

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

MAY 21, 2014

A Regular Meeting of the Board of Trustees of The Socorro Electric Cooperative, Inc. was held on Wednesday, May 21, 2014 in Socorro, New Mexico.	INDEX
The Meeting was called to order at 2:00 p.m.by Anne L. Dorough, President.	CALL TO ORDER
Secretary Cordova called roll and reported those Trustees present and attending the meeting as follows:	ROLL CALL
TRUSTEES PRESENT: Anne L. Dorough, President Representative, District V Dave Wade, Vice-President* Representative, District IV Leo C. Cordova, Secretary/Treasurer Representative, District I Melissa Amaro, Trustee Representative, District III	
TRUSTEES ABSENT: Charles Wagner, Trustee Representative, District II	
ALSO PRESENT: Joseph Herrera, CEO/General Manager Eileen Latasa, HR Manager/Executive Assistant Marilyn Madrid, Member Services Supervisor David Montoya, Line Superintendent Bruce Wiggins, Attorney	
SEC MEMBERS PRESENT: Jimmy Dorough, James Cherry, Audrie Clifford, Charlene West, Monette Hardern-Lopez, John Larson James Bockenstette, Marie Watkins, Doug May Cyndi Mae Wade,	
President Dorough led everyone in the Pledge of Allegiance.	PLEDGE OF ALLEGIANCE
There being no additions or deletions to the Agenda, President Dorough accepted the Agenda as distributed.	APPROVAL OF AGENDA
There being no additions or corrections to the Draft of the Minutes of the Regular Meeting held on April 23, 2014, President Dorough accepted the Minutes as distributed.	APPROVAL OF MINUTES
Mr. Doug May presented a proposal to the Board regarding payment of capital credits to retired customers and those that have closed their accounts and moved away.	PUBLIC INPUT
Mr. James Bockenstette expressed his concern with distribution of capital credits , quorum Interpretation and member trust.	
Ms. Marie Watkins regarding the process of the City of Socorro's effort to take over the SEC and the letter to landowners of rental properties.	
*Trustee Wade arrived at 2:06 p.m.	
Manager Herrera reported that expenditures for April, 2014 total \$688,213.00	EXPENDITURE REPORT
There being no questions from the Board on the Expenditure Report for April, 2014, President Dorough accepted the Expenditure Report as presented.	
There were no questions from the Board on the Credit Card Expenditures for April, 2014.	CREDIT CARD EXPENDITURES
Manager Herrera reviewed the RUS Form 7 for April, 2014 with the Board.	RUS FORM 7
There being no questions from the Board on the RUS Form 7 for April, 2014, President Dorough accepted the RUS Form 7 as presented.	

Manager Herrera reported on the NRECA Legislative Conference and meetings with New Mexico Congressional Delegation during the Conference. Manager Herrera also touched on the NRECA Fast Facts regarding the EPA's proposed CO2 pollution standards and guidelines for existing and modified power plants, and. Right-of-Way permits with the BLM and were presented to the New Mexico Congressional Delegation.

NMRECA
REPORT

President Dorough accepted the report as presented.

Manager Herrera reported on the Tri-State Annual Meeting held in April regarding the Financial Forecast and Shortfall and the impact on Tri-State with the protest and mediation with four New Mexico coops.

TRI-STATE
REPORT

Manager Herrera stated that he was not receiving per diem from Tri-State as a director on their board.

Manager Herrera reported that SEC and PRC staff had a successful meeting where procedures and measures were addressed when dealing with consumer concerns.

OTHER

Mr. Montoya reported that crews are clearing right-of-ways due to the extremely dry weather; that lines are also being patrolled; and grounds being replaced with copper clad wire due to copper theft.

CONSTRUCTION/
MAINTENANCE
REPORT

Mr. Montoya also reported on the installation of 5-6 new breakers on lines in the north, west and on Highway 380.

Mr. Montoya reported on the outage that affected the north area due to a semi-truck that knocked down a pole.

OUTAGE
REPORT

Mr. Montoya also explained outage procedures and the upgrade of the Bernardo Substation.

Mr. Montoya reported that there were no accidents to report during the month of April, 2014.

SAFETY REPORT

Mr. Montoya also informed the Board that the SEC would be utilizing the NRECA RESAP (Safety Achievement Program) in developing a safety improvement plan.

Ms. Madrid reviewed the Delinquent Report for April, 2014.

DELINQUENT
REPORT

President Dorough accepted the report as presented.

Ms. Madrid also reviewed the Section V and XII Report for April, 2014.

SECTION V &
XII REPORT

President Dorough accepted the report as presented.

Ms. Madrid reported on three member concerns that were reported to the N.M.P.R.C. and that the PRC, after their investigation, found that the SEC was in compliance with all three issues.

MEMBER
SERVICES
REPORT

Ms. Madrid expanded on the meeting held with the N.M.P.R.C. and that Mabel Gonzales, City of Socorro Finance Director, was invited to attend to discuss the billing issue with the Waste Water Treatment Plant.

Ms. Madrid also gave an overview of the Member Services Department and the addition of two new member service representatives.

Ms. Madrid also noted that the new CRC link for outage calls was working great but little kinks in the system are being worked out.

Secretary Cordova reported on the Member Application/Cancellation Report for April, 2014 as follows:

MEMBER
APPLICATION/
CANCELLATION
REPORT

- New Connects 18
- Reconnects 114
- Disconnects 123

President Dorough accepted the Member Application/Cancellation Report for April, 2014 as presented.

Attorney Wiggins recommended the Retirement of Patronage Capital to the following Estates:

CAPITAL CREDIT
ESTATE
RETIREMENT

- Charles Hunter \$4,201.60
- Benny Apachito \$ 156.46

- Donald A. Forshee \$ 342.43
- Dexter H. Reynolds \$1,708.91

A motion was made by Trustee Wade and seconded by Trustee Amaro to approve the Retirement of Patronage Capital to the above-mentioned Estates. Motion carried unanimously.

Manager Herrera explained to the Board that in order to progress to the 25 year cycle of retiring capital credits, that he was presenting three (3) options for Board consideration to retire capital credits for the Years 1984-1988 for a total of \$1.4 million.

After discussion and careful consideration of the options presented by Manager Herrera, a motion was made by Trustee Cordova and seconded by Trustee Amaro to accept Option B which would pay 50% from a line of credit and 50% from the general fund for the general Retirement of Patronage Capital for the Years 1984-1988 for a total of \$1.4 million as follows:

- 1984 \$258,117.98
- 1985 \$544,041.30
- 1986 \$223,759.73
- 1987 \$538,492.77
- 1988 \$279,672.68

Motion carried unanimously.

President Dorough read the RESAP Resolution and called for a vote on the Resolution. The RESAP Resolution was unanimously approved by the Board.

Manager Herrera explained the CFC Integrity Fund which serves as a resource to the rural electric program to support the efforts of cooperatives to resist threats to the integrity of their service territory. The Integrity Fund would assist with providing funds to acquire consultants and assist with attorney fees resulting from the intent by the City of Socorro to take over the SEC. Manager Herrera stated that the repayment of funds is not required and that the City of Socorro’s actions could lead to costly litigation.

After consideration by the Board, President Dorough entertained a motion to approve the CFC Integrity Fund Resolution.

A motion was made by Trustee Cordova and seconded by Trustee Wade to approve the CFC Integrity Fund Resolution. Motion carried unanimously.

After review of the revised Notice of Right to Inspect Records, a motion was made by Trustee Cordova and seconded by Trustee Wade to approve the revised notice. Motion carried unanimously.

After review of Policy 404-Deposits, a motion was made by Trustee Amaro and seconded by Trustee Cordova to approve the revisions to Policy 404-Deposits. Motion carried unanimously.

After review of Policy 424-Aid to Construction Loans, a motion was made by Trustee Amaro and seconded by Trustee Cordova to approve the revisions to Policy 424, Aid to Construction Loans. Motion carried unanimously.

After review and consideration of the Cooperative Response Center, Inc. (CRC) Guaranty made by CFC, President Dorough entertained a motion to approve the CRC Guaranty.

A motion was made by Trustee Cordova and seconded by Trustee Wade to approve The CRC Guaranty. Motion carried unanimously.

After discussion on the setting the date for the next Regular Meeting, a motion was made by Trustee Amaro and seconded by Trustee Cordova to set the date and time of Wednesday, June 25, 2014 at 2:00 p.m. for the next Regular Meeting. Motion carried unanimously.

Trustee Amaro stated that she had been approached by some members of District III regarding the benefit to the Coop of Manager Herrera driving to Los Lunas and how it is affecting the SEC; Trustee Amaro also inquired whether the Board or Manager Herrera have sat down with the Mayor of the City of Socorro to stop the takeover by the City.

CONSIDERATION
OF GENERAL
RETIREMENT OF
PATRONAGE
CAPITAL

RESAP
RESOLUTION

CONSIDERATION
OF CFC
INTEGRITY FUND
RESOLUTION

CONSIDERATION
OF NOTICE OF
RIGHT TO
INSPECT
RECORDS

CONSIDERATION/
APPROVAL
POLICY 404

CONSIDERATION/
APPROVAL
POLICY 424

CONSIDERATION
OF CRC
GUARANTY

SET DATE/TIME
NEXT REGULAR
MEETING

President Dorough responded that these items were not on the agenda for discussion, and that Trustee Amaro should contact either President Dorough or Manager Herrera to add the items to the agenda for the next meeting.

There being no further items open for discussion, a motion was made by Trustee Amaro and seconded by Trustee Cordova to adjourn the meeting. Motion carried unanimously.

ADJOURNMENT

President Dorough adjourned the meeting at 3:40 p.m.

Leo C. Cordova, Secretary/Treasurer

APPROVED:

Anne L. Dorough, President

I, Leo C. Cordova, 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 21, 2014. 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.

Leo C. Cordova, Secretary/Treasurer