

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

June 27, 2018

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, June 27, 2018 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

 Luis Aguilar, Vice-President
 Representative, District III

 Mary Lucy Baca, Secretary/Treasurer
 Representative, District I

 Judith Holcomb, Trustee
 Representative, District II

 Dave Wade, Trustee
 Representative, District IV

 Leroy Anaya, Trustee
 Representative, District III

 Donald Wolberg, Trustee
 Representative, District III

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
 David Montoya, Safety Compliance Officer
 Ricky Williams, Line Superintendent
 Marilyn Madrid, Member Service Supervisor
 Jimmy Capps, Director of Communications and Public Affairs
 Tim Masa, CBS
 Ray Beavers, CBS
 Aaron Greiner, T&D Services

SEC MEMBERS PRESENT: Cyndi Mae Wade, Ward McCartney

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, Trustee Aguilar motioned to accept the Agenda as presented; motion seconded by Trustee Baca. Motion carried unanimously.

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President Dorough approved the Agenda as distributed.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

There being no additions or deletions to the May 16, 2018 minutes, Trustee Aguilar moved to accept the minutes as presented; motion seconded by Trustee Baca. Motion carried unanimously.

President Dorough approved the May 16, 2018 minutes as distributed.

PUBLIC COMMENTS

Ward McCartney, District 1 member, provided to the trustees' information on climate changes and how that is affecting everyone.

PRESENTATION OF FOUR-YEAR CONSTRUCTION WORK PLAN FUTURE OUTLAY

Manager Herrera introduced Aaron Greiner with T&D Services who would review the Four-Year Construction Work Plan (CWP).

Mr. Greiner explained the purpose of the CWP is to outline a scope of work to be completed by SEC during the years 2018-2021. The estimated cost of the activities in the CWP of \$15.8 million is the basis for a loan request that SEC will submit to RUS to finance these construction activities. Mr. Greiner answered questions posed by the Trustees.

MANAGER'S REPORT

Manager Herrera introduced SEC's new Line Superintendent, Ricky Williams, who has been with Socorro Electric for 24 years. Mr. Williams most recently served as the Lead Foreman for the West Area.

Manager Herrera reported on the expenditures check register totaling \$964,348.02 for the month of May 2018.

President Dorough thanked Manager Herrera for the Expenditure Report for May 2018.

Manager Herrera reported that all American Express and Master Card credit card statements with supporting receipts were made available to the Board of Trustees for May 2018 and proceeded to answer questions posed by the Trustees.

President Dorough thanked Manager Herrera for the Credit Card Expenditures for May 2018.

Manager Herrera carefully reviewed the RUS Form 7 Report for May 2018 and proceeded to answer questions posed by the Trustees.

President Dorough thanked Manager Herrera for the RUS Form 7 Report for May 2018.

Manager Herrera reported that under Engineering, Tierra ROW is finishing up their report on the Magdalena 69kV Transmission Line Project and that some cultural sites as well as archeological features that will need to be looked at and monitored when the new line goes in. Manager Herrera stated there could be a possible reroute of the line to avoid these areas and this would add to the cost of the project. Manager Herrera stated that once this report is updated with the new information, it will be submitted to the Bureau of Land Management. Manager Herrea proceeded to answer questions posed by the Trustees.

President Dorough thanked Manager Herrera for the Engineering Report for May 2018.

Manager Herrera concluded by reporting that SEC had submitted all necessary information necessary for the completion of the 2017 Form 990PF to Bollinger, Gilbert, Segars and Moss on time, however, due to their workload, it was necessary to file for an extension. Manager Herrera also reported that the 2016 Form 990PF was filed late, resulting in a small penalty fee.

President Dorough thanked Manager Herrera for the Managers Report for May 2018.

SAFETY COMPLIANCE REPORT

SAFETY REPORT

June 27, 2018

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

JOB BRIEFING

Mr. Montoya reviewed the April Job Briefing Reports and proceeded to answer questions posed by the Trustees.

President Dorough thanked Mr. Montoya for the Safety Compliance Report for May 2018.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Williams reported that there was a planned Tri-State G&T outage scheduled for June 16, 2018 but it was postponed to July 14, 2018 due to Tri-State needing additional materials to complete their activities. Mr. Williams also reported the Very Large Array (VLA) has taken a planned outage beginning on June 11, 2018 to complete maintenance work on their side of the meter. Mr. Williams reported that during this down time by VLA, SEC crews will be performing routine maintenance including the replacement of poles and crossarms on the circuit that feeds VLA. Mr. Williams answered questions posed by the Trustees.

OUTAGE REPORTS

Mr. Williams went over the Cooperative Response Center report for May 2018 stating that 33 outage reports had been turned in by crews. Mr. Williams identified the outages as 4 being planned by Tri-State, 5 occurring during thunderstorms, 5 were during windy conditions and 19 during fair conditions. Mr. Williams answered questions posed by the Trustees.

President Dorough thanked Mr. Williams for the Operations and Maintenance Report for April 2018 and extended him a warm welcome in his new position.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid reported on the Energy Delinquent Report for May 2018.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had no member complaints filed with the NM PRC in May 2018, with the one complaint from March still open. Ms. Madrid answered questions posed by the Trustees.

President Dorough thanked Ms. Madrid for the Member Services Report for May 2018.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

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

President Dorough thanked Mr. Capps for the Communications and Public Affairs Report for May 2018.

TRI-STATE REPORT

Trustee Anaya gave the Tri-State Board of Directors activities report for June 2018.

President Dorough thanked Trustee Anaya for the Tri-State Report.

NMRECA REPORT

There was no NMRECA Report presented.

PRESIDENT'S REPORT

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President Dorough recommended to all Trustees to stop in to see the new remodeled lobby.

TRUSTEE REPORTS

There were no Trustee Reports presented.

FINANCE COMMITTEE REPORT

Committee Chair Trustee Baca reported on the Committee meetings held on May 16, 2018 and on June 20, 2018 with recommendations to the full Board of Trustees.

President Dorough thanked Committee Chair Trustee Baca for the Finance Committee Report.

STANDING COMMITTEE REPORT

Committee Chair Trustee Anaya reported on the Committee meetings held on June 20, 2018 with recommendations to the full Board of Trustees.

President Dorough thanked Committee Chair Trustee Anaya for the Standing Committee Report.

MRGEDA REPORT

Trustee Holcomb reported on the MRGEDA activity for June 2018.

President Dorough thanked Trustee Holcomb for the MRGEDA Report.

NEW BUSINESS

Consideration of Employee Education Expense Reimbursement

Manager Herrera reported that Policy 210 – Grants for Off-Duty Training is there to help an employee further their education to help improve the employee's job performance. Manager Herrera stated that an Apprentice Lineman from the Quemado outpost, Mr. Nathan Boer Vis, was not aware of the policy.

After further discussion, Trustee Holcomb made a motion to make an exception to Policy 210 – Grants for Off-Duty Training and approve Mr. Boer Vis for reimbursement of the Spring 2018 semester with approval for the Summer 2018 semester; motion seconded by Trustee Baca. Motion carried unanimously.

Consideration of Four-Year Construction Work Plan

Manager Herrera reported that the full report of the Four-Year Construction Work Plan had been made available to the Board of Trustees as well as a proposed resolution requesting loan funds from RUS. Manager Herrera stated that as per Mr. Greiner, the submittal deadline for the loan application is August 1, 2018.

After further discussion, Trustee Holcomb made a motion to approve the Board Resolution Requesting Guaranteed Federal Financing Bank Loan based on the Four-Year Construction Work Plan as presented; motion seconded by Trustee Wade. Motion carried unanimously. (copy of resolution attached hereto and made a part hereof)

Classification & Compensation Program

Manager Herrera reported that the first Classification & Compensation Program for SEC was completed in 2016 with subsequent Board approval in 2017. Manager Herrera stated that as the origination of the program has aged, Steven Meilleur from Poms and Associates, updated the new Classification & Compensation Program using the Employee Cost Index to recalculate the wages. Manager Herrera stated that it was the recommendation of the Finance Committee to approve the updated Classification & Compensation Program.

After further discussion, Trustee Baca made a motion to approve the Classification & Compensation Program as presented; motion seconded by Trustee Holcomb. Motion carried unanimously.

Policy 120 – Wage and Salary Administration

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Manager Herrera reported that Policy 120 – Wage and Salary Administration was reviewed by the Standing Committee and it was the recommendation of the Committee to approve Policy 120 – Wage and Salary Administration with revisions.

Trustee Holcomb made a motion to accept the Standing Committee's recommended revisions on Policy 120 – Wage and Salary Administration; motion seconded by Trustee Baca. Motion carried unanimously.

Policy 122 – Retention of Corporate Records

Manager Herrera reported that Policy 122 – Retention of Corporate Records was reviewed by the Standing Committee and it was the recommendation of the Committee to approve Policy 122 – Retention of Corporate Records with no changes.

Trustee Holcomb made a motion to accept the Standing Committee's recommendations to retain Policy 122 – Retention of Corporate Records with no changes; motion seconded by Trustee Baca. Motion carried unanimously.

Policy 305 – Guide for System Collectors

Manager Herrera reported that Policy 305 – Guide for System Collectors was reviewed by the Standing Committee and it was the recommendation of the Committee to approve Policy 305 – Guide for System Collectors with revisions and current practice.

After further discussion, Trustee Holcomb made a motion to accept the Standing Committee's recommended revisions on Policy 305 – Guide for System Collectors; motion seconded by Trustee Baca. Motion carried unanimously.

Policy 308 – Use and Investment of General Funds

Manager Herrera reported that Policy 308 – Use and Investment of General Funds had not been reviewed since its origination. Manager Herrera stated the policy was updated to reflect the Bylaws. Manager Herrera continued stating it was the Standing Committee's recommendation to approve Policy 308 – Use and Investment of General Funds with revisions.

Trustee Holcomb made a motion to accept the Standing Committee's recommended revisions on Policy 308 – Use and Investment of General Funds; motion seconded by Trustee Anaya. Motion carried unanimously.

Policy 423 – Alternative Energy

Manager Herrera reported that Policy 423 – Alternative Energy was reviewed by the Standing Committee and it was the recommendation from the Committee to approve Policy 423 – Alternative Energy with revisions.

After discussion, Trustee Baca made a motion to accept the Standing Committee's recommended revisions on Policy 423 – Alternative Energy; motion seconded by Trustee Anaya. Motion carried with one descending vote.

Policy 425 – Net Metering

Manager Herrera reported that Policy 425 – Net Metering had been reviewed for the first time since its origination in 2015. Manager Herrera stated that revisions had been made to the policy and it was the recommendation from the Standing Committee to approve Policy 425 – Net Metering with these changes.

After discussion, Trustee Aguilar made a motion to accept the Standing Committee's recommended revisions on Policy 425 – Net Metering; motion seconded by Trustee Holcomb. Motion carried unanimously.

Consideration of Capital Credit Estate Retirements

Manager Herrera reported that SEC General Counsel Bruce E. Wiggins Esq., had previously reviewed the Patronage Estate Capital Retirement as provided in the Trustee's Boardpaq. Mr. Wiggins reviewed the retirement documents and stated that they appeared to be in order and were ready for the Board's consideration:

ESTATE RETIREMENTS:

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	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
Lorenzo Apachito	\$512.85	\$15.45	\$31.36	\$16.65	\$150.80	\$28.00	(\$159.93)	\$595.18	\$444.38
Gloria Mocera	\$458.44	\$25.06	\$14.18	\$2.50	\$0.00	\$40.09	\$0.00	\$540.27	\$540.27

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
Abenicio R Lopez	\$425.23	\$17.10	\$20.49	\$7.35	\$81.20	\$0.00	\$0.00	\$551.37	\$470.17
Roberto L Maesa	\$273.13	\$9.03	\$17.00	\$7.90	\$79.61	\$0.00	\$0.00	\$386.67	\$307.06
Ramon G Abeyta	\$238.63	\$11.91	\$14.26	\$5.53	\$52.75	\$0.00	\$0.00	\$323.08	\$270.33
Roger D Wiertsema	\$148.50	\$0.60	\$13.44	\$7.73	\$92.33	\$0.00	\$0.00	\$262.60	\$170.27
Ronald E Foster	\$442.73	\$6.74	\$27.41	\$13.00	\$173.29	\$0.00	\$0.00	\$663.17	\$489.88
Joseph M Stanton	\$288.12	\$8.60	\$22.49	\$11.91	\$114.51	\$0.00	\$0.00	\$445.63	\$331.12
Bokary S Maiga	\$275.48	\$6.01	\$16.63	\$8.98	\$102.77	\$0.00	\$0.00	\$409.87	\$307.10
Samuel Antencio, Jr.	\$238.96	\$7.78	\$15.08	\$7.14	\$71.02	\$0.00	\$0.00	\$339.98	\$268.96
Moises Talamante	\$399.47	\$12.14	\$26.74	\$13.07	\$134.29	\$0.00	\$0.00	\$585.71	\$451.42
David W Seery	\$215.91	\$0.70	\$14.51	\$7.79	\$99.26	\$0.00	\$0.00	\$338.17	\$238.91

After discussion, Trustee Holcomb made a motion to approve the Retirement of Patronage Capital as presented, absent any Tri-State allocations, to the above-mentioned estate accounts; motion seconded by Trustee Anaya. Motion carried unanimously.

Consideration of Line Extension Contracts

Manager Herrera reported that there are two contracts to be presented to the Board for approval. Manager Herrera stated that the first one was for Edward Yellowhair in the amount of \$9,683.93. Manager Herrera recommended that the Board approve Mr. Yellowhair's contract.

Trustee Wade made a motion to approve the contract for Edward Yellowhair the amount of \$9,683.93; seconded by Trustee Baca. Motion carried unanimously.

Manager Herrera stated that the second contract was for Glenn Fyolek in the amount of \$6,268.62. Manager Herrera recommended that the Board approve Mr. Fyolek's contract.

Trustee Anaya made a motion to approve the contract for Glenn Fyolek the amount of \$6,268.62; seconded by Trustee Baca. Motion carried unanimously.

Consideration of Trustee Travel

Trustees Anaya, Baca, Holcomb and Wolberg requested Board approval to attend the NMRECA Directors Class being held in Albuquerque, New Mexico on August 15, 2018.

President Dorough approved Trustee Anaya, Baca, Holcomb and Wolberg's request to attend the NMRECA Directors Class being held in Albuquerque, New Mexico pending verification of the class being taken. Motion carried unanimously.

EXECUTIVE SESSION

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

President Dorough called for an Executive Session.

The Board adjourned to Executive Session at 4:15 p.m.

REGULAR SESSION

A motion was made by Trustee Anaya and seconded by Trustee Aguilar to return to Regular Session at 5:05 p.m. President Dorough stated that there was no action taken during Executive Session.

SET DATE/TIME FOR REGULAR MEETING

After discussion, Trustee Anaya made a motion to: set the date and time of the next Standing Committee meeting for July 18, 2018 at 2:00 p.m. and to set the date and time for the next regularly scheduled Board Meeting for July 25, 2018 at 2:00 p.m.; motion seconded by Trustee Aguilar. Motion carried unanimously.


ADJOURNMENT

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

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 June 27, 2018. 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