

**MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING**

Friday, June 22, 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 9:00 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:

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

ABSENT:

John Tapia, Trustee at Large
Bruce Duran, Trustee

JMEC STAFF PRESENT:

Donna Montoya-Trujillo, General Manager/Chief Financial Officer
Karen Wisdom, Contract Administrator and Compliance Officer
Eli Gallegos, Facilities Manager
Teresa Chavez, Account Manager
Eva De Aguero, Billing Manager
Dwight Herrera, Personnel Director
Tomas Vigil, Warehouse staff

OTHERS PRESENT:

Amanda Martinez, *Rio Grande Sun*
Raymond Ortiz, Rio Arriba County REDI Net representative

4. APPROVAL OF AGENDA

Ms. Montoya-Trujillo asked that employee recognition follow the agenda.

ACTION: Mr. Cordova moved to approve the agenda as amended. Mr. D. Trujillo seconded and the motion passed by unanimous [9-0] voice vote.

8. GENERAL MANAGER'S UPDATE

- b. Employee Recognition
 - ii. New Employees

Ms. Montoya-Trujillo introduced new JMEC staff: Geraldine Romero, senior accountant and Ken Norris, plant accounting.

5. RECOGNITION OF GUESTS & STAFF

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

8. GENERAL MANAGER'S UPDATE

- B. Employee Recognition
 - i. Employee of the Month

Ms. Montoya-Trujillo introduced Tomas Vigil as JMEC's employee of the month. He works in the warehouse department and has been instrumental in making changes

6. BUSINESS WITH MEMBER GUESTS

There was no one wishing to address the Board.

7. ACTION ITEMS

- A. Approval of May 25, 2018 Board minutes

ACTION: Mr. Marquez moved approval as published. Mr. D. Trujillo seconded and the motion passed by unanimous [9-0] voice vote.

- B. May 2018 Membership List

Manager Montoya-Trujillo said there were 133 new members. She said anyone registering following today's approval will not be eligible to vote until next year's annual meeting.

ACTION: Mr. D. Trujillo moved to approve the membership list. Mr. C. Trujillo seconded and the motion passed by unanimous [9-0] voice vote.

- C. Approval of Investment Resolution

Ms. Montoya-Trujillo said the resolution was reviewed and approved at yesterday's Finance Committee. This resolution will authorize an investment instrument within the capital credit account. In May 2017, JMEC issued capital credits in the amount of \$1.8 million. There is \$952,464.00 that has not been claimed from the credits. Those funds are available to the member until May

2019 at which time they revert to the JMEC Foundation. The interest earned from the unclaimed funds belongs to the JMEC. The resolution is for a one-year brokered CD earning 2.15 percent investment. The earnings potential is \$20,435. She reviewed the CD information noting it would be brokered by Morgan Stanley and would be invested up to the FDIC maximum limit of \$250,000 with banks yielding the highest interest rates. Currently, the money is not earning interest at Wells Fargo. She explained how, in the event of a claim, general funds would be used and reimbursed following maturity.

ACTION: Mr. Jaramillo moved to approve Resolution 2018-05, "Investment of Unclaimed Capital Credit Funds in Morgan Stanley Brokered Certificates of Deposit." Mr. V. Salazar seconded.

Mr. Marquez noted that the resolution states \$900,000 rather than \$950,000. He recommended amending the motion and correcting the resolution to reflect \$950,000.

Ms. Montoya-Trujillo said it has been a year since the capital credits were issued and at this point the co-op receives a few claims a month. Staff is working on correcting the capital credit database but JMEC is no longer advertising about the credits; however, the credit information is maintained on the website.

The movant and seconder accepted the correction and the motion to approve the resolution as amended passed by unanimous [9-0] voice vote.

D. Approval of Personnel Policy 302

Ms. Montoya-Trujillo said the Policy Committee reviewed the policy this month regarding use of GPS in co-op vehicles. The GPS devices have been installed and following training and configuration with the system, GPS will be implemented. The policy clarifies personnel's accountability with the GPS system. The employee will be required to sign the policy which outlines penalties and disciplinary actions if the system is tampered with.

ACTION: Mr. C. Trujillo moved to approve Policy 302. Mr. Marquez seconded.

Ms. Montoya-Trujillo said State Law prohibits alcohol in vehicles. Mr. D. Salazar suggested a policy be developed addressing the prohibition of alcohol in vehicles. Ms. Montoya-Trujillo said the use of cell phones also merits policy consideration and she expected additional safety related policies will come before the Board. She noted that throughout the year, management conducts ongoing trainings for different policies.

Mr. D. Trujillo said the policy committee recognized that this policy addresses GPS systems in JMEC vehicles.

The motion passed by unanimous [9-0] voice vote.

8. GENERAL MANAGER'S UPDATE (cont.)

A. Safety Topics

To emphasize its importance, Ms. Montoya-Trujillo said all staff meetings begin with a safety item. The CPR recertification program concluded as well as the AED (automated external defibrillator) training. Pole top rescue recertification occurred. Staff is reminded to remain hydrated. She added that the GPS system will assist in keeping crews safe and knowing where they are.

Mr. D. Salazar asked about JMEC's preparedness in the event of an emergency at the annual meeting. Ms. Montoya-Trujillo said there are water trucks, law enforcement is aware of the event and there is an evacuation plan. Mr. D. Salazar said it was important the membership is cognizant of exits at the property.

A. Business Services & Financials

1. May 2018 Financials

Manager Montoya-Trujillo reviewed the month ratios for the TIER (times interest earned ratio) and OTIER (operating). She noted that both were down for the month. Year to date, both ratios are within the RUS requirement.

She reviewed the consumer statistics for May highlighting the number of consumers, average KWH usage for the month for residential, small commercial, large commercial, public authority and lighting. Small commercial is up from last year. Large commercial is significantly down from last year.

Connects and disconnects were listed by district. Revenue per KWH sold remains steady at 13 cents; revenue generated per mile was \$947.32, purchased power as a percent of revenue was 59 percent; operating expense as a percent of revenue was 33 percent which is higher than last year at 27 percent. She pointed out that margins as a percentage of revenues were down.

JMEC's purchased and sold KWH is down significantly from last year as was JMEC's own usage. She attributed the decreases to the mild weather and Kinder Morgan. Public authority is one of JMEC's revenue classes and consists of government entities, DOT and schools.

DIRECTIVE: Staff to follow up on a safety hazards where state lighting by Highway 84 turning into 284 where the lights have been off for a while.

DIRECTIVE: Staff to identify which revenue class acequia associations are in.

Ms. Montoya-Trujillo said staff is currently correcting and adjusting their map miles. She reviewed the statistics that relate to power stats, line loss, the plant, and debt identified as 75 percent held by RUS and 25 percent held at Co-Bank and CFC.

JMEC's net worth is up from last year. Reviewing the actual for KWH sold, Ms. Montoya-Trujillo said the 2017 numbers were on the whole better than this year. Staff will address control of costs to ensure compliance with debt service and RUS requirements. She noted that there has been an increase in wheeling agreements with Los Alamos County and the Jicarilla.

Referring to Kinder Morgan, Ms. Montoya-Trujillo said the downward trend continues and the Torreon Station has not been used. It was her understanding that Kinder Morgan has no plans on using the station in June and is requesting a contract adjustment with Tri-State to avoid penalties. She explained the large commercial contracts and now it relates to demand charges.

Chair Naranjo recommended that staff schedule a meeting with Kinder Morgan and BOR's executive committee ASAP to address the issue.

Referring to the bad debt write-off, Mr. Marquez said the PRC prohibits terminating service for the terminally ill. JMEC lost revenues to that prohibition. Staff explained the procedure to obtain a customer exemption.

2. Finance Committee Meeting

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum yesterday, Thursday, June 21st at the Hernandez office and reviewed the finance-related materials for May 2018.

a. General Fund Expenditures

ACTION: Mr. Jaramillo moved to accept the general fund expenditures for information. Mr. C. Trujillo seconded. The motion passed without opposition. Ms. McCoy abstained.

b. Credit Cards

Mr. Jaramillo said the committee reviewed the Wells Fargo credit card charges made by the following authorized users: Ms. Rendon, for administrative purposes; the plant; Mr. Duran has one for the westside and Erlinda Baca uses one in the accounting department. The total charges for the month were \$9,159.20.

ACTION: Mr. Jaramillo moved to accept the Wells Fargo charges of \$9,159.20 for May 2018. Mr. V. Salazar seconded.

Ms. Montoya-Trujillo identified the Southwest Airline charges as those for the Junior Board and Ms. Rendon for the Washington trip as well as training certification workshops. It was noted that the Santa Clara Hotel in Española was quite pricey and in the future less expensive accommodations should be used.

The motion passed without opposition.

c. Attorney Expenses

Mr. Jaramillo provided the attorney expenses as follows: Long, Komer & Associates, \$5,692.37, and Cuddy and McCarthy, \$10,345.05. The total attorney fees were \$16,037.42. The attorney invoices were circulated for the Board's review.

ACTION: Mr. Jaramillo moved to accept the attorney expenses. His motion was seconded by Mr. Marquez and the motion passed by unanimous [9-0] voice vote.

A question regarding a lawsuit came up and Ms. Montoya-Trujillo requested that the discussion occur in Executive Session.

d. Consultant Expenses

Mr. Jaramillo reviewed the charges as follows:

Wilson & Company	\$ 2,685.13
FBT Architects	166,378.73
Geo-Tech, Inc.	7,590.63
Marron and Associates	21,033.25
Eide Bailly	7,100.00
Axiom CPAs	14,810.81

Ms. Montoya-Trujillo reviewed the consultants' services to JMEC. Referring to the Marron and Associates' services, she said in the future staff will be able to identify and address property taxes.

ACTION: Mr. Jaramillo moved to accept the consultant expenses of \$219,598.55. His motion was seconded by Mr. Marquez and passed by unanimous voice vote.

e. Trustee Vouchers

Mr. Jaramillo said the May vouchers were vetted by management and reviewed by the Finance Committee. He noted the information was provided to the Board members.

ACTION: Mr. Jaramillo moved to approve the trustees' vouchers as presented to the Finance Committee for May 2018. His motion was seconded by Mr. Cordova.

Ms. McCoy announced she would abstain from this item. Without a written record or agenda of the committee meetings, she was not prepared to approve the vouchers.

The motion to approve as informational passed with Ms. McCoy abstaining.

g. April 2018 Bank Account Summary

This item was covered during the Finance Committee's meeting.

h. RFPs, Contracts and Purchasing

None were presented.

i. Requests for Donation

None were presented.

Mr. Jaramillo said the committee reviewed the capital credit account investment that the Board acted upon earlier.

That concluded the Finance Committee business.

10. COMMITTEE REPORTS

a. Audit Committee

Mr. Marquez said the committee met on June 18th and discussed the development of an RFP for an external audit. He referred to a recent *Albuquerque Journal* article on REDI Net that discussed 12 miles of missing fiber and implied that the fiber was swapped to the JMEC in return for pole use.

Raymond Ortiz, REDI Net Rio Arriba County representative, said the inference regarding JMEC in the paper was categorically incorrect. Full attachment fees are paid to the Co-op. He indicated that he and Adam Roybal reviewed and verified the fiber situation.

Mr. Marquez said there have been miscommunications and allegations regarding the JMEC and REDI Net partnership. REDI Net pays JMEC to use its infrastructure.

DIRECTIVE: Staff to send a correction to the *Albuquerque Journal*.

Amanda Martinez of the *Rio Grande Sun* indicated she was working on a REDI Net article.

b. Energy Committee

Ms. Montoya-Trujillo said the committee met on June 19th. They discussed pending solar projects with representatives from both organizations present. The applications from Rio Arriba County and Pojoaque Schools have been submitted to Tri-State. Key performance metrics were developed. All related information is posted on JMEC's website. She discussed the SHINE (Solar High-Impact National Energy) program which has committed \$10,000 to JMEC through Cornerstone to provide pole service for two homes, to be independently selected, to participate in the project. The committee also discussed an RFI for solar construction companies. Adam Roybal would be developing the RFI.

Discussion regarding Tri-State would be discussed during executive session.

11. NEW BUSINESS

No business was brought forward.

12. EXECUTIVE SESSION


The Board recessed at 10:35 and decided to go into executive session following lunch.

12. ADJOURNMENT

Chair Naranjo declared this meeting adjourned following executive session.



APPROVED


Chairman, Nick Naranjo


Secretary, Harold "Charlie" Trujillo

**MINUTES OF
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
ORGANIZATIONAL MEETING OF THE BOARD OF TRUSTEES**

JULY 22, 2018

1. Call to Order

2. Roll Call

Mr. L. Cordova
Mr. B. Duran
Mr. J. Jaramillo
Mrs. D. McCoy

Mr. N. Naranjo
Mr. D. Trujillo
Mr. D. Salazar

Mr. V. Salazar
Mr. L. Marquez
Mr. C. Trujillo
Mr. J. Tapia

Absent: None. All Board members present.
Nancy R. Long, Counsel, also present.

3. Appointment of Temporary Chairman of the Organizational Meeting

N. Naranjo – Motion for Appointment of N. Long to act as Temporary Chair for the meeting.

L. Marquez seconded the Motion.
Motion carried by unanimous vote.

4. Election of Officers

President – Two nominations were made for the position of President and were properly seconded as follows:

N. Naranjo was nominated by J. Jaramillo

D. Trujillo was nominated by B. Duran

A written ballot was conducted and N. Naranjo was elected President.

Vice-President- Two nominations were made for the position of Vice-President and were properly seconded as follows:

L. Marquez was nominated by C. Trujillo

B. Duran was nominated by D. Trujillo

A written ballot was conducted and L. Marquez was elected Vice-President.

Secretary – Two nominations were made for the position of Secretary and were properly seconded as follows:

C. Trujillo was nominated by L. Cordova

D. McCoy was nominated by B. Duran

A written ballot was conducted and C. Trujillo was elected Secretary.

Treasurer – Two nominations were made for the position of Treasurer:

J. Jaramillo was nominated by N. Naranjo

J. Tapia was nominated by Bruce Duran

Mr. Tapia declined the nomination before the nomination was seconded. Mr. Jaramillo's nomination was properly seconded, and Mr. Jaramillo was elected by acclamation.

Assistant Secretary/Treasurer – One nomination was made for the position of Assistant Secretary Treasurer as follows:

L. Cordova was nominated by N. Naranjo.

There being no further nominations, Mr. Cordova was elected by acclamation.

Mr. Cordova, as Assistant Secretary/Treasurer, will not act on the Board of the Foundation of JMEC, pursuant to Section 5 of Article VII of the Bylaws.

5. Temporary Chair

As temporary Chair, N. Long yielded to the Chair to continue the meeting.

6. Regular Board Meetings

J. Jaramillo moved that the board meetings be held at the same time each month as the meetings are currently held, being the last Thursday and Friday of each month unless an emergency situation exists. The motion was seconded by L. Marquez and passed. There was discussion about the need for better notice and the President indicated that attempts to further reach out will be made.

7. Other Business

L. Cordova – Motion to adjourn the Organizational Board Meeting.

J. Tapia seconded the Motion.

Motion carried by unanimous vote.

8. Adjourn

Meeting adjourned at approximately 2:10 PM.