

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

MARCH 25, 2015

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., was held on Wednesday, March 25, 2015 in Socorro, New Mexico.

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The meeting was called to order at 2:00 p.m. by Anne L. Dorough, President.

CALL TO ORDER

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

ROLL CALL

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

 David 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, General Manager
 Eileen Latasa, HR Manager/Executive Assistant
 Bruce Wiggins, Attorney

SEC MEMBERS PRESENT: Jimmy Dorough, James Cherry, John Larson
 Jory Mirabal, David L. Wade, Dre Montoya,
 Tyler Julian, Mike Chambers Jr., Clay Clark
 Marie Watkins, Dave Bockenstette
 Mike Chambers, Greg Miller, Michael Olguin, Jr.
 Charlene West

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, President Dorough accepted the agenda as distributed.

APPROVAL OF
AGENDA

After review of the Draft of the Minutes of the Regular Meeting held on February 18, 2015, Trustee Wagner made a motion to not approve the Minutes due to failure to abide by the Bylaws and the N,M.O.M.A, and to include his request to include minority opinions to the Minutes. Trustee Amaro seconded the motion. Trustees Amaro and Wagner voted in favor of the motion. Trustee Cordova and Wade were opposed. President Dorough voted against the motion. Motion failed.

APPROVAL OF
PREVIOUS
MINUTES

President Dorough accepted the Minutes of the Regular Meeting held on February 18, 2015 as written.

Mr. Mike Chambers, Magdalena Schools Superintendent, representing the Magdalena Boys State Champion Basketball Team, asked for Board consideration for a donation to purchase championship rings for the team.

PUBLIC INPUT

A motion was made by Trustee Amaro and seconded by Trustee Wagner to put the donation request on the agenda for the next board meeting. Motion carried unanimously.

Mr. Greg Miller requested that the Board move the date of the Special Members Meeting to after the Regular Members Meeting.

Mr. Dave Bockestette expressed his opinion that issues of contention are not with the Bylaws but with lack of trust in the Board or SEC leadership.

Ms. Marie Watkins also expressed her opinion that the Bylaws have been revised and Mr. Christensen is amenable to changes in his Bylaws.

Manager Herrera informed the Board that the expenses for February, 2015 totaled \$529,979.14 and opened the floor for questions from the Board.

EXPENDITURE REPORT

Trustee Wagner had questions on the following:

- Check #50381 to Cordova Public Relations
- Check #50551 to Bryce Wilson
- Check #50501 to Wilson Wilson

Manager Herrera addressed each of Trustee Wagner's questions.

There being no further inquiries from the Board, President Dorough accepted the Expenditure Report for February, 2015 as distributed.

There were no questions from the Board on the Credit Card Report. President Dorough accepted the Credit Card Report for February, 2015 as presented.

CREDIT CARD REPORT

Manager Herrera reviewed, at length, the RUS Form 7 Report for February, 2015. There being no questions from the Board, President Dorough accepted the RUS Form 7 Report as presented.

RUS FORM 7

Manager Herrera informed the Board regarding the NMRECA Annual Meeting in Taos, New Mexico in June, 2015 and the NRECA Legislative Conference in Washington, D.C. in May, 2015.

NMRECA REPORT

Manager Herrera explained the House and Senate Bills introduced during the 2015 New Mexico State Legislative Session which were pertinent to the New Mexico Cooperatives.

Manager Herrera reviewed the Tri-State Minutes from the Board of Directors Meeting From March, 2015 which included the following:

TRI-STATE REPORT

- Audit Report conducted by Ernst & Young
- Education on the Security Exchange Requirements
- EPA Energy Act which go into effect in July, 2015
- Percentage of Energy generated to members
- Bylaw Amendments that will be acted on during the Tri-State Annual Meeting
- Delta Montrose Electric Coop's declaration filed with FERC

Manager Herrera explained the letter received from U.S.D.A regarding the 2014 RUS Audit Review conducted by Billy Kinter, RUS Field Auditor.

USDA LETTER

Manager Herrera also reviewed the Patronage Capital Refunds from Co-Bank and SEDC and the letter from Federated Insurance regarding the recent audit performed of SEC's facilities.

OTHER

A motion was made by Trustee Wagner and seconded by Trustee Amaro to approve the Manager's Report as presented. Motion carried unanimously.

Mr. Montoya stated that construction, for the time being, had been slow but expects that it will pick up during the summer months.

CONSTRUCTION
MAINTENANCE
REPORT

In the area of maintenance, Mr. Montoya reported that rotten or fractured poles will be replaced and that a crew would be working in the north area. In the west area, work on the transmission line is continuing. Mr. Montoya explained that outages in the west area were due to the work on the Quemado Substation which resulted in the temporary transfer to the Magdalena Substation until the project is complete.

Mr. Montoya also explained that there were ice storms in the Cat Mountain area that resulted in outages during the month.

OUTAGE REPORT

Mr. Montoya noted that there were no loss time accidents to report during February, 2014 and explained that there was a Near Miss /Flashback incident that occurred but no injuries reported.

SAFETY REPORT

Trustee Amaro questioned Mr. Montoya on the Near Miss/Flashback incident.

Mr. Montoya reviewed a letter received from a consumer in the north area regarding the number of blinks/surges.

President Dorough accepted Mr. Montoya's reports as presented.

Ms. Madrid reviewed the Delinquent Report for February, 2015 with the Board.

ENERGY DELINQUENT
REPORT

Ms. Madrid also reviewed the Section V and XII Delinquent Report for February, 2015 with the Board.

SECTION V & XII
DELINQUENT
REPORT

Ms. Madrid reported that there were no member complaints filed with the N.M.P.R.C. during the month of February, 2015.

CONSUMER
CONCERNS

Secretary Cordova reported on the Member Application/Cancellation Report for February, 2015 as follows:

MEMBER
APPLICATION/
CANCELLATION
REPORT

- New Connects 10
- Reconnects 3
- Disconnects 83

President Dorough accepted the Member Application/Cancellation Report for February, 2015 as presented.

Manager Herrera reviewed the Request for Proposal and the proposals received for the meal to be served for the Special Member's Meeting on April 25, 2015.

SPECIAL MEETING
REFRESHMENTS

After Board review of the proposals received, a motion was made by Trustee Cordova and seconded by Trustee Amaro to accept the low bid submitted by Ramon Garcia and to go with the second lowest bid submitted by Subway if Mr. Garcia does not have the proper credentials. Motion carried with Trustee Wagner opposed.

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

PATRONAGE
CAPITAL ESTATE
RETIREMENTS

- Esther Silva \$1,461.68
- Donald H. Brandt \$ 764.56
- John Lehew Sr. \$ 213.44
- Sophie Aragon \$ 341.08
- James Shelton \$ 955.24
- Mrs. A.J. Owens \$ 579.91
- Sara G. Shultz \$ 364.18

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.

Manager Herrera read and explained Policy No. 130, NMRECA Director Policy.

CONSIDERATION/
APPROVAL OF
BOARD POLICIES

A motion was made by Trustee Wagner to amend Policy 130 to state that the Cooperative shall appoint from those who are members of the Cooperative and either an elected trustee or the general manager to a term of one year, if the Manager refuses to serve, the trustees will each serve a one term on a rotation on the basis of right of refusal. Trustee Amaro seconded the motion.

Discussion ensued on Trustee Wagner's motion to amend Policy 130.

President Dorough called for five (5) minute recess.

RECESS/RETURN
TO REGULAR
SESSION

The Board returned to Regular Session.

After further discussion on Trustee Wagner's motion, Trustee Wagner withdrew his motion.

A motion was then made by Trustee Cordova and seconded by Trustee Wade to approve Policy No. 130, NMRECA Director Policy. Trustees Cordova and Wade voted in favor of the motion. Trustee Amaro and Wagner were opposed. President Dorough voted in favor of the motion. Motion carried.

Manager Herrera read and explained Policy 131, Use of SEC Electronic Communication Devices.

A motion was made by Trustee Wagner and seconded by Trustee Amaro to accept Policy 131 as read. Motion carried unanimously.

Manager Herrera reviewed the bids received for Scrap Metal.

CONSIDERATION/
APPROVAL OF
SCRAP WIRE BIDS

A motion was made by Trustee Amaro and seconded by Trustee Wagner to accept the high bid from Amador Recycling for the scrap aluminum and the high bid from Anton Salome for the scrap copper. Motion carried unanimously.

Manager Herrera reviewed the bid received for Fleet Maintenance.

CONSIDERATION/
APPROVAL OF
FLEET MAINTENANCE
BIDS

After review of the bids, a motion was made by Trustee Amaro and seconded by Trustee Wagner to approve the low bid submitted by Leseberg's. Motion carried unanimously.

There were no items under Line Extension Contracts.

CONSIDERATION/
APPROVAL OF
LINE EXTENSION
CONTRACTS

After discussion on utilizing elections officials for the Special Member's Meeting, no action was taken by the Board.

CONSIDERATION
OF ELECTION OFFICIALS
FOR SPECIAL MEMBERS
MEETING

A motion was made by Trustee Wade and seconded by Trustee Cordova to approve the Agenda for the Special Member's Meeting.

CONSIDERATION OF
SPECIAL MEMBERS
MEETING AGENDA

Trustee Wagner made a motion to amend the Agenda to add an item for the members to approve the agenda after the Pledge of Allegiance. Trustee Amaro seconded the motion. Trustees Wagner and Amaro voted in favor of the motion. Trustees Wade and Cordova were opposed. The motion was tied and therefore failed.

President Dorough then called for the vote on Trustee Wade's motion to approve The Agenda for the Special Members Meeting as presented. Motion carried with Trustee Wagner opposed.

CONSIDERATION OF
2015 ANNUAL
MEETING DOOR
PRIZES

A motion was made by Trustee Wagner and seconded by Trustee Amaro to approve a \$10.00 Energy Bill Credit for registered members, \$2,000 in \$50.00 increments and vendor donated gifts as door prizes for the 2015 Annual Member's Meeting on May 16, 2015. Motion carried unanimously.

Trustee Amaro nominated Trustee Wagner as the NMRECA Voting Delegate and President Dorough as the Voting Alternate to the 2015 NMRECA Annual Meeting. Motion carried unanimously.

SELECTION OF
NMRECA DELEGATES

Trustee Cordova nominated Manager Herrera as SEC Representative to the NMRECA Board of Directors.

There being no further nominations, Manager Herrera was elected by Acclamation to the NMRECA Board of Directors.

A motion was made by Trustee Wagner to remove Anne Dorough as Board Chair due to conduct unbecoming a chairperson. Motion fails due to lack of a second.

A motion was made by Trustee Cordova and seconded by Trustee Wade calling for an Executive Session. Motion carried with Trustee Wagner opposed.

EXECUTIVE
SESSION

President Dorough called for an Executive Session to discuss Individual Personnel Matters.

The Board adjourned to Executive Session at 4:05 p.m.

The Board returned to Regular Session at 4:15 p.m.

RETURN TO
REGULAR SESSION

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

A motion was made by Trustee Amaro and seconded by Trustee Wagner to set the date and time for the next Regular Meeting for Wednesday, April 22, 2015 at 2:00 p.m. Motion carried unanimously.

SET DATE & TIME
FOR NEXT REGULAR
MEETING

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

ADJOURNMENT

President Dorough adjourned the meeting at 4:16 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 March 25, 2015. 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

Via Electronic Mail Attachment

March 24, 2015

Anne Dorough, Chair

Socorro Electric Cooperative, Inc.

Minority Opinion Registered

Referring to my vote during the special board meeting, held without public notice March 13, 2015, I am stating my reason for voting "NO" on the motion of Mr. Wade to wit, "to accept the proposed Bylaws as revised and presented by Aaron Christensen with the new district boundary map on an up or down ballot as a whole", for, but not limited to the reasons that follow: First, I believe approval of bylaw amendments is reserved to the members and that right includes the right to amend any proposed language or provision before voting, further I believe that the principle of "democratic member control" requires that members be allowed to select or reject any provision or part thereof which is found to be objectionable and that being deprived of the right to amend is not in the best interest of the cooperative but is opposed to its best interest. Second, I am convinced that the repeal of several of the current bylaws which were recently imposed by the members for controlling excessive compensation and expenses of trustees and the measures assuring transparency and access to records, documents as well as member lists by members, will not be respected under the Christensen proposed plan. Third, the proposed seven (7) districts are unreasonably disproportionate in member population when a more reasonable equal as near as possible, representation is easily achievable. For the sake of brevity I register only these reasons and will propose additional changes when an opportunity emerges.

Please attach this opinion to all copies of the minutes of this meeting and make it available to those requesting inspection.

Sincerely



Charlie Wagner, Trustee

Socorro Electric Cooperative, Inc.

March 25, 2015
Anne Dorough, Chair
Socorro Electric Cooperative, Inc.

Minority Opinion Registered

In reference to my vote during the special board meeting, held March 13, 2015, I am stating my reason for voting "NO" on the motion of Mr. Wade, "to accept the proposed Bylaws as revised and presented by Aaron Christensen with the new district boundary map on an up or down ballot as a whole", for the following reason: I believe approval of bylaw amendments is reserved to the members and that right includes the right to amend any proposed language or provision before voting. Further, I believe that the principle of "democratic member control" requires that members be allowed to select or reject any provision or part thereof which is found to be objectionable. Being deprived of the right to amend is not in the best interest of the cooperative, but is in fact

opposed to its best interest. I have received several opinions/complaints from not only members of my district but from others as well stating they feel voting on the proposed Bylaws as a whole is not giving them their right to amend any one particular bylaw if needed.

Thank you for your time.

Yours truly,

Melissa Amaro, Trustee District III