

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

September 25, 2019

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, September 25, 2019, at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

The meeting was called to order at 1:54 p.m. by Anne L Dorough, President.

ROLL CALL

Manager Herrera 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

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: Paul Bustamante, Secretary/Treasurer
Representative, District 1

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

SEC MEMBERS PRESENT: Jimmy Dorough, Ward McCartney, Dave Wade

QUORUM

Manager Herrera declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

President Dorough led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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.

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CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Aguilar made a motion to approve the minutes from the August 28, 2019 meeting as presented; motion seconded by Trustee Anaya. Motion carried unanimously.

President Dorough approved the August 28, 2019 minutes as presented.

PUBLIC COMMENTS

Ward McCartney, District 1 member, provided the Trustees with information on a recent conference that occurred and how he feels SEC needs to look at other options in getting its power.

EXECUTIVE SESSION

Trustee Nelson made a motion to suspend the order of the day to go into Executive Session for purposes of conferring with legal counsel; motion seconded by Trustee Anaya. Motion approved unanimously.

Trustee Anaya 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 1:59 p.m.

REGULAR SESSION

Trustee Wolberg made a motion and seconded by Trustee Aguilar to return to Regular Session at 2:29 p.m.

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

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$800,549.82 for August 2019 and proceeded to answer questions posed by the Trustees.

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

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

Manager Herrera reported in the Engineering Report for August that Tierra ROW has finalized the Environmental Assessment (EA) report and is recommending to the Bureau of Land Management (BLM) for a Finding of No Significant Impact assessment (FONSI). Manager Herrera stated the BLM would have 30-days before it is published in the Public Register. Manager Herrera also reported that SEC had conducted 53 site visits for the month, with most of them being here in the Socorro area.

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

Manager Herrera concluded by reporting that SEC had received patronage from the Cooperative Response Center (CRC) for 2018 and allocation for 2019 and retirement from the National Rural Utilities Cooperative Finance Corporation (CFC) for 50% of the 2019 allocation and the remaining balance of the 1994 allocation.

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

FINANCIAL REPORT

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

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

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SAFETY COMPLIANCE REPORT

SAFETY REPORT

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

JOB BRIEFING

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

President Dorrough thanked Mr. Montoya for the Safety Compliance Report for August 2019.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Manager Herrera stated that Ricky Williams was out due to being under the weather; he would be providing the Construction/Maintenance and Outage Reports. Manager Herrera reported for August that crews completed 39 work orders and closed 44 work orders. Manager Herrera stated that 38 service orders were completed, with 17 of them being for area light issues. Manager Herrera stated that crews had documented that 37 trees had been trimmed and proceeded to answer questions posed by the Trustees.

OUTAGE REPORTS

Manager Herrera gave a review of the Cooperative Response Center (CRC) Outage Report for August 2019, stating 59 outage reports had been turned in by SEC crews. Manager Herrera answered questions posed by the Trustees.

President Dorrough thanked Manager Herrera for the Operations and Maintenance Report for August 2019.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for August 2019.

NM PRC MEMBER CONCERNS

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

President Dorrough thanked Ms. Madrid for the Member Services Report for August 2019.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

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

President Dorrough thanked Mr. Capps for the Communications and Public Affairs Report for August 2019.

TRI-STATE REPORT

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

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

NMRECA REPORT

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

President Dorrough thanked Manager Herrera for the NMRECA Report.

MRGEDA REPORT

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

President Dorough thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

President Dorough stated that she recently read in the NRECA Rural Electric magazine that there are 17 NRECA "Director Gold Program" Board Leadership Certificates in the state of New Mexico with five (5) of them being from Socorro Electric Cooperative.

FINANCE COMMITTEE REPORT

Trustee Aguilar reported on the Finance Committee Meetings held on August 28, 2019.

President Dorough thanked Trustee Aguilar for the Finance Committee Report.

STANDING COMMITTEE REPORT

Trustee Anaya reported on the Standing Committee Meeting held on September 18, 2019, with recommendations to the full Board of Trustees.

President Dorough thanked Trustee Anaya for the Standing Committee Report.

NEW BUSINESS

First State Bank Resolutions

Manager Herrera reported that the accounts with First State Bank needed updated resolutions and signature cards to reflect the current SEC Board of Trustee Officers as well as the addition of another signator for the General Fund account.

After discussion, Trustee Wolberg made a motion to approve the First State Bank Resolutions for the accounts to update the signature cards to reflect the current Board officers and to add another signatory to the General Fund account; motion seconded by Trustee Anaya. Motion carried unanimously.

2019 Audit Agreement

Manager Herrera reported that SEC had received the 2019 Audit Agreement from Bolinger, Segars, Gilbert, and Moss (BSGM). Manager Herrera stated that it is the recommendation of the Finance Committee to approve the 2019 Audit Agreement with BSGM.

After discussion, Trustee Aguilar made a motion to accept the Finance Committee's recommendation to approve the 2019 Audit Agreement with BSGM; motion seconded by Trustee Wolberg. Motion carried unanimously.

Board Policy 101 – Functions of the Board of Trustees

Manager Herrera reported that Policy 101 – Functions of the Board of Trustees had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 101 – Functions of the Board of Trustees with recommended changes.

After discussion, Trustee Nelson made a motion to accept the Standing Committee's proposed changes of Policy 101 – Functions of the Board of Trustees with recommended corrections; motion seconded by Trustee Wolberg. Motion carried unanimously.

Board Policy 115 – Attendance at Regional, National and Statewide Meetings

Manager Herrera reported that Policy 115 – Attendance at Regional, National and Statewide Meetings had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 115 – Attendance at Regional, National and Statewide Meetings with recommended changes.

After discussion, Trustee Nelson made a motion to accept the Standing Committee's proposed changes of Policy 115 – Attendance at Regional, National and Statewide Meetings with recommended corrections; motion seconded by Trustee Wolberg. Motion carried unanimously.

Board Policy 124 – Document Hold Notices and Electronic Discovery

Manager Herrera reported that Policy 124 – Document Hold Notices and Electronic Discovery had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 124 – Document Hold Notices and Electronic Discovery with recommended changes.

After discussion, Trustee Anaya made a motion to accept the Standing Committee's proposed changes of Policy 124 – Document Hold Notices and Electronic Discovery; motion seconded by Trustee Nelson. Motion carried unanimously.

Board Policy 127 – Transparency in Procurement of Goods and Services

Manager Herrera reported that Policy 127 – Transparency in Procurement of Goods and Services had been reviewed by the general counsel and the Standing Committee. Manager Herrera stated it was the recommendation of the Committee to approve Policy 127 – Transparency in Procurement of Goods and Services with recommended changes.

After much discussion, Trustee Nelson made a motion to accept the Standing Committee's proposed changes of Policy 127 – Transparency in Procurement of Goods and Services with recommended corrections; motion seconded by Trustee Anaya. Motion carried unanimously.

Basin Electric Power Cooperative Voting and Alternate Delegate

After discussion, Trustee Aguilar made a motion to postpone the Basin Electric Power Cooperative Voting and Alternate Delegate until after Consideration of Trustee Travel; 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 requests 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
Charlotte Monette Mercedes	\$160.47	\$8.55	\$41.27	\$36.80	\$101.85	\$0.00	(\$33.97)	\$314.97	\$213.12
Cowles	\$216.64	\$6.70	\$13.53	\$8.38	\$58.92	\$26.54	\$0.00	\$330.71	\$271.79
Carl Olsen	\$408.30	\$4.58	\$21.98	\$13.14	\$207.88	\$0.00	\$0.00	\$655.88	\$448.00
Josephine Lopez	\$412.98	\$7.30	\$31.85	\$18.66	\$213.11	\$0.00	\$0.00	\$683.90	\$470.79

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
James Malone	\$67.95	\$0.00	\$5.00	\$4.05	\$28.68	\$0.00	\$0.00	\$105.68	\$77.00
Harry Kroyer	\$191.82	\$2.96	\$8.08	\$5.06	\$53.67	\$0.00	\$0.00	\$261.59	\$207.92

Manager Herrera provided information on the Joint Account Estate Retirement for V D Trujillo, which had also been reviewed by Ms. Wiggins.

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	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
Approved at Board Meeting July 2016	\$479.41	\$190.20	\$27.74	\$10.68	\$0.00	\$0.00	\$0.00	\$708.03	\$708.03
Less General Retirement Issued 2016- 2018	(\$30.24)	(\$5.81)	(\$2.90)	\$0.00	\$0.00	\$0.00	\$0.00	(\$38.95)	(\$38.95)
Total of Adjusted 2016 Approved Amount 2019	\$449.17	\$184.39	\$24.84	\$10.68	\$0.00	\$0.00	\$0.00	\$669.08	\$669.08
Discounted Amount Difference	\$388.52 (\$60.65)	\$10.20 (\$174.19)	\$22.17 (\$2.67)	\$8.46 (\$2.22)	\$131.92	\$0.00	\$0.00	\$561.27 (\$107.81)	\$429.35 (\$239.73)

After discussion, Trustee Wolberg 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 Hawkes. Motion carried unanimously.

Consideration of Line Extension Contracts

Manager Herrera reported that a contract for Sandra Satterlee, for \$6,367.12, was being presented to the Board for approval. Manager Herrera recommended that the Board approve Ms. Satterlee’s contract.

Trustee Anaya made a motion to approve the contract for Sandra Satterlee for \$6,367.12; seconded by Trustee Nelson. Motion carried unanimously.

Consideration of Trustee Travel

Trustee Wolberg requested Board approval to attend the Basin Electric Power Cooperative Annual Meeting in Bismarck, North Dakota, on November 5-6, 2019.

Trustee Aguilar made a motion to approve travel for Trustee Wolberg to attend the Basin Electric Power Cooperative Annual Meeting; motion seconded by Trustee Anaya. Motion carried unanimously.

Basin Electric Power Cooperative Voting and Alternate Delegate

Trustee Anaya nominated Trustee Wolberg as the Basin Electric Power Cooperative Voting Delegate.

President Dorough, hearing no other nominations, declared Trustee Wolberg as the Basin Electric Power Cooperative Voting Delegate.

EXECUTIVE SESSION

Trustee Anaya 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 3:51 p.m.

REGULAR SESSION

Trustee Wolberg made a motion and seconded by Trustee Hawkes to return to Regular Session at 4:36 p.m.

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

Trustee Wolberg made a motion to postpone action regarding the NM PRC Ruling on SEC's Advice Notice No. 69 filing, which will be discussed at a Special Board Meeting; motion seconded by Trustee Hawkes. Motion carried unanimously.

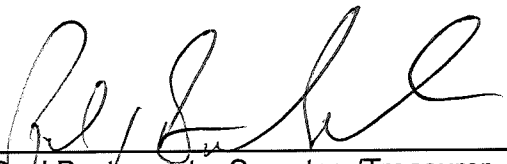
SET DATE/TIME FOR REGULAR MEETING

After discussion, Trustee Anaya made a motion to set the date and time of Committee meetings for October 16, 2019, at 2:00 p.m. and the next regularly scheduled Board Meeting for October 30, 2019, at 2:00 p.m.; motion seconded by Trustee Hawkes. Motion carried unanimously.

ADJOURNMENT

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


President Dorough adjourned the meeting at 4:38 p.m.


Paul Bustamante, Secretary/Treasurer

APPROVED:


Anne L. Dorrough, 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 September 25, 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