

MINUTES
BOARD OF TRUSTEES
THE SOCORRO ELECTRIC COOPERATIVE, INC.

AUGUST 26, 2015

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| A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., was held on Wednesday, August 26, 2015 in Socorro, New Mexico. | INDEX |
| 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 Charles Wagner, Trustee* Representative, District II Melissa Amaro, Trustee Representative, District III Leroy Anaya, Trustee Representative, District III Donald L. Wolberg, Trustee Representative, District III | |
| MEMBERS ABSENT: None | |
| ALSO PRESENT: Joseph Herrera, General Manager Donna Wilkins, UPN/Payroll Administrator Bruce Wiggins, Attorney Marilyn Madrid, Member Services Supervisor Tony Lopez, Socorro Line Foreman | |
| SEC MEMBERS PRESENT: Jimmy Dorough, James Cherry, Cyndi Mae Wade, Luis Aguilar and David L. Wade. | |
| Secretary Cordova declared a Quorum of Trustees present. | QUORUM |
| President Dorough led everyone in the Pledge of Allegiance. | PLEDGE OF ALLEGIANCE |
| After review of the agenda, a motion was made by Trustee Wagner and seconded by Trustee Amaro to approve the agenda as distributed. Motion carried unanimously. | APPROVAL OF AGENDA |
| Trustee Wagner called for Orders of the Day and for a Point of Privilege. | |
| Trustee Wagner then read and submitted his letter of resignation from the Board effective immediately. (Copy of Letter Attached) | TRUSTEE RESIGNATION |
| President Dorough then called for a vote to accept Trustee Wagner's resignation. The Board voted unanimously to accept Trustee Wagner's resignation. | |
| President Dorough accepted Trustee Wagner's resignation. | |
| Trustee Wagner left the meeting at 2:05 p.m. | |
| President Dorough postponed approval of the Minutes for the July Board Meeting. | APPROVAL OF PREVIOUS MINUTES |
| Attorney Wiggins administered the Oath of Office for all trustees. | OATH OF OFFICE |
| There were no Public Comments brought forth by SEC members in attendance. | PUBLIC COMMENTS |
| President Dorough called for a short recess for Manager Herrera to obtain the minutes for review and approval. | RECESS |
| President Dorough called the meeting back to order at 2:17 p.m. | RETURN TO REGULAR SESSION |

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| President Dorough gave the Board the opportunity to review the minutes. | APPROVAL OF PREVIOUS MINUTES |
| A motion was then made Trustee Amaro and seconded by Trustee Cordova to approve the Draft of the Minutes for the Regular Meeting held on July 22, 2015 as written. Motion carried unanimously. | |
| Manager Herrera reported that Expenditures for the month of July, 2015 totaled \$657,263.00. | EXPENDITURE REPORT |
| Trustee Wolberg asked for an explanation of CRC and Futura based on the checks issued to the corporations. | |
| Trustee Wolberg also inquired about the dollar amount expended for vehicle maintenance and the price of a pole. | |
| Trustee Cordova inquired about the check issued to Hydraulics and More. | |
| Manager Herrera addressed each of the questions posed by the Board. | |
| President Dorough accepted the Expenditure Report for July, 2015 as presented. | |
| There were no questions from the Board regarding the Credit Card Report. | CREDIT CARD REPORT |
| President Dorough accepted the Credit Card Report for July, 2015 as presented. | |
| Manager Herrera reviewed the RUS Form 7 Report for July, 2015 with the Board. | |
| Manager Herrera answered questions from President Dorough and Trustee Wolberg on the Statistical Report and the drop in residential sales from March through May, 2015 and the spike in sales in July, 2015, respectively. | RUS FORM 7 REPORT |
| There being no further questions from the Board, President Dorough accepted the RUS Form 7 Report as distributed. | |
| Manager Herrera informed the Board of the \$15.046 in IRS penalties for an incomplete filing the 2013 Form 990, which is being appealed and being reviewed by the IRS. | NMRECA REPORT |
| Manager Herrera reported that he requested discussion to address concerns and opinions on a strategic planning session which is being planned for the near future. | |
| Manager Herrera also reported that the SEC disburses approximately \$90,000 in dues each year to the NMRECA. | |
| President Dorough accepted the NMRECA Report as information. | |
| Manager Herrera reviewed the Tri-State Report as follows: <ul style="list-style-type: none">Considerable discussion centered on EPA’s final rule for regulating greenhouse gases from power plants.Renewal of two Power Purchase Agreements for renewable energyWork continues on Draft of 2016 BudgetHappily reported that there would be no proposed rate increase for 2016Approval of \$11 million Craig Station #2 project. | TRI-STATE REPORT |
| Manager Herrera addressed all questions from the Board. | |
| President Dorough accepted the Tri-State Report for August, 2015 as presented. | |
| Manager Herrera updated the Board on the State Lease on the “M” Mountain and the entities that have attachments which will require lease agreements and associated fees. | STATE LAND LEASE |
| President Dorough accepted the State Land Lease Report as presented. | |
| Manager Herrera reported that Mr. Montoya attended the LEPC Meeting and gave a presentation on electrical hazards and accidents. | SAFETY REPORT |
| Manager Herrera stated that Mr. Montoya would give the Safety Committee Report at the next meeting of the Board. | |
| Manager Herrera informed the Board that Mr. Montoya had 30 site visits this past month, and that he was unable to attend the Board Meeting but that 100% of the line extensions are moving forward. | ENGINEERING REPORT |
| Manager Herrera reported on the status of the Los Diaz, LLC Line Extension Project. | |
| President Dorough accepted the Engineering Report as presented. | |

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| Mr. Lopez informed the Board that two journeyman lineman had been hired for the North area which would help reduce outage response time. | CONSTRUCTION/ MAINTENANCE REPORT |
| Construction crews are working on schedule with work orders, and tree-trimming would commence around the Bernardo Substation. | |
| Maintenance has been done from the Socorro Substation to the north which has caused some blinks and pole replacements are being done on hazard poles and that all employees are able to recognize hazards and report them. | |
| Mr. Lopez referred to the Outage Report for July, 2015 regarding outages at the Bernardo Substation. | OUTAGE REPORT |
| There being no questions from the Board, President Dorough accepted both reports as presented. | |
| Ms. Madrid reviewed the Energy Delinquent Report for July, 2015 with the Board. | ENERGY DELINQUENT REPORT |
| Ms. Madrid also reviewed the Section V and XII Delinquent Reports for July, 2013. | SECTION V & XII DELINQUENT REPORT |
| Manager Herrera was asked to look into writing off uncollectible Section V & XII Accounts that have been on the books since 1996. | |
| Ms. Madrid reported that there were no member concerns brought before the N.M.P.R.C. for July, 2015 but added that one (1) complaint from May, 2015 is scheduled for mediation. | MEMBER CONCERNS |
| President Dorough accepted the Delinquent Reports and Member Concern as presented. | |
| President Dorough appointed Trustee Wolberg to the Finance Committee and Trustee Anaya to the Ethics Committee and that she would step down as an ex-officio member of the Finance Committee. | COMMITTEE ASSIGNMENTS |
| Trustee Dorough enlightened the Board on the Grassroots Strategy Seminar she attended. | GRASSROOTS STRATEGY |
| Secretary Cordova gave the Member Application/Cancellation Report for July, 2015 as follows: | SECRETARY'S REPORT |
| <ul style="list-style-type: none">• New Connects 12• Reconnects 61• Disconnects 82 | |
| President Dorough accepted the Member Application/Cancellation Report for July, 2015 as presented. | |
| Trustee Wolberg presented a detailed report on the Energy in the Southwest Annual Conference. | ENERGY IN THE SOUTHWEST CONFERENCE |
| There were no Capital Credit Estate Retirements open for consideration. | CAPITAL CREDIT ESTATE RETIREMENTS |
| Trustee Wolberg requested Board authorization to attend the NMRECA BBQ and the NRECA Region 10 Meeting, in September and October, respectively. | APPROVAL OF TRUSTEE TRAVEL |
| The Board unanimously approved Trustee Wolberg's request to attend the NMRECA BBQ. | |
| The Board also unanimously approved Trustee Wolberg's request to attend the NRECA Region X Meeting. | |
| Trustee Anaya requested Board authorization to attend the NRECA Region X Meeting in October. | |
| The Board unanimously approved Trustee Anaya's request to attend the NRECA Region X Meeting. | |
| Manager Herrera explained SEC Policy on Patronage Capital Retirement, Gains, Bad Debt Recovered and the Total Cash Outlay. | PATRONAGE CAPITAL CREDIT RETIREMENT |

Manager Herrera recommended Board approval for the Retirement Patronage Capital for 1989 in the amount of \$273,117.90 in order to maintain the 25 year cycle for retirements.

President Dorough entertained a motion to approve Manager Herrera's recommendation to retire Patronage Capital for 1989.

A motion was then made by Trustee Cordova and seconded by Trustee Amaro to approve Manager Herrera's recommendation to retire \$273,117.90 in Patronage Capital for the Year 1989. Motion carried unanimously.

Manager Herrera explained that Diana Ross is currently the new Purchasing Clerk and recommended Board approval to cancel the credit card issued to Carol Dotson and apply for the credit card for Ms. Ross.

BANK CREDIT CARD
RESOLUTION

A motion was made by Trustee Amaro and seconded by Trustee Anaya to approve Manager Herrera's recommendation and the Board Resolution to cancel the credit card for Carol Dotson and authorize the First State Bank to apply for the credit card for Diana Ross. Motion carried unanimously.

President Dorough recommended that the Board set the Date, Location and Time for the 2016 Annual Members Meeting in order to comply with the new bylaws.

2016 ANNUAL
MEMBERS MEETING

A motion was made by Trustee Cordova and seconded by Trustee Wade to set the Date, Time and Location for the 2016 Annual Members Meeting as follows:

- Date Saturday, April 16, 2016
- Time: Registration from 1:00 p.m. to 3:00 p.m., Business Meeting at 3:00 p.m.
- Location: Macey Center, New Mexico Tech Campus

Motion carried unanimously.

There were no Line Extension Contracts open for Board consideration.

LINE EXTENSION
CONTRACTS

President Dorough stated that there was no need for an Executive Session.

EXECUTIVE SESSION

Due to Trustee Wagner's resignation from the Board, Attorney Wiggins explained the Board's options to fill the vacancy on the Board.

Trustees Cordova and Wade expressed their desire to fill the vacancy by appointment.

Trustee Amaro stated that the members of District II should decide who their trustee should be.

Trustees Anaya and Wolberg each stated that the members just voted for a seven member board and that the position should be filled by appointment.

President Dorough stated that a press release would be generated to seek interest by potential candidates from District II to fill the vacancy and the Board would make a decision at the next meeting of the Board on how the vacancy is going to be filled.

Discussion ensued on questions by members regarding the City of Socorro proposed Takeover of the industrial park and how trustees should respond. Attorney Wiggins advised that discussion on the subject should be held in Executive Session and questions from members should be sent to Manager Herrera.

After discussion, a motion was made by Trustee Amaro and seconded by Trustee Cordova to set the date of Wednesday, September 23, 2015 at 2:00 p.m. Motion carried unanimously.

SET DATE/TIME FOR
NEXT REGULAR
MEETING

There being no further business 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 3:40 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 August 26, 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

