

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

August 28, 2024

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

Manager Herrera 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* (via teleconference)
 Representative, District 1

 M Kenneth Bowden, Trustee
 Representative, District 3

 Stephen Rosas, Trustee,
 Representative, District 3

 David Lyn Wade, Trustee
 Representative, District 4

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: Luis Aguilar; Prescilla Mauldin

QUORUM

Manager Herrera declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

President Anaya led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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

President Anaya approved the Agenda as presented.

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CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Burnett moved to approve the Minutes from the Regular Meeting of July 24, 2024, and Special Meeting of August 21, 2024, as presented; the motion was seconded by Trustee Rosas. The motion carried unanimously.

President Anaya approved the Minutes from July 24, 2024, and August 21, 2024, as presented.

MEMBER COMMENTS

No Member Comments were brought forth.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$2,326,898.04 for July 2024 and proceeded to answer questions posed by the Trustees.

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

Manager Herrera reported the Visa Credit Card expenditures, complete with supporting receipts, made available to the Board of Trustees for July 2024.

President Anaya thanked Manager Herrera for the Visa Credit Card Report for July 2024.

Manager Herrera reported on the Engineering Report for July SEC had 40 site visits scheduled and mailed out 31 estimation packets to members. Manager Herrera reported Bernardo's shoofly feeder relocation is scheduled to be completed on October 1, 2024, as the project is approximately 80% completed. Manager Herrera stated that once the project is completed, SEC will invoice Tri-State as Sun Zia is paying the actual cost of the feeder relocation. Manager Herrera reported the Magdalena pole replacement is 90% completed. Manager Herrera stated that more concrete is needed to fill the hole voids due to the Magdalena Substation's soil conditions. Manager Herrera reported that due to the old building stem walls from an old foundation, the yard had to be shifted south of the yard, requiring the line crews to move lines and a circuit feed to allow for clearance. Manager Herrera reported after material delays and certificate paperwork, poles are being planted for the Magdalena to Socorro 69kV line. Manager Herrera stated that due to the schedule shifting, additional crews from Altitude will be added to make up for the lost time to have the 69kV line and fiber in the air with the anticipation of running into the same issue with the soil around Magdalena. Manager Herrera stated that these holes are being backed filled with DOT-specified gravel or foam. Manager Herrera proceeded to answer questions posed by the Trustees.

President Anaya thanked Manager Herrera for the Engineering Report for July 2024.

Manager Herrera reported that the new Quemado office is completed and ready for use and that the crews have now moved in. Manager Herrera added that the SEC has received Patronage Capital Allocations from Pioneer Utility Resources in the amount of \$957.65. Manager Herrera proceeded to answer questions posed by the Trustees.

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

FINANCIAL REPORT

Mr. Capps carefully reviewed the RUS Form 7 Report for July 2024 RUS Form 7 in detail and answered questions the Trustees posed.

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

SAFETY COMPLIANCE REPORT

SAFETY REPORT

Mr. Montoya reviewed the July Safety Report.

JOB BRIEFING

Mr. Montoya reviewed the July Job Briefing Reports.

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

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OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Otero reported on July activities, with crews completing 32 service orders and 59 work orders.

OUTAGE REPORTS

Mr. Otero reviewed the outages occurring in July 2024.

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

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for July 2024. Ms. Madrid reported that for July 2024, SEC had 37 members with medical certificates totaling \$135,437.81, 24 active payment arrangements with members totaling \$17,132.53, and 33 assistance payments for members totaling \$5,254.64. Ms. Madrid proceeded to answer questions posed by the Trustees.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that two SEC Member complaints were filed with the NM PRC in July 2024, with SEC Members requesting additional information. Ms. Madrid stated that the SEC followed up on both member complaints, and the NM PRC complaints were closed.

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

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

Mr. Williams reviewed the July 2024 Communications and Public Affairs Report.

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

TRI-STATE REPORT

President Anaya gave the Tri-State Board of Directors' activities report for August 2024.

After discussion, Trustee Burnett moved that President Anaya replace Manager Herrera on the Tri-State Contract Committee; the motion was seconded by Trustee Rosas. The motion carried unanimously.

NMREC REPORT

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

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

PRESIDENT'S REPORT

President Anaya reported that Manager Herrera's last day of employment was September 6, 2024, due to his resignation. President Anaya stated the Board of Trustees had gotten him a going-away gift and thanked him for his hard work.

Manager Herrera thanked the Board of Trustees for giving him an opportunity, for their dedication, and for the hard work of the staff in always helping the members of SEC.

FINANCE COMMITTEE REPORT

Trustee Burnett reported on the Finance Committee Meeting held on August 21, 2024, with recommendations to the full Board of Trustees.

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President Anaya thanked Trustee Burnett for the Finance Committee Report.

STANDING COMMITTEE REPORT

Trustee Bowden reported on the Standing Committee Meeting held on August 21, 2024, with recommendations to the full Board of Trustees.

NEW BUSINESS

Board Policy 112 – Trustee Authority

Manager Herrera reported that the Standing Committee reviewed Board Policy 112 – Trustee Authority, and the Committee recommended that the Board approve Board Policy 112 – Trustee Authority as reviewed.

Trustee Burnett moved to accept the Standing Committee’s recommendation of Board Policy 112 – Trustee Authority as reviewed; the motion was seconded by Trustee Latasa. The motion carried unanimously.

Board Policy 113 – Delegation of Authority from the Board of Trustees to the General Manager

Manager Herrera reported that the Standing Committee reviewed Board Policy 113 – Delegation of Authority from the Board of Trustees to the General Manager, and the Committee recommended that the Board approve Board Policy 113 – Delegation of Authority from the Board of Trustees to the General Manager with revisions.

Trustee Rosas moved to accept the Standing Committee’s recommendation of Board Policy 113 – Delegation of Authority from the Board of Trustees to the General Manager with proposed revisions; the motion was seconded by Trustee McCartney. The motion carried unanimously.

Board Policy 114 – Board of Trustees-General Manager Interrelationships

Manager Herrera reported that the Standing Committee reviewed Board Policy 114 – Board of Trustees-General Manager Interrelationships, and the Committee recommended that the Board approve Board Policy 114 – Board of Trustees-General Manager Interrelationships with revisions.

Trustee Latasa moved to accept the Standing Committee’s recommendation of Board Policy 114 – Board of Trustees-General Manager Interrelationships with revisions; the motion was seconded by Trustee Burnett. The motion carried unanimously.

Board Policy 116 – Trustees’ Fees and Expenses

Manager Herrera reported that the Standing Committee reviewed Board Policy 116 – Trustees’ Fees and Expenses, and the Committee recommended that the Board approve Board Policy 116 – Trustees’ Fees and Expenses with revisions.

Trustee Burnett moved to accept the Standing Committee’s recommendation of Board Policy 116 – Trustees’ Fees and Expenses with revisions; the motion was seconded by Trustee Rosas. The motion carried unanimously.

RUS FFB Loan BB48 Advance - Resolution

Manager Herrera reported on the cost of the upcoming projects SEC is working on, and with the current interest, it is recommended that SEC withdraw from RUS \$4,207,000 to pay for these costs.

After discussion, Trustee Burnett moved to approve the board resolution requesting an FFB Loan of \$4,207,000; the motion was seconded by Trustee Bowden. The motion carried unanimously.

(copy of Resolution attached hereto and made a part hereof)

Consideration of Digger Truck Purchase

Manager Herrera reported that one of SEC’s units needs repair after the DEF systems went out and has had several repairs. Manager Herrera stated that the Finance Committee reviewed quotes for a new digger truck, and the Committee recommended that the Board approve the quote from Altec for \$266,875.

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After discussion, Trustee McCartney moved to accept the Finance Committee's recommendation to approve the quote from Altec for \$266,875 for purchasing a new digger truck; the motion was seconded by Trustee Bowden. The motion carried unanimously.

2024 Financial Audit Engagement Agreement

Manager Herrera reported that SEC had received the 2024 Financial Audit Engagement Agreement from Bolinger, Segars, Gilbert, and Moss (BSGM). Manager Herrera recommended that the Board approve the 2024 Financial Audit Engagement Agreement with a partner rotation and proceeded to answer questions posed by the Trustees.

After discussion, Trustee Burnett moved to approve the 2024 Financial Audit Engagement Agreement with BSGM with a partner rotation; the motion was seconded by Trustee Rosas. The motion carried unanimously.

Election of Representative of NMREC Board of Directors

President Anaya reported that due to Manager Herrera's resignation, a new SEC representative to the NMREC Board of Directors would be needed to be elected.

Trustee Latasa moved to elect Trustee Burnett as representative of the NMREC Board of Directors and President Anaya to remain as alternate; the motion was seconded by Trustee Rosas. 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
August-24-A	\$62.84	\$0.00	\$12.01	\$9.50	\$51.63	\$0.00	\$0.00	\$135.98	\$84.35
August-24-B	\$242.43	\$8.54	\$13.89	\$10.65	\$32.47	\$26.76	\$0.00	\$334.74	\$302.27
August-24-C	\$161.09	\$1.06	\$14.44	\$10.71	\$65.47	\$0.00	(\$18.58)	\$234.19	\$168.72

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
August-24-A	\$1,100.05	\$13.10	\$99.64	\$68.13	\$512.35	\$0.00	\$0.00	\$1,793.27	\$1,280.92
August-24-B	\$210.80	\$4.80	\$13.92	\$8.52	\$65.40	\$0.00	\$0.00	\$303.44	\$238.04

Trustee Burnett 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 Latasa. The motion carried unanimously.

Consideration of Line Extension Contracts

Manager Herrera reported that the line extension contract for Juan Jacob falls under the minimum and meets all the requirements. Manager Herrera stated that Mr. Jacob's line extension was being provided to the Trustees for informational purposes, and no action was needed on this line extension contract.

Consideration of Trustee Travel

There was no Trustee Travel brought forth for consideration.

EXECUTIVE SESSION

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Trustee Latasa moved to go into Executive Session to discuss employment matters and strategic and long-range business plans; the motion was seconded by Trustee Wade. The motion carried unanimously.

President Anaya called for an Executive Session.

The Board adjourned to Executive Session at 3:26 p.m.

* Trustee McCartney was excused from the Executive Session at 3:16 p.m. and did not return after the Regular Session.

REGULAR SESSION

Trustee Burnett moved and was seconded by Trustee Rosas to return to the Regular Session at 4:02 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 September 18, 2024, at Noon and the next regularly scheduled Board Meeting for September 25, 2024, at 2:00 p.m.; the motion was seconded by Trustee Rosas. The motion carried unanimously.

ADJOURNMENT

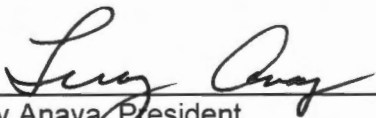
President Anaya thanked Manager Herrera for all his work and wished him the best.

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

President Anaya adjourned the meeting at 4:04 p.m.


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 August 28, 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

Form of Resolution to Accompany
RUS Form 675

Resolved, That Joseph Herrera, General
Manager, Leroy Anaya, President, and
Eileen Latasa, Secretary -Treasurer, be
authorized to sign RUS Form Number 595, Financial Requirement and
Expenditure Statement.

CERTIFICATE OF SECRETARY

I, Eileen Latasa, hereby certify that I am
Secretary-Treasurer of Socorro Electric Cooperative, Inc.
and that the foregoing is a true and exact copy of an excerpt from the minutes of the
board meeting of the directors held August 28, 2024
and that a quorum was present and acted throughout the meeting.

Eileen Latasa
Secretary

