

MINUTES
BOARD OF TRUSTEES
THE SOCORRO ELECTRIC COOPERATIVE, INC.

DECEMBER 16, 2015

INDEX

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., was held on Wednesday, December 16, 2015 in Socorro, New Mexico.

CALL TO ORDER

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

ROLL CALL

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

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

 David Wade, Vice-President
 Representative, District IV

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

 Judith Holcomb, Trustee
 Representative, District II

 Leroy Anaya, Trustee
 Representative, District III

 Donald Wolberg, Trustee
 Representative, District III

TRUSTEES ABSENT: Melissa Amaro, Trustee
 Representative, District III

ALSO PRESENT: Joseph Herrera, General Manager
 Eileen Latasa, HR Manager/Executive Assistant
 Bruce Wiggins, Attorney
 Marilyn Madrid, Member Services Supervisor
 Tony Lopez, Socorro Line Foreman

SEC MEMBERS PRESENT: Jimmy Dorough, John Larson

QUORUM

Secretary Cordova declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

President Dorough led everyone in the Pledge of Allegiance.

APPROVAL OF AGENDA

There being no additions or deletions to the Agenda, President Dorough approved the Agenda as distributed.

APPROVAL OF PREVIOUS MINUTES

There being no additions or corrections to the Draft of Minutes for the Regular Meeting held on November 18, 2015, President Dorough accepted the Minutes as written.

PUBLIC COMMENTS

There were no Public Comments brought before the Board.

EXPENDITURE REPORT

Manager Herrera reported that Expenditures for the month of November, 2015 totaled \$1,360,097.97 which included checks issued totaling \$581,000 for Retirement of Patronage Capital, property taxes and the purchase of four (4) service trucks.

Manager Herrera responded to questions posed by Trustee Wolberg regarding the Expenditure Report.

President Dorough accepted the Expenditure Report for November, 2015.

CREDIT CARD EXPENDITURES

There being no questions from the Board on the Credit Card Expenditures, President Dorough accepted the Credit Card Expenditures for November, 2015.

RUS FORM 7

Manager Herrera reviewed, at length, the RUS Form 7 for November, 2015 and answered questions from the Board.

President Dorough accepted the RUS Form 7 for November, 2015 as presented.

NMRECA REPORT

Manager Herrera reviewed the NMRECA Board Report for December, 2015, at length, and answered questions from the Board.

TRI-STATE REPORT

Manager Herrera also reviewed the Tri-State Report for December, 2015, at length, and answered questions from the Board.

Manager Herrera also presented Trustee Cordova with a \$1,000 check from Tri-State as a donation to the St. Vincent de Paul Society.

OTHER

Manager Herrera informed the Board of the Equity Distribution in the amount of \$15,376.00 from Federated Insurance.

SAFETY REPORT

Manager Herrera reported that there were no Loss Time Accidents during the month of November, 2015.

ENGINEERING REPORT

Manager Herrera informed the Board that the warehouse is being closed to begin the year-end inventory count and that the auditors will be at the SEC on December 28 & 29, 2015 to begin the inventory audit process.

CONSTRUCTION/MAINTENANCE REPORT

Mr. Lopez reported that crews will be busy completing projects while the warehouse is closed for inventory and added that maintenance is an on-going project.

Mr. Lopez also reported that MOU's were issued and approved with the Bosque del Apache and the City of Socorro; and reported on the number of man hours required to complete each project.

OUTAGE REPORT

Mr. Lopez explained the Outage Report for November, 2015 which included the Bingham/Verizon outage which lasted two (2) days due to very icy conditions which hampered access to the site.

There being no questions from the Board, President Dorough accepted the Outage Report for November, 2015 as presented.

ENERGY DELINQUENT REPORT

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

SECTION V & XII DELINQUENT REPORT

Ms. Madrid also reviewed the Section V and XII Delinquent Reports for November, 2015.

There being no questions from the Board on both the Energy and Section V & XII Reports for November, 2015, President Dorough accepted both reports as presented.

MEMBER CONCERNS

Ms. Madrid reported that one (1) member complaint was filed with the N.M.P.R. C. which was determined that the SEC was in compliance and subsequently closed.

Ms. Madrid also reported that one (1) member complaint from May, 2015 remains open.

President Dorough accepted the Member Concerns Report as presented.

PRESIDENT'S REPORT –Credentials and Election Committee Members

President Dorough advised the Board that the C&E Committee should be formed by February 2, 2015 and that the committee should be comprised of at least seven (7) members, one from each district.

President Dorough recommended that each Trustee have information on their committee designee by the January Board Meeting.

SECRETARY'S REPORT

Secretary Cordova reviewed the Application/Cancellation Report as follows:

| | |
|------------------------|--------|
| NEW CONNECTS | 1 |
| RECONNECTS | 61 |
| DISCONNECTS | 98 |
| | |
| TOTAL NUMBER OF METERS | 12,698 |

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

TRUSTEES' REPORT

Trustee Wolberg reported that he and other Trustees attended the NRECA Director's Class on Succession Planning. Discussion ensued on the importance of succession planning not only for employees but for trustees also. Discussion was held on whether the topic should be included in the Strategic Planning Session scheduled for January, 2016.

Trustee Anaya also reported that he, Trustee Cordova and Manager Herrera attended the NRECA New Energy Landscape Director's Course.

FINANCE COMMITTEE REPORT

Manager Herrera reviewed the Minutes of the Finance Committee Meeting held on November 18, 2015.

After discussion, Manager Herrera recommended tabling action on the cable reel trailers until after the Executive Session.

President Dorough entertained a motion to postpone action on the bids received for the cable reel trailers until after the Executive Session.

A motion was then made by Trustee Wolberg and seconded by Trustee Wade to accept Manager Herrera's recommendation to postpone action on the cable reel trailers until after the Executive Session. Motion carried unanimously.

CAPITAL CREDIT ESTATE RETIREMENTS

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

Estate Retirements

| | |
|---------------|----------|
| Lucy C. Lopez | \$659.08 |
| Tom Dew | \$211.91 |
| Patsy Basham | \$882.25 |
| Aurora Garcia | \$237.26 |

Joint Retirements

| | |
|-------------------|----------|
| Karen E. Parks | \$ 32.21 |
| Ernest L. Slayton | \$365.29 |
| Nancy Pino | \$404.82 |
| John Teran | \$170.02 |

A motion was made by Trustee Cordova and seconded by Trustee Anaya to approve Attorney Wiggins recommendation to retire Patronage Capital to the above-mentioned Estates and Joint Accounts. Motion carried unanimously.

LINE EXTENSION CONTRACTS

There were no Line Extension Contracts open for discussion.

CONSIDERATION/APPROVAL OF TRUSTEE TRAVEL

There were no requests open for consideration for Trustee Travel.

CONSIDERATION/APPROVAL OF 2016 BUDGET

Manager Herrera reviewed the 2016 Budget with the Board.

Vice-President Wade reported that he met with Manager Herrera to review 2016 Trustee Travel and Expenses for budget purposes.

A thoughtful discussion ensued on employee wages and after careful consideration, a motion was made by Trustee Cordova and seconded by Trustee Wolberg to approve a 1.6% base increase with a 3% merit cap with the understanding that compensation will be re-evaluated after the Wage/Salary Review has been completed. Motion carried unanimously,

CONSIDERATION OF ATTORNEY ENGAGEMENT RENEWAL

President Dorrough informed the Board that Attorney Wiggins was planning on phasing himself out slowly but will continue to back up Ms. Wiggins who would be the point attorney for the SEC.

President Dorrough stated that the Board will attempt to have meetings without the attorney present but would be available by telephone, if needed.

After discussion, a motion was made by Trustee Cordova and seconded by Trustee Wolberg to approve the Attorney Engagement Renewal for 2016. Motion carried unanimously.

SELECTION OF VOTING DELEGATES TO 2016 NRECA ANNUAL MEETING

NRECA

Trustee Anaya nominated Trustee Wolberg as the NRECA Voting Delegate.

Trustee Wolberg nominated Trustee Anaya as the NRECA Voting Alternate.

There being no further nominations; Trustees Wolberg and Anaya were unanimously elected as Voting Delegate and Alternate to the 2016 NRECA Annual Meeting.

CFC

Trustee Cordova nominated Trustee Holcomb as the CFC Voting Delegate.

Trustee Wolberg nominated Trustee Anaya as the CFC Voting Alternate.

There being no further nominations; Trustees Holcomb and Anaya were unanimously elected as Voting Delegate and Alternate to the 2016 CFC Annual Meeting.

FEDERATED RURAL ELECTRIC

Trustee Cordova nominated Trustee Anaya as the Federated Voting Delegate.

Trustee Wolberg nominated Trustee Holcomb as the Federated Voting Alternate.

There being no further nominations; Trustee Anaya and Holcomb were unanimously elected as Voting Delegate and Alternate to the 2016 NRECA Federated Rural Electric Annual Meeting.

NRTC

Trustee Anaya nominated Trustee Wolberg as the NRTC Voting Delegate.

Trustee Cordova nominated Trustee Holcomb as the NRTC Voting Alternate.

There being no further nominations; Trustee Wolberg and Holcomb were unanimously elected as Voting Delegate and Alternate to the 2016 NRTC Annual Meeting.

EXECUTIVE SESSION

A motion was made by Trustee Cordova and seconded by Trustee Wolberg calling for an Executive Session. Motion carried unanimously.

President Dorrough called for an Executive Session.

The Board adjourned to Executive Session at 3:50 p.m.

REGULAR SESSION

The Board returned to Regular Session at 4:55 p.m.

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

President Dorough entertained a motion regarding Manager Herrera's compensation.

A motion was made by Trustee Cordova and seconded by Trustee Wolberg to increase Manager Herrera's overall compensation by 5%. Motion carried unanimously.

Manager Herrera recommended tabling action on awarding the bid for the Pole Trailer in order to obtain bids for a different quantity.


A motion was made by Trustee Wolberg and seconded by Trustee Anaya to postpone a decision on the bids for the Pole Trailer until the next meeting of the Board. Motion carried unanimously,

SET DATE/TIME OF NEXT REGULAR MEETING

After discussion, a motion was made by Trustee Anaya and seconded by Trustee Wolberg to set the date of Wednesday, January 27, 2016 at 2:00 p.m. for the next regular meeting. Motion carried unanimously.


ADJOURNMENT

There being no further items open for discussion, President Dorough adjourned the meeting At 4:58 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 December 16, 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