

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

May 22, 2024

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC) was held on Wednesday, May 22, 2024, 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 Latasa called the roll and reported those present and attending as follows:

TRUSTEES PRESENT: Leroy Anaya, President
 Representative, District 3

 Ron Burnett, Vice President
 Representative, District 5

 Eileen Latasa, Secretary/Treasurer
 Representative, District 2

 Ward McCartney, Trustee*
 Representative, District 1

 M Kenneth Bowden, Trustee
 Representative, District 3

 Stephen Rosas, Trustee
 Representative, District 3

TRUSTEE(S) ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
 Donna Wilkins, Administrative Assistant
 Jimmy Capps, Chief Financial Officer
 David Montoya, Safety Compliance Officer
 Jason Otero, Line Superintendent
 Marilyn Madrid, Member Services Supervisor
 Jerrid Williams, Director of Communication and Public Affairs

SEC MEMBERS PRESENT: None

QUORUM

Secretary Latasa declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

President Anaya led everyone in the Pledge of Allegiance and asked that everyone continue to stand for a moment of silence for the passing of David Wade, District IV Trustee.

CONSIDERATION AND APPROVAL OF AGENDA

Trustee Burnett moved to approve the Agenda as presented; the motion was seconded by Trustee Bowden. The motion carried unanimously.

President Anaya approved the Agenda as presented.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

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Trustee Latasa had corrections to the April 20, 2024, minutes.

Trustee Bowden had corrections to the April 24, 2024, minutes.

Trustee Latasa moved to approve the Minutes from April 20, 2024, and April 24, 2024, as corrected; the motion was seconded by Trustee Rosas. The motion carried unanimously.

President Anaya approved the Minutes from April 20, 2024, and April 24, 2024, as corrected.

MEMBER COMMENTS

No Member Comments were brought forth.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$2,025,311.21 for April 2024 and proceeded to answer questions posed by the Trustees.

President Anaya thanked Manager Herrera for the Expenditure Report for April 2024.

Manager Herrera reported the Visa credit card expenditures, complete with supporting receipts, made available to the Board of Trustees for April 2024.

President Anaya thanked Manager Herrera for the credit card report for April 2024.

Manager Herrera reported for the Engineering Report that White Sands Missile Range (WSMR) has received funding from the Department of Energy (DOE) for a microgrid project and is working with SEC on the process for conducting monthly testing to ensure the microgrid is working correctly when it is completed. Manager Herrera stated that there has been an increase in site visits, with most of them for installing yard lights. Manager Herrera reported that Tri-State must put in a shoo-fly with the Sun Zia transmission project, impacting the Bernardo substation and the transmission feeder lines. Manager Herrera stated that this installation means SEC will need to relocate some of its equipment at the substation, and Sun Zia will pay the relocation cost. Manager Herrera proceeded to answer questions posed by the Trustees.

Manager Herrera reported that SEC had received a thank you card from the Magdalena Kid's Science Café and had received funding from the CFC Integrity Fund for help with the City of Socorro takeover and proceeded to answer questions posed by the Trustees.

President Anaya thanked Manager Herrera for the Manager's Report for April 2024.

FINANCIAL REPORT

Mr. Capps carefully reviewed the April 2024 RUS Form 7 in detail and proceeded to answer questions posed by the Trustees.

President Anaya thanked Mr. Capps for the RUS Form 7 Report for April 2024.

SAFETY COMPLIANCE REPORT

SAFETY REPORT

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

JOB BRIEFING

Mr. Montoya reviewed the April Job Briefing Reports.

President Anaya thanked Mr. Montoya for the Safety Report for April 2024.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Otero reported on April activities, with crews completing 36 service orders and 87 work orders. Mr. Otero answered questions posed by the Trustees.

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OUTAGE REPORTS

Mr. Otero reviewed the outages occurring in April 2024.

President Anaya thanked Mr. Otero for the Operations and Maintenance Report for April 2024.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for April 2024. Ms. Madrid reported that the SEC had 34 members with medical certificates, 39 members with payment arrangements, and 61 members who received financial assistance.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that the SEC had no Member complaint filed with the NM PRC in April 2024.

President Anaya thanked Ms. Madrid for the Member Services Report for April 2024.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

Mr. Williams reviewed the April Communications and Public Affairs Report.

President Anaya thanked Mr. Williams for the Communications and Public Affairs Report for April 2024.

TRI-STATE REPORT

President Anaya gave the Tri-State Board of Directors' activities report for April 2024 and answered questions posed by the Trustees.

NMREC REPORT

Manager Herrera gave the NMREC activities report for April 2024 and proceeded to answer questions posed by the Trustees.

President Anaya thanked Manager Herrera for the NMREC Report for April 2024.

PRESIDENT'S REPORT

President Anaya reported that the SEC had received the signed resolution from the City of Socorro regarding the Franchise Agreement, which would continue on a month-to-month basis.

FINANCE COMMITTEE REPORT

Trustee Burnett reported on the Finance Committee Meeting held on May 15, 2024, with recommendations to the full Board of Trustees.

President Anaya thanked Trustee Burnett for the Finance Committee Report.

STANDING COMMITTEE REPORT

Trustee Bowden reported on the Standing Committee Meeting held on May 15, 2024, with recommendations to the full Board of Trustees.

President Anaya thanked Trustee Bowden for the Standing Committee Report.

ETHICS COMMITTEE REPORT

Trustee Latasa reported on the Ethics Committee Meeting held on May 15, 2024.

President Anaya thanked Trustee Latasa for the Ethics Committee Report.

NEW BUSINESS

Board Policy 117 – Communications with Member-Owners

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Manager Herrera reported that the Standing Committee reviewed Board Policy 117 – Communications with Member-Owners, and the Committee recommended that the Board approve Board Policy 117 – Communications with Member-Owners with revisions.

Trustee Latasa moved to accept the Standing Committee's recommendation of Board Policy 117 – Communications with Member-Owners with revisions; the motion was seconded by Trustee Burnett. The motion carried unanimously.

Board Policy 124 – Document Hold Notices and Electronic Discovery

Manager Herrera reported that the Standing Committee reviewed Board Policy 124 – Document Hold Notices and Electronic Discovery, and the Committee recommended that the Board approve Board Policy 124 – Document Hold Notices and Electronic Discovery with revisions.

Trustee Latasa moved to accept the Standing Committee's recommendation of Board Policy 124 – Document Hold Notices and Electronic Discovery with revisions; the motion was seconded by Trustee Bowden. The motion carried unanimously.

Board Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy

Manager Herrera reported that the Standing Committee reviewed Board Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy, and the Committee recommended that the Board approve Board Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy as reviewed.

Trustee McCartney moved to accept the Standing Committee's recommendation of Board Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy as reviewed; the motion was seconded by Trustee Burnett. The motion carried unanimously.

Board Policy 127 – Transparency in Procurement of Goods and Services

Manager Herrera reported that the Standing Committee reviewed Board Policy 127 – Transparency in Procurement of Goods and Services, and the Committee recommended that the Board approve Board Policy 127 – Transparency in Procurement of Goods and Services as reviewed.

Trustee Burnett moved to accept the Standing Committee's recommendation of Board Policy 127 – Transparency in Procurement of Goods and Services as reviewed; the motion was seconded by Trustee Rosas. The motion carried unanimously.

Consideration of Bad Debt Write-off 2022

Manager Herrera reported the Bad Debt write-off for 2022 was \$53,534.40 for Energy Accounts and \$14,484.73 for Other Accounts Receivable (OAR) Accounts. Manager Herrera stated that the SEC still tries to collect these accounts, but the report is for accounting and auditing purposes. Manager Herrera noted that the Finance Committee recommended the 2022 Bad Debt Write-off.

Trustee Rosas moved to accept the Finance Committee's recommendation to approve the write-off of \$53,534.40 for Energy Accounts and \$14,484.73 for Other Accounts Receivable accounts in bad debt for the year 2022; the motion was seconded by Trustee Burnett. The motion carried unanimously.

Consideration of Magdalena Substation Construction Bid

Manager Herrera reported that T&D Services conducted the Magdalena Substation upgrade construction bidding process and received three bids. Manager Herrera stated that the Finance Committee reviewed the proposed bids and recommended that the Board approve the bid from Interstate Electrical Contractors for \$4,075,533.79.

Trustee McCartney moved to accept the Finance Committee's recommendation to award the bid to Interstate Electrical Contractors for the Magdalena Substation upgrade construction; the motion was seconded by Trustee Rosas. The motion carried unanimously.

Consideration of Magdalena Pole Replacement Construction Bid

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Manager Herrera stated that the poles in the Village of Magdalena will need to be replaced to make ready for the necessary attachments for the upcoming broadband project. Manager Herrera reported that the Finance Committee reviewed the proposed bids and recommended that the Board approve the bid from Altitude for \$307,038.00.

Trustee Latasa moved to accept the Finance Committee’s recommendation to award the bid to Altitude for the Magdalena Pole Replacement construction; the motion was seconded by Trustee Burnett. The motion carried unanimously.

Setting of the 2025 Member’s Annual Meeting

Manager Herrera reported that SEC had received available dates for the NM Tech Macey Center in consideration of a date for the 2025 Annual Member Meeting, which is presented for consideration by the Board of Trustees. Manager Herrera stated this would be SEC’s 80th Member’s Annual Meeting and recommends April 26, 2025.

After discussion, Trustee Latasa moved to accept Manager Herrera’s recommendation to set the 2025 Annual Member Meeting date for April 26, 2025, at the NM Tech Macey Center; the motion was seconded by Trustee Bowden. The 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
May-24-A	\$632.25	\$11.22	\$44.44	\$27.16	\$213.08	\$0.00	\$0.00	\$928.15	\$715.07
May-24-B	\$313.38	\$6.71	\$24.77	\$15.31	\$106.97	\$50.48	\$0.00	\$517.62	\$410.65

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
N/A	-	-	-	-	-	-	-	-	-

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

Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

Trustee Rosas requested Board approval to attend the NRECA Summer School for Directors, scheduled for July 19-23, 2024, in Branson, Missouri.

Trustee Latasa moved to approve Trustee Rosas to attend the NRECA Summer School for Directors; the motion was seconded by Trustee McCartney. The motion carried unanimously.

EXECUTIVE SESSION

Trustee Burnett moved to go into Executive Session to discuss employment matters; the motion was seconded by Trustee Bowden. The motion carried unanimously.

President Anaya called for an Executive Session.

REGULAR BOARD MEETING

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The Board adjourned to Executive Session at 3:29 p.m.

REGULAR SESSION

Trustee McCartney moved and was seconded by Trustee Latasa to return to the Regular Session at 3:30 p.m. to address the District IV Trustee seat vacancy. The motion carried unanimously.

President Anaya stated that no action was taken during the Executive Session.

Manager Herrera provided the Trustees with information regarding filling the vacancy from previous Trustee vacancies.

After discussion, Trustee McCartney moved to fill the District IV seat for the remainder of the term with all information received by June 21, 2024, to be Board appointed at the June Board meeting; the motion was seconded by Trustee Rosas. The motion carried unanimously.

EXECUTIVE SESSION

Trustee Burnett moved to go into Executive Session to discuss employment matters; the motion was seconded by Trustee Bowden. The motion carried unanimously.

President Anaya called for an Executive Session.

The Board adjourned to Executive Session at 3:35 p.m.

* Trustee McCartney was excused from the Executive Session at 3:35 p.m. and did not return after for the Regular Session.

REGULAR SESSION

Trustee Burnett moved and was seconded by Trustee Latasa to return to the Regular Session at 5:02 p.m. The motion carried unanimously.

President Anaya stated that no action was taken during the Executive Session.

SET DATE/TIME FOR REGULAR MEETING

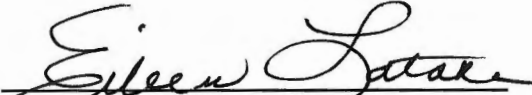
After discussion, Trustee Burnett moved to set the date and time of the Committee meetings for June 20, 2024, at 1:00 p.m. and the next regularly scheduled Board Meeting for June 26, 2024, at 2:00 p.m.; the motion was seconded by Trustee Latasa. The motion carried unanimously.

ADJOURNMENT

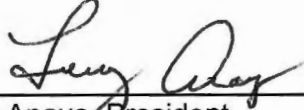
With no other items open for discussion, Trustee Burnett moved to adjourn; the motion was seconded by Trustee Bowden. The motion carried unanimously.

President Anaya adjourned the meeting at 5:05 p.m.


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Eileen Latasa, Secretary/Treasurer

APPROVED:


Leroy Anaya, President

I, Eileen Latasa, 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 22, 2024. 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.


Eileen Latasa, Secretary/Treasurer