

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

December 21, 2022

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC) was held on Wednesday, December 21, 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

Chairman Nelson 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

Ward McCartney, Trustee
Representative, District 1

Leroy Anaya, Trustee
Representative, District 3

Dave Wade, Trustee
Representative, District 4

Ron Burnett, Trustee
Representative, District 5

TRUSTEE(S) ABSENT: Donald Wolberg, Secretary/Treasurer
Representative, District 3

ALSO PRESENT: Joseph Herrera, General Manager
Donna Wilkins, Administrative Assistant
V. Todd Unruh, Engineering Manager
Jimmy Capps, Chief Financial Officer
David Montoya, Safety Compliance Officer/Interim Line
Superintendent
Marilyn Madrid, Member Services Supervisor

SEC MEMBERS PRESENT: Cynde Mae Wade, David L Wade

QUORUM

Chairman Nelson declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

Chairman Nelson led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

Trustee McCartney moved to add Solar Value Project to New Business on the Agenda; motion seconded by Trustee Aguilar. Motion carried unanimously.

Chairman Nelson approved the Agenda as revised.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

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Trustee Aguilar moved to approve the minutes from November 16, 2022, as presented; motion seconded by Trustee Burnett. Motion carried unanimously.

Chairman Nelson approved the minutes from November 16, 2022, as presented.

MEMBER COMMENTS

There were no comments brought forth by SEC Members.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$1,574,664.93 for November 2022.

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

Manager Herrera reported the Visa credit card expenditures, complete with supporting receipts, made available to the Board of Trustees for November 2022.

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

Manager Herrera provided the Engineering Report introducing Engineering Manager V. Todd Unruh, who had recently started with SEC. Manager Herrera reported Sun Zia is still building the 500 kV line from the Capitan area to the Arizona border with approximately 25 line crossings. Manager Herrera stated that Sun Zia had requested that Manager Herrera be able to sign off on the License Agreements not to have to wait for the next board meeting and proceeded to answer questions posed by the Trustees.

After discussion, Trustee Anaya moved to approve Manager Herrera to sign the License Agreements between SEC and Sun Zia; motion seconded by Trustee Aguilar. Motion carried unanimously.

Manager Herrera continued with the Engineering Report stating SEC had received a letter had been received from a member stating that SEC had violated a right-of-way easement for another member along a drainage ditch. Manager Herrera explained that SEC has received all of the proper easements from the landowners along the drainage ditch and has contacted general counsel. Manager Herrera stated that SEC had sent letters to this member who stated SEC had violated the right-of-way explaining SEC's right to access this easement with the landowner. Manager Herrera also stated that he has been in mediation with the PRC regarding the member wanting to build a single-phase line with a three-phase motor and the harmonic issues this is causing. Manager Herrera explained that it was decided that SEC would go out to the two (2) existing sites and perform site-specific measurements of the harmonic issues. Manager Herrera stated once the measurements were completed, it would be determined what mitigation is needed. Manager Herrera proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Manager Herrera for the Engineering Report for November 2022.

Manager Herrera concluded that NRECA had formed a new group due to the new Infrastructure Reduction Act, as there is an opportunity for vegetation management assistance. Manager Herrera stated that the group would be part of the research consortium that would help with all the grant writing for a fee of \$5,000. Manager Herrera reported that the group Grid Reliance and Innovation Partnership would come into train staff on how to implement and maintain the plan. Manager Herrera also reported that SEC had received our Notice of Subaward from the New Mexico Department of Information Technology (DoIT) for our pilot project in Magdalena and proceeded to answer questions posed by the Trustees.

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

FINANCIAL REPORT

Mr. Capps carefully reviewed in detail the RUS Form 7 Report for November 2022 and October 2022 RUS Form 7 had also been provided. Mr. Capps proceeded to answer questions posed by the Trustees.

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

SAFETY COMPLIANCE REPORT

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SAFETY REPORT

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

JOB BRIEFING

Mr. Montoya reviewed the November Job Briefing Reports.

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

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Montoya reported for November activities, with crews completing 52 service orders in November.

OUTAGE REPORTS

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

Chairman Nelson thanked Mr. Montoya for the Operations and Maintenance Report for November 2022.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for November 2022 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 November 2022.

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

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

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

Chairman Nelson thanked Mr. Capps for the Communications and Public Affairs Report for November 2022.

TRI-STATE REPORT

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

Manager Herrera reported on the Rate Design Committee Update activities for December 2022, stating the Committee is reviewing all of the rate design structures and the postage stamp rate. Manager Herrera stated that with the help of Tri-State staff, every delivery point is being reviewed for all 42 member cooperatives. Manager Herrera stated the data would be made available to the Committee to help decide what would be proposed. Manager Herrera reported the Committee continued discussion on unbundling transmissions and the associated cost. Manager Herrera reported the Committee is hoping to wrap everything up in February 2023 with a meeting in March 2023, if needed, to finalize everything to provide recommendations to Tri-State's Board of Directors. Manager Herrera proceeded to answer questions posed by the Trustees.

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

NMRECA REPORT

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Manager Herrera gave the NMRECA report for December 2022 and proceeded to answer questions posed by the Trustees.

Chairman Nelson thanked Manager Herrera for the NMRECA Report.

MRGEDA REPORT

There was no MRGEDA Report given at this time.

PRESIDENT'S REPORT

Chairman Nelson congratulated Trustee McCartney as he presented him with his NRECA "Credentialed Cooperative Director" Certificate.

Chairman Nelson informed all Trustees that it was time to do the General Manager's review and appraisal. Chairman Nelson stated that a copy of the General Manager's review and the CFC KRTA Report was made available within BoardPaq. Chairman Nelson stated a Microsoft Word document would also be emailed to all trustees.

Chairman Nelson announced that Trustee Burnett would replace Trustee Wade on the Finance Committee.

ETHICS COMMITTEE REPORT

Trustee Anaya reported on the Ethics Committee Meeting held on December 14, 2022, with a Committee Letter made available within the BoardPaq and a recommendation to the full Board of Trustees.

Chairman Nelson thanked Trustee Anaya for the Ethics Committee Report.

FINANCE COMMITTEE REPORT

Trustee Aguilar reported on the Finance Committee Meeting held on December 14, 2022, with a recommendation to the full Board of Trustees.

Chairman Nelson thanked Trustee Aguilar for the Finance Committee Report.

STANDING COMMITTEE REPORT

There was no Standing Committee report given at this time.

OLD BUSINESS

General Retirement of 1996

Manager Herrera reported a discrepancy in the amount approved at the September 28, 2022, Board Meeting for the General Retirement of 1996 to what SEC actually paid out.

Mr. Capps provided detailed information on the process of generating the number given to the Board in September to the actual amount paid out on November 30, 2022. Mr. Capps proceeded to answer questions posed by the Trustees.

After discussion, Trustee McCartney moved to approve the General Retirement of 1996 of \$684,843.41; motion seconded by Trustee Burnett. Motion carried unanimously.

Chairman Nelson called for a recess at the end of this discussion item at 3:53 p.m.

Chairman Nelson called the meeting back to order at 4:02 p.m.

NEW BUSINESS

Board Policy 121 – Securing Confidential Member and Employee Data While Retaining & Destroying Records

Manager Herrera reported that the Standing Committee reviewed Board Policy 121 – Securing Confidential Member and Employee Data While Retaining & Destroying Records, and the Committee recommended that the Board approve Board Policy 121 – Securing Confidential

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Member and Employee Data While Retaining & Destroying Records with the proposed revisions.

Trustee Anaya moved to accept the Standing Committee's recommendation of Board Policy 121 – Securing Confidential Member and Employee Data While Retaining & Destroying Records with proposed revisions; motion seconded by Trustee Aguilar. Motion carried unanimously.

Board Policy 123 – Maintenance Periods for Personnel Records

Manager Herrera reported that the Standing Committee reviewed Board Policy 123 – Maintenance Periods for Personnel Records, and the Committee recommended that the Board approve Board Policy 123 – Maintenance Periods for Personnel Records with proposed revisions.

Trustee McCartney moved to accept the Standing Committee's recommendation of Board Policy 123 – Maintenance Periods for Personnel Records with proposed revisions; motion seconded by Trustee Aguilar. Motion carried unanimously.

Board Policy 133 – Appointment to Board of Directors or Membership of an Organization

Manager Herrera reported that the Standing Committee reviewed Board Policy 133 – Appointment to Board of Directors or Membership of an Organization, and the Committee recommended that the Board approve Board Policy 133 – Appointment to Board of Directors or Membership of an Organization as reviewed.

Trustee Aguilar moved to accept the Standing Committee's recommendation of Board Policy 133 – Appointment to Board of Directors or Membership of an Organization as reviewed; motion seconded by Trustee Anaya. Motion carried unanimously.

2023 Draft Budget

Manager Herrera explained, in detail, the draft 2023 Budget explaining the proposed capital items and tree trimming project. Manager Herrera stated that the Finance Committee reviewed the budget and recommended that the Board approve the 2023 Budget as presented.

After discussion, Trustee Burnett moved to accept the Finance Committee's recommendation of the 2023 Budget as presented; 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-Dec-22-A	\$1,163.57	\$16.75	\$94.61	\$70.35	\$473.72	\$128.80	\$0.00	\$1,947.80	\$1,474.08
EM-Dec-22-B	\$143.21	\$0.32	\$16.69	\$14.43	\$64.39	\$0.00	\$0.00	\$239.04	\$174.65

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
JM-Dec-22-A	\$195.12	\$2.60	\$19.16	\$13.48	\$76.00	\$27.38	\$0.00	\$333.74	\$257.74
JM-Dec-22-B	\$839.46	\$12.43	\$68.77	\$45.32	\$326.63	\$112.88	\$0.00	\$1,405.49	\$1,078.86

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

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Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

Trustees Anaya and Chairman Nelson requested Board approval to attend the NRECA PowerXchange meeting scheduled for March 3-8, 2023, in Nashville, Tennessee.

Trustee Burnett moved to approve Trustee Anaya and Chairman Nelson to attend NRECA PowerXchange; motion seconded by Trustee Aguilar. Motion carried unanimously.

NRECA 2023 PowerXchange Selection of Voting & Alternate Delegate

After discussion, Trustee Burnett moved to make Chairman Nelson as Voting Delegate and Trustee Anaya as Alternate Delegate for NRECA, Federated Electric, CFC, and NRTC; motion seconded by Trustee Anaya. Motion carried unanimously.

Consideration of Action on Recommendation from Ethics Committee

Trustee Anaya moved to accept the recommendation presented by the Ethics Committee that for a period of six months, Trustee McCartney be excluded from attending any special meeting, including strategic planning meetings, of the Board, and receiving funding or authorization to attend any external meetings in connection with SEC, which could be subject to extension should Trustee McCartney's ongoing conduct, in the view of the Board, warrant such an extension. Trustee Aguilar seconded the motion. Motion carried unanimously.

Solar Value Project

Trustee McCartney provided information to the Board regarding the Solar Plus for Electric Cooperatives (SPEC) Solar Value Project for Socorro Electric to use to see the cost of using renewable energy and models to help.

EXECUTIVE SESSION

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

Chairman Nelson called for an Executive Session.

The Board adjourned to Executive Session at 4:25 p.m.

REGULAR SESSION

Trustee Anaya moved and seconded by Trustee Aguilar to return to Regular Session at 5:26 p.m.

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

SET DATE/TIME FOR REGULAR MEETING

After discussion, Trustee Anaya moved to set the date and time of committee meetings and the next regularly scheduled Board meeting for January 25, 2023, with committee meetings starting at 1:00 p.m. and the Board meeting at 2:00 p.m.; motion seconded by Trustee Burnett. Motion carried unanimously.

SET DATE/TIME FOR PERFORMANCE EVALUATION

After discussion, Trustee Burnett moved to set the date and time of the Performance Evaluation for January 18, 2023, at 1:00 p.m.; motion seconded by Trustee Anaya. Motion carried unanimously.

ADJOURNMENT

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

Chairman Nelson adjourned the meeting at 5:30 p.m.

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Donald Wolberg
Donald Wolberg, Secretary/Treasurer

APPROVED:

James Nelson
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 December 21, 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
Donald Wolberg, Secretary/Treasurer