

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

January 27, 2021

INDEX

The Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. (SEC), held on Wednesday, January 27, 2021, 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

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

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

 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
 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)
 Lorna Wiggins, Attorney, Wiggins, Williams, and Wiggins (via
 teleconference)

SEC MEMBERS PRESENT: None; due to Governor Lujan-Grisham's 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 Aguilar made a motion to approve the Agenda as presented; motion seconded by Trustee Anaya. Motion carried unanimously.

President Dorough approved the Agenda as presented.

CONSIDERATION AND APPROVAL PREVIOUS MINUTES

Trustee Nelson had corrections to minutes from December 16, 2020.

Trustee Nelson made a motion to approve the minutes from December 16, 2020, as corrected; motion seconded by Trustee Wolberg. Motion carried unanimously.

President Dorough approved the minutes from December 16, 2020, as corrected.

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 \$666,808.06 for December 2020 and answered questions posed by the Trustees.

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

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

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

Manager Herrera carefully reviewed in detail the RUS Form 7 Report for December 2020.

President Dorough thanked Manager Herrera for the RUS Form 7 Report.

Manager Herrera provided an update regarding COVID-19 stating "kudos" to all SEC staff and management for the great job all are doing to stay safe with the state's COVID-19 restrictions in place. Manager Herrera reported that the lobby remains closed to the public, but the staff was still available to assist members with making payments or to address any concerns. Manager Herrera reported that County Commissioner Gonzales had contacted SEC to see which employees were interested in receiving the COVID-19 vaccination and possibly get the employees on a list to get vaccinated. Manager Herrera stated that all employees were provided this information but only about 1/3 of the employees expressed interest in receiving the vaccine.

President Dorough thanked Manager Herrera for the COVID-19 Update for December 2020.

Manager Herrera provided the Engineering Report stating about 18-months ago; he had reported that White Sands Missile Range (WSMR) was interested in connecting a 2-megawatt load but had decided not to continue. Manager Herrera reported that WSMR has now chosen to proceed with the project, which will be in place for three-years. Manager Herrera stated that the City of Socorro has a project to improving the landscape along Bullock Road, which will require relocating ten (10) poles approximately four (4) to six (6) feet. Manager Herrera reported that due to the current franchise agreement, the \$150,000 project to relocate the poles will be at the expense of SEC and the project is expected to start in March 2021. Manager Herrera stated that Magellan Pipeline had decided to upgrade two (2) of their four (4) pumping sites to double their production load. Manager Herrera reported that a copy of the Socorro Master Pole Licensing Agreement had been made available for the Board of Trustees. Manager Herrera reported that this agreement is used in conjunction with the RUS and OSHA requirements of allowable attachments to an SEC pole.

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

Manager Herrera concluded by reporting that by SEC being part of the NM Rural Electric Cooperative Association, this permits SEC to be part of the NM Self-Insurer's Fund, a self-insured workman compensation program. Manager Herrera stated that NM Self-Insurer's Fund recently distributed dividends for the years 2014-2018. Manager Herrera stated that the SEC

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had received a patronage capital credit refund from Western United Electric for 2013 and several 4-H thank you cards.

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

SAFETY COMPLIANCE REPORT

SAFETY REPORT

Mr. Montoya reviewed the December Safety Report.

JOB BRIEFING

Mr. Montoya reviewed the December Job Briefing Reports and proceeded to answer questions posed by the Trustees.

OPERATIONS AND MAINTENANCE REPORT

CONSTRUCTION/MAINTENANCE REPORT

Mr. Dettmer reported for December activities, crews completed 14 work orders, closed 59 work orders, and completed 55 service orders with most of the service orders for area lights.

OUTAGE REPORTS

Mr. Dettmer reviewed several major outages that either affected over 100 members or those for which the outage time was lengthy and proceeded to answer questions posed by the Trustees.

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

MEMBER SERVICES REPORTS

ENERGY DELINQUENT REPORT

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

NM PRC MEMBER CONCERNS

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

Trustee Aguilar congratulated Ms. Madrid on her number of years of service with SEC.

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

COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

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

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

TRI-STATE REPORT

Trustee Anaya gave the Tri-State Board of Director's activities report for January 2021.

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

NMRECA REPORT

Trustee Wolberg gave the NMRECA report for January 2021.

President Dorough thanked Trustee Wolberg for the NMRECA Report.

MRGEDA REPORT

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Trustee Wolberg gave the MRGEDA report for January 2021.

President Dorough thanked Trustee Wolberg for the MRGEDA Report.

PRESIDENT'S REPORT

President Dorough reported the 2020 Form 990 questionnaire was e-mailed to all Trustees and if any Trustee wanted a hard copy of the questionnaire to contact Ms. Wilkins. President Dorough requested all Trustees to send in their signed General Manager's Annual Evaluations to Ms. Wilkins.

ETHICS COMMITTEE REPORT

Trustee Wolberg reported the Ethics Committee had met on December 16, 2020, with recommended changes to the Standing Committee.

President Dorough thanked Trustee Wolberg for the Ethics Committee Report.

FINANCE COMMITTEE REPORT

Trustee Aguilar gave the Finance Committee Report, which met on January 20, 2021.

President Dorough thanked Trustee Aguilar for the Finance Committee Report.

STANDING COMMITTEE REPORT

Trustee Anaya reported on the Standing Committee Meeting held on January 20, 2021, with recommendations to the full Board of Trustees.

President Dorough thanked Trustee Anaya for the Standing Committee Report.

OLD BUSINESS

Consideration of The Village of Magdalena Franchise Agreement

Manager Herrera reported at the December 16, 2020 Board of Trustees meeting, there were some additional proposed changes to the Village of Magdalena Franchise Agreement. Manager Herrera stated the revised Franchise Agreement was presented at the January 11, 2021 Village of Magdalena Board meeting where the proposed changes were accepted. Manager Herrera reported the new Franchise Agreement does include a 3% franchise fee that will be passed through to the SEC members who reside within the Village of Magdalena. Manager Herrera stated this is an increase from the 2% fee in the current agreement.

Trustee Wolberg made a motion to approve the recommended changes and accept the Village of Magdalena Ordinance No. 2020-03 Franchise Agreement; motion seconded by Trustee Aguilar.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

President Dorough thanked Mayor Rumpf for his efforts with the Franchise Agreement.

NEW BUSINESS

2021 Bucket Truck Quotes

Manager Herrera reported when the Finance Committee had met on December 16, 2020; the Committee reviewed several bucket truck quotes, with and without chassis, for four (4) new trucks. Manager Herrera stated after a review of the quotes; the Committee recommended the purchase of four (4) trucks from the Altec quote with the International chassis.

Trustee Wolberg made a motion to accept the Finance Committee's recommendation of the Altec quote with International chassis to purchase four (4) trucks; motion seconded by Trustee Nelson.

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A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

SEC Code of Ethics

Manager Herrera reported that the Ethics Committee had reviewed the SEC Code of Ethics with recommending changes to the Standing Committee. Manager Herrera reported the Standing Committee reviewed the proposed recommended changes to the SEC Code of Ethics and recommended that the Board approve the SEC Code of Ethics with revisions.

Trustee Nelson made a motion to accept the Standing Committee's recommended revisions of the SEC Code of Ethics; motion seconded by Trustee Wolberg.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

Board Policy 108 – Standards of Conduct

Manager Herrera reported that the Ethics Committee had reviewed Board Policy 108 – Standards of Conducts with recommended changes to the Standing Committee. Manager Herrera reported the Standing Committee reviewed the proposed recommended changes to Board Policy 108 – Standards of Conduct, and recommended that the Board approve Board Policy 108 – Standards of Conduct with revisions.

Trustee Anaya made a motion to accept the Standing Committee's recommended revisions of Board Policy 108 – Standards of Conduct; motion seconded by Trustee Aguilar.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

Board Policy 109 – Conflicts of Interest

Manager Herrera reported that the Ethics Committee had reviewed Board Policy 109 – Conflicts of Interest with recommended changes to the Standing Committee. Manager Herrera reported the Standing Committee reviewed the proposed recommended changes to Board Policy 109 – Conflicts of Interest, and the Committee recommended that the Board approve Board Policy 109 – Conflicts of Interest with revisions.

Trustee Nelson made a motion to accept the Standing Committee's recommended revisions of Board Policy 109 – Conflicts of Interest; motion seconded by Trustee Bustamante.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

Board Policy 110 – Ethics and Conflicts of Interest in Relationship with Vendors

Manager Herrera reported that the Ethics Committee had reviewed Board Policy 110 – Ethics and Conflicts of Interest in Relationship with Vendors as reviewed with no recommended changes to the Standing Committee. Manager Herrera reported the Standing Committee reviewed Board Policy 110 – Ethics and Conflicts of Interest in Relationship with Vendors and recommended that the Board approve Board Policy 110 – Ethics and Conflicts of Interest in Relationship with Vendors as reviewed.

Trustee Aguilar made a motion to accept the Standing Committee's recommendation of Board Policy 110 – Ethics and Conflicts of Interest in Relationship with Vendors as reviewed; motion seconded by Trustee Wolberg.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

Board Policy 111 – Ethics and Conflicts in Outside Business and Other Related Activities

Manager Herrera reported that the Ethics Committee had reviewed Board Policy 111 – Ethics and Conflicts in Outside Business and Other Related Activities as reviewed with no recommended changes to the Standing Committee. Manager Herrera reported the Standing Committee reviewed Board Policy 111 – Ethics and Conflicts in Outside Business and Other Related Activities and recommended that the Board approve Board Policy 111 – Ethics and Conflicts in Outside Business and Other Related Activities as reviewed.

Trustee Aguilar made a motion to accept the Standing Committee’s recommendation of Board Policy 111 – Ethics and Conflicts in Outside Business and Other Related Activities as reviewed; motion seconded by Trustee Wolberg.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

Board Policy 515 – Foundation Awards

Manager Herrera reported that the Foundation Committee reviewed Board Policy 515 – Foundation Awards with recommended changes to the Standing Committee. Manager Herrera reported the Standing Committee reviewed Board Policy 515 – Foundation Awards, and the Committee recommended that the Board approve Board Policy 515 – Foundation Awards with revisions.

Trustee Bustamante made a motion to accept the Standing Committee’s recommended revisions to Board Policy 515 – Foundation Awards; motion seconded by Trustee Hawkes.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried unanimously.

Consideration of Basin Electric Class C Membership

Manager Herrera reported that Tri-State is looking at ways to reduce costs to keep rates low. Tri-State has decided not to continue paying for the Basin Electric Class C Membership fees for its members like SEC. Manager Herrera explained the benefits that SEC receives with participation in the Basin Electric Class C Membership with the cost, if SEC continued with the membership, being \$17,400 a year. Manager Herrera recommended that SEC continue with the Basin Electric Class C Membership for one-year, which would be off-setting the Touchstone Energy fees paid.

After discussion, Trustee Wolberg made a motion to continue with the Basin Electric Class C Membership for one-year; motion seconded by Trustee Nelson.

A roll call vote was conducted by President Dorough and is as follows:

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

No: None

Motion carried with one Trustee not voting.

Consideration of 2021 Credentials & Elections Committee

Manager Herrera reported that SEC had received two (2) candidate applications for the two (2) District 3 Trustee positions up for election this year. Applicants still have some time remaining to apply. Manager Herrera requested that each Trustee provide him a member name and contact information to be part of the Credentials & Elections Committee. Manager Herrera proceeded to answer questions posed by the Trustees.

Consideration of Capital Credit Estate Retirements

Manager Herrera reported there were no Capital Credit Estate Retirements open for consideration.

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Consideration of Line Extension Contracts

There were no Line Extension Contracts open for consideration.

Consideration of Trustee Travel

Trustee Wolberg requested Board approval to attend the NRECA PowerXchange, and TechAdvantage scheduled February 23-March 4, 2021.

Trustee Aguilar made a motion to approve Trustee Wolberg to attend the NRECA PowerXchange and TechAdvantage; motion seconded by Trustee Anaya. Motion carried unanimously.

NRECA 2021 PowerXchange Selection of Voting & Alternate Delegate

President Dorough declared Trustee Wolberg, by acclamation, as the Voting Delegate for the NRECA 2021 PowerXchange.

EXECUTIVE SESSION

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

President Dorough called for an Executive Session.

The Board adjourned to Executive Session at 3:57 p.m.

REGULAR SESSION

Trustee Wolberg made a motion and seconded by Trustee Aguilar to return to Regular Session at 4:43 p.m.

President Dorough stated that there was no action taken during Executive Session.

BOARD ACTION OF GM EVALUATION

President Dorough reported that during the Performance Review, the Board reviewed with Manager Herrera his annual review.

Trustee Wolberg made a motion to give Manager Herrera a 2% pay increase; motion seconded by Trustee Hawkes.

A roll call vote was conducted by President Dorough and is as follows:
Yes: Trustee Aguilar, Anaya, Bustamante, Hawkes, Nelson, and Wolberg
No: None
Motion carried unanimously.

SET DATE/TIME FOR REGULAR MEETING

Trustee Bustamante made a motion to set the Committee meeting's date and time for February 17, 2021, at 2:00 p.m. and the next regularly scheduled Board Meeting for February 24, 2021, at 2:00 p.m.; motion seconded by Trustee Anaya. Motion carried unanimously.

ADJOURNMENT

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

President Dorough adjourned the meeting at 4:46 p.m.

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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 January 27, 2021. 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