

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

July 25, 2018

**INDEX**

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, July 25, 2018 at 310 Abeyta Ave, Socorro, New Mexico.

**CALL TO ORDER**

The meeting was called to order at 2:02 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  
                                  Donna Wilkins, Administrative Assistant  
                                  David Montoya, Safety Compliance Officer  
                                  Ricky Williams, Line Superintendent  
                                  Marilyn Madrid, Member Service Supervisor  
                                  Jimmy Capps, Director of Communications and Public Affairs  
                                  Dan McIlroy, RES Distributed

SEC MEMBERS PRESENT: Jimmy Dorough, John Larson

**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**

President Dorough stated that under New Business, Item 5 – “Consideration of Cost of Service Study” would be removed from the Agenda. Motion carried unanimously.

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

**CONSIDERATION AND APPROVAL PREVIOUS MINUTES**

Trustee Aguilar made a correction to the Minutes.

Trustee Baca moved to accept the minutes from June 27, 2018 as presented with corrections; motion seconded by Trustee Anaya. Motion carried unanimously.

President Dorough approved the June 27, 2018 minutes as distributed with corrections.

**PUBLIC COMMENTS**

There were no comments brought forth by SEC Members.

**PRESENTATION OF EMERGING SOLAR MARKET**

Manager Herrera introduced Dan McIlroy with RES Distributed who is in the solar energy renewable market.

Mr. McIlroy thanked the Board for allowing him to present to the Board and proceeded to go over his presentation; answering any questions posed by the Trustees.

\* Trustee Holcomb arrived at the meeting during discussion of this agenda item at 2:08 p.m.

**MANAGER'S REPORT**

Manager Herrera reported on the expenditures check register totaling \$860,125.19 for the month of June 2018 and proceeded to answer questions posed by the Trustees.

President Dorough thanked Manager Herrera for the Expenditure Report for June 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 June 2018 and proceeded to answer questions posed by the Trustees.

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

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

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

Manager Herrera reported for the Engineering Report that he had talked with Aaron Greiner from T&D Services after the last Board meeting during which the 2018-2021 Construction Work Plan (CWP) was approved. Manager Herrera stated that he had asked Mr. Greiner to review the CWP which resulted in a change to the estimated cost of the Magdalena 69kV Transmission Line Project as Manager Herrera requested the use of steel engineered poles considering damage resulting on the existing line from the recent rain storm. Manager Herrera mentioned that this had caused the overall cost of the CWP price to go up and he would bring the revised CWP back to the Board for approval at a later date. Manager Herrera proceeded to answer questions posed by the Trustees.

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

Manager Herrera concluded by reporting that SEC must file for continuation of the Fuel and Purchased Power Cost Adjustment with NM PRC every four (4) years. Manager Herrera stated that the filing was submitted to the NM PRC which they received on July 9, 2018 and are reviewing. Manager Herrera stated that Jack Moss from Bolinger, Segars, Gilbert and Moss, LLP with the assistance of Lorna Wiggins, SEC General Council and SEC staff were able to complete the filing and submit it in a timely fashion.

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

**SAFETY COMPLIANCE REPORT**

**SAFETY REPORT**

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

#### JOB BRIEFING

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

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

#### OPERATIONS AND MAINTENANCE REPORT

##### CONSTRUCTION/MAINTENANCE REPORT

Mr. Williams reported that 15 service orders including tree trimming, and security light repairs were completed last month while crews also completed 18 work orders. Mr. Williams stated the Very Large Array (VLA) is scheduled to be re-energized on July 27, 2018 as they have completed the planned maintenance on their side of the meter. Mr. Williams went over the outage that occurred on July 15, 2018 that washed out three (3) poles, two (2) of which were on the Magdalena 69kV Transmission Line. Mr. Williams answered questions posed by the Trustees.

Trustee Anaya thanked Mr. Williams, the line crew and office staff for the tremendous job they all did in the restoration of power from the July 15, 2018 outage.

#### OUTAGE REPORTS

Mr. Williams went over the Cooperative Response Center report for June 2018 stating that 47 outage reports had been turned in by crews and 186 customer calls reported by CRC.

President Dorough thanked Mr. Williams for the Operations and Maintenance Report for June 2018.

#### MEMBER SERVICES REPORTS

##### ENERGY DELINQUENT REPORT

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

##### NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had no member complaints filed with the NM PRC in June 2018.

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

#### COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

Mr. Capps reviewed the June 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 June 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

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

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

#### PRESIDENT'S REPORT

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**2018 SECOND QUARTER TRUSTEE EXPENSES**

President Dorough reported that the 2018 Trustee Expense reports for the second quarter had been provided for all trustees to review as well as reminded about the expense limits.

**CONSIDERATION OF 2018 STRATEGIC PLANNING GOAL COMPLETION**

President Dorough stated that when the performance review was completed for Manager Herrera, it contained a stipulation that he would only receive his bonus after completing two (2) of the major projects as outline in the 2018 Strategic Plan. President Dorough stated that Manager Herrera has completed the Classification & Compensation Program and the Four-Year Construction Work Plan (CWP).

Trustee Anaya made a motion to approve Manager Herrera's bonus for completing two (2) of the major projects outlined in the 2018 Strategic Plan; motion seconded by Trustee Aguilar. Motion carried unanimously.

**TRUSTEE REPORTS**

Trustee Anaya thanked all of SEC staff for getting the power turned back on so quickly due to the rain storm and resulting outage of July 15, 2018.

**FINANCE COMMITTEE REPORT**

Committee Chair Trustee Baca reported on the Committee meetings held on June 27, 2018.

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 July 18, 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 and Mr. Capps reported on the MRGEDA activity for July 2018.

President Dorough thanked Trustee Holcomb and Mr. Capps for the MRGEDA Report.

**NEW BUSINESS**

**Policy 132 – Member Access to Cooperative's Information**

Manager Herrera reported that Policy 132 – Member Access to Cooperative's Financial & Management Information Policy was reviewed by the Standing Committee and it was the recommendation of the Committee to approve Policy 132 – Member Access to Cooperative's Financial & Management Information Policy with revisions.

After discussion, Trustee Holcomb made a motion to accept the Standing Committee's recommended revisions on Policy 132 – Member Access to Cooperative's Financial & Management Information Policy"; motion seconded by Trustee Aguilar. Motion carried unanimously.

**Policy 402 – Establishment of Credit**

Manager Herrera reported that Policy 402 – Establishment of Credit was reviewed by the Standing Committee and it was the recommendation of the Committee to approve Policy 402 – Establishment of Credit with no changes.

After discussion, Trustee Holcomb made a motion to accept the Standing Committee's recommendations to retain Policy 402 – Establishment of Credit with no changes; motion seconded by Trustee Wade. Motion carried unanimously.

**Policy 420 – Disposition of Electricity**

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Manager Herrera reported that Policy 420 – Disposition of Electricity was reviewed by the Standing Committee and it was the recommendation of the Committee to approve Policy 420 – Disposition of Electricity with revisions.

After discussion, Trustee Holcomb made a motion to accept the Standing Committee's recommended revisions on Policy 420 – Disposition of Electricity; motion seconded by Trustee Baca. Motion carried unanimously.

Policy 506 – Engineers-Insurance

Manager Herrera reported that Policy 506 – Engineers-Insurance was reviewed by the Standing Committee and it was the recommendation of the Committee to make Policy 506 – Engineers-Insurance obsolete.

Trustee Baca made a motion to accept the Standing Committee's recommendation to abolish Policy 506 – Engineers-Insurance; motion seconded by Trustee Wade. Motion carried unanimously.

Consideration of Cost of Service Study

President Dorough stated that the Consideration of Cost of Service Study had been removed from the Agenda.

Consideration of USDA RD Apply Resolution

Manager Herrera stated as per USDA RUS, an Apply Resolution is needed to certify that both himself and Ronnita Montoya, Accounting Department Supervisor, can apply for any RUS loans in conjunction with the CWP for Socorro Electric. Manager Herrera reported that the Resolution was provided by USDA RUS.

Trustee Wolberg made a motion to approve the USDA RD Apply Resolution as provided; motion seconded by Trustee Anaya. Motion carried unanimously.  
(copy of Resolution attached hereto and made a part hereof)

Consideration of First State Bank Credit Cards Resolution

Manager Herrera is requesting approval from the Board to obtain MasterCard credit cards from First State Bank for the rest of his Senior Management Team. Manager Herrera stated this would include Ricky Williams, Line Superintendent; Amelia Gallegos, Meter Department Supervisor; and Ronnita Montoya, Accounting Department Supervisor. Manager Herrera presented the required documents from First State Bank.

After discussion, Trustee Wolberg made a motion to approve the First State Bank Credit Card Resolution for Ricky Williams, Amelia Gallegos and Ronnita Montoya; motion seconded by Trustee Anaya. Motion carried unanimously.  
(copy of Resolution attached hereto and made a part hereof)

Consideration of Used Bucket Truck Purchase

Manager Herrera reported that two used bucket trucks were located to replace the bucket truck used by crew in our Northern Service Area. Manager Herrera reported that the Finance Committee had recommended the purchase of a 2014 Altec Bucket Truck in the amount of \$117,000.00.

Trustee Wolberg made a motion to accept the Finance Committee's recommendation to approve the purchase of the 2014 Altec Bucket Truck in the amount of \$117,000.00; motion seconded by Trustee Anaya. Motion carried unanimously.

Consideration of CBS Proposal

Manager Herrera reported that as per the Board's request, CBS has submitted a proposal for the rendering of services to be considered.

After discussion, Trustee Wolberg made a motion to accept the CBS Proposal; motion seconded by Trustee Wade. Motion carried unanimously.

Consideration of Capital Credit Estate Retirements

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Manage 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:

	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
Roger Sweeney	\$144.42	\$0.71	\$9.40	\$5.32	\$60.29	\$0.00	\$0.00	\$220.14	\$159.85
Bernard C Hughes	\$475.81	\$8.66	\$41.32	\$28.77	\$192.42	\$0.00	\$0.00	\$746.98	\$554.56
O'Tillie T Padilla	\$737.44	\$24.86	\$46.22	\$21.55	\$224.82	\$0.00	\$0.00	\$1,054.89	\$830.07
Cecilia Lopez	\$386.38	\$10.73	\$27.69	\$12.30	\$143.35	\$17.13	\$0.00	\$597.58	\$454.23
Marina Gallegos	\$466.45	\$19.91	\$32.32	\$14.88	\$135.09	\$0.00	\$0.00	\$668.65	\$533.56
Stella S Cordova	\$300.23	\$9.67	\$22.12	\$12.12	\$198.19	\$0.00	\$0.00	\$542.33	\$344.14

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
George R Oakes	\$41.46	\$0.00	\$6.39	\$3.98	\$37.32	\$0.00	\$0.00	\$89.15	\$51.83
Jabez F Smith	\$206.51	\$6.35	\$21.94	\$12.36	\$101.25	\$0.00	\$0.00	\$348.41	\$247.16

After discussion, Trustee Baca 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 Wolberg. Motion carried unanimously.

Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

Trustees Anaya and Wolberg requested Board approval to attend the NMRECA Annual BBQ being held in Santa Fe, New Mexico on August 30-31, 2018.

Trustee Aguilar made a motion to approve travel for Trustees Anaya and Wolberg to attend the NMRECA Annual BBQ that was being held in Santa Fe, New Mexico on August 30-31, 2018; motion seconded by Trustee Anaya. Motion carried unanimously.

Trustees Anaya and Baca requested Board approval to attend the NRECA Region 10 Meeting being held in Oklahoma City, Oklahoma on October 16-18, 2018.

Trustee Wolberg made a motion to approve travel for Trustees Anaya and Baca to attend the NRECA Region 10 Meeting that was being held in Oklahoma City, Oklahoma on October 16-18, 2018; motion seconded by Trustee Aguilar. Motion carried unanimously.

Trustee Wolberg requested Board approval to attend the NRECA Gettysburg's Leadership Experience being held in Gettysburg, Pennsylvania on September 12-14, 2018.

Trustee Anaya made a motion to approve travel for Trustee Wolberg to attend the NRECA Gettysburg Leadership Experience that is being held in Gettysburg, Pennsylvania on September 12-14, 2018; motion seconded by Trustee Aguilar. Motion carried unanimously.

**EXECUTIVE SESSION**

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There were no items to discuss in Executive Session.

**SET DATE/TIME FOR REGULAR MEETING**

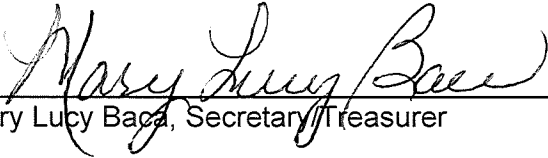
After discussion, Trustee Aguilar made a motion to set the date and time for the next regularly scheduled Board Meeting for August 22, 2018 at 2:00 p.m.; motion seconded by Trustee Wolberg. Motion carried unanimously.

**ADJOURNMENT**

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

President Dorough adjourned the meeting at 3:57 p.m.

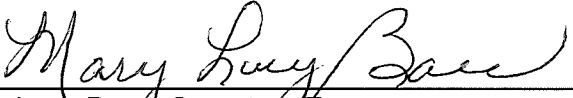
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\_\_\_\_\_  
Mary Lucy Baca, Secretary/Treasurer

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 July 25, 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