

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

November 28, 2018

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, November 28, 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

 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 Services Supervisor
 Jimmy Capps, Director of Communications and Public Affairs

SEC MEMBERS PRESENT: John Larson, Ward McCartney, Jimmy Dorough, Wanda Moeller,
 Don Steinnerd

NON-SEC MEMBERS PRESENT: Kirk Williams, Tim Masa, Triffin Zecy, Ray Beavers

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

Trustee Anaya moved to approve the Agenda as presented; motion seconded by Trustee Aguilar. Motion carried unanimously.

President Dorough approved the Agenda as distributed.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Wolberg made a correction to the minutes from October 24, 2018.

Trustee Aguilar moved to accept the minutes from October 24, 2018 with correction; motion seconded by Trustee Anaya. Motion carried unanimously.

President Dorough approved the October 24, 2018 minutes as corrected.

* Trustee Wade arrived at the meeting during this agenda item at 2:03 p.m.

PUBLIC COMMENTS

Ward McCartney, District 1 member, provided the Trustees with information about putting in solar panels and encouraged them to consider more renewable generation sources.

Wanda Moeller, District 3 member, introduced herself to the Trustees as the new editor of the El Defensor Chieftain and looked forward to working with the Trustees.

Don Steinnerd, District 3 member, stated that he had put in a Policy 132 requesting information from the Board and was hoping for a response from the Board.

The Board of Trustees and Manager Herrera introduced themselves to Ms. Moeller.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$1,093,452.65 for the month of October 2018 and proceeded to answer questions posed by the Trustees.

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

Manager Herrera reported that the American Express and MasterCard credit card statements with supporting receipts were made available to the Board of Trustees for October 2018.

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

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

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

Manager Herrera reported that under the Engineering Report for November, there were 45 site visits with 27 of them here within the Socorro area. Manager Herrera stated that 11 of the 16 New Mexico cooperatives have filed a Letter of Interest with Francis, LLC to see about funds to put in a new electric vehicle (EV) charging station. Manager Herrera stated that he has talked with the Mayor of the Village of Magdalena who is interested in the project if 100% of the costs of the EV charging station could be paid by this program. Manager Herrera stated that he has also reached out to the City of Socorro and Socorro County but as of this date, they have expressed no interest. Manager Herrera also provided an update to the conversion over to the new Office 365 Outlook software.

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

Manager Herrera concluded reporting that SEC has received numerous cards of gratitude from the kids in the various 4H groups for the add-on donations made for the respective Junior Livestock Sales held during the county fairs.

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

SAFETY COMPLIANCE REPORT

SAFETY REPORT

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

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JOB BRIEFING

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

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

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Williams reported for September that crews completed 57 service orders, 47 work orders with 18 being new construction, 20 maintenance activity and 9 retirements orders. Mr. Williams reported that the crews completed the installation of equipment, for the ongoing AMI project, in the Socorro Local, Quemado and Socorro Tri-State substations. Mr. Williams explained that due to year end inventory, all warehouses will be closing on December 7, 2018 until January 2, 2019 to do inventory counts. Mr. Williams explained that during this closure of the warehouse, crews will finish up open work orders but will start working on the Middle Rio Grande Conservancy District project which will take a month to two to complete. Mr. Williams proceed to answer questions posed by the Trustees.

OUTAGE REPORTS

Mr. Williams went over the Cooperative Response Center report for October 2018 stating that 32 outage reports had been turned in by crews answering questions posed by the Trustees.

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

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid reported on the Energy Delinquent Report for October 2018 and proceeded to answer questions posed by the Trustees.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had no member complaints filed with the NM PRC in October 2018 and proceeded to answer questions posed by the Trustees.

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

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

Mr. Capps reviewed the October 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 October 2018.

TRI-STATE REPORT

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

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

NMRECA REPORT

Manager Herrera reported on the NMRECA activities report for October 2018 and proceeded to answers questions posed by the Trustees.

President Dorough thanked Manager Herrera for the NMRECA Report.

MRGEDA REPORT

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Trustee Wolberg reported that the MRGEDA meeting had been cancelled but he did not receive any notice. Trustee Wolberg asked for information about the next upcoming MRGEDA meeting that was being held in Truth or Consequences.

President Dorough thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

President Dorough reported on the Bureau of Land Management open house regarding the proposed Borderlands Wind project planned for Catron County.

President Dorough congratulated both Trustee Aguilar and Baca as she presented them with their NRECA Board Leadership Certificates.

TRUSTEE REPORTS

Trustee Wolberg reported that he is working on getting information on SEC's history as we approach our 75th anniversary. Trustee Wolberg stated that he would like to consider having a new district that would be just for the Alamo Navajo Nation.

President Dorough stated that this proposal will be discussed during a Committee of the Whole meeting.

Trustee Anaya reported that Trustee Arsenio Salazar from Continental Divide Electric Cooperative recently past away.

President Dorough thanked Trustee Wolberg and Anaya for their Trustee Report.

FINANCE COMMITTEE REPORT

Committee Chair Trustee Baca reported on the Finance Committee meeting held on October 24, 2018.

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

STANDING COMMITTEE REPORT

Committee Chair Trustee Anaya reported on the Standing Committee meeting held on November 28, 2018 with recommendations to the full Board of Trustees.

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

NEW BUSINESS

2019 Budget

Manager Herrera reported the Finance Committee reviewed two versions of the 2019 Budget, one with and one without the proposed rate increase. Manager Herrera reviewed in detail the 2019 Budget which includes a 9.5% increase for the Cigna Medical Health insurance benefit. Manager Herrera stated that it was the recommendation from the Finance Committee to approve the 2019 Budget without the proposed rate increase and with SEC absorbing the 9.5% increase from Cigna Medical.

After further discussion, Trustee Wade made a motion to accept the Finance Committee's recommendation to approve the 2019 Budget, without the proposed rate increase, and with SEC absorbing the 9.5% increase from Cigna Medical; motion seconded by Trustee Baca. Motion carried unanimously.

Medical Health Quote

Manager Herrera reported that it was the recommendation from the Finance Committee to continue with Cigna Medical and have SEC absorb the 9.5% increase from Cigna.

After discussion, Trustee Aguilar made a motion to accept the Finance Committee's recommendation to approve the Cigna Medical Health quote which includes a 9.5% increase; motion seconded by Trustee Baca. 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 |
|---------------------|-------------------|------------|--|-----------------------------------|-----------|----------|----------------|------------|-------------------------|
| Karen Bailey-Bowman | \$307.44 | \$4.20 | \$19.29 | \$7.33 | \$123.43 | \$0.00 | (\$147.96) | \$313.73 | \$190.30 |
| Howard Ray Little | \$709.14 | \$53.45 | \$28.35 | \$4.32 | \$58.87 | \$438.06 | \$0.00 | \$1,292.19 | \$1,233.32 |

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 |
|------------------------|-------------------|------------|--|-----------------------------------|-----------|----------|----------------|----------|-------------------------|
| Tom L Crespin | \$353.13 | \$10.72 | \$21.62 | \$10.44 | \$109.09 | \$35.00 | \$0.00 | \$540.00 | \$430.91 |
| John Alexander Russell | \$336.62 | \$18.45 | \$26.22 | \$11.50 | \$110.00 | \$173.50 | \$0.00 | \$676.29 | \$566.29 |
| Fritz A Moeller | \$457.72 | \$12.93 | \$27.33 | \$14.36 | \$134.24 | \$0.00 | \$0.00 | \$646.58 | \$512.34 |

Trustee Wolberg 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 Baca. Motion carried unanimously.

Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

Trustee Aguilar, Baca and President Dorough requested Board approval to attend the NRECA Directors Conference in San Antonio, Texas on February 9-12, 2019.

Trustee Wolberg made a motion to approve travel for Trustee Aguilar, Baca and President Dorough to attend the NRECA Directors Conference being held in San Antonio, Texas; motion seconded by Trustee Anaya. Motion carried unanimously.

Trustee Anaya and Baca requested Board approval to attend the NRECA Annual Meeting in Orlando, Florida on March 7-13, 2019.

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

EXECUTIVE SESSION

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

President Dorough called for an Executive Session.

The Board adjourned to Executive Session at 3:41 p.m.

REGULAR SESSION

REGULAR BOARD MEETING

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A motion was made by Trustee Wolberg and seconded by Trustee Aguilar to return to Regular Session at 5:21 p.m. President Dorough stated that there was no action taken during Executive Session.

SET DATE/TIME FOR REGULAR MEETING

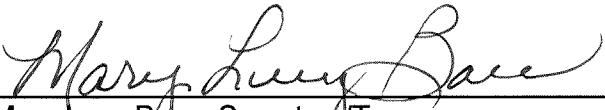
After discussion, Trustee Baca made a motion to: set the date and time of the next Standing Committee meeting for December 19, 2018 at 1:00 p.m. with the Committee of the Whole to meet at 2:00 p.m. and to set the date and time for the next regularly scheduled Board Meeting for December 26, 2018 at 2:00 p.m.; motion seconded by Trustee Wolberg. Motion carried unanimously.

ADJOURNMENT

There being no further items open for discussion, President Dorough adjourned the meeting by unanimous consent at 5:23 p.m.


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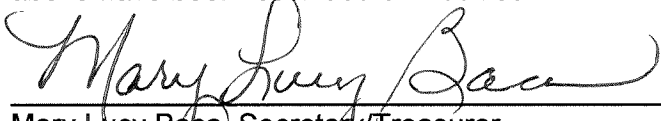
Mary Lucy Baca, Secretary/Treasurer

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 28, 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