

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

December 28, 2016

**INDEX**

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., held on Wednesday, December 28, 2016 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**

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  
  Representative, District II

  Leroy Anaya, Trustee  
  Representative, District III

  Donald Wolberg, Trustee  
  Representative, District III

TRUSTEES ABSENT:

ALSO PRESENT:                Joseph Herrera, General Manager  
  Donna Wilkins, Administrative Assistant  
  Tony Lopez, Line Foreman  
  Marilyn Madrid, Member Services Supervisor  
  Robert Adams, Director of Communication & Public Relations

SEC MEMBERS PRESENT:   Jimmy Dorough

**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**

There being no additions or deletions to the Minutes, President Dorough approve the Minutes as distributed.

**PUBLIC COMMENTS**

There were no comments brought forth by SEC Members.

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## **MANAGERS REPORT**

Manager Herrera reported on the expenditures check register totaling \$1,089,839.83 for the month of November, 2016 and, proceeded to answer questions posed by the trustees concerning the Expenditure Report.

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

Manager Herrera reported that all credit card statements with supporting receipts were made available to the Board of Trustee. Manager Herrera proceed to answer questions posed by the trustees concerning the Credit Card Report.

President Dorough accepted the Credit Card Report for October, 2016 as presented.

Manager Herrera carefully reviewed, at length, the RUS Form 7 Report for November, 2016.

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

Manager Herrera reports that in Engineering the Automated Meter Project is on the way with 200 meters being changed out as well as receiving latitude and longitude with pictures. Manager Herrera reported that construction has slowed down since it's the end of year and we are preparing for yearend audit; and proceeded to answer questions posed by the trustees.

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

Manager Herrera concluded his report about the Automated Meter Pilot Project is progressing with Aclara's equipment being installed at the Magdalena substation; testing is in progress between SEC, Aclara and the 200 meters that have been installed. Manager Herrera reported that Aclara will be out to do training with the staff the week of January 9, 2017.

Manager Herrera reported that we still have an FCC Licenses Renewal for the Socorro Satellite system we had back when satellite cable was being provided. Manager Herrera reported that SEC had tried to sell these licenses since we cannot use them but there have been no takers.

After Board discussion, a motion was made by Trustee Holcomb to discontinue the licenses; motion seconded by Trustee Wolberg. Motion carried unanimously.

Manager Herrera reported that Guernsey will be using 2016 as our test year for the Cost of Service Study. Manager Herrera reported that once Bollinger, Segars, Gilbert & Moss have finished auditing for 2016 Guernsey will be able to start; and proceeded to answer questions posed by the trustees.

Manager Herrera reported that SEC assisted the Village of Magdalena with hanging up their Christmas lights. Manager Herrera reported that we have also received request from Socorro County. Manager Herrera reported about the different ways Capital Credits are being allocated to the members. Manager Herrera also stated that Federate Patronage Capital was received and available for the Board of Trustees.

## **SAFETY COMPLIANCE REPORT**

### **SAFETY REPORT**

Manager Herrera reported that there were no Loss-Time accidents for the month of November, 2016 and that we have had our last safety training for the year.

President Dorough accepted the Safety Report for November, 2016 as presented.

## **OPERATIONS AND MAINTENANCE REPORT**

### **CONSTRUCTION/MAINTENANCE REPORT**

Mr. Lopez reported that the crews are working on new services but at this time of the year it slows down until the first of the year. Mr. Lopez reported that all SEC Lineman had a 40 hour tree trimming training class where they learned a lot of how and what happens when trees are trimmed.

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**OUTAGE REPORTS**

Mr. Lopez reported about the outages that happened for November, 2016 as well as the outage that occurred in Magdalena due to the strong wind; and proceeded to answer questions posed by the Trustees.

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

**MEMBER SERVICES REPORTS**

**ENERGY DELINQUENT REPORT**

Ms. Madrid reported the Energy Delinquent Report for November, 2016.

**SECTION V & XII DELINQUENT REPORT**

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

Trustee Wolberg asked if the new True Value could be a potential vendor for appliances. Manager Herrera reported that he did talk with them and they have their own financing.

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

**NM PRC MEMBER CONCERNS**

Ms. Madrid reported that there were no member complaints filled with the N.M.P.R.C. in November, 2016.

President Dorough accepted the NM PRC Member Concerns as presented for November, 2016.

**COMMUNICATION MEMBER ENGAGEMENT REPORT**

**MEMBER CONCERNS**

Mr. Adams reported why SEC did not have a float for the Christmas parade, also on Customer Service Training that was held for Member Service Department, Meter Department and Socorro Line crew. Mr. Adams reported that he posted on the SEC Facebook page the outage in Magdalena that happened due to the high winds on December 16, 2016. Mr. Adams stated from the Facebook page, the post was shared 235 times, clicks on the page 333 times with only 22 people following us at that time. Mr. Adams stated after the outage was completed our Facebook page had received 4,000 shares, 123 comments with none of them being negative and we now have 287 people following us. Mr. Adams reported that KRQE Channel 13 had done a news story on the Secret Santa that comes in to SEC to pay for electric bills for members that are in need. Mr. Adams also reported on the Annual Meeting coming up and would be able to help any Trustee with their speech or with anything else they may need.

After Board discussion, President Dorough accepted the Communication Member Engagement Report as presented for November, 2016.

**TRI-STATE REPORT**

Trustee Wolberg gave the Tri-State Board of Directors activities report for November, 2016 in length.

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

**NMRECA REPORT**

Trustee Anaya gave the NMRECA Board of Directors activities report for November, 2016 in length.

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

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### **PRESIDENT'S REPORT**

President Dorough asked each Trustee for member names to be part of the Credentials & Election Committee.

Trustee Anaya presented Milton Ulibarri and Manuel Marquez; Trustee Holcomb presented Donna Dawson; Trustee Mauldin presented Pete Gonzales; Trustee Wade presented Dennis Harris; and Trustee Wolberg presented Dave Johnson, Chuck Zimmerly, and Luis Aguilar.

President Dorough discussed the handout that was presented on the Wage & Salary Study Administrative Guide by Steve Meilleur from Poms and Associated. President Dorough stated she would like to set up a workshop so Mr. Meilleur could go over the guide.

After discussion, it was decided that Manager Herrera would check with Mr. Meilleur for the morning of January 25, 2017 and sent out notice to all Trustees.

### **TRUSTEES REPORT**

Trustee Wolberg stated that all Trustees have taken classes but would like to get some input as to what classes the other Trustees have taken that would be beneficial for the remaining Trustees to take.

### **FINANCE COMMITTEE REPORT**

Committee Chair Trustee Wade reported on the Committee meeting held November 23, 2016, at length with recommendations from the committee to the full Board for its considerations.

After Board discussion, President Dorough accepted the Finance Committee Report as presented.

### **STANDING COMMITTEE REPORT**

Committee Chair Trustee Anaya reported on the Committee meeting held December 19, 2016, at length with recommendations from the committee to the full Board for its considerations.

President Dorough recommended having a particular day to have committee meetings other than Board meeting days.

After discussion, President Dorough stated that the 3<sup>rd</sup> Wednesday of the month would be for Committee meetings so it would be in time for Board approval.

President Dorough accepted the Standing Committee Report as presented.

### **NEW BUSINESS**

#### **Policy 218 Drug and Alcohol**

Manager Herrera reported that it was a recommendation from the Standing Committee to accept the proposed changes to Policy 218 Drug and Alcohol.

Trustee Holcomb made a motion to accept the Standing Committee recommendation on the proposed changes to Policy 218 Drug and Alcohol; motion seconded by Trustee Wolberg. Motion carried unanimously.

#### **Policy 224 Whistle Blower**

Manager Herrera reported that it was a recommendation from the Standing Committee to accept the proposed changes to Policy 224 Whistle Blower.

After discussion, Trustee Holcomb made a motion to accept the Standing Committee recommendation on the proposed changes to Policy 224 Whistle Blower with amendment and corrections; motion seconded by Trustee Wolberg. Motion carried unanimously.

#### **Policy 225 Rules of Conduct and Corrective Action Process**

Manager Herrera reported that it was a recommendation from the Standing Committee to accept the proposed changes to Policy 225 Rules of Conduct and Corrective Action Process.

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Trustee Baca made a motion to accept the Standing Committee recommendation on the proposed changes to Policy 225 Rules of Conduct and Corrective Action Process; motion seconded by Trustee Holcomb. Motion carried unanimously.

Policy 227 Disciplinary Action for Preventable Accidents

Manager Herrera reported that it was a recommendation from the Standing Committee to accept the proposed changes to Policy 227 Disciplinary Action for Preventable Accidents.

After discussion, Trustee Holcomb made a motion to accept the Standing Committee recommendation on the proposed changes to Policy 227 Disciplinary Action for Preventable Accidents with corrections; motion seconded by Trustee Baca. Motion carried unanimously with Trustee Wolberg abstaining.

Policy 515 Foundation Award

Manager Herrera reported that it was a recommendation from the Standing Committee to accept the proposed changes to Policy 515 Foundation Award.

Trustee Anaya made a motion to accept the Standing Committee recommendation on the proposed changes to Policy 515 Foundation Award; motion seconded by Trustee Wolberg. Motion carried unanimously.

Selection of NRECA 2017 Annual Meeting Voting Delegate & Alternate Delegate

President Dorough states Trustees Anaya, Baca, Holcomb and Wolberg are attending the NRECA 2017 Annual Meeting.

Trustee Anaya nominates Trustee Holcomb as Voting Delegate; motion seconded by Trustee Wolberg. Motion carried unanimously.

Trustee Mauldin nominates Trustee Baca as Alternate Delegate; motion seconded by Trustee Holcomb. Motion carried unanimously.

Manager Herrera states that we will be receiving soon the CFC and Federate Voting & Alternate Delegates; recommends we chose these delegates as well.

Trustee Anaya nominates Trustee Baca as CFC Voting Delegate; motion seconded by Trustee Holcomb. Motion carried unanimously.

Trustee Wolberg nominates Trustee Holcomb as CFC Alternate Delegate; motion seconded by Trustee Anaya. Motion carried unanimously.

Trustee Wolberg nominates Trustee Holcomb as Federate Voting Delegate; motion seconded by Trustee Anaya. Motion carried unanimously.

Trustee Mauldin nominates Trustee Baca as Federate Alternate Delegate; motion seconded by Trustee Wolberg. Motion carried unanimously.

Consideration of Attorney Engagement Renewal

Manager Herrera reports this is our annual renewal with Wiggins, Williams and Wiggins law firm.

After discussion, Trustee Mauldin made a motion to approve the Attorney Engagement Renewal with the correction of 1-year renewal; motioned seconded by Trustee Holcomb. Motion carried unanimously.

Consideration of 2017 Budget

Manager Herrera reported that it is the recommendation of the Finance Committee to accept the proposed 2017 Budget with an employee bonus of up to 3% depending on annual review.

After discussion, Trustee Anaya made a motion to accept the Finance Committee recommendation to accept the 2017 Budget with an employee bonus up to 3%; motion seconded by Trustee Baca. Motion carried unanimously.

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Consideration of BA8 Loan Draw Down

Manager Herrera reported that we do have a loan with FFB in the amount of \$22 million. Manager Herrera reported that as we close out work orders we are reimbursed and in an effort to prevent the project rate increase. Manager Herrera stated that it was a recommendation from the Finance Committee to accept the BA8 Loan Draw Down in the amount of \$2,869,000.00.

Trustee Anaya made a motion to accept the Finance Committee recommendation to accept the BA8 Loan Draw Down in the amount of \$2,869,000,.00; motion seconded by Trustee Wade. Motion carried unanimously.

Consideration of IT Infrastructure Proposal

Manager Herrera reported that we received three different proposals of \$212,000 from Dell VX Rail Hyper Converged, \$158,000 from Cisco Hyper Flex and \$166,000 from HP 380 Hyper Converged to update our security and system as it is outdated and warranty. Manager Herrera stated that it is the recommendation from the Finance Committee to accept the Cisco Hyper Flex proposal.

Trustee Holcomb made a motion to accept the Finance Committee recommendation to accept the Cisco Hyper Flex proposal; 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 Retirement as provided in the Trustees' Boardpaq. Mr. Wiggins reviewed 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
Eleanor A Baca	\$207.02	\$9.10	\$9.53	\$0.63	\$51.26	\$(3.13)	\$0.00	\$274.41	\$226.28
Marie A Baker	\$903.16	\$39.88	\$46.78	\$23.55	\$242.09	\$0.00	\$(88.80)	\$1,166.66	\$924.57
Jessie H									
Gabaldon	\$517.45	\$19.88	\$25.14	\$7.30	\$132.34	\$0.00	\$0.00	\$702.11	\$569.77
Ciriaco Sedillo	\$704.62	\$114.27	\$16.68	\$16.14	\$0.00	\$(21.67)	\$0.00	\$830.04	\$851.71
Scott K Taylor	\$752.64	\$20.61	\$42.67	\$22.04	\$283.26	\$0.00	\$0.00	\$1,121.22	\$837.96

JOINT ACCOUNT ESTATE RETIREMENTS:

None at this time

After discussion, Trustee Anaya made a motion to approve the Retirement of Patronage Capital total without the Tri-State amount to the above-mentioned estate accounts; motion seconded by Trustee Holcomb. Motion carried unanimously.

Consideration of Line Extension Contract

There were no Line Extension Contract open for consideration.

Consideration of Trustee Travel

There was no request made.

**EXECUTIVE SESSION**

There was no executive session.

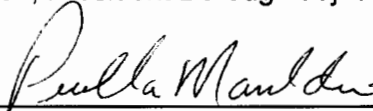
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**SET DATE/TIME FOR REGULAR MEETING**

After discussion, Trustee Anaya moved to set the Date and Time of Wednesday, January 25, 2017 at 2:00 p.m. for the next regularly scheduled meeting; motion seconded by Trustee Wolberg and motion carried unanimously.

**ADJOURNMENT**

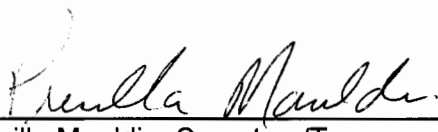
There being no further items open for discussion, President Dorough adjourned the meeting at 4:04 p.m.

  
\_\_\_\_\_  
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 December 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