

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

November 16, 2022

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC) was held on Wednesday, November 16, 2022, at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

The meeting was called to order at 2:00 p.m. by James Nelson, Chairman.

ROLL CALL

Secretary Wolberg called the roll and reported those present and attending as follows:

TRUSTEES PRESENT: James Nelson, Chairman
 Representative, District 2

 Luis Aguilar, Vice-Chairman
 Representative, District 3

 Donald Wolberg, Secretary/Treasurer
 Representative, District 3

 Ward McCartney, Trustee
 Representative, District 1

 Leroy Anaya, Trustee
 Representative, District 3

 Dave Wade, Trustee
 Representative, District 4

 Ron Burnett, Trustee
 Representative, District 5

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
 Donna Wilkins, Administrative Assistant
 Jimmy Capps, Chief Financial Officer
 David Montoya, Safety Compliance Officer
 Steve Dettmer, Line Superintendent
 Marilyn Madrid, Member Services Supervisor
 Ellena Tapia, Director of Communications and Public Affairs

SEC MEMBERS PRESENT: Judy Holcomb, Marva Brunson, John Labrecque, Wini Labrecque,
 John W Briggs, Cynde Mae Wade

QUORUM

Secretary Wolberg declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

Chairman Nelson led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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

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Chairman Nelson approved the Agenda as presented.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Hearing no corrections or objections, Chairman Nelson approved the Minutes from October 19, 2022, as distributed.

MEMBER COMMENTS

Judy Holcomb, District 2 member, stated that she had been contacted by members from Magdalena regarding the ownership of the streetlights and requested that someone from SEC do a presentation regarding these lights.

John Briggs, District 2 member, stated that he is the president of the Magdalena Astronomical Society. Mr. Briggs appreciated SEC's attention to good lighting engineering and SEC properly shielding lights within Magdalena. Mr. Briggs stated that several ranchers had contacted him regarding how bright the Magdalena mountains are getting due to the lights being installed.

Manager Herrera reported that the Village of Magdalena has approximately 111 streetlights, and some of the lights do not have the proper dark light shield on them due to manufacturer supply issues. Manager Herrera stated that SEC is working with the Village of Magdalena to get these lights resolved.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$817,859.96 for October 2022 and proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Manager Herrera for the Expenditure Report for October 2022.

Manager Herrera reported the Visa credit card expenditures, complete with supporting receipts, made available to the Board of Trustees for October 2022 and proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Manager Herrera for the credit card report for October 2022.

Manager Herrera provided the Engineering Report reporting that he has been in contact with Sun Zia, who wants to build a 500 kV line from the Capitan area to the Arizona border. Manager Herrera stated that with this built, Sun Zia will be crossing our lines at several locations and that he is working with Sun Zia to sign a License Crossing Agreement. Manager Herrera reported that Sun Zia wants to complete everything by the end of November but does not have the License Crossing Agreement completed, which must be presented to the Board of Trustees for approval. Manager Herrera stated he is working on some provisions within the agreement for whether the pole size needs to be changed and the process that will work with Sun Zia. Manager Herrera proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Manager Herrera for the Engineering Report for October

Manager Herrera concluded that NM PRC has been very active recently, requesting information with very short time windows to respond. Manager Herrera stated that PRC requested SEC's vegetation management procedures with only five business days to respond and then a few days later requested SEC's cyber security preparedness, which had only four days to respond. Manager Herrera reported that the requests for information were completed on time by Ms. Wilkins. Manager Herrera reported that recently USDA had a listening meeting to discuss the Inflation Reduction Act to help get ideas on how to distribute the funds to entities for this matching contribution. Manager Herrera proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Manager Herrera for the Manager's Report for October 2022.

FINANCIAL REPORT

Mr. Capps reported that due to the early Board meeting, October 2022 financials were not ready but would be provided in December 2022.

Chairman Nelson thanked Mr. Capps for the RUS Form 7 Report for October 2022.

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SAFETY COMPLIANCE REPORT

SAFETY REPORT

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

JOB BRIEFING

Mr. Montoya reviewed the September Job Briefing Reports.

Chairman Nelson thanked Mr. Montoya for the Safety Report for October 2022.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Dettmer reported for October activities, crews closed 0 work orders and completed 48 service orders, with most service orders for area lights. Mr. Dettmer reported that crews trimmed 9 trees and cut 9 trees in October.

OUTAGE REPORTS

Mr. Dettmer reviewed several major outages that affected over 100 members or for which the outage time was lengthy.

Chairman Nelson thanked Mr. Dettmer for the Operations and Maintenance Report for October 2022.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for October 2022 and proceeded to answer questions posed by the Trustees.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had one (1) informal Member complaint filed with the NM PRC in October 2022. Ms. Madrid and Manager Herrera proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Ms. Madrid for the Member Services Report for October 2022.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

Ms. Tapia reviewed the October Communications and Public Affairs Report and proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Ms. Tapia for the Communications and Public Affairs Report for October 2022.

TRI-STATE REPORT

Trustee Anaya gave the Tri-State Board of Directors' activities report for November 2022.

Manager Herrera reported on the Rate Design Committee Update activities for November 2022, stating the Committee continued reviewing the stated rate versus the formula rate and how stabilization affects the rate. Manager Herrera stated the Committee discussed unbundling transmissions and the associated cost. Manager Herrera reported with March 2023 being the deadline to provide recommendations to Tri-State's Board of Directors; the next few months will be busy for the Committee and proceed to answer questions posed by the Trustees.

Chairman Nelson thanked Trustee Anaya and Manager Herrera for the Tri-State Report.

Chairman Nelson called for a recess at the end of this discussion item at 3:07 p.m.

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Chairman Nelson called the meeting back to order at 3:15 p.m.

NMRECA REPORT

Trustee Wolberg gave the NMRECA report for November 2022.

Chairman Nelson thanked Trustee Wolberg for the NMRECA Report.

MRGEDA REPORT

Trustee Wolberg gave the MRGEDA report for November 2022.

Chairman Nelson thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

There was no President's Report given at this time.

FINANCE COMMITTEE REPORT

Trustee Aguilar reported on the Finance Committee Meeting held on November 16, 2022.

Chairman Nelson thanked Trustee Aguilar for the Finance Committee Report.

STANDING COMMITTEE REPORT

Trustee Wolberg reported on the Standing Committee Meeting held on November 16, 2022, with recommendations to the full Board of Trustees at the December Board meeting.

Chairman Nelson thanked Trustee Wolberg for the Standing Committee Report.

NEW BUSINESS

Board Policy 116 – Trustees' Fees and Expenses

Manager Herrera reported that the Standing Committee reviewed Board Policy 116 – Trustees' Fees and Expenses in October 2022, and the Committee recommended that the Board approve Board Policy 116 – Trustees' Fees and Expenses with proposed revisions.

Trustee McCartney moved to accept the Standing Committee's recommendation of Board Policy 116 – Trustees' Fees and Expenses with proposed revisions; motion seconded by Trustee Wolberg. Motion carried unanimously.

Board Policy 118 – Services of Consultants

Manager Herrera reported that the Standing Committee reviewed Board Policy 118 – Services of Consultants in October 2022, and the Committee recommended that the Board approve Board Policy 118 – Services of Consultants as reviewed.

Trustee Burnett moved to accept the Standing Committee's recommendation of Board Policy 118 – Services of Consultants as reviewed; motion seconded by Trustee Anaya. Motion carried unanimously.

Board Policy 131 – Board of Trustees Use of Socorro Electric Cooperative Electronic Communication Devices

Manager Herrera reported that the Standing Committee reviewed Board Policy 131 – Board of Trustees Use of Socorro Electric Cooperative Electronic Communication Devices in October 2022, and the Committee recommended that the Board approve Board Policy 131 – Board of Trustees Use of Socorro Electric Cooperative Electronic Communication Devices with proposed revisions.

Trustee Aguilar moved to accept the Standing Committee's recommendation of Board Policy 131 – Board of Trustees Use of Socorro Electric Cooperative Electronic Communication Devices with proposed revisions; motion seconded by Trustee Burnett. Motion carried unanimously.

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Board Policy 132 – Member Access to Cooperative’s Financial & Management Information Policy

Manager Herrera reported that the Standing Committee reviewed Board Policy 132 – Member Access to Cooperative’s Financial & Management Information Policy in October 2022, and the Committee recommended that the Board approve Board Policy 132 – Member Access to Cooperative’s Financial & Management Information Policy with proposed revisions.

Trustee Wolberg moved to accept the Standing Committee’s recommendation of Board Policy 132 – Member Access to Cooperative’s Financial & Management Information Policy with proposed revisions; motion seconded by Trustee Burnett. Motion carried unanimously.

Board Policy 424 – Aid to Construction Loans

Manager Herrera reported that the Standing Committee reviewed Board Policy 424 – Aid to Construction Loans in October 2022, and the Committee recommended that the Board approve Board Policy 424 – Aid to Construction Loans with proposed revisions.

After discussion, Trustee Burnett moved to accept the Standing Committee’s recommendation of Board Policy 424 – Aid to Construction Loans with proposed revisions; motion seconded by Trustee Aguilar. Motion carried unanimously.

NM DoIT Grant

Manager Herrera reported that SEC had been awarded the Middle Mile Broadband Grant. Manager Herrera explained that SEC’s grant application was one of the most expensive grants approved, but this was due to SEC wanting to bring fiber to the premise and with up to a gigabit speed. Manager Herrera stated that the Magdalena area would be the pilot project area. Manager Herrera reported that due to the cash matching requirement of 32% for the Middle Mile Broadband Grant, he recommends that SEC use the pole replacement funds in the RUS loan to replace poles only within the Magdalena area. Manager Herrera proceeded to answer questions posed by the Trustees.

After discussion, Trustee Wolberg moved to approve a cash match of 32% as required by the Middle Mile Broadband Grant; motion seconded by Trustee Anaya. Motion carried unanimously.

CDEC SEC Broadband MOU

Manager Herrera reported that at the Strategic Board Retreat, there was a discussion about doing a Memorandum of Understanding (MOU) with Continental Divide Electric Cooperative (CDEC) to start a partnership with CDEC’s Red Bolt Internet, which will help in getting Magdalena set up with internet. Manager Herrera stated that both CDEC and SEC’s legal counsel had reviewed the MOU.

After much discussion, Trustee McCartney moved to approve the CDEC SEC Broadband MOU with proposed correction; motion seconded by Trustee Anaya. Motion carried unanimously.

Consideration of Capital Credit Estate Retirements

Manager Herrera reported that SEC General Counsel Lorna Wiggins Esq. had previously reviewed the Patronage Estate Capital Retirement requests as provided in the Trustee’s BoardPaq. Ms. 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
EM-Nov-22-A	\$565.92	\$17.77	\$32.21	\$19.80	\$134.46	\$58.13	\$0.00	\$828.29	\$693.83
EM-Nov-22-B	\$1,317.40	\$7.01	\$59.94	\$33.12	\$469.56	\$18.57	\$0.00	\$1,905.60	\$1,436.04
EM-Nov-22-C	\$372.58	\$1.37	\$48.65	\$40.47	\$179.67	\$0.00	\$0.00	\$642.74	\$463.07

JOINT ACCOUNT 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
JM-Nov-22-A	\$256.38	\$4.10	\$12.98	\$6.66	\$72.34	\$0.00	\$0.00	\$352.46	\$280.12
JM-Nov-22-B	\$427.49	\$5.53	\$42.11	\$32.27	\$182.45	\$0.00	\$0.00	\$689.85	\$507.40
JM-Nov-22-C	\$263.88	\$3.22	\$25.04	\$18.06	\$111.05	\$0.00	\$0.00	\$421.25	\$310.20
JM-Nov-22-D	\$101.21	\$5.71	\$2.92	\$0.00	\$0.00	\$97.68	\$0.00	\$207.52	\$207.52
JM-Nov-22-E	\$774.90	\$7.88	\$91.13	\$62.76	\$359.64	\$0.00	\$0.00	\$1,296.31	\$936.67
JM-Nov-22-F	\$349.32	\$0.00	\$82.12	\$66.93	\$293.70	\$0.00	\$0.00	\$792.07	\$498.37
JM-Nov-22-G	\$837.22	\$0.71	\$78.86	\$66.68	\$363.75	\$0.00	\$0.00	\$1,347.22	\$983.47

After discussion, Trustee McCartney moved to approve the Retirement of Patronage Capital as presented, absent any Tri-State allocations, to the accounts mentioned above; motion seconded by Trustee Aguilar. Motion carried unanimously.

Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

Trustees Anaya, McCartney, and Wolberg requested Board approval to attend the NMREC Director's Training scheduled for December 15, 2022, in Albuquerque, New Mexico.

Trustee Wolberg requested each Trustee Travel request be taken each in turn.

Trustee Wolberg moved to approve Trustee Anaya to attend NMREC Director's Training; motion seconded by Trustee Burnett. Motion carried unanimously.

Trustee Anaya moved to approve Trustee McCartney to attend NMREC Director's Training; motion seconded by Trustee Burnett.

A roll call vote was conducted by Chairman Nelson and is as follows:

Yes: Trustees Aguilar, Burnett, and McCartney

No: Trustees Anaya, Wolberg, and Chairman Nelson

Abstain: Trustee Wade

Motion failed due to no majority vote obtained, with one Trustee abstaining.

Trustee Burnett moved to approve Trustee Wolberg to attend NMREC Director's Training; motion seconded by Trustee Anaya. Motion carried unanimously.

EXECUTIVE SESSION

Trustee Wolberg moved to go into Executive Session to discuss individual employee matters; motion seconded by Trustee Aguilar. Motion carried unanimously.

Chairman Nelson called for an Executive Session.

The Board adjourned to Executive Session at 4:14 p.m.

REGULAR SESSION

Trustee Wolberg moved and seconded by Trustee Anaya to return to Regular Session at 4:44 p.m.

Chairman Nelson stated that there was no action taken during Executive Session.

SET DATE/TIME FOR REGULAR MEETING

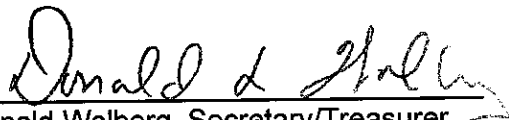
After discussion, Trustee Wolberg moved to set the date and time of committee meetings and the next regularly scheduled Board meeting for December 21, 2022, with committee meetings starting at 12:30 p.m. and the Board meeting at 2:00 p.m.; motion seconded by Trustee Burnett. Motion carried unanimously.

ADJOURNMENT

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

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Chairman Nelson adjourned the meeting at 4:49 p.m.


Donald Wolberg, Secretary/Treasurer

APPROVED:


James Nelson, Chairman

I, Donald Wolberg, 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 16, 2022. 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.


Donald Wolberg, Secretary/Treasurer