

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

November 22, 2019

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Friday, November 22, 2019, at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

The meeting was called to order at 1:59 p.m. by Luis Aguilar, Vice-President.

ROLL CALL

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

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

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: Ward McCartney, John Larson, Jan Gribble

QUORUM

Secretary Bustamante declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

Vice-President Aguilar 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.

Vice-President Aguilar approved the Agenda as distributed.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Wolberg had corrections to the minutes from October 30, 2019.

Trustee Bustamante made a motion to approve the minutes from the October 30, 2019 meeting with corrections; motion seconded by Trustee Anaya. Motion carried unanimously.

Vice-President Aguilar approved the October 30, 2019 minutes as corrected.

PUBLIC COMMENTS

Ward McCartney, District 1 Member, discussed how high the level of carbon dioxide is now compared to historical levels. Mr. McCartney reviewed some information about recent actions taken by the City of Socorro in approving Guzman Electric to provide the City wholesale power.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$705,994.41 for October 2019 and proceeded to answer questions posed by the Trustees.

Vice-President Aguilar thanked Manager Herrera for the Expenditure Report for October 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 October 2019.

Vice-President Aguilar thanked Manager Herrera for the credit card report for October 2019.

Manager Herrera reported for the Engineering Report, White Sands Missile Range (WSMR) will be installing a 3-year project with their contractors building the line extension while SEC is upgrading the SEC equipment. Manager Herrera stated this would improve WSMR voltage power quality. Manager Herrera said SEC had conducted 38 site visits for October.

Vice-President Aguilar thanked Manager Herrera for the Engineering Report for October 2019.

Manager Herrera concluded by reporting a group called Common Sense conducted a report comparing how Kit Carson Electric Cooperative could have saved had they stayed with Tri-State G&T. Manager Herrera stated that the group also determined that the number of renewable resources that Guzman Electric claims is not as high as reported. Manager Herrera also stated SEC had received a 4-H thank you card.

Vice-President Aguilar thanked Manager Herrera for the Managers Report for October 2019.

FINANCIAL REPORT

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

Vice-President Aguilar thanked Ms. Montoya for the RUS Form 7 Report for October 2019.

SAFETY COMPLIANCE REPORT

SAFETY REPORT

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

JOB BRIEFING

Mr. Montoya reviewed the October Job Briefing Reports.

Vice-President Aguilar thanked Mr. Montoya for the Safety Compliance Report for October 2019.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

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Mr. Williams reported on October activities as crews completed 23 work orders and closed one (1) work order. Mr. Williams stated that 57 service orders were completed, with 29 of them being for area light issues and seven (7) tree trimmings. Mr. Williams stated that Tri-State and SEC crews completed the maintenance at the Socorro Local Substation and proceeded to answer questions posed by the Trustees.

OUTAGE REPORTS

Mr. Williams gave a review of the Cooperative Response Center (CRC) Outage Report for October 2019, stating 23 outage reports had been turned in by SEC crews.

Vice-President Aguilar thanked Mr. Williams for the Operations and Maintenance Report for October 2019.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for October 2019 as well as reviewing the collection account detail, stating that a majority of delinquencies are from medical certificates totaling \$131,756.80. Ms. Madrid explained how LIHEAP's fiscal year begins October 1st of each year, and since this time, SEC has received \$65,920.00 in assistance. Ms. Madrid stated these funds have gone to help pay member's bills. Ms. Madrid stated SEC currently has 210 members that are protected by the winter moratorium. Ms. Madrid 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 October 2019.

Vice-President Aguilar thanked Ms. Madrid for the Member Services Report for October 2019.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

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

Vice-President Aguilar thanked Mr. Capps for the Communications and Public Affairs Report for October 2019.

TRI-STATE REPORT

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

Vice-President Aguilar thanked Trustee Anaya for the Tri-State Report.

NMRECA REPORT

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

Vice-President Aguilar thanked Manager Herrera for the NMRECA Report.

MRGEDA REPORT

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

Vice-President Aguilar thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

Vice-President Aguilar congratulated Trustee Nelson as he presented him with his NRECA "Credentialed Cooperative Director" Certificate.

FINANCE COMMITTEE REPORT

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Vice-President Aguilar reported on the Finance Committee Meeting held on October 30, 2019, with recommendations to the full Board of Trustees.

STANDING COMMITTEE REPORT

Trustee Anaya reported on the Standing Committee Meeting held on November 22, 2019, with recommendations to the full Board of Trustees.

Vice-President Aguilar thanked Trustee Anaya for the Standing Committee Report.

NEW BUSINESS

Cooperative Response Center Candidacy

Trustee Wolberg requested the Board of Trustees' approval for him to submit his candidacy information to be considered for the open Cooperative Response Center Candidacy seat. Trustee Wolberg stated the position would be to finish filling out the remaining term of one year.

After discussion, Trustee Hawkes made a motion to nominate Trustee Wolberg for the Cooperative Response Center Candidacy; motion seconded by Trustee Anaya. Motion carried unanimously.

Solar RFP Response

Manager Herrera reported the Finance Committee initially looked at submittals to the Solar Request for Proposals (RFP) for a three-megawatt system. Manager Herrera stated that if SEC were to construct or buy power from a three-megawatt solar system and were to lose the load proposed to be acquired by the City of Socorro, then SEC would be in violation of Tri-State Policy 115 – Member System Distributed Resource and SEC would be penalized for exceeding the allotted amount. Manager Herrera stated the Finance Committee requested that SEC reach out to the five companies who submitted proposals to this RFP and ask for submittal for a one-megawatt system. Manager Herrera stated it was the recommendation of the Finance Committee not to approve any of the revised responses to the Solar RFP based on the economics involved.

After much discussion, Trustee Wolberg made a motion to accept the Finance Committee's recommendation not to approve the Solar RFP responses; motion seconded by Trustee Bustamante. Motion carried unanimously.

Power Transformer Removal

Manager Herrera reported that SEC has an old de-energized power transformer in the Socorro Local substation that contains oil with high levels of polychlorinated biphenyls (PCB) in it. Manager Herrera stated SEC received three quotations to remove and dispose of the PCB transformer properly. Manager Herrera stated it was the recommendation of the Finance Committee to accept the Solomon Corporation quote.

After discussion, Trustee Hawkes made a motion to accept the Finance Committee's recommendation to accept the Solomon Corporation quote for the Power Transformer Removal; motion seconded by Trustee Bustamante. Motion carried unanimously.

Consideration of December 24th Office Closing

Manager Herrera reported the SEC offices would be closed on Wednesday, December 25th for the Christmas holiday. Manager Herrera stated he would like to reward the staff for a great year and asked the Board of Trustees to consider also closing the office on Tuesday, December 24th.

Trustee Anaya made a motion to accept Manager Herrera's recommendation to reward the SEC staff by also closing the office on December 24th; 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:

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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
Stephen Heckman	\$374.18	\$10.91	\$23.56	\$12.97	\$119.91	\$0.00	\$0.00	\$541.53	\$421.62

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
Robert Merkel	\$71.42	\$0.00	\$5.92	\$4.25	\$38.70	\$0.00	\$0.00	\$120.29	\$81.59
Steve Rico, Jr.	\$140.53	\$1.95	\$10.27	\$6.86	\$59.13	\$0.00	\$0.00	\$218.74	\$159.61

After discussion, Trustee Anaya 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

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

Vice-President Aguilar called for an Executive Session.

The Board adjourned to Executive Session at 3:45 p.m.

REGULAR SESSION

Trustee Bustamante made a motion and seconded by Trustee Anaya to return to Regular Session at 4:10 p.m.

Vice-President Aguilar stated that there was no action taken during Executive Session.

SET DATE/TIME FOR REGULAR MEETING

Trustee Bustamante made a motion to set the date and time of the next regularly scheduled Board Meeting for December 19, 2019, at 2:00 p.m.; motion seconded by Trustee Wolberg. Motion carried unanimously.

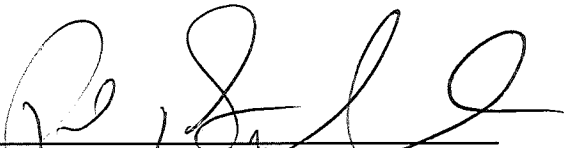
ADJOURNMENT

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

Vice-President Aguilar adjourned the meeting at 4:13 p.m.

REGULAR BOARD MEETING

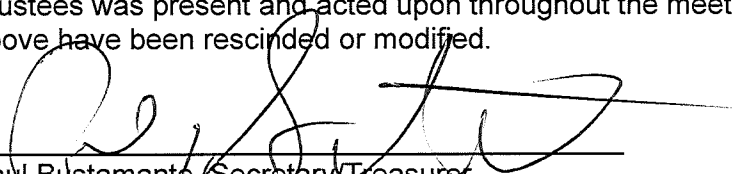
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Paul Bustamante, Secretary/Treasurer

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 November 22, 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