

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

August 24, 2016

**INDEX**

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., held on Wednesday, August 24, 2016 at 310 Abeyta Ave, 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 Mauldin 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

  Prescilla Mauldin, Secretary/Treasurer\*  
  Representative, District III

  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:           None

ALSO PRESENT:               Joseph Herrera, General Manager  
  Donna Wilkins, Administrative Assistant  
  Robert Adams, Director of Communication & Public Relations  
  Ronnita Montoya, Accounting Supervisor  
  Tony Lopez, Line Foreman  
  Marilyn Madrid, Member Services Supervisor  
  Jennifer Goss, Senior Vice President, Member Relations with Tri-State  
  Generation and Transmission Association  
  Lee Boughy, Tri-State Generation & Transmission  
  Chip Marks, Regional Vice President with the National Rural Utilities  
  Cooperative Finance Corporation

SEC MEMBERS PRESENT:     Jimmy Dorough, John Larson, David L Wade

**QUORUM**

Secretary Mauldin 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**

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Trustee Wolberg made a suggestion about the wording on page 4 under Trustee Report.

Trustee Baca made a motion to amend the July 27, 2016 minutes on page 4 under Trustee Report. Trustee Baca stated that it should say "Trustee Baca reported on several educational topics that she learned at NRECA Director Training held at Myrtle Beach, South Carolina" and not "information that she learned at Myrtle Beach".

Hearing no other corrections, President Dorough accepted as corrected.

**PUBLIC COMMENTS**

There were no comments brought forth by SEC Members.

**TRI-STATE PROPOSED 2017 BUDGET PRESENTATION**

Ms. Jennifer Goss summarized the proposed Tri-State 2017 budget. After questions by the Board, Ms. Goss was thanked for her presentation.

**CFC 2015 KTRA PRESENTATION**

Mr. Chip Marks covered, at length, the CFC 2015 Key Ratio Trend Analysis and where Socorro Electric Cooperative ranked among other electric cooperatives within the nation. After questions by the Board, Mr. Marks was thanked for his presentation.

**MANAGERS REPORT**

Manager Herrera reported on the expenditures check register for the month of July, 2016 Expenditure Report. There being no questions on the Expenditure Report for July, 2016, President Dorough accepted the Expenditure Report for July, 2016 as presented.

Manager Herrera reported that all credit card statements with supporting receipts were made available to the Board of Trustee. Manager Herrera proceeded to answer questions posed by the Trustee Anaya.

After Board discussion, President Dorough accepted the Credit Card Report for July, 2016 as presented.

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

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

Manager Herrera concluded his report by updating the Board of Trustees' that the new Meter Pilot Project has been ordered and with an installation at the substation on November 11<sup>th</sup>. Manager Herrera reported that it will take approximately four to six weeks for the 1,400 meters to be changed out by contractor. Manager Herrera also reported that testing had been at some of our commercial sites and had found that the installation was wired incorrectly by the vendor causing a loss of revenue. Manager Herrera informed the Board that a few more thank you notes had been received from Foundation scholarship recipients which was available for the Board. Manager Herrera stated that this was the first time that so many thank you notes had been received from scholarship recipients.

**COMPLIANCE AND ENGINEERING REPORT**

**SAFETY REPORT**

Manager Herrera reported that Safety Compliance Officer Mr. Montoya was not available today due to a doctor appointment conflict. Manager Herrera reported that there were no Loss-Time Accidents for the month of July, 2016. Manager Herrera took a question from Trustee Baca.

**ENGINEERING REPORT**

Manager Herrera reported that there are still a high volume of site visits in the West Area. Manager Herrera stated that only a few visits had turned into work orders.

After Board discussion, President Dorough accepted the Compliance and Engineering Report for July, 2016 as presented.

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**OPERATIONS AND MAINTENANCE REPORT**

**CONSTRUCTION/MAINTENANCE REPORT**

Mr. Lopez reported that the crews were still doing a lot of tree trimming and very busy doing maintenance jobs.

**OUTAGE REPORTS**

Mr. Lopez reported that a lot of the power outages were due to weather issues with lightning storm being the main factor for the issues.

Mr. Lopez proceeded to answer questions posed by the trustees concerning the Outage Report for July, 2016.

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

**MEMBER SERVICES REPORTS**

**ENERGY DELINQUENT REPORT**

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

**SECTION V & XII DELINQUENT REPORT**

Ms. Madrid also reviewed the Section V & XII Delinquent Report for July, 2016.

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

**MEMBER CONCERNS**

Ms. Madrid reported that there were no member complaint filed with the N.M.P.R. C. in July, 2016.

**TRI-STATE REPORT**

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

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.

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

**PRESIDENT'S REPORT**

President Dorough encouraged the Trustees to read the August 18, 2016 article by Don Boyd that was in the El Defensor Chieftan.

President Dorough also reported on the actions of The SEC Foundation Board meeting that was held on August 19, 2016.

**SECRETARY'S REPORT**

Secretary Mauldin reviewed the Member Application/Cancellation Report for July, 2016 as follows:

	<u>Month</u>	<u>Year to Date</u>
New Connects	8	31
Reconnects	92	607
Disconnects	159	646
Total Consumers Year to Date:	12,688	

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President Dorough accepted the Member Application/Cancellation Report for July, 2016 as presented.

**FINANCE COMMITTEE REPORT**

Committee Chair Trustee Wade reported on the Committee meeting that was held July 27, 2016.

President Dorough accepted the Finance Committee Report as presented.

**NEW BUSINESS**

Consideration of Trustee Travel

Trustee Wolberg requested Board approval to attend the October NMRECA meeting held in Las Cruces, NM.

Hearing no objections, President Dorough approved the request for Trustee Wolberg to attend the October NMRECA meeting.

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:

Erlinda Flora Sisneros	\$ 338.04
Raymond P Huff	\$ 300.80
Joan Brown	\$ 620.31
Paula Costa	\$ 866.45

JOINT ACCOUNT ESTATE RETIREMENTS:

Pat G Chavez	\$ 438.82
Cecilia Burton	\$ 773.58

Trustee Mauldin moved to approve the Retirement of Patronage Capital to the above-mentioned estates and joint accounts; motion seconded by Trustee Wolberg and motion carried unanimously.

Consideration of Line Extension Contract

There were no Line Extension Contract open for consideration.

2014 Energy Account Receivables Write Off's

Manager Herrera reported that these members are sent to our collection agency and SEC still tries to collect from these members if they come in wanting to connect or do a capital credit retirement.

Trustee Mauldin moved to adopt the Resolution as recommend by the Finance Committee to approve the 2014 Energy Account Receivable Write Off's in the amount of \$109,789.31; motion seconded by Trustee Wolberg. After lengthy discussion motion carried unanimously.

Consideration of RUS Budget Transfer Resolution

Manager Herrera reported on the Cooperatives current RUS loan and how it is broken out by distribution and transmission with funds allocated for these specific projects. Manager Herrera reported that the Cooperative has no more Transmission projects but has a remaining balance in transmission. RUS requires the Cooperative to have a zero balance in reserve before applying for a new loan and the resolution allows the transfer funds from transmission to distribution loan allocation to be used by the Cooperative.

Trustee Wolberg noted a correction was needed on the Resolution, on the first and third paragraph.

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Trustee Anaya moved to adopt the Resolution as presented with noted corrections; motion seconded by Trustee Wolberg. After further discussion, motion carried unanimously (copy of Resolution attached hereto and made a part hereof).

**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 4:18 p.m.

\* Secretary Mauldin left the meeting at the beginning of discussion of this agenda item at 4:18 p.m. returning at 4:55 p.m.

\*\* Trustee Wolberg recused himself.

**REGULAR SESSION**

A motion was made by Trustee Anaya and seconded by Trustee Holcomb to return to Regular Session at 5:06 p.m. President Dorough stated that there was no action taken during Executive Session.

President Dorough stated that Board has instructed Manager Herrera to prepare the Board's response to the Tri-State proposal.

**SET DATE/TIME FOR REGULAR MEETING**

Trustee Mauldin moved to set the Date and Time of Wednesday, September 28, 2016 at 2:00 p.m. for the next regularly scheduled meeting; motion seconded by Trustee Wade. After discussion, motion carried unanimously.

**ADJOURNMENT**

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

President Dorough adjourned the meeting at 5:07 p.m.

  
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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 August 24, 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.

  
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Prescilla Mauldin, Secretary/Treasurer