

**MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
Friday, November 22, 2019
HERNANDEZ, NEW MEXICO**

1. This regular meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Chairman Leo Marquez at 9:00 A.M. on the above-mentioned date, at JMEC Headquarters, 19365 S.R. 84/285, Hernandez, NM.

2. & 3. Following the Pledge of Allegiance, Nick Naranjo, Secretary, called roll and confirmed the presence of a quorum as follows:

PRESENT:

Leo Marquez, Chair
Charlie Trujillo, Vice Chair
Nick Naranjo, Secretary
Johnny Jaramillo, Treasurer
John Tapia, Asst. Secretary/Treasurer
Lucas J. Cordova
Stanley Crawford
Dolores McCoy
David Salazar
Dennis Trujillo

ABSENT:

David Salazar [excused]

JMEC STAFF PRESENT:

Ernesto Gonzales, General Manager
Andrew Chávez, IT Director
Karen Wisdom, Contract Administrator and Compliance Officer
Laura Rendon, Executive Assistant
Teresa Chavez, Account Manager
Nathan Duran, District Manager, Westside
Russ Groves, Engineering Director
Eva DeAgüero, Billing Manager
Lenny Ortiz, Vegetation Management Coordinator
Eli Gallegos, Purchasing
Dwight Herrera, HR Manager
Randy Vigil, Operations Department
Tabitha Clay, Chief Information Officer

OTHERS PRESENT:

Molly Montgomery, *Rio Grande Sun*

4. RECOGNITION OF GUESTS & STAFF

Those present introduced themselves.

5. APPROVAL OF AGENDA

Mr. Cordova requested that Tri-State be discussed during executive session and Mr. Duran requested a discussion regarding property in Pojoaque also be heard during executive session.

ACTION: Mr. D. Trujillo moved to approve the agenda as amended. Mr. Naranjo seconded and the motion was approved.

6. ACTION ITEMS

a. Approval of the October 2019: Regular Board Minutes

ACTION: Mr. Cordova moved to approve as submitted. Mr. Naranjo seconded. The motion passed without opposition.

b. Approval of October 2019 Membership List

ACTION: Mr. Jaramillo moved to approve. Mr. D. Trujillo seconded and the motion passed without opposition.

7. GENERAL MANAGER'S UPDATE

a. Introduction of New Hires

Mr. Gonzales introduced the new hires as follows: Jessica Espiricueta, Eddie Herrera, Isaiah Volatile Sanchez, Joaquin Garcia, Richard Benavidez, James Calvert, and Mauricio Breceda. The Board welcomed the new employees.

b. Recognition of Manny Martinez - 30 years of Service

Mr. Gonzales presented Manny Martinez who has been with JMEC for 31 years a service award. The Board congratulated Mr. Martinez who received a round of applause.

c. Business Service and Finance

1. August 2019 Financial Information

Teresa Chavez, Account Manager, reviewed the October ratios and statistics and what follows are highlights of her review:

- The year-to-date TIER and OTIER ratios are within the annual RUS minimum requirements
- There were 31,167 consumers in October, an increase from last year of 31
- Total connects were down 36 for the three districts from last year
- Total disconnects were 192, a decrease of 41 from last month
- Consumer per employee was 291 an increase of six

- Solar net metering - there were four news installs which is an increase of six from last year
- KWH purchased statistics - there was a line loss of 2,024.189 an increase from last year
- Large commercial and public authority KWH was down from 11 cents last year to 10 cents this year
- There are currently 107 employees

Ms. Chavez reviewed comparison graphs of KWH sold, electric revenue, other revenue (wheeling, joint pole use and service charges), Kinder Morgan revenue, cost of power, energy accounts receivable, aging accounts (30, 60 and 90 days), and bad debt write-offs. She highlighted a new slide comparing Kinder Morgan's total revenue for 2018 and 2019 and noted while it remains the same at 11 percent for October, it was higher throughout 2019.

Referring to the RUS Form 7, Ms. Chavez reviewed the income statement noting an increase in revenue over last year's as well as an increase in operation and maintenance expenses. Operations also showed an increase which referred to salaries and trainings. The increase in customer account expense reflects the district elections. The balance sheet shows that JMEC is in very good financial standing with a net worth of 52 percent.

Mr. D. Trujillo remarked on the high interest rates JMEC pays on some of its loans and asked whether better terms could be negotiated. Ms. Chavez said she has been in contact with CFC and Co-Bank about reducing the interest rates and will report back on that. The Co-op is carrying 19 loans.

d. Finance Committee Meeting - August 2019 information

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum, Thursday, November 21st at the Hernandez office, and reviewed the finance-related materials for October 2019.

1. General Fund Expenditures

Mr. Jaramillo said the committee reviewed the expenditure list and staff addressed questions. This item is presented as informational since the payments have been made.

ACTION: For informational purposes, Mr. Jaramillo moved to accept the general fund expenditures. Mr. Naranjo seconded. The motion passed without opposition.

2. Credit Cards

Mr. Jaramillo said the committee reviewed the Wells Fargo credit card charges made by the authorized users. He noted there is only one account and

authorized users are Mr. Chávez, Ms. Rendon, the plant, Mr. Duran and accounting. He provided a breakdown and announced the total as \$8,054.27.

ACTION: Mr. Jaramillo moved to accept the Wells Fargo charges of \$8,054.27. Mr. Naranjo seconded and the motion passed with no opposition.

3. Attorney Expenses

Mr. Jaramillo offered to circulate the invoices and said the committee reviewed and approved the expenses as follows: Wiggins, Williams & Wiggins, \$80.10 and Cuddy & McCarthy, for a two month period, \$51,780.28.

ACTION: Mr. Jaramillo moved to approve the attorney fees of \$51,860.38. Mr. Naranjo seconded and the motion passed with Ms. McCoy opposing.

4. Consultant Expenses

Mr. Jaramillo said the consultants' expenses were reviewed by the committee and he provided them as follows:

FBT Architects	\$ 5,841.87
Geo-Test, Inc.	\$ 7,971.90
Total	\$ 13,813.77

ACTION: Mr. Jaramillo moved to accept the expenses of \$13,813.77. His motion was seconded by Mr. Naranjo and passed. [Chair Marquez was not present for this action.]

5. Trustee Vouchers

Mr. Jaramillo said the October vouchers were reviewed by the Finance Committee.

ACTION: Mr. Jaramillo moved to approve the October trustees' vouchers. His motion was seconded by Mr. C. Trujillo and passed with Ms. McCoy voting against.

6. October 2019 Cash Flow Analysis

Ms. Chavez reviewed the cash flow analysis with a beginning balance of \$21,062,448. Cash disbursements were \$5,297,882. The book balance on October 31st was \$15,764,565. She noted the numbers match with the Form 7 numbers. She also provided the investment and RUS cushion of credit figures.

7. RFPs/Contracts/Purchasing

None were presented

8. Request for Donation

Mr. Jaramillo said the Co-op received one request and that was from Española Police Department's Shop with a Cop program. The committee approved a \$1,000 donation which is within the donation budget.

Española Police Officer D. Pacheco said last year the program helped 185 kids.

Tabitha Clay, Chief Information Officer, said the program is good for the community and builds relationships with the police and local children.

ACTION: Mr. Jaramillo moved to approve a \$1,000 donation to Shop with a Cop. His motion was seconded by Mr. Naranjo and passed without opposition.

That concluded the Finance Committee business.

8. COMMITTEE REPORTS

None were provided

9. NEW BUSINESS

a. Approval of Christmas gift for all JMEC Employees

Mr. Gonzales said management is requesting approval of a \$100 gift to each employee. The Finance Committee approved this request.

Mr. Naranjo recalled that the \$100 employee gift began when Joseph Sanchez served as general manager.

ACTION: Mr. Jaramillo moved to approve a \$100 Christmas gift to each employee. Mr. Naranjo seconded and the motion passed without opposition.

b. Approval for Thanksgiving/Christmas/New Year's work schedule

Mr. Gonzales said management is requesting that the Co-op close at 1 p.m. on Christmas Eve and New Year's Eve. Those employees with scheduled vacation may take time before or after Christmas and/or New Year's. Other than the holiday and 1 p.m. closures, all departments will be operational.

ACTION: Mr. Jaramillo moved to approve the work schedule as presented. Mr. Cordova seconded and the motion passed without opposition.

c. Schedule of the 2020 Annual Meeting

Mr. Gonzales said there was a request to rent the facility at Rancho de la Luz and for planning purposes staff requests that the Board approve July 19th as its annual 2020 meeting date.

Chair Marquez reminded staff of the importance that all renters have liability

insurance. Karen Wisdom, Contract Administrator and Compliance Officer, said she has advised the renter of therequired \$1 million liability insurance. Ms. McCoy, who recently rented the property, apologized for not forwarding her insurance information and offered to get it out as soon as possible.

ACTION: Mr. Cordova moved to approve July 19th as the 2020 annual meeting date. Mr. Tapia seconded and the motion passed without opposition.

10. BOARD REPORTS

None were offered.

11. EXECUTIVE SESSION

ACTION: Mr. Tapia moved to go into executive session. Mr. D. Trujillo seconded and the motion passed with no opposition.

12. ADJOURNMENT

Noting no formal action would occur during executive session, Chair Marquez declared the meeting adjourned at approximately 9:50 a.m.



APPROVED:

Chairman, Leo Marquez

Secretary, Nick Naranjo