

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

September 28, 2016

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., held on Wednesday, September 28, 2016 at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

The meeting was called to order at 1:57 p.m. by Anne L. Dorough, President.

ROLL CALL

Vice-President Wade 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

 Mary Lucy Baca, Trustee
 Representative, District I

 Judith Holcomb, Trustee
 District II

 Leroy Anaya, Trustee
 Representative, District III

 Donald Wolberg, Trustee
 Representative, District III

TRUSTEES ABSENT: Prescilla Mauldin, Secretary/Treasurer
 Representative, District III

ALSO PRESENT: Joseph Herrera, General Manager
 Donna Wilkins, Administrative Assistant
 David Montoya, Safety Compliance Officer
 Tony Lopez, Line Foreman
 Marilyn Madrid, Member Services Supervisor
 Lorna Wiggins, Wiggins, Williams and Wiggins

SEC MEMBERS PRESENT: Jimmy Dorough, John Larson, Paul Bustamante

QUORUM

Vice-President Wade 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 approve the Agenda as distributed.

APPROVAL OF PREVIOUS MINUTES

There being no corrections to the Draft Minutes for the Regular Meeting held on August 24, 2016, President Dorough accepted as distributed.

PUBLIC COMMENTS

REGULAR BOARD MEETING

September 28, 2016

Paul Bustamante, District No. 1 member, commented that he had been approached by members questioning the connect procedure that SEC has in place. Mr. Bustamante stated that he had heard from employees and former employees about some safety concerns.

MANAGERS REPORT

Manager Herrera reported on the expenditures check register for the month of August, 2016 and, proceeded to answer questions posed by the trustees concerning the Expenditure Report.

President Dorough accepted the Expenditure Report for August, 2016 as presented.

Manager Herrera reported that all credit card statements with supporting receipts were made available to the Board of Trustee. There being no questions on the Credit Card Report, President Dorough accepted the Credit Card Report for August, 2016 as presented.

Manager Herrera carefully reviewed, at length, the RUS Form 7 Report for August, 2016, and proceeded to answer questions posed by the Trustees.

President Dorough accepted the RUS Form 7 Report for August, 2016 as presented.

Manager Herrera concluded his report that Glenn Duggins, District 1 member, had called and asked that if the crew that was in Lemitar could hang some signs up for him which they did and only took about 15 minutes. Manager Herrera updated the Board of Trustees' that there would be training next week on the new Meter Pilot Project. Manager Herrera also reported that there would need to be an outage at the Magdalena substation. Manager Herrera stated that the outages would start October 20th at 11:00 p.m. and would last about 5-6 hours. Manager Herrera reported that it was being done at night to help not to inconvenient the members. Manager Herrera reported that the 2017 budget was being worked on with the hope to have it to the Finance Committee in October. Manager Herrera reported that we were working again with Poms and Associates on the wage and salary study. Manager Herrera reported that SEC was working on a coordination study of distribution system for the protection of the blinks and flickers to see how we can improve our system. Manager Herrera reported that we had received patronage distribution from Western United, CoBank and CFC.

COMPLIANCE AND ENGINEERING REPORT

SAFETY REPORT

Mr. Montoya reported that there were no Loss-Time Accidents for the month of August, 2016, on the completion of the 2016 Worker Compensation Safety Audit report, and on the update of the Emergency Homeland Security Restoration report which is in progress. Mr. Montoya concluded his report by detailing the curriculum at the 2016 Safety Coordinators class he attended.

After Board discussion, President Dorough accepted the Safety Report for August, 2016 as presented.

ENGINEERING REPORT

Mr. Montoya reported that the number of site visits is going down due to the weather getting cold.

President Dorough accepted the Engineering Report for August, 2016 as presented.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Lopez reported that construction had slowed down. Mr. Lopez reported that the car wash project as well as taking down the security lights at the rodeo arena were completed.

OUTAGE REPORTS

Mr. Lopez reported that weather had a lot to do with the lengthy outages for the month.

President Dorough accepted the Operations and Maintenance Report for August, 2016 as presented.

MEMBER SERVICES REPORTS

September 28, 2016

ENERGY DELINQUENT REPORT

Ms. Madrid reviewed the Energy Delinquent Report for August, 2016.

SECTION V & XII DELINQUENT REPORT

Ms. Madrid also reviewed the Section V & XII Delinquent Report for August, 2016. Ms. Madrid stated that with Gambles closing the number of Section V contracts would also go down.

President Dorough accepted the Energy, Section V & XII Delinquent Reports as presented for August 2016.

COMMUNICATION MEMBER ENGAGEMENT REPORT

MEMBER CONCERNS

Manager Herrera reported that Robert Adams has been out sick. Manager Herrera reported that we have had our first bill insert for the rural area, on social media which includes Twitter, Instagram and Facebook will be up in October, 2016. Manager Herrera stated that he had talked with Trustee Anaya in regards to Mr. Bustamante's comment. Manager Herrera stated that the crews are given a schedule of what needs to be done while working the service orders in the order that they came in. Manager Herrera proceeded to answer questions posed by the trustees concerning the Member Concerns.

President Dorough accepted the Communication Member Engagement Report as presented for August, 2016.

TRI-STATE REPORT

Trustee Wolberg, gave the Tri State Board of Directors activities Report for August, 2016 in great detail.

President Dorough accepted Trustee Wolberg's Tri-State Report as presented.

NMRECA REPORT

Trustee Anaya gave the NMRECA Board of Directors activities Report for August, 2016 in great detail.

After Board discussion, President Dorough accepted Trustee Anaya's NMRECA Report as presented.

PRESIDENT'S REPORT

President Dorough congratulated the Board of Trustee's for obtaining their board education certification. President Dorough stated that four Trustee where attending the National Rural Electric Cooperative Association (NRECA) Regional Meeting Trustees' Anaya, Baca, Holcomb and herself. Trustee Wolberg and Board President would be receiving NRECA Board Leadership Certificate. President Dorough gave big congratulations to Trustee's Baca and Holcomb for obtaining their NRECA Credentialed Cooperative Director Certificate within their first year of being on the SEC Board of Trustees'.

SECRETARY'S REPORT

Manager Herrera reviewed the Member Application/Cancellation Report for August, 2016 as follows:

	<u>Month</u>	<u>Year to Date</u>
New Connects	24	55
Reconnects	71	678
Disconnects	(5)	641

Total Consumers Year to Date: 12,788

Manager Herrera asked the Board of Trustee's what they wanted from this report. Manager Herrera mentioned that they did ask Larry McGraw who stated as long as the Board was being notified of the numbers and proceeded to answer any question posed by the trustees.

September 28, 2016

A motion was made by Trustee Wolberg to remove the Secretary’s Report and to be included on the Manager’s Report with a second from Trustee Anaya. Motioned carried unanimously.

FINANCE COMMITTEE REPORT

Committee Chair Trustee Wade reported on the Committee meeting held August 28, 2016, at great length with recommendations from the committee to the full Board for its considerations.

President Dorough accepted the Finance Committee Report as presented.

NEW BUSINESS

CFC Voting & Alternate delegate

A motion was made by Trustee Baca to nominate Trustee Holcomb as CFC Voting delegate; a second from Trustee Wolberg. President Dorough hearing no other nominations appointed Trustee Holcomb.

A motion was made by Trustee Holcomb to nominate Trustee Baca as CFC Alternate delegate; a second from Trustee Wolberg. President Dorough hearing no other nominations appointed Trustee Baca.

Consideration of Financial Auditor Services

Manager Herrera reported that SEC had received four different proposals from Certified Public Accounting firms who specialize in Rural Electric Cooperatives financial audits; with a recommendation from the Finance Committee to accept the Bollinger, Segars, Gilbert and Moss proposal.

Trustee Anaya made a motion to accept the Finance Committee recommendation to accept the Audit Firm of Bollinger, Segars, Gilbert and Moss proposal to perform the 2016 financials statement audit; motion seconded by Trustee Baca. Motion carried unanimously.

Consideration of Special Equipment Four-Year Price Lock

Manager Herrera provided information on what the four-year price lock from Anixter for distribution reclosers at a reduced price per unit and that it was a recommendation from the Finance Committee to accept the purchase terms of a four-year price lock.

Trustee Wolberg made a motion to accept the Finance Committee recommendation to accept the Special Equipment Four-Year Price Lock; motion seconded by Trustee Baca. Motion carried unanimously.

Consideration of Capital Credit Estate Retirements

Manager Herrera reported that Cooperative General Counsel Bruce E. Wiggins Esq., had previously reviewed the Patronage Estate Capital Retirements as provided in the Trustees’ Boardpaq. Mr. Wiggins reviewed all of the retirement documents and stated that they were in order, ready for the Board’s approval:

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
Kenneth E. Cope	\$ 127.95	\$0.48	\$ 6.51	\$ 3.59	\$54.61	\$ -	\$ -	\$193.14	\$138.53

JOINT ACCOUNT ESTATE RETIREMENTS:

Operating Margins	Plains G&T	Investment in Associated Organizations	Cushion of Credit	Tri-State	Gains	Unpaid Balance	Total	Total without Tri-State
-------------------	------------	--	-------------------	-----------	-------	----------------	-------	-------------------------

REGULAR BOARD MEETING

September 28, 2016

				& Other Non-Ops					
Neil P.									
Mertz	\$388.55	\$20.78	\$20.21	\$7.70	\$83.79	\$ -	\$ -	\$521.02	\$437.23

Trustee Holcomb moved to approve the Retirement of Patronage Capital total without the Tri-State amount to the above-mentioned estate and joint accounts; motion seconded by Trustee Wolberg. Motion carried unanimously.

Consideration of Patronage Capital Credit General Retirements

Manager Herrera stated that the Finance Committee had made a recommendation to retire 1990 in full with 20% of 1991 for a total amount of \$345,930.12.

A motion was made by Trustee Wolberg to approve the recommendation of the Finance Committee of doing a Patronage Capital Credit General Retirement of 1990 in full with 20% of 1991 in the amount of \$345,930.12; motion seconded by Trustee Baca. Motion carried unanimously.

Consideration of Line Extension Contract

There were no Line Extension Contract open for consideration.

Consideration of Trustee Travel

President Dorough requested Board approval to attend the NMRECA Board Meeting in Las Cruces, NM.

A motion was made by Trustee Holcomb and seconded by Trustee Baca to approve President Dorough's travel; motion carried unanimously.

Trustee Anaya, Baca, Holcomb and Wolberg requested Board approval to attend the NRECA Winter School in Nashville, TN.

Hearing no objections, President Dorough approved the request for Trustee Anaya, Baca, Holcomb and Wolberg to attend the NRECA Winter School.

Trustee Anaya, Baca, Holcomb and Wolberg requested Board approval to attend the NMRECA Director Classes in Albuquerque, NM.

Hearing no objections, President Dorough approved the request for Trustee Anaya, Baca, Holcomb and Wolberg to attend the NMRECA Director Classes.

EXECUTIVE SESSION

Trustee Wolberg moved to go into Executive Session to discuss potential litigation matters; motion seconded by Trustee Anaya and motion carried unanimously.

President Dorough called for an Executive Session.

The Board adjourned to Executive Session at 3:40 p.m.

REGULAR SESSION

A motion was made by Trustee Wolberg and seconded by Trustee Holcomb to return to Regular Session at 4:51 p.m. President Dorough stated that there was no action taken during Executive Session.

SET DATE/TIME FOR REGULAR MEETING

President Dorought stated the next Date and Time would be Wednesday, October 26, 2016 at 2:00 p.m. for the next regularly scheduled meeting; motion carried unanimously.

ADJOURNMENT

REGULAR BOARD MEETING

September 28, 2016

There being no further items open for discussion, Trustee Wolberg made a motion to adjourn the meeting; seconded by Trustee Holcomb. Motion carried unanimously.

President Dorough adjourned the meeting at 4:52 p.m.



Prescilla Mauldin, Secretary/Treasurer

APPROVED:



Anne L. Dorough, President

I, Prescilla Mauldin, 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 28, 2016. 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.



Prescilla Mauldin, Secretary/Treasurer

Donna Wilkins

From: Anne Dorough
Sent: Sunday, October 30, 2016 6:54 AM
To: Joseph Herrera; Donna Wilkins
Cc: Don Wolberg
Subject: Fwd: Response to minutes of September 28

This should be included with the minutes of the Sep 28 meeting.

Anne Dorough - President
District 5 Trustee
Socorro Electric Cooperative
(575)772-2989

Begin forwarded message:

From: Don Wolberg <dwolberg@socorroelectric.com>
Date: October 30, 2016 at 6:44:49 AM MDT
To: Anne Dorough <district5@socorroelectric.com>, David Wade <district4@socorroelectric.com>, Prescilla Mauldin <pmauldin@socorroelectric.com>, Leroy Anaya <LANaya@socorroelectric.com>, Mary Lucy Baca <mbaca.district1@socorroelectric.com>, Judith Holcomb <holcomb.district2@socorroelectric.com>
Subject: Response to minutes of September 28

President Dorough and Board Members:

I wish to take exception to the comments of Mr. Bustamante recorded in the minutes of the September 28 SEC board meeting and have my statement made a part of the record. Mr. Bustamante served the SEC and its members honorably for many years but his assertions of safety issues are without a basis in fact. Employee safety is and has been of paramount importance to the Manager, the Board and every employee of the SEC. The excellent safety record of the SEC has been documented and recognized. Mr. Bustamante also was critical of how past due and delinquent accounts are managed. In fact the SEC has in place an orderly and responsible process for the management of these accounts.

Donald Wolberg

Sent from my iPad