

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

JUNE 25, 2014

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Wednesday, June 25, 2014 in Socorro, New Mexico.

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The Meeting was called to order at 2:04 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

 Melissa Amaro, Trustee
 Representative, District III

 Charles Wagner, Trustee
 Representative, District II

ALSO PRESENT: Joseph Herrera, CEO/General Manager
 Eileen Latasa, HR Manager/Executive Assistant
 Marilyn Madrid, Member Services Supervisor
 David Montoya, Line Superintendent
 Bruce Wiggins, Attorney

SEC MEMBERS PRESENT: James Cherry, Charlene West, John Larson
 Jimmy Dorough, Diego Montoya, Cyndi Mae Wade
 Charlene Wagner, James Bockenstette, Doug May
 Steve Grossman, Socorro Wade, David Lyn Wade

President Dorough led everyone in the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

After discussion on Item O-1, Consideration and Approval of Service Agreement, a motion was made by Trustee Wagner and seconded by Trustee Amaro to change the order of the agenda item for discussion before Executive Session.

APPROVAL OF AGENDA

Manager Herrera stated that the item was placed after Executive Session because the subject matter is to be discussed in Executive Session.

President Dorough then called for the vote on Trustee Wagner's motion.

Trustees Wagner and Amaro voted in favor of the motion. Trustee Wade and Cordova were opposed. President Dorough opposed the motion. Motion failed.

President Dorough stated she would proceed with the Agenda as distributed.

A motion was made by Trustee Wagner for Attorney Wiggins to provide his legal opinion regarding his statement on the Open Meetings Act referring to Executive Sessions.

APPROVAL OF PREVIOUS MINUTES

President Dorough did not accept Trustee Wagner's motion because it was not on the agenda as an action item.

After review of the Draft of the Minutes of the Regular Meeting held on May 21, 2014, Trustee Wagner expressed his opinion that President Dorough did not have Board authorization to meet with the City of Socorro because action by the Board was not noted in the minutes.

President Dorough responded that she is the official spokesperson for the Board and does not require Board authorization to meet with the City of Socorro and the topic item was not discussed during the meeting.

After further discussion, a motion was made by Trustee Cordova and seconded by Trustee Wade to approve the Draft of the Minutes of the Regular Meeting for May 21, 2014 as written. Motion carried with Trustee Wagner opposed.

James Bockenstette expressed his concern with the three (3) outages in the north area during a one (1) week period.

Charlene West expressed her disappointment with lack of representation by the SEC at the Socorro County Chamber of Commerce meeting.

Diego Montoya, Mayor of the Village of Magdalena, expressed his gratitude with the work done on the rodeo grounds by SEC linemen.

Manager Herrera reported that total expenditures for the month of May, 2014 totaled \$446,494.02. Manager Herrera opened the floor for questions from the Board.

EXPENDITURE
REPORT

Trustee Amaro requested a progress report on the accountant training.

President Dorough directed Manager Herrera to have Mr. Wilson, Accounting Contractor, appear before the Board to give a report for the next board meeting.

Trustee Amaro inquired about the checks written to Cordova Publications.

Manager Herrera responded to questions presented by the Board.

There being no further discussion on the Expenditure Report, President Dorough accepted the Expenditure Report for May, 2014 as information.

President Dorough questioned the expenditures on Mr. Montoya's credit card for lack of copies of receipts.

CREDIT CARD
REPORT

There being no further questions from the Board, President Dorough accepted the Credit Card Report for May, 2014 pending additional information.

Manager Herrera reviewed, at length, the RUS Form 7 for May, 2014 with the Board.

RUS FORM 7

There being no questions from the Board, President Dorough accepted the RUS Form 7 Report for May, 2014 as presented.

Manager Herrera reported that during the NMRECA Annual Meeting it was announced that the NMRECA received a clean audit for 2013.

NMRECA
REPORT

Manager Herrera also reported that all officers of the NMRECA Board of Directors were re-elected during their Reorganization Meeting.

Manager Herrera announced that Mike McGinnis was selected as the permanent General Manager of Tri-State G&T and that he had some very tough issues that he was going to have to tackle, such as refinancing of RUS, FFB and Co-Bank loans.

TRI-STATE
REPORT

President Dorough accepted the Tri-State Report as presented.

Manager Herrera also reported that mediation was continuing with Tri-State G&T. One of the topics of discussion is the \$17,000,000 shortfall which Tri-State is proposing that the New Mexico Coops should help pay. Manager Herrera stated that a Tri-State Special Member Meeting could be held to vote on a Patronage Capital Amendment to their Bylaws which would allow the New Mexico to receive their capital credits.

OTHER

Manager Herrera asked the Board for input on providing Tri-State G&T a letter allowing the SEC to talk to other power suppliers.

After a lengthy discussion, a motion was made by Trustee Wagner and seconded by Trustee Amaro to submit a letter to Tri-State G&T to talk to other power suppliers. Trustees Wagner, Amaro voted in favor of the motion. Trustees Wade and Cordova opposed the motion. President Dorough voted in favor of the motion. Motion carried.

Mr. Montoya reported that reclosures were being installed on new power lines and patrolling of lines was continuing.

CONSTRUCTION
REPORT

Mr. Montoya explained the reason for the outages in District I which includes Tri-State's upgrade of the Bernardo Substation.

OUTAGE
REPORT

Mr. Montoya reported no loss-time accidents during May, 2014.

SAFETY
REPORT

Mr. Montoya also reported that the 1st observation for the RESAP program would be conducted in the next two months.

Ms. Madrid reviewed the Energy Delinquent Report for May, 2014.

DELINQUENT
REPORT

Ms. Madrid also reviewed the Section V and Section XII Delinquent Report for May, 2014.

SECTION V &
XII DELINQUENT
REPORT

A lengthy discussion ensued regarding solutions to reducing SEC's delinquencies, and SEC's continued and active effort in reducing the delinquencies.

Ms. Madrid explained a member concern reported to the N.M.P.R.C. and stated that it was the PRC's opinion that the SEC complied with all required and was not in violation.

MEMBER
CONCERNS

President Dorough gave a synopsis of the five (5) classes that she attended during the 2014 NRECA Summer School for Directors.

PRESIDENT'S
REPORT

Secretary Cordova reported on the Member Application/Cancellation Report as Follows:

SECRETARY'S
REPORT

- New Connects 18
- Reconnects 90
- Disconnects 73

President Dorough accepted the Member Application/Cancellation Report for May, 2014 as presented.

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

CAPITAL CREDIT
ESTATE
RETIREMENTS

- Lee Nash \$ 1,195.46
- Santiago Baca \$ 458.23
- Frank Vigil \$ 1,713.37
- Maria A. Peralta \$ 1,079.95
- Walter Bell \$ 127.21
- A.L. Kerby \$ 878.10
- Ramon Rodriguez \$ 39.43
- Carlota Vigil \$ 757.29
- El Camino Restaurant \$11,052.77

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

After discussion, a motion was made by Trustee Wagner and seconded by Trustee Amaro to create a policy governing participation the Government in Action Youth Tour.

CONSIDERATION
OF POLICY-
YOUTH TOUR

After further discussion, President Dorough to entertained a motion to refer Trustee Wagner's motion to the officers of the SEC Foundation for creation of a policy for the Youth Tour.

A motion was made by Trustee Cordova and seconded by Trustee Wade to refer Trustee Wagner's motion to the officers of the SEC Foundation for creation of a policy governing the Youth Tour. Motion carried with Trustee Wagner opposed.

President Dorough stated that Trustee Wagner's motion would be referred to officers of the SEC Foundation.

Manager Herrera explained the bids received for Panasonic tablets for SEC's service trucks After review of the bids, President Dorough entertained a motion to accept Manager Herrera's recommendation to accept the low bid from BIZCO.

CONSIDERATION
AND APPROVAL
OF COMPUTER
BID

A motion was then made by Trustee Wagner and seconded by Trustee Amaro to accept the low bid for the Panasonic Tablet from BIZCO and to look at more vendors in the future. Motion carried unanimously.

A motion was made by Trustee Cordova and seconded by Trustee Wade to set the date for the District I Meeting in Las Nutrias for Tuesday, October 14, 2014 with registration from 5:00-7:00 p.m. and the business meeting for 7:00 p.m. Motion carried with Trustee Amaro abstaining from the vote.

SETTING DATE
& TIME FOR
ANNUAL DISTRICT
MEETINGS

A motion was made by Trustee Wagner and seconded by Trustee Amaro to set either the date for the District II Meeting on October 11, 2014 (1st choice) or November 8, 2014 (2nd choice) at the Macey Center with registration from 1:00-3:00 p.m. and the business meeting at 3:00 p.m. Motion carried unanimously.

A motion was made by Trustee Amaro and seconded by Trustee Wagner to set the date for the District III Meeting for Saturday, November 15, 2014 at the Finley Gymnasium with registration from 1:00-3:00 p.m. and the business meeting for 3:00 p.m. Motion carried unanimously.

A motion was made by Trustee Wade and seconded by Trustee Cordova to set the date for the District IV Meeting for Friday, October 17, 2014 at the San Antonio Elementary School with registration from 4:00-6:00 p.m. and the business meeting at 6:00 p.m. Motion carried with Trustee Wagner opposed.

President Dorough requested that Vice-President Wade assume the chair for the following motion for District V.

A motion was made by Trustee Dorough and seconded by Trustee Cordova to set the date for the District V Meeting for Saturday, October 4, 2014 at the Datil Elementary School with registration from 1:00-3:00 p.m. and the business meeting At 3:00 p.m. Motion carried unanimously.

President Dorough resumed the chair.

President Dorough entertained a motion to go into Executive Session.

EXECUTIVE
SESSION

Attorney Wiggins stated that discussion in Executive Session would be held on Personnel Matters, and Audit Service Agreement and potential litigation with the City of Socorro.

Trustee Wagner called for a Point of Order. President Dorough denied Trustee Wagner's Point of Order.

A motion was then made by Trustee Cordova and seconded by Trustee Wade calling for and Executive Session.

Trustee Wagner called for a Point of Order. Motion carried unanimously.

President Dorough called for an Executive Session at 3:35 p.m. to discuss Personnel Matters and Potential Litigation.

The Board returned to Regular Session at 4:05 p.m.

REGULAR
SESSION-
CONTINUATION
OF NEW
BUSINESS

President Dorough stated that there was no action taken by the Board during Executive Session.

President Dorough informed the Board that both herself and Manager Herrera had talked to NRECA to obtain information for an audit of the behavior and function of the Board.

Manager Herrera stated that NRECA was aware of the fraction on the Board and that mediation could be an option to look at. Manager Herrera added that three firms had been recommended and that both he and President Dorough spoke with each of the firms.

Manager Herrera recommended that the Board accept the service agreement with Aaron Christiansen of Smith and Christiansen, LLP.

A motion was then made by Trustee Wagner and seconded by Trustee Amaro to authorize Manager Herrera to engage Smith and Christiansen, LLP., according to the service agreement. Motion carried unanimously.

A motion was made by Trustee Amaro and seconded by Trustee Wade to set the date for the next Regular Meeting for Wednesday, July 23, 2014 at 2:00 p.m. Motion carried with Trustee Wagner opposed.

SET DATE &
TIME FOR
REGULAR
MEETING

Regular Meeting
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June 25, 2014

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

ADJOURNMENT

President Dorough adjourned the meeting t 4:15 p.m.

Leo C. Cordova, Secretary/Treasurer

APPROVED:

Anne L. Dorough, President

I, Leo C. Cordova, do hereby certify that I am the Secretary of the Board of Trustees of The Socorro Electric Cooperative, Inc, herein called the "Cooperative" and the above is a true and exact copy of the Minutes Of the Regular Meeting held on June 25, 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 C. Cordova, Secretary/Treasurer

