

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

November 22, 2017

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc., held on Wednesday, November 22, 2017 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 Baca 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, Secretary/Treasurer
 Representative, District I

 Judith Holcomb, Trustee
 Representative, District II

 Luis Aguilar, Trustee
 Representative, District III

 Leroy Anaya, Trustee
 Representative, District III

 Donald Wolberg, Trustee
 Representative, District III

TRUSTEES ABSENT:

ALSO PRESENT: Joseph Herrera, General Manager
 Donna Wilkins, Administrative Assistant
 Marilyn Madrid, Member Services Supervisor

SEC MEMBERS PRESENT: Jimmy Dorough, Ward McCartney, John Larson

NON-SEC MEMBERS
PRESENT: Noah Gelinas

QUORUM

Secretary Baca declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

President Dorough led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

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Trustee Aguilar motioned under "NM PRC Member Concerns" that it should be "filed" and not "filled" and under "Executive Session" it should be "remainder" and not "reminder".

Trustee Wolberg motioned under "Manager's Report" fifth paragraph, the comma needs to be removed after the word "and"; on the seventh paragraph, the word "maybe" needs to be removed; and in the next paragraph down it should be "increased for each light."

President Dorough hearing no other corrections accepted the Minutes as corrected.

PUBLIC COMMENTS

Ward McCartney, District 1 member, provided to the trustees' contact information to get information about renewable energy. Mr. McCartney explained that he reviewed our financials and believe that with what is spent paying Tri-State, some could be used to bring renewable energy to Socorro Electric Cooperative.

MANAGER'S REPORT

Manager Herrera reported on the expenditures check register totaling \$906,166.51 for the month of October, 2017 and proceeded to answer questions posed by the trustees concerning the Expenditure Report.

President Dorough accepted the Expenditure Report for October, 2017 as presented.

Manager Herrera reported that all credit card statements with supporting receipts were made available to the Board of Trustees. Manager Herrera also stated that a holiday luncheon will be held for the employees on December 8, 2017 and asked if the accumulated reward points from the American Express be used to purchase gift cards for the employees to be handed out at the luncheon.

Trustee Holcomb made a motion to use American Express credit card reward program points for merchant gift cards as appreciation for SEC staff; motion seconded by Trustee Anaya. Motion carried unanimously.

President Dorough accepted the Credit Card Report for October, 2017 as presented.

Manager Herrera reported that SEC submitted a letter of interest to RUS pilot program to refinance high interest FFB loans. Manager Herrera carefully reviewed, at length, the RUS Form 7 Report for October, 2017 and proceeded to answer questions posed by the trustees concerning the RUS Form 7.

President Dorough accepted the RUS Form 7 Report for October, 2017 as presented.

Manager Herrera reported that in Engineering for October, there were 33 site visits completed with no members yet proceeding forward with new service. Manager Herrera also reported that he has not heard back from Tierra ROW in regard to the 69-kv line to from Magdalena to Socorro; and proceed to answer questions posed by the trustees.

President Dorough accepted the Engineering Report for October, 2017 as presented.

Manager Herrera concluded his report by stating that SEC had received several more thank you cards from 4H children. Manager Herrera also reported the interesting topics of electric vehicles discussion at the New Mexico Manager's Meeting.

SAFETY COMPLIANCE REPORT

Manager Herrera proceeded to go over the October Monthly Safety Report and proceeded to answer questions posed by the trustees.

President Dorough accepted the Safety Report for October, 2017 as presented.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

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Manager Herrera reported crews have installed 12 new services for October. Manager Herrera stated that crews are installing raptor protections as well as tree trimming and proceeded to answer questions posed by the trustees.

OUTAGE REPORTS

Manager Herrera went over the Cooperative Response Center report for October, 2017 stating all crews have been restoring the reported outages in a safe manner; and proceeded to answer questions posed by the trustees.

President Dorough accepted the Operations and Maintenance Report for October, 2017 as presented.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Manager Herrera recognized Ms. Madrid for her hard work that she does with our SEC members and as demonstrated by the letter that was received from Mr. Peter Sandoval.

Ms. Madrid reported on the Energy Delinquent Report for October, 2017 and proceeded to answer questions posed by the trustees.

NM PRC MEMBER CONCERNS

Ms. Madrid reported there were no member complaints filed with the NM PRC in October, 2017.

President Dorough accepted the NM PRC Member Concerns as presented for October, 2017.

COMMUNICATION AND PUBLIC AFFAIRS REPORT

Manager Herrera proceeded to go over the October Monthly Communication and Public Affairs Report; and proceeded to answer questions posed by the trustees.

President Dorough accepted the Communication and Public Affairs Report for October, 2017 as presented.

TRI-STATE REPORT

Trustee Wolberg gave the Tri-State Board of Directors activities report for October, 2017.

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

NMRECA REPORT

Trustee Anaya gave the NMRECA Board of Directors activities report for October, 2017.

After much discussion, Trustee Wolberg made a motion to pay the NMRECA dues for 2018; motion seconded by Trustee Aguilar. Motion carried unanimously.

President Dorough accepted Trustee Anaya's NMRECA Report as presented.

PRESIDENT'S REPORT

There was no report given.

FINANCE COMMITTEE REPORT

Committee Chair Trustee Baca reported on the Committee meetings held October 25, 2017 and November 15, 2017 with recommendations from the committee to the full Board for its consideration.

President Dorough accepted the Finance Committee Report as presented.

STANDING COMMITTEE REPORT

Committee Chair Trustee Anaya reported on the Committee meeting held November 15, 2017 with recommendations from the committee to the full Board for its consideration.

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Trustee Aguilar made a motion to correct the Standing Committee minutes from October 18, 2017 on page 2 under Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records, second paragraph, it should be “statute” and not “statue”.

President Dorough accepted the Standing Committee Report as presented with a correction to the minutes.

MRGEDA REPORT

Trustee Holcomb gave the MRGEDA activities report for October, 2017.

President Dorough accepted the MRGEDA Report as presented.

OLD BUSINESS

Policy 507 – Relations with Other Organizations / Policy 115 – Attendance at Regional, National and Statewide Meetings

Manager Herrera reported that Policy 507 – Relations with Other Organizations and Policy 115 – Attendance at Regional, National and Statewide Meetings had been reviewed further after being sent back to the Standing Committee. Manager Herrera reported that it was the recommendation from the Standing Committee to render Policy 507 – Relations with Other Organizations obsolete and to retain Policy 115 – Attendance at Regional, National and Statewide Meetings with changes.

Trustee Anaya made a motion to accept the Standing Committee’s recommendation to render Policy 507 – Relations with Other Organizations obsolete and to retain Policy 115 – Attendance at Regional, National and Statewide Meetings with changes; motion seconded by Trustee Holcomb. Motion carried unanimously.

Policy 509 – Membership Records / Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records

Manager Herrera reported that Policy 509 – Membership Records and Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records had been reviewed further after being sent back to the Standing Committee. Manager Herrera reported that it was the recommendation from the Standing Committee to render Policy 509 – Membership Records obsolete and to retain Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records with changes.

After discussion, Trustee Anaya made a motion to accept the Standing Committee’s recommendation to render Policy 509 – Membership Records obsolete and to retain Policy 121 – Securing Confidential Member and Employee Data While Retaining and Destroying Records with changes; motion seconded by Trustee Holcomb. Motion carried unanimously.

NEW BUSINESS

MRGEDA Membership Renewal

Manager Herrera reported that SEC had received the Membership Renewal for MRGEDA for the upcoming year.

After discussion, Trustee Baca made a motion to renew the MRGEDA Membership Renewal for another year; motion seconded by Trustee Anaya. Motion carried unanimously.

Policy 303 – Check Disbursements

Manager Herrera reported that it was the recommendation from the Standing Committee to render Policy 303 – Check Disbursements obsolete.

Trustee Aguilar made a motion to accept the Standing Committee’s recommendation to render Policy 303 – Check Disbursements obsolete; motion seconded by Trustee Baca. Motion carried unanimously.

Policy 304 – Petty Cash Disbursements

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Manager Herrera reported that it was the recommendation from the Standing Committee to retain Policy 304 – Petty Cash Disbursements with changes.

After discussion, Trustee Baca made a motion to accept the Standing Committee’s recommendation to retain Policy 304 – Petty Cash Disbursements with changes and correction; motion seconded by Trustee Wade. Motion carried unanimously.

2018 Employee Medical Insurances

Manager Herrera reported that Tom Franks and Jan Gibson, our brokers, had come back with quotes from CIGNA and NRECA. Manager Herrera stated that it was a recommendation from the Finance Committee to accept the CIGNA Employee Health Insurance with option 2 proposal paying 100% of the employee premium and allowing the employee to pick up the difference to include spouse and/or children.

Trustee Wolberg made a motion to accept the Finance Committee recommendation to accept the CIGNA Employee Health Insurance with option 2 proposal paying 100% of the employee premium and allowing the employee to pick up the difference to include spouse and/or children; motion seconded by Trustee Aguilar. Motion carried unanimously.

Manager Herrera reported that Tom Franks and Jan Gibson also provided quotes from CIGNA and NRECA for dental insurance. Manager Herrera stated there was also an increase with CIGNA’s dental insurance. Manager Herrera stated it was the recommendation of the Finance Committee to accept CIGNA Dental Insurance proposal paying 100% for the employee and family showing what a cafeteria plan would look like for 2019.

Trustee Aguilar made a motion to accept the Finance Committee recommendation to accept the CIGNA Employee Dental Insurance showing what a cafeteria plan would look like for 2019; motion seconded by Trustee Wade. Motion carried unanimously.

Manager Herrera reported that Tom Franks and Jan Gibson also provided a quote for Employee Vision Insurance showing also an increase from Vision Service Plan. Manager Herrera reported it was the recommendation of the Finance Committee to accept the Vision Service Plan proposal paying 100% for the employee and family showing what a cafeteria plan would look like for 2019.

Trustee Anaya made a motion to accept the Finance Committee recommendation to accept the Vision Service Plan Employee Vision Insurance showing what a cafeteria plan would look like for 2019; motion seconded by Trustee Wolberg. Motion carried unanimously.

2018 Budget

Manager Herrera reported that it is the recommendation of the Finance Committee to accept the proposed 2018 Budget without a rate increase and an employee merit bonus depending on annual review.

After discussion, Trustee Wolberg made a motion to accept the Finance Committee recommendation to accept the 2018 Budget without a rate increase and an employee merit bonus; 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
Joseph F Foursey	\$257.06	\$0.00	\$19.80	\$11.52	\$142.88	\$0.00	\$0.00	\$431.26	\$288.38
Jack B Bruton	\$3,107.23	\$130.94	\$153.95	\$45.89	\$707.45	\$0.00	\$0.00	\$4,145.46	\$3,438.01
Gary McGovern	\$556.73	\$16.62	\$30.17	\$14.38	\$186.78	\$16.82	\$0.00	\$821.50	\$634.72

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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
Lavonne									
Pierce	\$421.06	\$16.05	\$20.93	\$9.01	\$92.87	\$0.00	\$0.00	\$559.92	\$467.05
Trini Padilla	\$243.81	\$6.76	\$15.73	\$5.66	\$88.08	\$0.00	\$0.00	\$360.04	\$271.96
Mary Street	\$49.06	\$0.00	\$8.17	\$5.28	\$42.99	\$0.00	\$0.00	\$105.50	\$62.51

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 Baca. Motion carried unanimously.

Consideration of Line Extension Contract

There were no Line Extension Contract open for consideration.

Consideration of Trustee Travel

Trustee Anaya, Baca and Holcomb requested Board approval to attend the NRECA Annual Meeting being held in Nashville, Tennessee on February 22-28, 2018.

Trustee Wolberg made a motion to approve travel for Trustee Anaya, Baca and Holcomb to attend the NRECA Annual Meeting being held in Nashville, Tennessee; motion seconded by Trustee Aguilar. Motion carried unanimously.

EXECUTIVE SESSION

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

President Dorough called for an Executive Session.

The Board adjourned to Executive Session at 4:13 p.m.

REGULAR SESSION

A motion was made by Trustee Wolberg and seconded by Trustee Anaya to return to Regular Session at 5:07 p.m. President Dorough stated that there was no action taken during Executive Session.

NOT FOR SALE RESOLUTION

No action taken.

SET DATE/TIME FOR REGULAR MEETING

Trustee Anaya motion to cancel the December Committee Meetings; motion seconded by Trustee Baca. Motion carried unanimously.

Trustee Anaya motion to set the Date and Time of Wednesday, December 27, 2017 at 2:00 p.m. for the next regularly scheduled meeting; motion seconded by Trustee Wolberg. Motion carried unanimously.

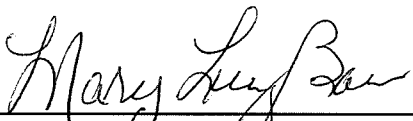
ADJOURNMENT

There being no further items open for discussion, Trustee Anaya made a motion to adjourn; seconded by Trustee Wolberg.

President Dorough adjourned the meeting at 5:10 p.m.

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Mary Lucy Baca, Secretary/Treasurer

APPROVED:



Anne L. Dorough, President

I, Mary Lucy Baca, 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, 2017. 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.



Mary Lucy Baca, Secretary/Treasurer