

**MINUTES OF THE  
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.**

**BOARD OF TRUSTEES MEETING**

**Friday, February 23, 2018**

**HERNANDEZ, NEW MEXICO**

1. This regular meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Chairman Nick Naranjo at approximately 9 A.M. on the above-mentioned date, at JMEC Headquarters, 9365 S.R. 84/285, Hernandez, NM.
2. & 3. Following the Pledge of Allegiance, Charlie Trujillo, Secretary, called roll and confirmed the presence of a quorum as follows:

**PRESENT:**

Mr. Nick Naranjo, Chair  
Mr. Leo Marquez, Vice Chair  
Mr. Charlie Trujillo, Secretary  
Mr. Johnny Jaramillo, Treasurer  
Mr. Lucas J. Cordova, Trustee  
Mr. Bruce Duran, Trustee  
Ms. Dolores McCoy, Trustee  
Mr. David D. Salazar, Trustee  
Mr. Victor Salazar, Trustee  
Mr. Dennis Trujillo, Trustee

**ABSENT:**

Mr. John Tapia, Trustee at Large

**JMEC STAFF PRESENT:**

Ms. Donna Montoya-Trujillo, General Manager/Chief Financial Officer  
Ms. Laura Rendon, Executive Assistant  
Mr. Nathan Duran, District Manager  
Ms. Karen Wisdom, Contract Administrator and Compliance Officer  
Mr. Andrew Chavez, IT Systems Manager  
Mr. Eli Gallegos, Facilities Manager  
Mr. Dwight Herrera, HR Director  
Ms. Theresa Chavez, Interim Account Manager  
Mr. Adam Roybal, Engineering Manager  
Mr. Chris Oakley, Cuba Warehouse Supervisor  
Ms. Eva De Aguero, Billing Manager  
Mr. Lenny Ortiz, Vegetation Coordinator/Manager  
Ms. A. Bit. Engineer  
Mr. Randy Vigil, Operations Department

**OTHERS PRESENT:**

Ms. Karen Kilmore, JMEC Contract Counsel  
Mr. Jonas Nahoun, Long, Komer and Associates  
Ms. Talia Michelle, Member  
Ms. Athena Christodoulou, President of NM Solar Energy Association  
Ms. Amanda Martinez, *Rio Grande Sun*

**4. APPROVAL OF AGENDA**

Mr. Cordova requested the inclusion of the Tri-State report during Executive Session.

**ACTION:** Mr. Marquez moved approval of the agenda as amended. Mr. Cordova seconded and the motion passed by unanimous [10-0] voice vote.

**5. RECOGNITION OF GUESTS & STAFF**

Manager Montoya-Trujillo invited staff and guests to introduce themselves.

**6. ACTION ITEMS**

- a. **Approval of Minutes**
  - 1. **January 26, 2018 Regular Board Meeting**

**ACTION:** Mr. Cordova moved to approve. Mr. Marquez seconded and the motion passed by unanimous [10-0] voice vote.

- b. **January 2018 Membership List**

Manager Montoya-Trujillo said the information was included in the Board packet as well as in Diligent software. There were 71 new members.

**ACTION:** Mr. Jaramillo moved to approve the membership list. Ms. McCoy seconded and the motion passed by unanimous [10-0] voice vote.

- c. **Resolution 2018-01: Authorizing the Execution and Delivery of a RUS Loan Contract, Reimbursement Note and Mortgage and Authorizing all other actions in connection with the execution and delivery of the RUS Loan Contract**

Manager Montoya-Trujillo said the Board approved the loan request last year and JMEC received the mortgages from CFC/Co-Bank and RUS which require signature and filing with the counties.

**ACTION:** Ms. McCoy moved to approve Resolution 2018-01. Her motion was seconded by Mr. Cordova and the motion passed by unanimous [10-0] voice vote.

The Board recessed for five minutes while the resolution was signed. Jonas Nahoun, Long Komer and Associates, was present and said he would be filing the signed documents.

**d. Resolution 2018-02: Approve signers for RUS forms 675 and 575**

Manager Trujillo said this resolution authorizes her signature and those of JMEC BOT President Naranjo and Secretary Harold “Charlie” Trujillo to forms 675 and 575. The resolution is a requirement of USDA RUS.

**ACTION:** Mr. D. Trujillo moved to approve Resolution 2018-02. His motion was seconded by Mr. Duran and the motion passed by unanimous [10-0] voice vote.

**e. Resolution 2018-03: Approval of Certificate of Authority to submit or grant access to data for RUS**

Manager Trujillo said RUS requires this resolution and she requested the Board’s approval.

**ACTION:** Mr. Jaramillo moved to approve Resolution 2018-03. His motion was seconded by Mr. Cordova and the motion passed by unanimous [10-0] voice vote.

**7. GENERAL MANAGER’S UPDATE**

**a. Employee of the Month**

Manager Trujillo introduced Chris Oakley, a JMEC employee of four years, who, aside from being a pleasure to work with, has been instrumental in streamlining the warehouse processes in Jemez Springs and Cuba.

Mr. Oakley received a round of applause and a certificate of appreciation.

Ms. McCoy commended Mr. Oakley for his attention to detail in organizing the Cuba warehouse. She said he has done a fabulous job.

**b. Certification of Election to Tri-State Board**

**ACTION:** Mr. C. Trujillo moved to elect Lucas J. Cordova, Jr. to serve as the director on the Tri-State Board of Directors. His motion was seconded by Mr. Jaramillo and the motion passed by unanimous [10-0] voice vote.

**c. Update on Work Plan**

Manager Trujillo said she met with Larry McGraw, JMEC’s RUS representative, last week when he reviewed the work plan, mortgage and loan documents, etc. Mr. McGraw commended JMEC’s efforts regarding the work plan and loan. There are currently 10 work orders that will begin this month.



Manager Trujillo announced the re-establishment of the Safety Committee with planned weekly meetings. The committee is made up of staff members.

## **8. COMMITTEE REPORTS**

### **a. Energy Committee**

Manager Trujillo said the committee met on February 20<sup>th</sup> with Trustees Tapia, Marquez, Jaramillo and Naranjo present. Citizens appointed to the committee in advisory capacities and in attendance were Stanley Crawford, Chuck Wright, Tony Gomez, and Lee Goodwin. Discussions included new solar initiatives, Earth Day and Northern New Mexico College and Tri-State's renewable energy portfolio.

Mr. Marquez requested that the names of those serving as citizen advisors be posted on the JMEC website.

### **b. Audit Committee**

Manager Trujillo said the committee met on February 15<sup>th</sup> with Trustees Marquez, V. Salazar, C. Trujillo, Tapia and Naranjo present. The committee discussed the outstanding receivable balances, reviewed the meter tampering list, property tax activities and discussion of the upcoming auditing schedule.

### **c. Executive Committee**

Manager Montoya-Trujillo reported that the committee took action to make a foundation donation of \$1,000 to Española High School for education purposes and \$500 to San Juan Elementary. These two entities are not 501(c)(3)s and the donations will be made from the general fund and then reimbursed through the foundation.

Ms. D. Salazar suggested a motion may be necessary to approve the general fund allocations. Manager Trujillo said in the past reimbursement to the general fund was accomplished without formal action. Mr. D. Salazar recommended that formal action be considered in the future.

## **7. a. Business Services & Financials**

### **1. January 2018 Financials**

Manager Montoya-Trujillo reviewed the month and month ratios for the TIER (times interest earned ratio) and OTIER (operating). January is typically a high power usage month which is reflected in the high TIER and OTIER numbers and well above the required TIERs for RUS.

**DIRECTIVE:** Staff was requested to provide ratio statistics/comparisons regarding the TIER and OTIER.

Manager Montoya-Trujillo reviewed the consumer statistics for January. Residential average KWH usage for the month was 709; average KWH usage for small commercial was fairly constant; and large commercial KWH usage was slightly lower than last year. At this point there are six accounts that are classified as “large commercial.” She reviewed the connections and disconnects by district. Revenue per KWH sold was 13 cents; revenue generated per mile was \$1,219.96, purchased power as a percent of revenue was 61 percent; operating expense as a percent of revenue was 20 percent and margin as a percent of revenue was 9 percent.

For January, JMEC purchased 42,032,542 KWH and sold 40,009,639. The line loss was typical, stated Manager Montoya-Trujillo. She reviewed the statistics that relate to the plant, debt and other financials. She noted that “other” revenue has been delineated with greater definition to include wheeling, joint pole use and service charges. Other revenue is difficult to trend and budget for. She itemized the accounts receivable ageing and noted that the Audit Committee discussed this item in detail. Bad debt write-off for January is \$9,624 up about \$1,000 from last year.

**DIRECTIVE:** Staff was directed to provide the percentage of past due accounts that are collected by the private collection agency.

## 2. Finance Committee Meeting

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum yesterday, Thursday, February 22<sup>nd</sup> at which time they reviewed the finance-related materials for January 2018.

### a. General Fund Expenditures

**ACTION:** Mr. Jaramillo moved to accept the general fund expenditures for information. Mr. Lucero seconded and the motion was accepted by consensus.

### b. Credit Cards

Mr. Jaramillo said the committee reviewed the Wells Fargo account charges made by the following authorized users: Ms. Rendon, the plant, Mr. Duran, and the accounting department. The total charges for the month were \$3,686.71.

**ACTION:** Mr. Jaramillo moved to accept the Wells Fargo charges of \$3,686.71 for January 2018. Mr. C. Trujillo seconded and the motion passed without opposition.

**c. Attorney Expenses**

Mr. Jaramillo provided the attorney expenses as follows: Cuddy and McCarthy, \$92.99 and Virtue & Najjar \$75.42. The total attorney fees were \$168.41.

**ACTION:** Mr. Jaramillo moved to accept the attorney expenses. His motion was seconded by Mr. Cordova. The motion passed by unanimous voice vote.

**d. Consultant Expenses**

Mr. Jaramillo reviewed the charges as follows: Bolinger, Segars, Gilbert & Moss, accountants, \$1,947.35 and FBT Architects working on JMEC headquarters billed \$16,433.30.

**ACTION:** Mr. Jaramillo moved to accept the consultant expenses of \$18,380.95. His motion was seconded by Mr. C. Trujillo and the motion passed by unanimous voice vote.

**e. Trustee Vouchers**

Mr. Jaramillo said the January vouchers were vetted by management, and reviewed by the Finance Committee. He noted the material was provided within the Board packet.

**ACTION:** Mr. Jaramillo moved to approve the trustees' vouchers as presented to the Finance Committee for January 2018. His motion was seconded by Mr. Marquez and the motion passed by unanimous voice vote.

**f. December 2018 Bank Account Summary**

This item was covered during the Manager's report.

**g. RFPs, Contracts and Purchasing**

ITB - 18-0228-0001 - Karen Wisdom, Contract Administrator and Compliance Officer, said JMEC issued an Invitation to Bid (ITB) for engineering services for renewable energy projects on an as-needed basis, project-by-project, to review analysis of the sites, etc. Three bids were received and staff recommends contracting with the lowest bidder, SGS Engineering Inc.

**ACTION:** Mr. Jaramillo moved to accept the staff recommendation and award the contract to SGS Engineering, Inc. Mr. Cordova seconded and the motion passed by unanimous voice vote.

**Tree-Trimming** - Lenny Ortiz, Vegetation Supervisor, said a contract was awarded in 2017 to Affordable to do work at the Gilman Tunnel. The contract



has not been signed by the awardee. In the event Affordable chooses not to execute the contract, Mr. Ortiz recommended a time and material contract with Trees, Inc. Trees, Inc. has a four-man crew and is requesting 1.5 percent more than last year's contract.

Provided that the cost for the project does not exceed the amount originally budgeted, Manager Montoya Trujillo said staff was supporting the request.

**ACTION:** Mr. Jaramillo moved to accept the staff recommendation and award a T&M contract to Trees, Inc. The motion was seconded by both Mr. V. Salazar and Mr. C. Trujillo. The motion passed by unanimous voice vote.

#### **h. Request for Donation**

Mr. Jaramillo said a request was received from the Embudo Valley Library and Community Center and the Finance Committee recommends donating \$500.

**ACTION:** Mr. Jaramillo moved to approve \$500 for the Embudo Valley Library and Community Center. Mr. Cordova seconded and the motion passed without opposition. [Mr. D. Salazar was not present for this vote.]

That concluded the Finance Committee business.

#### **8. e. Policy Committee Update**

Mr. Cordova said the committee reviewed a newly written proposed policy, "Alternative Energy Policy." He recognized that the Board required additional time to review the draft policy and recommended discussion and action at the next meeting.

A discussion occurred regarding the location of the next BOT meeting which was tentatively scheduled for Cuba.

#### **9. BUSINESS WITH MEMBER GUESTS**

Ms. Talia Michelle introduced herself as a long-time JMEC member/consumer from Jemez Springs. She said she and her family support the Board and Co-op in expanding renewable energy.

Ms. Athena Christodoulou, President of NM Solar Energy Association, a statewide organization that promotes solar sustainability since 1972, said she serves as a coach to members of JMEC that applied and were accepted to the NM Solar Energy Challenge. The challenge assists placing solar, which runs approximately 4 cents per KWH, in the homes of low income individuals. She praised the work done in Dixon and noted Dixon Solar was chosen as the NM Solar Energy Association Business of the Year.

Mr. D. Trujillo said he understood any funding through the Association would have to come through the Co-op.

Chair Naranjo requested that Ms. Christodoulou contact Manager Montoya-Trujillo to further flesh how JMEC can work with the Association.

**10. EXECUTIVE SESSION**

- a. Review of the General Manager Contract
- b. Tri-State Report

The Board recessed to go to Executive Session at 10:15 a.m. and adjourned following that session.

**11. ADJOURNMENT**

Chair Naranjo declared this meeting adjourned before noon.



APPROVED

*Nick Naranjo*  
Chairman, Nick Naranjo

*Harold "Charlie" Trujillo*  
Secretary, Harold "Charlie" Trujillo