

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

May 24, 2023

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC) was held on Wednesday, May 24, 2023, at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

The meeting was called to order at 2:00 p.m. by Leroy Anaya, President.

ROLL CALL

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

TRUSTEES PRESENT: Leroy Anaya, President
 Representative, District 3

 Ron Burnette, Vice-President
 Representative, District 5

 Donald Wolberg, Secretary/Treasurer (via teleconference)
 Representative, District 3

 Judith Holcomb, Trustee
 Representative, District 1

 M Kenneth Bowden, Trustee
 Representative, District 3

 Dave Wade, Trustee
 Representative, District 4

TRUSTEE(S) ABSENT: Ward McCartney, Trustee
 Representative, District 2

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: David L Wade, Luis Aguilar

QUORUM

Secretary Wolberg declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

President Anaya led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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

President Anaya approved the Agenda as presented.

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CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Holcomb moved to approve the Minutes from April 1, 2023, as presented; motion seconded by Trustee Wolberg. Motion carried unanimously.

President Anaya approved the Minutes from April 1, 2023, as presented.

Trustee Holcomb moved to approve the Minutes from April 26, 2023, as presented; motion seconded by Trustee Wolberg. Motion carried unanimously.

President Anaya approved the Minutes from April 26, 2023, as presented.

MEMBER COMMENTS

No Member Comments were brought forth.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$1,078,049.51 for April 2023 and proceeded to answer questions posed by the Trustees.

President Anaya thanked Manager Herrera for the Expenditure Report for April 2023.

Manager Herrera reported the Visa credit card expenditures, complete with supporting receipts, made available to the Board of Trustees for April 2023.

President Anaya thanked Manager Herrera for the credit card report for April 2023.

Manager Herrera provided the Engineering Report with an update to the 69 kVA line stating that it will be very tight coming out of the Tri-State substation but will need to do some underground work to help avoid lengthy outages later in the project. Manager Herrera reported that SEC had several meetings with Tri-State to ensure that they are involved, and SEC will need their approval to enter the Tri-State substation. Manager Herrera stated that Tri-State would be allowing SEC to place some of the fiber equipment within their yard, and SEC will need to put up a fence around the area for the contractors to access this area only. Manager Herrera mentioned the equipment for the 69 kVA line is ordered with expected delivery in August and will be able to place at the baseball field in Magdalena after receiving permission from Mayor Rumpf. Manager Herrera proceeded to answer questions posed by the Trustees.

President Anaya thanked Manager Herrera for the Engineering Report for April 2023.

Manager Herrera provided an update on the NM DoIT Broadband Program, stating a final project schedule was provided now that SEC has received dates of when the material would be delivered, with a possible go-live date of June 2024. Manager Herrera stated that general counsel is reviewing the final master agreement with Continental Divide Electric Cooperative (CDEC) Redbolt and hopes to present it to the Board at the following upcoming meeting. Manager Herrera proceeded to answer questions posed by the Trustees.

Manager Herrera concluded by reporting that SEC had received a refund from NMRE Self-Insurer's Fund for 2022. Manager Herrera explained it is determined by SEC's payroll and utilization and the benefits of using the NMRE Self-Insurer's Fund.

President Anaya thanked Manager Herrera for the Manager's Report for April 2023.

FINANCIAL REPORT

Mr. Capps carefully reviewed in detail the RUS Form 7 Report for April 2023 RUS Form 7 and proceeded to answer questions posed by the Trustees.

President Anaya thanked Mr. Capps for the RUS Form 7 Report for April 2023.

SAFETY COMPLIANCE REPORT

SAFETY REPORT

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

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JOB BRIEFING

Mr. Montoya reviewed the April Job Briefing Reports.

President Anaya thanked Mr. Montoya for the Safety Report for April 2023.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Montoya reported for April activities, with crews completing 24 service orders.

OUTAGE REPORTS

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

President Anaya thanked Mr. Montoya for the Operations and Maintenance Report for April 2023.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for April 2023.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had no Member complaints filed with the NM PRC in April 2023. Ms. Madrid stated all information had been provided to the NM PRC for the three Member complaints filed in March 2023 and stated she had not received any response; and if no response is received back from NM PRC within ten (10) days, the complaint is closed.

President Anaya thanked Ms. Madrid for the Member Services Report for April 2023.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

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

President Anaya thanked Mr. Capps for the Communications and Public Affairs Report for April 2023.

TRI-STATE REPORT

President Anaya gave the Tri-State Board of Directors' activities report for May 2023.

MRGEDA REPORT

Trustee Wolberg gave the MRGEDA report for May 2023.

President Anaya thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

President Anaya announced that he had created a Special Committee to discuss the upcoming City of Socorro Franchise Agreement:

Special Committee: Ron Burnett (Chair), M Kenneth Bowden, Judith Holcomb, and Leroy Anaya (ex-officio)

FINANCE COMMITTEE REPORT

Trustee Burnett reported on the Finance Committee Meeting held on May 17, 2023, with recommendations to the full Board of Trustees.

President Anaya thanked Trustee Burnett for the Finance Committee Report.

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STANDING COMMITTEE REPORT

Trustee Holcomb reported on the Standing Committee Meeting held on May 17, 2023, with recommendations to the full Board of Trustees.

President Anaya thanked Trustee Holcomb for the Standing Committee Report.

SPECIAL COMMITTEE REPORT

Trustee Burnett reported on the Special Committee Meeting held on May 10, 2023, and May 17, 2023, with a recommendation to the full Board of Trustees.

President Anaya thanked Trustee Burnett for the Special Committee Report.

NEW BUSINESS

Consideration of Franchise Agreement

Manager Herrera reported that the Special Committee had reviewed the approved Franchise Agreement that SEC has with the Village of Magdalena, and it was recommended that the Board use the same Franchise Agreement with the City of Socorro to obtain a new agreement.

After discussion, Trustee Burnett moved to accept the Special Committee's recommendation of the proposed Franchise Agreement with corrections and forward it to the City of Socorro; motion seconded by Trustee Holcomb. Motion carried unanimously.

Consideration of 2023 Load Forecast

Manager Herrera reported that SEC works with Tri-State in providing detailed billing and metering data to help produce a 20-Year Load Forecast projecting an estimate of the amount of energy to be provided to the SEC. Manager Herrera reported that Finance Committee had reviewed and recommended that the Board approve the 2023 Load Forecast.

Trustee Holcomb moved to accept the Finance Committee's recommendation to approve the 2023 20-Year Load Forecast; motion seconded by Trustee Bowden. Motion carried unanimously.

Consideration of Pole Decay Inspection RFP Responses

Manager Herrera stated that the RUS guidelines require SEC to inspect 10% of our poles annually for decay. Manager Herrera reported the Finance Committee reviewed the quotes, and the Committee recommended that the Board approve the quote from Sundance PPI.

Trustee Burnett moved to accept the Finance Committee's recommendation of approving the Sundance PPI for the Pole Decay Inspection; motion seconded by Trustee Wolberg.

Consideration of Bad Debt Write-off 2020 & 2021

Manager Herrera reported that due to the COVID pandemic, the Bad Debt write-offs were not completed, and to get back on track, SEC would need to do two years of Bad Debt write-offs. Manager Herrera stated the Bad Debt write-off for 2020, and 2021 was \$148,568.91 for Energy Accounts and \$1,624.25 for Other Accounts Receivable (OAR) Accounts. Manager Herrera stated that SEC still tries to collect on these accounts, but this is for accounting and auditing purposes. Manager Herrera noted that it was the recommendation of the Finance Committee to approve the 2020 and 2021 Bad Debt Write-off.

Trustee Burnett moved to accept the Finance Committee's recommendation to approve the write-off of \$148,568.91 for Energy Accounts and \$1,624.25 for Other Accounts Receivable accounts in bad debt for the years 2020 and 2021; motion seconded by Trustee Holcomb. Motion carried unanimously.

Consideration of 3/4 Ton Truck Quotes

Manager Herrera reported the Finance Committee reviewed several 3/4 Ton Truck quotes for two (2) new trucks and the lead times on each. Manager Herrera stated after a review of the quotes, the Committee recommended the purchase of two (2) trucks from the Melloy Dodge quote for the 2500 Tradesman Ram Trucks, which had the shortest lead time.

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Trustee Wolberg moved to accept the Finance Committee’s recommendation of the Melloy Dodge quote to purchase two (2) 3/4 Ton Trucks 2500 Tradesman Ram; motion seconded by Trustee Burnett. Motion carried unanimously.

Board Policy 104 – Committees of the Board of Trustees

Manager Herrera reported that the Standing Committee reviewed Board Policy 104 – Committees of the Board of Trustees, and the Committee recommended that the Board approve Board Policy 104 – Committees of the Board of Trustees as reviewed.

Trustee Anaya moved to accept the Standing Committee’s recommendation of Board Policy 104 – Committees of the Board of Trustees as reviewed; motion seconded by Trustee Burnett. Motion carried unanimously.

Board Policy 105 – Finance Committee

Manager Herrera reported that the Standing Committee reviewed Board Policy 105 – Finance Committee, and the Committee recommended that the Board approve Board Policy 105 – Finance Committee as reviewed.

Trustee Holcomb moved to accept the Standing Committee’s recommendation of Board Policy 105 – Finance Committee as reviewed; motion seconded by Trustee Burnett. Motion carried unanimously.

Board Policy 106 – Ethics Committee

Manager Herrera reported that the Standing Committee reviewed Board Policy 106 – Ethics Committee, and the Committee recommended that the Board approve Board Policy 106 – Ethics Committee as reviewed.

Trustee Burnett moved to accept the Standing Committee’s recommendation of Board Policy 106 – Ethics Committee as reviewed; motion seconded by Trustee Wolberg. Motion carried unanimously.

Board Policy 107 – Standing Committee

Manager Herrera reported that the Standing Committee reviewed Board Policy 107 – Standing Committee, and the Committee recommended that the Board approve Board Policy 107 – Standing Committee as reviewed.

Trustee Holcomb moved to accept the Standing Committee’s recommendation of Board Policy 107 – Standing Committee as reviewed; motion seconded by Trustee Burnett. Motion carried unanimously.

Board Policy 128 – Trustee’s Oath of Office and Orientation

Manager Herrera reported that the Standing Committee reviewed Board Policy 128 – Trustee’s Oath of Office and Orientation, and the Committee recommended that the Board approve Board Policy 128 – Trustee’s Oath of Office and Orientation as reviewed.

Trustee Burnett moved to accept the Standing Committee’s recommendation of Board Policy 128 – Trustee’s Oath of Office and Orientation as reviewed; motion seconded by Trustee Holcomb. 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 and proceeded to answer questions posed by the Trustees. 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
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REGULAR BOARD MEETING

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EM-May-23-A	\$693.49	\$18.27	\$27.66	\$9.62	\$151.62	\$0.00	\$0.00	\$900.66	\$749.04
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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-May-23-A	\$132.40	\$17.95	\$12.73	\$6.05	\$45.50	\$195.27	\$0.00	\$409.90	\$364.40

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

Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

Trustee Holcomb requested Board approval to attend the CFC Forum scheduled for June 19-21, 2023, in Seattle, Washington.

Trustee Holcomb moved to approve Trustee Holcomb to attend the CFC Forum; motion seconded by Trustee Burnett. Motion carried unanimously.

Trustees Bowden, Holcomb, and President Anaya requested Board approval to attend the NRECA Summer School scheduled for July 21-25, 2023, in Santa Fe, New Mexico.

Trustee Burnett moved to approve Trustees Bowden, Holcomb, and President Anaya to attend the NRECA Summer School; motion seconded by Trustee Holcomb. Motion carried unanimously.

Consideration of Hiring Special Counsel

Manager Herrera reported that with the upcoming broadband and other special utility needs of the SEC, it is the recommendation of the Special Committee to hire a Special Counsel.

After discussion, Trustee Burnett moved to accept the Special Committee's recommendation of hiring Special Counsel; motion seconded by Trustee Wade. Motion carried unanimously

EXECUTIVE SESSION

There were no items to discuss in Executive Session.

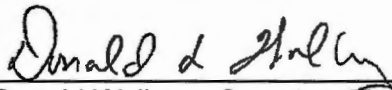
SET DATE/TIME FOR REGULAR MEETING

After discussion, Trustee Burnett moved to set the date and time of Committee meetings for June 21, 2023, and the next regularly scheduled Board Meeting for June 28, 2023, at 2:00 p.m.; motion seconded by Trustee Holcomb. Motion carried unanimously.

ADJOURNMENT

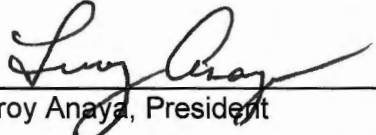
There being no other items open for discussion, President Anaya adjourned the meeting at 3:43 p.m.

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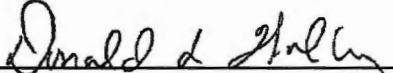
Donald Wolberg, Secretary/Treasurer

APPROVED:



Leroy Anaya, President

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 May 24, 2023. 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