The Committee agreed that due to the increasing costs, that they hinder trustee attendance to state, regional and national conferences and training classes. The Committee also will recommend that expenses for elected representatives/designated representatives of the Board should not be deducted from the \$10,000 spending limit.

The Committee will also recommend that Article V, Section 1. General Powers be amended as follows: The business and affairs of the Cooperative shall be managed by a board of five (seven) trustees ... and Section 8 and 9. Division and Representation by Districts to reflect seven districts with one trustee elected from each district by as equal population as possible.

It was the consensus of the Committee that having a board of only five trustees would be ineffective due to the physical size and the number of members of the Cooperative.

The Committee also discussed Article 1, Section 2. Membership Certificates. Manager Herrera stated that the SEC currently does not issue a membership certificate but indicated that he would like to see a membership certificate generated and utilized with the Cooperative seal.

The Committee will also recommend that Article IV, Persons Ineligible to Vote – Remove satellite subscribers, due to the fact that the SEC has ceased operations of the Socorro Satellite Systems.

The Committee, after discussion, will also recommend for Board approval changing the language in Article 3, Section 10 and 11, Order of Business at Annual Meetings and District Meeting to a more commonly used version.

The Committee also discussed the term limits approved by the members.

The Committee agreed that new district maps with seven representative districts would need to be ready for publication for the Annual Meeting Notice as well as the map of the five representative districts for member consideration.

Discussion was also held on Article III, Section 14. Fair Elections. The Committee conferred that Elections are held only during Districts meetings not at Annual Meetings and questioned whether voting by mail at Annual Meetings was required. The meaning of "elections" was talked about at the Committee agreed that elections are held for people not things.

There being no further items open for discussion, Chairman Anaya adjourned the meeting at 3:24 p.m.