

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

July 24, 2019

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, July 24, 2019, at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

The meeting was called to order at 1:58 p.m. by Anne L Dorough, President.

ROLL CALL

Secretary Bustamante called the roll and reported those present and attending as follows:

TRUSTEES PRESENT: Anne L. Dorough, President
 Representative, District 5

 Luis Aguilar, Vice-President
 Representative, District 3

 Paul Bustamante, Secretary/Treasurer
 Representative, District 1

 James Nelson, Trustee
 Representative, District 2

 Leroy Anaya, Trustee
 Representative, District 3

 Donald Wolberg, Trustee
 Representative, District 3

 Michael Hawkes, Trustee
 Representative, District 4

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
 Donna Wilkins, Administrative Assistant
 Ronnita Montoya, Accounting Supervisor
 David Montoya, Safety Compliance Officer
 Ricky Williams, Line Superintendent
 Marilyn Madrid, Member Services Supervisor
 Jimmy Capps, Director of Communications and Public Affairs

SEC MEMBERS PRESENT: Jimmy Dorough, Amanda Vega, Brandy Vega, Prescilla Mauldin,
 Charles Zimmerly, Ward McCartney, Donald Monette, John
 Larson

QUORUM

Secretary Bustamante declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

Brandy Vega, 2019 Youth Tour Recipient, led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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Trustee Anaya made a motion to approve the Agenda as distributed; motion seconded by Trustee Wolberg. Motion carried unanimously.

President Dorough approved the Agenda as distributed.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Aguilar made a motion to approve the minutes from the May 22, 2019 meeting as presented; motion seconded by Trustee Hawkes. Motion carried unanimously.

President Dorough approved the May 22, 2019 minutes as presented.

Trustee Bustamante made a motion to approve the minutes from the June 20, 2019 meeting as presented; motion seconded by Trustee Wolberg. Motion carried unanimously.

President Dorough approved the June 20, 2019 minutes as presented.

PUBLIC COMMENTS

Ward McCartney, District 1 member, provided the Trustees with information on Tri-State.

Donald Monette, District 3 member, stated that he was directed by the joint SEC/City of Socorro Committees to request that a meeting with himself, SEC Manager Herrera and Tri-State G&T be convened to discuss the possibilities of working on economic rates with Tri-State G&T.

2019 YOUTH TOUR RECIPIENT PRESENTATION

President Dorough introduced Brandy Vega, one of the five 2019 Youth Tour Recipients, who would be making a presentation to the Board of Trustees.

Ms. Vega thanked the Board of Trustees for the opportunity of being selected and allowed to go to Washington, D.C. with the New Mexico Rural Electric Cooperative Association in June 2019. Ms. Vega provided the Trustees with information about her tour as well as the experience of being selected to participate in the laying of the wreath at the Tomb of the Unknown Soldier.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$834,688.25 for June 2019 and proceeded to answer questions posed by the Trustees.

President Dorough thanked Manager Herrera for the Expenditure Report for June 2019.

Manager Herrera reported on the American Express and MasterCard credit card expenditures, with supporting receipts, as made available to the Board of Trustees for June 2019.

President Dorough thanked Manager Herrera for the credit card report for June 2019.

Manager Herrera reported for the Engineering Report for June by providing the Board of Trustees with an update on the re-routed Magdalena 69kV Transmission Line. Manager Herrera also stated that White Sands Missile Range was looking at adding a 2.5 MW load for 27 months and that SEC has T&D Services looking at the requirements for this project. Manager Herrera stated that SEC also received two solar applications from Socorro Consolidated Schools.

President Dorough thanked Manager Herrera for the Engineering Report for June 2019.

Manager Herrera concluded by reporting that SEC had received two thank you notes.

President Dorough thanked Manager Herrera for the Managers Report for June 2019.

FINANCIAL REPORT

Ms. Montoya carefully reviewed in detail the RUS Form 7 Report for June 2019 and proceeded to answer questions posed by the Trustees.

President Dorough thanked Ms. Montoya for the RUS Form 7 Report for June 2019.

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SAFETY COMPLIANCE REPORT

SAFETY REPORT

Mr. Montoya reviewed the June Safety Report and proceeded to answer questions posed by the trustees.

JOB BRIEFING

Mr. Montoya reviewed the June Job Briefing Reports and proceeded to answer questions posed by the Trustees.

President Dorough thanked Mr. Montoya for the Safety Compliance Report for June 2019.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Williams reported on June activities as crews completed 40 work orders and closed 31 work orders. Mr. Williams stated that 62 service orders were completed with 20 of them being for area light issues. Mr. Williams proceeded to answer questions posed by the Trustees.

OUTAGE REPORTS

Mr. Williams gave a review of the Cooperative Response Center (CRC) Outage Report for June 2019, stating 39 outage reports had been turned in by SEC crews. Mr. Williams answered questions posed by the Trustees.

President Dorough thanked Mr. Williams for the Operations and Maintenance Report for June 2019.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for June 2019 and proceeded to answer questions posed by the Trustees.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had no member complaints filed with the NM PRC in June 2019.

President Dorough thanked Ms. Madrid for the Member Services Report for June 2019.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

Mr. Capps reviewed the June Communications and Public Affairs Report and proceeded to answer questions posed by the Trustees.

President Dorough thanked Mr. Capps for the Communications and Public Affairs Report for June 2019.

TRI-STATE REPORT

Trustee Anaya stated that he had received a donation from Tri-State which was awarded to the Socorro County Historical Society on behalf of Socorro Electric.

Mr. Zimmerly, President for the Socorro County Historical Society, thanked the Board and Tri-State for this award and stated it would be utilized at the Hammel Museum.

Trustee Anaya gave the Tri-State Board of Director's activities report for June 2019.

President Dorough thanked Trustee Anaya for the Tri-State Report.

NMRECA REPORT

Manager Herrera reported on the NMRECA activities report for June 2019 and proceeded to answer questions posed by the Trustees.

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President Dorough thanked Manager Herrera for the NMRECA Report.

MRGEDA REPORT

Trustee Wolberg reported on the MRGEDA activities for June 2019 and proceeded to answer questions posed by the Trustees.

President Dorough thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

President Dorough provided the Trustee updated information on the NM PRC Hearing regarding SEC's rate case, which was held June 24-26, 2019, in Santa Fe, New Mexico.

President Dorough also reported that the 2019 Trustee Expense reports for the second quarter had been provided for all Trustees to review and reminded Trustees about their expense limits.

FINANCE COMMITTEE REPORT

Trustee Aguilar reported on the Finance Committee Meetings held on June 20, 2019, and July 17, 2019.

President Dorough thanked Trustee Aguilar for the Finance Committee Report.

STANDING COMMITTEE REPORT

Trustee Anaya reported on the Standing Committee Meeting held on July 17, 2019, with recommendations to the full Board of Trustees.

President Dorough thanked Trustee Anaya for the Standing Committee Report.

CITY OF SOCORRO COMMITTEE REPORT

Trustee Wolberg reported on the City of Socorro Committee Meeting held on July 24, 2019.

President Dorough thanked Trustee Wolberg for the City of Socorro Committee Report.

NEW BUSINESS

Board Policy 112 – Trustee Authority

Manager Herrera reported that Policy 112 – Trustee Authority had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 112 – Trustee Authority with no recommended changes.

After discussion, Trustee Wolberg made a motion to accept the Standing Committee's proposed changes of Policy 112 – Trustee Authority with revised corrections; motion seconded by Trustee Hawkes. Motion carried unanimously.

Board Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records

Manager Herrera reported that Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records with no recommended changes.

Trustee Anaya made a motion to accept the Standing Committee's recommendation of retaining Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records as presented; motion seconded by Trustee Bustamante. Motion carried unanimously.

Board Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy

Manager Herrera reported that Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 125 –

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Red Flag Program for Identity Theft and Credit Reporting Accuracy with recommended changes.

After discussion, Trustee Aguilar made a motion to accept the Standing Committee's proposed changes of Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy with revised corrections; motion seconded by Trustee Wolberg. Motion carried unanimously.

Board Policy 129 – Appointment to Board of Trustees of Tri-State Generation and Transmission Association, Inc.

Manager Herrera reported that Policy 129 – Appointment to Board of Trustees of Tri-State Generation and Transmission Association, Inc. had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 129 – Appointment to Board of Trustees of Tri-State Generation and Transmission Association, Inc. with recommended changes.

After discussion, Trustee Wolberg made a motion to accept the Standing Committee's proposed changes of Policy 129 – Appointment to Board of Trustees of Tri-State Generation and Transmission Association, Inc. with revised corrections; motion seconded by Trustee Aguilar. Motion carried with one dissenting vote.

Board Policy 130 – Appointment to Board of Trustees of New Mexico Rural Electric Cooperative Association

Manager Herrera reported that Policy 130 – Appointment to Board of Trustees of New Mexico Rural Electric Cooperative Association had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 130 – Appointment to Board of Trustees of New Mexico Rural Electric Cooperative Association with recommended changes.

After discussion, Trustee Bustamante made a motion to accept the Standing Committee's proposed changes of Policy 130 – Appointment to Board of Trustees of New Mexico Rural Electric Cooperative Association with revised corrections; motion seconded by Trustee Anaya. Motion carried with one dissenting vote.

Board Policy 514 – Reward for Information Leading to Arrest and Conviction of Persons Who Intentionally Damage Cooperative Property

Manager Herrera reported that Policy 514 – Reward for Information Leading to Arrest and Conviction of Persons Who Intentionally Damage Cooperative Property had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 514 – Reward for Information Leading to Arrest and Conviction of Persons Who Intentionally Damage Cooperative Property with no recommended changes.

Trustee Aguilar made a motion to accept the Standing Committee's recommendation to retain Policy 514 – Reward for Information Leading to Arrest and Conviction of Persons Who Intentionally Damage Cooperative Property as presented; motion seconded by Trustee Wolberg. Motion carried unanimously.

Board Policy 516 – Environmental Considerations

Manager Herrera reported that Policy 516 – Environmental Considerations had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 516 – Environmental Considerations with recommended changes.

After much discussion, Trustee Wolberg made a motion to accept the Standing Committee's proposed changes of Policy 516 – Environmental Considerations with revised corrections; motion seconded by Trustee Aguilar. Motion carried with one dissenting vote.

Board Policy 520 – Removal of Meters from Burning Buildings

Manager Herrera reported that Policy 520 – Removal of Meters from Burning Buildings had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 520 – Removal of Meters from Burning Buildings with recommended changes.

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After discussion, Trustee Hawkes made a motion to accept the Standing Committee’s proposed changes of Policy 520 – Removal of Meters from Burning Buildings with revised corrections; motion seconded by Trustee Bustamante. Motion carried unanimously.

Board Policy 521 – Consumer Complaints

Manager Herrera reported that Policy 521 – Consumer Complaints had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to have himself provide proposed changes to Policy 521 – Consumer Complaints.

After discussion, Trustee Wolberg made a motion to accept the proposed changes of Policy 521 – Consumer Complaints with revised corrections; motion seconded by Trustee Aguilar. Motion carried unanimously.

NRECA Region 10 Voting and Alternate Delegate

Trustee Bustamante made a motion to nominate Trustee Anaya as NRECA Region 10 Voting Alternate; motion seconded by Trustee Wolberg. Motion carried unanimously.

Trustee Anaya made a motion to nominate Trustee Bustamante as NRECA Region 10 Alternate Voting Delegate; motion seconded by Trustee Wolberg. Motion carried unanimously.

Consideration of Capital Credit Estate Retirements

Manager Herrera reported that SEC General Counsel Lorna Wiggins Esq. had previously reviewed the Patronage Estate Capital Retirement as provided in the Trustee’s BoardPaq. Ms. Wiggins reviewed the retirement documents and stated that they appeared to be in order and were ready for the Board’s consideration:

ESTATE RETIREMENTS:

	Operating Margins	Plains G&T	Investment in Associated Organizations	Cushion of Credit & Other Non-Ops	Tri-State	Gains	Unpaid Balance	Total	Total without Tri-State
Carlota Henderson	\$371.81	\$12.17	\$19.65	\$7.88	\$99.78	\$0.00	\$0.00	\$511.29	\$411.51
Ida M Baca	\$522.36	\$10.55	\$43.80	\$24.17	\$233.55	\$0.00	\$0.00	\$834.43	\$600.88
Bartolo O Murillo	\$10.42	\$0.00	\$4.16	\$2.35	\$10.25	\$0.00	\$0.00	\$27.18	\$16.93
Michael J Jelaco	\$29.53	\$0.00	\$7.38	\$5.44	\$30.61	\$0.00	\$0.00	\$72.96	\$42.35

JOINT ACCOUNT ESTATE RETIREMENTS:

	Operating Margins	Plains G&T	Investment in Associated Organizations	Cushion of Credit & Other Non-Ops	Tri-State	Gains	Unpaid Balance	Total	Total without Tri-State
Arthur E Bukowski	\$193.12	\$1.26	\$15.31	\$7.26	\$101.81	\$0.00	\$0.00	\$318.76	\$216.95
Paul P Farone	\$263.76	\$8.76	\$14.25	\$5.39	\$74.12	\$26.21	\$0.00	\$392.49	\$318.37
Roy S Smith	\$150.18	\$8.64	\$4.97	\$2.27	\$0.00	\$13.64	\$0.00	\$179.70	\$179.70
Dalton L Crawford	\$584.68	\$14.25	\$35.95	\$15.88	\$191.66	\$0.00	\$0.00	\$842.42	\$650.76
Floyd A Clark	\$70.55	\$0.00	\$6.39	\$2.95	\$49.44	\$0.00	\$0.00	\$129.33	\$79.89
Leslie D Schmidt	\$524.07	\$8.21	\$31.24	\$14.36	\$592.61	\$0.00	\$0.00	\$1,170.49	\$577.88
Clayton A Jaramillo	\$776.65	\$15.21	\$27.25	\$10.59	\$180.01	\$16.91	\$0.00	\$1,026.62	\$846.61

After discussion, Trustee Aguilar made a motion to approve the Retirement of Patronage Capital as presented, absent any Tri-State allocations, to the accounts mentioned above; motion seconded by Trustee Anaya. Motion carried unanimously.

Consideration of Line Extension Contracts

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There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

There were no Trustee Travel requests brought forth for approval.

EXECUTIVE SESSION

Trustee Aguilar made a motion to go into Executive Session to discuss potential litigation matters; motion seconded by Trustee Wolberg. Motion carried unanimously.

President Dorough called for an Executive Session.

The Board adjourned to Executive Session at 4:09 p.m.

REGULAR SESSION

Trustee Bustamante made a motion and seconded by Trustee Aguilar to return to Regular Session at 4:24 p.m.

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

SET DATE/TIME FOR REGULAR MEETING

After discussion, Trustee Wolberg made a motion to set the date and time of Committee meetings for August 21, 2019, with the next regularly scheduled Board Meeting for August 28, 2019, at 2:00 p.m.; motion seconded by Trustee Aguilar. Motion carried unanimously.

ADJOURNMENT

There being no further items open for discussion, Trustee Anaya moved to adjourn; motion seconded by Trustee Hawkes. Motion carried unanimously.

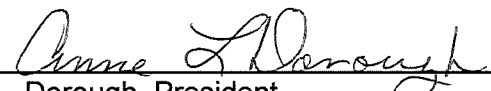
President Dorough adjourned the meeting at 4:25 p.m.

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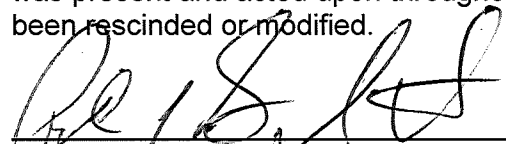
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Paul Bustamante, Secretary/Treasurer

APPROVED:


Anne L. Dorough, President

I, Paul Bustamante, 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 July 24, 2019. 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.


Paul Bustamante, Secretary/Treasurer