

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

February 26, 2020

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, February 26, 2020, at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

The meeting was called to order at 2:00 p.m. by Luis Aguilar, Vice-President.

ROLL CALL

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

TRUSTEES PRESENT: Anne L. Dorough, President (via Skype conference)
Representative, District 5

Luis Aguilar, Vice-President
Representative, District 3

Paul Bustamante, Secretary/Treasurer
Representative, District 1

James Nelson, Trustee
Representative, District 2

Leroy Anaya, Trustee
Representative, District 3

Donald Wolberg, Trustee (via Skype conference) *
Representative, District 3

Michael Hawkes, Trustee **
Representative, District 4

TRUSTEES ABSENT: None

ALSO PRESENT: Joseph Herrera, General Manager
Donna Wilkins, Administrative Assistant
Ronnita Montoya, Accounting Supervisor
David Montoya, Safety Compliance Officer
Ricky Williams, Line Superintendent
Marilyn Madrid, Member Services Supervisor
Jimmy Capps, Director of Communications and Public Affairs

SEC MEMBERS PRESENT: Ward McCartney, John Larson

QUORUM

Secretary Bustamante declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

Vice-President Aguilar led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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Trustee Wolberg made a motion to approve the Agenda as distributed; motion seconded by Trustee Anaya. Motion carried unanimously.

Vice-President Aguilar approved the Agenda as distributed.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Wolberg had a correction to the minutes from January 29, 2020.

Trustee Wolberg made a motion to approve the minutes from January 29, 2020, with corrections; motion seconded by Trustee Anaya. Motion carried unanimously.

Vice-President Aguilar approved the January 29, 2020 minutes with corrections.

PUBLIC COMMENTS

Ward McCartney, District 1 Member, discussed wind power surpassing hydropower and predicts that it will produce more than hydro and nuclear power this year.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$1,907,152.48 for January 2020 and proceeded to answer questions posed by the Trustees.

Vice-President Aguilar thanked Manager Herrera for the Expenditure Report for January 2020.

Manager Herrera reported that due to the transition to the Board approved US Bank One Card and canceling the American Express before being charged an annual fee, SEC used the existing Mastercard credit cards for expenditures for January 2020.

Vice-President Aguilar thanked Manager Herrera for the credit card report for January 2020.

Manager Herrera reported for the Engineering Report, SEC has seen an increase in site visits for January. Manager Herrera also reported that of the approximately 4,100 poles inspected, SEC had 147 poles that need to be replaced.

Vice-President Aguilar thanked Manager Herrera for the Engineering Report for January 2020.

Manager Herrera concluded by reporting that SEC is celebrating it's 75th anniversary this year and as SEC was incorporated on March 3, 1945, he stated that SEC would be holding a Member Appreciation Day on Tuesday, March 3, 2020. Manager Herrera reported that SEC had received a thank you card from a Spelling Bee winner and a 4-H club recipient.

Vice-President Aguilar thanked Manager Herrera for the Manager's Report for January 2020.

FINANCIAL REPORT

Ms. Montoya carefully reviewed in detail the RUS Form 7 Report for January 2020 and proceeded to answer questions posed by the Trustees.

Vice-President Aguilar thanked Ms. Montoya for the RUS Form 7 Report for January 2020.

SAFETY COMPLIANCE REPORT

SAFETY REPORT

Mr. Montoya reviewed the January Safety Report.

* Trustee Wolberg lost connection on the Skype conference call 2:24 p.m.

JOB BRIEFING

Mr. Montoya reviewed the January Job Briefing Reports.

Vice-President Aguilar thanked Mr. Montoya for the Safety Compliance Report for January 2020.

OPERATIONS AND MAINTENANCE REPORT

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CONSTRUCTION/MAINTENANCE REPORT

Mr. Williams reported on January activities as crews completed 56 service orders, with 32 of them being for area light issues. Mr. Williams stated that 24 work orders had been completed, with no work orders closed. Mr. Williams noted that crews trimmed or cut down 141 trees. Mr. Williams reported crews would start working on the poles that were identified in the pole inspection and proceeded to answer questions posed by the Trustees.

OUTAGE REPORTS

Mr. Williams gave a review of the Cooperative Response Center (CRC) Outage Report for January 2020, stating 26 outage reports had been turned in by SEC crews and proceeded to answer questions posed by the Trustees.

Vice-President Aguilar thanked Mr. Williams for the Operations and Maintenance Report for January 2020

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report with the new graphs as requested for January 2020. Ms. Madrid reported from the Active Delinquent amounts, medical certificates are totaling \$123,489.77, accounts under Winter Moratorium totaling \$23,163.36, active arrangements totaling \$5,945.36, and broken arrangements of \$144.89. Ms. Madrid stated that Winter Moratorium would end March 15, 2020. Ms. Madrid proceeded to answer questions posed by the Trustees.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had two-member complaints filed with the NM PRC in January 2020. Ms. Madrid stated the NM PRC has closed one case with a finding of "No Violation" by SEC. Ms. Madrid provided information on the other case but reported that SEC is still waiting on a ruling from the NM PRC as their system is behind due to being hacked recently.

Vice-President Aguilar thanked Ms. Madrid for the Member Services Report for January 2020.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

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

Vice-President Aguilar thanked Mr. Capps for the Communications and Public Affairs Report for January 2020.

TRI-STATE REPORT

Trustee Anaya gave the Tri-State Board of Director's activities report for February 2020.

Vice-President Aguilar thanked Trustee Anaya for the Tri-State Report.

NMRECA REPORT

Manager Herrera reported on the NMRECA activities report for January and February 2020 and proceeded to answer questions posed by the Trustees.

Vice-President Aguilar thanked Manager Herrera for the NMRECA Report.

MRGEDA REPORT

Vice-President Aguilar stated that as Trustee Wolberg had lost his Skype connection there would be no MRGEDA Report given.

Trustee Dorough commented that SEC should keep its MRGEDA contribution at \$500.00.

PRESIDENT'S REPORT

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There was no President's Report provided.

FINANCE COMMITTEE REPORT

Vice-President Aguilar reported on the Finance Committee Meeting held on January 29, 2020.

STANDING COMMITTEE REPORT

Trustee Anaya reported on the Standing Committee Meeting held on February 26, 2020, with recommendations to the full Board of Trustees.

Vice-President Aguilar thanked Trustee Anaya for the Standing Committee Report.

SEC MEMBER CREDENTIALS AND ELECTION COMMITTEE REPORT

Manager Herrera reported the SEC Member Credentials and Election Committee had met on February 13, 2020, whereby Pete Gonzales was elected as President and Prescilla Mauldin as Secretary for this meeting of the Committee. Manager Herrera stated the Credentials and Election Committee, according to the responsibilities assigned in Section 4.12 of the By-Laws, unanimously appointed, per Section 5.03 of the By-Laws, determined that there was no need for a secret ballot election at the upcoming Annual Member Meeting as the number of nominees from District 2 and District 3 equals the number of open candidate positions for these Districts. Manger Herrera noted that this would allow the SEC Staff to host the registration at the Annual Meeting of Members without securing the services of a 3rd party firm to oversee and validate the election of Trustees.

NEW BUSINESS

Old Fleet Vehicle Sale Auction

Manager Herrera reported that J.J. Kane Auctioneers, a division of Altec, conducts online auctions for used utility vehicles and they have submitted a contract to sell SEC's used vehicles. Manager Herrera stated that previously, SEC have done their own advertising and accepted bids for used vehicles, and this would be another avenue to sell these vehicles that are still in good shape.

After discussion, Trustee Dorough made a motion to accept J.J. Kane Auctioneers contract as presented; motion seconded by Trustee Bustamante. 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 it was the recommendation of the Committee to approve Board Policy 104 – Committees of the Board of Trustees with proposed revisions.

Trustee Anaya made a motion to accept the Standing Committee's recommended revisions to Board Policy 104 – Committees of the Board of Trustees with proposed revisions; motion seconded by Trustee Bustamante. Motion carried unanimously.

Board Policy 105 – Finance Committee

Manager Herrera reported that Board Policy 105 – Finance Committee was reviewed by the Standing Committee, and it was the recommendation of the Committee to approve Board Policy 105 – Finance Committee with proposed revisions.

After discussions, Trustee Anaya made a motion to accept the Standing Committee's recommended revisions to Board Policy 105 – Finance Committee with corrections; motion seconded by Trustee Hawkes. Motion carried unanimously.

Board Policy 107 – Standing Committee

Manager Herrera reported that Board Policy 107 – Standing Committee was reviewed by the Standing Committee, and it was the recommendation of the Committee to approve Board Policy 107 – Standing Committee with proposed revisions.

After discussions, Trustee Nelson made a motion to accept the Standing Committee's recommended revisions to Board Policy 107 – Standing Committee with corrections; motion seconded by Trustee Anaya. Motion carried unanimously.

Board Policy 108 – Standards of Conduct

Manager Herrera reported that the Standing Committee reviewed Board Policy 108 – Standards of Conduct in January 2020 with questions for the consultant. Manager Herrera stated the consultant was reached answering the questions posed by the Standing Committee in a letter that was provided to the Board of Trustees. Manager Herrera stated it was the recommendation of the Committee to approve Board Policy 108 – Standards of Conduct with proposed revisions.

After discussions, Trustee Nelson made a motion to accept the Standing Committee’s recommended revisions to Board Policy 108 – Standards of Conduct with corrections; motion seconded by Trustee Bustamante. Motion carried unanimously.

2020 Annual Member Meeting

Manager Herrera reported SEC will have its 75th Annual Member Meeting on April 18, 2020, at the New Mexico Tech Macey Center. Manager Herrera stated registration would be from 1:00-3:00 p.m., and the business meeting starting at 3:00 p.m. Manager Herrera stated SEC provides registration giveaways to members and reaches out to vendors to donate door prizes distributed at the end of the meeting.

Mr. Capps provided the Trustees with the different options available for the registration giveaways for Members as they register at SEC 75th Annual Member Meeting, answering questions posed by the Trustees.

After discussion, Trustee Anaya made a motion to accept option #1 for the registration giveaways; motion seconded by Trustee Bustamante. Motion carried unanimously.

Manager Herrera reported that SEC did pull a vehicle from the auction list, that is fairly good condition, to be used as a door prize giveaway in an effort to achieve a quorum at the meeting.

After discussion, Trustee Anaya made a motion to approve this SEC Fleet Vehicle as a giveaway for the upcoming Annual Member Meeting; motion seconded by Trustee Bustamante. Motion carried unanimously.

Manager Herrera provided Trustees with a history of giving Energy Credits for those who attend the annual meetings and what the cost has been and answering questions posed by the Trustees.

After discussion, Trustee Dorrough made a motion to do away with the Energy Credit for this year’s meeting; motion seconded by Trustee Nelson. Motion carried unanimously.

Manager Herrera provided information on what SEC has done in previous years for Presentation of Colors, National Anthem, and the Invocation.

** Trustee Hawkes left during the discussion of this item at 3:45 p.m.

After discussion, the Board of Trustees directed Manager Herrera to reach out to individuals and organizations to complete the assembly of the Program.

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
Eugene Fajardo	\$356.14	\$11.55	\$19.53	\$10.53	\$91.34	\$0.00	(\$13.97)	\$475.12	\$383.78
Helen Dobson	\$315.75	\$11.78	\$20.78	\$12.94	\$86.03	\$0.00	\$0.00	\$447.25	\$361.25

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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
Magdalene									
Lucero	\$579.99	\$9.43	\$47.44	\$32.37	\$267.22	\$0.00	\$0.00	\$936.95	\$669.23
Tom E Kelly	\$321.90	\$9.97	\$26.01	\$19.07	\$101.63	\$0.00	\$0.00	\$478.58	\$376.95

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

Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

** Trustee Hawkes returned at the start of the discussion of this item at 3:50 p.m.

Trustee Bustamante requested Board approval to attend the Tri-State Annual Meeting in Westminster, Colorado, on April 6-9, 2020.

Trustee Anaya made a motion to approve travel for Trustee Bustamante to attend the Tri-State Annual Meeting; motion seconded by Trustee Hawkes. Motion carried unanimously.

Trustee Anaya, Bustamante, Hawkes, Nelson, Wolberg, and Vice-President Aguilar requested Board approval to attend the Tri-State Open House in Santa Fe, New Mexico, on March 16, 2020.

Trustee Anaya made a motion to approve travel for Trustee Anaya, Bustamante, Hawkes, Nelson, Wolberg, and Vice-President Aguilar to attend the Tri-State Open House; motion seconded by Trustee Bustamante. Motion carried unanimously.

Tri-State 2020 Annual Membership Meeting Voting and Alternate Delegate

Trustee Bustamante made a motion to nominate Trustee Anaya as Voting Delegate for the Tri-State Annual Membership Meeting; motion seconded by Trustee Dorough. Motion carried unanimously.

Trustee Anaya made a motion to nominate Trustee Bustamante as the Alternate Delegate to the Tri-State Annual Membership Meeting; motion seconded by Trustee Dorough. Motion carried unanimously.

EXECUTIVE SESSION

Trustee Bustamante made a motion to go into Executive Session to discuss potential litigation and employment matters; motion seconded by Trustee Nelson. Motion carried unanimously.

Vice-President Aguilar called for an Executive Session.

The Board adjourned to Executive Session at 3:53 p.m.

REGULAR SESSION

Trustee Bustamante made a motion and seconded by Trustee Anaya to return to Regular Session at 4:15 p.m.

Vice-President Aguilar stated that there was no action taken during Executive Session.

SET DATE/TIME FOR REGULAR MEETING

After discussion, Trustee Anaya made a motion to set the date and time of Committee meetings for March 18, 2020, at 1:00 p.m. and the next regularly scheduled Board Meeting for March 25, 2020, at 2:00 p.m.; motion seconded by Trustee Bustamante. Motion carried unanimously.

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ADJOURNMENT

There being no further items open for discussion, Trustee Bustamante moved to adjourn; motion seconded by Trustee Anaya. Motion carried unanimously.


Vice-President Aguilar adjourned the meeting at 4:18 p.m.

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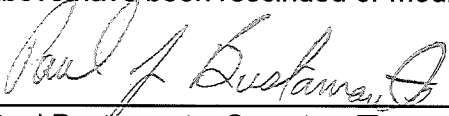
Paul Bustamante, Secretary/Treasurer

APPROVED:



Luis Aguilar, Vice-President

I, Paul Bustamante, 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 February 26, 2020. 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.



Paul Bustamante, Secretary/Treasurer