

Wednesday, December 30, 2009

Electric Co-op Unveils A New Four-Year Plan

By John Severance

SOCORRO -- Richard Lopez, the engineering head and operations manager for the Socorro Electric Cooperative, along with Randall Shaw of SGS Engineering, unveiled a four-year plan for the cooperative at the Board of Trustees meeting Monday night.

“We spend money to save money,” Lopez told the trustees during a Dec. 28 meeting.

Among the highlights:

- The five-year average for system losses was 8.5 percent. The recommended Rural Utility Service guideline is 8.4 percent for a system this size.
- Power outages were 237.32 minutes per customer per year. RUSE guidelines call for 300 minutes per customer per year, according to Lopez.
- In 2007, there were 8.61 percent in losses and there is a projection for 7.9 percent for 2013 if there had been no system improvements. With the proposed improvements, those losses could be 7 percent, according to Lopez.
- The co-op is taking bids for a Quemado Substation that would involve 16 miles of transmission line from Springerville, Ariz., to the New Mexico border and then 33 miles of line to the proposed substation, Lopez said. “If all goes well, we should be in operation by the fourth quarter of 2010,” Lopez said.
- With the proposed Quemado substation and all the improvements to the system, Lopez said the projected system load would be at 49.6 percent. “If we didn’t do any work in the next four years, we would be at the high end of our capacity,” he said.
- Lopez and his crew continually monitor the electric poles owned by the co-op. The average life span of a light pole is 35 years but with the continued maintenance the pole has additional lifespan of 10 to 15 years. “With those winds we had earlier this month, we might have lost 20 to 25 poles if we had not done that maintenance,” he said.
- The growth rate for 2008 was 1.27 percent after it was 7.86 percent. Lopez attributed the drop to the economy and Hurricanes Katrina and Rita which escalated the cost of equipment and poles.

The co-op also announced the hiring of attorney Dennis Francis, who previously worked for the co-op between 2001-2005. And contrary to previous reports, co-op president Paul Bustamante said Francis will deal with all legal matters and the organization had just one attorney and not three.

“We wanted an attorney to attend all the meetings,” Bustamante said.

In the Nov. 16 minutes, though, a motion was made and passed to employ Joanne Aguilar to counsel the SEC on issues involving contracts, employment and regulatory matters and a second motion was made and passed to utilize the services of Paul Kennedy for matters involving redistricting, bylaw and policy issues.

Wagner said nothing has come up before the board that would involve the termination of Aguilar’s and Kennedy’s services.

Wagner also asked if Aguilar and Kennedy were on retainer. Bustamante said they were not.

The board also heard a presentation from Michael Olguin of Socorro about insurance and after a motion from District V Trustee Charlie Wagner that was seconded by Milton Ulibarri, Olguin was hired to be the agent of record for the co-op.

The AON group previously consulted the co-op on its insurance issues.

During the two-hour meeting, the co-op also went into executive session at the request of accountant Kathy Torres.

Torres said she was part of a teleconference on Dec. 18 to discuss IRS Form 990. After saying who was at the meeting, she requested the co-op go into executive session with a complaint about Wagner.

The motion was passed.

Then trustee Milton Ulibarri made a motion that the people who were asked to leave should go all the way outside (to the freezing cold) and not wait in the anteroom adjacent to the Board chamber.

As members and the media left, Bustamante asked that the three incoming trustees Donald Wollberg, Priscilla Mauldin and Luis Aguilar stay.

But two minutes later, all three newly elected trustees were standing outside.

“They changed their mind,” Wollberg said.

After 20 minutes, the board reopened the meeting with no discussion of the sex discrimination charge against Wagner.

The next meeting is scheduled for Jan. 12, when the three new trustees will be sworn in.