

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

June 24, 2020

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, June 24, 2020, at 310 Abeyta Ave, Socorro, New Mexico.

CALL TO ORDER

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

ROLL CALL

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

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

 Luis Aguilar, Vice-President (via teleconference)
 Representative, District 3

 Paul Bustamante, Secretary/Treasurer (via teleconference)
 Representative, District 1

 James Nelson, Trustee (via teleconference)
 Representative, District 2

 Leroy Anaya, Trustee (via teleconference)
 Representative, District 3

 Donald Wolberg, Trustee (via teleconference)
 Representative, District 3

 Michael Hawkes, Trustee (via teleconference)
 Representative, District 4

TRUSTEES ABSENT: None

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

SEC MEMBERS PRESENT: None; due to Governor Lujan-Grisham executive order restricting all groups to no more than five (5) individuals.

QUORUM

Secretary Bustamante declared a Quorum of Trustees present.

PLEDGE OF ALLEGIANCE

Manager Herrera led everyone in the Pledge of Allegiance.

CONSIDERATION AND APPROVAL OF AGENDA

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

President Dorough approved the Agenda as presented.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Aguilar made a motion to approve the minutes from May 27, 2020, and May 28, 2020 continuation as presented; motion seconded by Trustee Wolberg. Motion carried unanimously.

President Dorough approved the minutes from May 27, 2020, and May 28, 2020, continuation as presented.

MEMBER COMMENTS

Manager Herrera reported that no Members had called in or were present for Member Comments.

MANAGER'S REPORT

Manager Herrera reported on the expenditure check register totaling \$706,542.83 for May 2020.

President Dorough thanked Manager Herrera for the Expenditure Report for May 2020.

Manager Herrera reported on the Visa credit card expenditures complete with supporting receipts, which were made available to the Board of Trustees for May 2020.

President Dorough thanked Manager Herrera for the credit card report for May 2020.

Manager Herrera provided an update to COVID-19 procedures in which SEC had reopened its lobby doors on June 8, 2020, allowing only three (3) Members at a time and all are required to wear masks. Manager Herrera reported there were no public bathrooms and desk shields had been installed for employees who usually have contact with Members. Manager Herrera stated that all SEC employees are required to take a daily employee symptom screening prior to entering the building, and that SEC is slowing acquiring disinfecting supplies. Manager Herrera stated that SEC had received masks from NMRECA as well as from Oklahoma Statewide Association.

President Dorough thanked Manager Herrera for the COVID-19 Update.

Manager Herrera provided the Engineering Report stating that SEC is in the process of getting the database and servers set up for the new Futura Outage Management System (OMS). Manager Herrera stated that Apple iPads have been received, and we are working with the Cooperative Response Center to handle the OMS after-hours outages using the OMS. Manager Herrera reported that the OMS would be completed by September 2020. Manager Herrera stated that the recent blinks occurring on the hospital circuit are due to a faulty line recloser that was installed in August 2019. Manager Herrera reported that the hospital has been moved to a new circuit while work is done to repair or replace the faulty recloser.

President Dorough thanked Manager Herrera for the Engineering Report for May 2020.

Manager Herrera concluded by reporting that SEC had received patronage from Federated Rural Electric Insurance Exchange.

President Dorough thanked Manager Herrera for the Manager's Report for May 2020.

FINANCIAL REPORT

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

President Dorough thanked Ms. Montoya for the RUS Form 7 Report for May 2020.

SAFETY COMPLIANCE REPORT

SAFETY REPORT

June 24, 2020

Mr. Montoya reviewed the May Safety Report.

JOB BRIEFING

Mr. Montoya reviewed the May Job Briefing Reports.

President Dorough thanked Mr. Montoya for the Safety Compliance Report for May 2020.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Dettmer reported on May activities that crews trimmed or cut down 275 trees. Mr. Dettmer stated that 42 service orders had been completed with 15 of those being area light issues. Mr. Dettmer reported crews completed 30 work orders and had closed 27 work orders. Mr. Dettmer stated crews had completed 28 additional pole replacements in addition to the ten (10) critical priority pole replacements that had been completed out of the 269 rejected poles. Mr. Dettmer proceed to answer questions posed by the Trustees.

OUTAGE REPORTS

Mr. Dettmer gave a review of three (3) major outages that affected over 100 members.

President Dorough thanked Mr. Dettmer for the Operations and Maintenance Report for May 2020.

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

Ms. Madrid presented the Energy Delinquent Report for May 2020.

NM PRC MEMBER CONCERNS

Ms. Madrid reported that SEC had no Member complaints filed with the NM PRC in May 2020.

President Dorough thanked Ms. Madrid for the Member Services Report for May 2020.

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

Mr. Capps reviewed the May Communications and Public Affairs Report.

President Dorough thanked Mr. Capps for the Communications and Public Affairs Report for May 2020.

TRI-STATE REPORT

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

President Dorough thanked Trustee Anaya for the Tri-State Report.

NMRECA REPORT

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

President Dorough thanked Manager Herrera for the NMRECA Report.

MRGEDA REPORT

Trustee Wolberg reported on the MRGEDA activities for May 2020.

President Dorough thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

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President Dorough thanked all Board members for their effort in participating in the electronic web video conferencing and asked that all Board members review their BoardPaq documents before each Board meeting.

FINANCE COMMITTEE REPORT

Trustee Aguilar reported on the Finance Committee Meeting held on April 22, 2020, and May 27, 2020, with recommendations to the full Board of Trustees.

After much discussion, Trustee Wolberg made a motion to move the Finance Committee meetings to the third Wednesday of the month to coincide with the other Committee meetings; motion seconded by Trustee Bustamante. A roll call vote was conducted by President Dorough and is as follows:

Yes: Trustee Aguilar, Bustamante, Hawkes, Nelson, and Wolberg

No: Trustee Anaya

Motion carried.

President Dorough thanked Trustee Aguilar for the Finance Committee Report.

STANDING COMMITTEE REPORT

Trustee Anaya reported on the Standing Committee Meeting held on June 17, 2020, with recommendations to the full Board of Trustees.

President Dorough thanked Trustee Anaya for the Standing Committee Report.

OLD BUSINESS

Board Policy 106 – Ethics Committee

Manager Herrera reported that Board Policy 106 – Ethics Committee had been returned to the Standing Committee for review regarding “other ethical lapses.” Manager Herrera stated that General Council Wiggins had provided a definition in which the Standing Committee recommended that the Board approve Board Policy 106 – Ethics Committee with the definition of “other ethical lapses.”

After discussion, Trustee Hawkes made a motion to accept the Standing Committee’s recommended revisions to Board Policy 106 – Ethics Committee with revisions; motion seconded by Trustee Aguilar. Motion carried unanimously.

Consideration of 2019 IRS Form 990 Filing

Manager Herrera reported that after the May Board meeting, additional information was provided to Bill Miller of Bollinger, Segars, Gilbert, and Moss, who prepares the 2019 IRS Form 990. Manager Herrera stated that Mr. Miller’s email, included for the Board, stated that language in Section 10.14 of the SEC Bylaws permits SEC to invest in the Cooperative Finance Center (CFC) Integrity Fund. Manager Herrera stated it was discussed at the Board minutes and recorded showing the investment and SEC applying for the CFC Integrity Fund. Manager Herrera reported that Mr. Miller stated SEC had done everything correctly, and it was noted within the 2019 IRS Form 990 for transparency.

Trustee Wolberg made a motion to accept the 2019 IRS Form 990 as presented; motion seconded by Trustee Anaya. Motion carried unanimously.

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 with revisions.

Trustee Anaya made a motion to accept the Standing Committee’s recommended revisions to Board Policy 112 – Trustee Authority; motion seconded by Trustee Bustamante. Motion carried unanimously.

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Board Policy 116 – Trustees’ Fee and Expenses

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

After discussion, Trustee Hawkes made a motion to accept the Standing Committee’s recommended revisions to Board Policy 116 – Trustees’ Fee and Expense with revisions and to be back-dated to March 14, 2020, when the COVID-19 closures started; motion seconded by Trustee Anaya. Motion carried unanimously.

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

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

Trustee Wolberg made a motion to accept the Standing Committee’s recommended revisions to Board Policy 121 – Securing Confidential Member and Employee Data while Retaining and Destroying Records; motion seconded by Trustee Hawkes. 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 with revisions.

Trustee Nelson made a motion to accept the Standing Committee’s recommended revisions to Board Policy 125 – Red Flag Program for Identity Theft and Credit Reporting Accuracy; motion seconded by Trustee Aguilar. Motion carried unanimously.

Consideration of Bucket Truck Quotes

Manager Herrera reported that three quotes had been provided to the Finance Committee for a new Bucket Truck. Manager Herrera stated that it was the recommendation of the Finance Committee to approve the Bucket Truck quote from Altec, Inc. for \$234,181.00.

After discussions, Trustee Wolberg made a motion to accept the Finance Committee’s recommendation to approve the Bucket Truck quote from Altec, Inc. for \$234,181.00; motion seconded by Trustee Anaya. Motion carried unanimously.

Consideration of Power-Pole Trailer Quotes

Manager Herrera reported that three quotes had been provided to the Finance Committee for a new Power-Pole Trailer. Manager Herrera stated that it is the recommendation of the Finance Committee to approve the Power-Pole Trailer quote from Brooks Brothers Trailers for \$28,605.00.

Trustee Anaya made a motion to accept the Finance Committee’s recommendation to approve the Power-Pole Trailer quote from Brooks Brothers Trailers for \$28,605.00; motion seconded by Trustee Bustamante. 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:

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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
Sonja E. O'Brien	\$406.81	\$8.63	\$30.20	\$17.68	\$161.55	\$27.53	(\$135.19)	\$517.21	\$355.66

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
No Joint Accounts for Consideration	-	-	-	-	-	-	-	-	-

Trustee Wolberg 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 Aguilar. Motion carried unanimously.

Consideration of Line Extension Contracts

There were no Line Extension Contracts for consideration.

2020 NMRECA

Manager Herrera stated the NMRECA requires annually from each cooperative, their designee for the NMRECA Board of Directors. Manager Herrera reported that a Director and alternate Director were needed.

After discussion, Trustee Bustamante nominated Trustee Wolberg as NMRECA Board of Director; motion seconded by Trustee Nelson.

After further discussion, Trustee Wolberg nominated Manager Herrera as NMRECA Alternate Director; motion seconded by Trustee Anaya.

Trustee Bustamante made a motion to cease nomination and approve by acclamation; motion seconded by Trustee Nelson.

President Dorough stated that Trustee Wolberg would be SEC 2020-2021 NMRECA Board of Director delegate and Manager Herrera would be the Alternate Director.

Manager Herrera stated that SEC would also need a 2020 Voting and Alternate Representative for NMRECA Annual Meeting.

Trustee Aguilar nominated Trustee Wolberg as NMRECA 2020 Voting Representative; motion seconded by Trustee Hawkes.

Trustee Wolberg nominated Manager Herrera as NMRECA 2020 Alternate Representative; motion seconded by Trustee Aguilar. Motions carried unanimously.

President Dorough stated NMRECA 2020 Voting Representative would be Trustee Wolberg, and Manager Herrera would be Alternate Representative.

Consideration of Tri-State G&T Rate Resolution

Manager Herrera stated that Tri-State G&T CEO, Duane Highley had assembled a Tri-State Task Force to find ways to help possibly reduce rates to all Tri-State G&T members.

Trustee Anaya made a motion to approve the Tri-State G&T Rate Resolution; motion seconded by Trustee Hawkes. Motion carried unanimously.
(copy of Resolution attached hereto and made a part hereof)

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Consideration of Trustee Travel

Trustee Nelson requested Board approval to attend the NRECA Director Classes being held online.

Trustee Wolberg made a motion to approve for Trustee Nelson to attend the NRECA Director Classes being held online; motion seconded by Aguilar. Motion carried unanimously.

EXECUTIVE SESSION

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

President Dorough called for an Executive Session.

The Board adjourned to Executive Session at 4:06 p.m.

REGULAR SESSION

Trustee Aguilar made a motion and seconded by Trustee Anaya to return to Regular Session at 4:26 p.m.

President Dorough 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 July 15, 2020, and the next regularly scheduled Board Meeting for July 22, 2020, at 2:00 p.m.; motion seconded by Trustee Hawkes. Motion carried unanimously.

ADJOURNMENT

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

President Dorough adjourned the meeting at 4:29 p.m.

June 24, 2020



Paul Bustamante, Secretary/Treasurer

APPROVED:



Anne Dorough, 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 June 24, 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

SOCORRO ELECTRIC COOPERATIVE, INC.

RESOLUTION

WHEREAS, The Socorro Electric Cooperative, Inc. ("SEC") is a rural electric distribution cooperative serving the electric power needs of its of its members; and

WHEREAS, SEC is governed by the By-Laws of The Socorro Electric Cooperative, Inc. ("By-Laws"); and

WHEREAS, SEC has an obligation to provide its members with reliable electric service at fair, just and reasonable rates; and

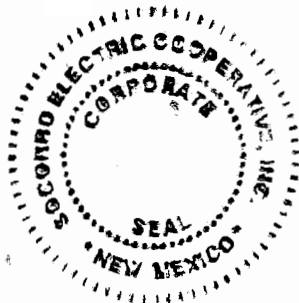
WHEREAS, SEC is a member cooperative of Tri-State Generation and Transmission Cooperative, Inc ("Tri-State") and obtains its power supply requirements to serve its membership from Tri-State; and

WHEREAS, SEC is in a region of New Mexico which is economically depressed and experiencing further economic hardship as a result of the COVID-19 public health crisis and the Public Health Emergency Orders of the State of New Mexico which have effectively shutdown the state's economy; and,

WHEREAS, Tri-State has indicated that it may consider measures which will lower of the cost of power to its members, including SEC

NOW THEREFORE, BE IT RESOLVED, that the elected Board of Trustees of SEC, acting in its fiduciary capacity on behalf of the membership of SEC request Tri-State management to immediately and actively perform necessary analyses and consider all reasonable means to reduce the cost of power to its member cooperatives, thereby lowering the cost of power to SEC's members.

SEAL



Anne L. Dorough

President: Anne L. Dorough

Paul J. Bustamante

Paul J. Bustamante

Secretary-Treasurer