

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

**Thursday, October 24, 2019 and reconvened
Wednesday, October 30, 2019**

HERNANDEZ, NEW MEXICO

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 October 24th, at JMEC Headquarters, 9365 S.R. 84/285, Hernandez, NM.

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
Dennis Trujillo
Bruce Duran [reinstated]

ABSENT:

David Salazar [excused]
George Rivera [removed]

JMEC STAFF PRESENT:

Andrew Chávez, Interim General Manager - Director, IT
Karen Wisdom, Contract Administrator and Compliance Officer
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
Laura Rendon, Executive Assistant
Jim Wiseman, Safety Manager

OTHER(S) PRESENT:

Jonas Nahoum, Long, Komer & Associates
Charles Garcia, Cuddy & McCarthy
Amanda Martinez, *Rio Grande Sun*
Patrick Herrera, Member-Owner
Luis Torres, Member-Owner
Chucks Wright, Dixon, Member-Owner
Valentin McCoy, Member-Owner

RECOGNIZING COURT ORDER

Chair Marquez stated that pursuant to the court’s order, the Board is required by the First Judicial District Court to certify the election results for Bruce Duran as a Trustee for District 6 in the most recent election. The Board should be aware that the court ordered the Board to certify the election results as to Mr. Duran until a trial on the merits is conducted by the court. The order requires the Board to reinstate Mr. Duran to, and remove Mr. George Rivera from, the District 6 seat. The order did not nullify any other vote or action taken by the Board up to the present time. He requested a motion to comply with the court’s order.

ACTION: Ms. McCoy moved to comply with the court’s order as delineated by Chair Marquez. Mr. D. Trujillo seconded. The motion passed by roll call vote as follows:

Leo Marquez	Yes
Charlie Trujillo	Yes
Nick Naranjo	Yes
Johnny Jaramillo	Yes
John Tapia	Yes
Lucas J. Cordova	Yes
Stanley Crawford	Yes
Dolores McCoy	Yes
Dennis Trujillo	Yes
David Salazar	Absent

Chair Marquez stated that with that vote, the election results for District 6 Trustee position are hereby certified and Mr. Duran is reinstated to the Board as District 6 Trustee, and thereby George Rivera is removed from the District 6 Trustee position.

EXECUTIVE SESSION

ACTION: Mr. Naranjo moved to meet in executive session. Mr. Tapia seconded.

Chair Marquez said there were personnel and legal issues to discuss in closed session.

The motion passed without opposition.

[The Board met in Executive Session from 9:05 a.m. to 9:20 a.m.]

Returning to open session, the following actions were taken:

ACTION: Mr. Naranjo moved to approve a one-year contract with Ernesto Gonzales to serve as JMEC General Manager. Mr. Jaramillo seconded.

Mr. D. Trujillo requested the record reflect that at least five Trustees were not privy to the selection process for GM position and he could not support the motion. Mr. Duran and Mr. Crawford supported Mr. D. Trujillo's comment. Mr. Crawford said he had no idea of whether Mr. Gonzales was an appropriate candidate and it was improper for the Board to go forward without all members involved in the selection process. Ms. McCoy expressed her agreement with the comments made.

The motion passed by majority [6-4] voice vote, with Trustees D. Trujillo, Duran, Crawford and McCoy voting against.

ACTION: Mr. Tapia introduced a motion to approve a one-year contract with Tabitha M. Clay to serve as JMEC Chief Information Officer. Mr. C. Trujillo seconded.

The motion passed by majority [6-4] voice vote. Trustees D. Trujillo, Duran, Crawford and McCoy voted against.

Mr. D. Trujillo said the same issues exist with this selection; the process failed to occur in the open with full Board participation.

ACTION: Ms. McCoy introduced a motion to move forward with the purchase 21 acres in Cuba. Mr. Naranjo seconded.

Mr. Tapia requested that prior to closing on the property an environmental inspection occur and the purchase come back before the Board for final approval.

The motion passed with Mr. Duran and D. Trujillo voting "nay." They noted that they lack information regarding the property in question.

Mr. Naranjo pointed out that this property has been under discussion for over two years.

RECESS

ACTION: Upon motion by Mr. Jaramillo and second by Mr. Naranjo, this meeting recessed at 9:30 until Wednesday, October 30th at 9 a.m.

* * * * *

RECONVENE: Chair Marquez reconvened this meeting at 9 a.m. on Wednesday, October 30th at 9 a.m. A quorum was established with the following members present:

PRESENT:

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

ABSENT:

John Tapia, Asst. Secretary/Treasurer

JMEC STAFF PRESENT:

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

OTHER(S) PRESENT:

Amanda Martinez, *Rio Grande Sun*
Molly Montgomery, *Rio Grande Sun*
Sylvia Salazar, Member-Owner

Chair Marquez congratulated Amanda Martinez on her new position with the *Santa Fe New Mexican*. He also introduced and welcomed JMEC's new Chief Information Officer Tabitha Clay

5. ACTION ITEMS

A. Approval of the September 2019 Regular Board Minutes

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

B. Approval of September 2019 Membership List

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

7. GENERAL MANAGER'S UPDATE

A. Business Service and Finance

1. September 2019 Financial Information

Teresa Chavez, Account Manager, reviewed the September ratios and statistics and what follows are highlights:

- Year-to-date the TIER has met its RUS annual minimum requirement of 1.25
- Year-to-date the OTIER has met its RUS annual minimum requirement of 1.10
- There were 31,756 consumers, an increase of 676 over last year
- Large commercial (six accounts), average KWH usage was up from last year
- Total connects were 203, a decrease of 62 from last year for the three districts
- Total disconnects were 81, a decrease of 35 from last month
- Solar net metering - there was one
- The cost of purchased power was up 3 percent from last year
- Plant investment per mile was \$29,944 an increase of \$954 from last year
- KWH sold was up from last year
- Electric revenue was up from last year by \$250k+
- Kinder Morgan KWH purchased was up by \$84k from last year and makes up 12 percent of JMEC's total revenue
- Energy accounts receivable was down from last year by \$162,577
- There is a decrease in bad debt write-off

Ms. Chavez referred to the Form 7 and noted the operating revenue for the year was \$41,214,961 an increase of \$1,795,423 from last year. The cost of power increased by \$785,787. The Co-op is under budget at this time and in good financial standing at 52 percent net worth.

D. Finance Committee Meeting - September 2019 information

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum, Tuesday, October 29th at the Hernandez office, and reviewed the finance-related materials for September 2019.

1. General Fund Expenditures

Mr. Jaramillo said the committee scrutinized the expenditure list and staff answered all questions.

ACTION: Mr. Jaramillo moved to accept the general fund expenditures for information. Mr. Naranjo seconded. The motion passed.

2. Credit Cards

The committee reviewed the Wells Fargo credit card charges made by the authorized users. Mr. Jaramillo provided a breakdown of the charges by users - Ms. Rendon, the plant, Mr. Duran and accounting - and announced the total as \$ 21,317.47. The committee vetted the charges.

ACTION: Mr. Jaramillo moved to accept the Wells Fargo charges of \$21,317.47. Mr. C. Trujillo seconded and the motion passed by unanimous voice vote.

3. Attorney Expenses

Mr. Jaramillo noted the charges from labor attorney, Wiggins, Williams & Wiggins, were \$324.10; Long Komer & Associates' expenses for two months, \$17,474.06, and Cuddy & McCarthy at \$87,057.96.

ACTION: Mr. Jaramillo moved to approve the attorney expenses. Mr. Cordova seconded.

Under discussion, Chair Marquez said additional Cuddy & McCarthy charges will receive additional vetting through the Audit Committee.

Mr. Salazar requested a total amount JMEC has paid Cuddy & McCarthy and he was directed to meet with Ms. Chavez for that information.

Mr. Jaramillo said the invoices were available and could be reviewed further during executive session. Mr. D. Trujillo requested invoices going back to June for review and Mr. Duran asked that the contract with Cuddy & McCarthy also be made available.

The motion passed by majority [6-4] vote with Trustees McCoy, Duran, Crawford and D. Trujillo voting against.

4. Consultant Expenses

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

FBT Architects	\$ 5,679.47
Geo-Test, Inc.	\$ 5,867.50
Total	\$ 11,546.97

Mr. Jaramillo noted that Geo-Test will continue conducting field tests throughout construction.

ACTION: Mr. Jaramillo moved to accept the expenses of \$11,546.97. His motion was seconded by Mr. Naranjo.

Contract Administrator Wisdom explained that the Geo-Test is on a separate contract. The State of New Mexico requires third-party testing. If the contractor, Bradbury Stamm, or the architect, FBT, hired Geo-Test it would be considered a conflict of interest. Geo-Test won the contract as a result of being the lowest bidder.

The motion passed by unanimous voice vote.

5. Trustee Vouchers

Mr. Jaramillo said the September vouchers were reviewed by the Finance Committee and were available for further review.

ACTION: Mr. Jaramillo moved to approve the September trustees' vouchers. His motion was seconded by Mr. Naranjo.

In response to a question regarding record keeping, Chair Marquez said Ms. Clay, the new information officer, will be in charge of record retention. He said JMEC will be fully transparent.

The motion passed with Ms. McCoy voting against.

6. September 2019 - Cash Flow Analysis

Mr. Jaramillo said Ms. Chavez presented a cash flow report to the committee and she was available to answer any questions.

Mr. D. Trujillo noted a discrepancy between the accounts payable disbursements and the cash flow analysis. Ms. Chavez said she would review the item and correct it. She provided a summary of the cash flow analysis.

7. RFPs/Contracts/Purchasing

None were presented.

8. Request for Donation

There were two requests: Nageezi Chapter, recommendation \$250 and Cuba FFA a request for sponsorship of one individual which was rejected.

ACTION: Mr. Jaramillo moved the \$250 donation to Nageezi Chapter and Mr. Naranjo seconded. The motion passed by unanimous voice vote.

That concluded the Finance Committee business.

8. COMMITTEE REPORTS

A. Executive/Personnel

Chair Marquez said the committee met to discuss personnel contracts that were approved at the October 24th meeting.

B. Executive/Policy

The Chair stated the executive committee met to discuss the response to PRC regarding a complaint filed by Dave Neal.

C. School Committee

Mr. D. Trujillo said the committee met to discuss the upcoming Spelling Bee, scholarships and the youth tour. New guidelines for the spelling bee were discussed with the idea of limiting the number of participants from each school. An essay topic is under discussion and will be presented to the full Board in November. Prior to making any scholarship commitments, an accounting from the Foundation Committee is necessary.

Chair Marquez said the banners are ready to hang at the high schools within JMEC's service area.

Regarding the DC tour, Mr. Salazar recommended that staff contact Statewide and ask whether there is an avenue for the JMEC students to join them on the tour. Assistant Executive Rendon said she has previously broached this topic with Statewide and they were not open to the idea. Mr. Salazar suggested that JMEC contact Statewide's legal counsel and ask whether a contribution to Statewide would help include JMEC's student to their tour.

Mr. D. Trujillo said the committee discussed Mr. Salazar's recommendation and they'll set up a meeting to talk with Statewide. Ms. Rendon said she would continue to work on this issue. Mr. Gonzales said he would work with Ms. Rendon.

8. NEW BUSINESS

A. Approval of BOT Resolution

Ms. Chavez introduced the resolution which adds Ernesto Gonzales to the signatory list. The resolution required a roll call vote.

ACTION: Mr. C. Trujillo moved to approve the resolution and Mr. Cordova seconded. The motion passed by unanimous roll call vote as follows:

Leo Marquez	Yes
Charlie Trujillo	Yes

Nick Naranjo	Yes
Johnny Jaramillo	Yes
Lucas J. Cordova	Yes
Stanley Crawford	Yes
Bruce Duran	Yes
Dolores McCoy	Yes
David Salazar	Yes
Dennis Trujillo	Yes
John Tapia	Absent

Mr. Chávez thanked the Board for their confidence in him and the opportunity they extended in allowing him to serve as interim General Manager. He thanked JMEC's staff for their tremendous assistance during this transitional period. He congratulated Mr. Gonzales stating he looked forward to working with him. He received a round of applause.

9. BOARD REPORTS

A. Tri-State Report

Mr. Cordova distributed recent Tri-State proposals that will be voted on at the November meeting. He noted that a new solar concept is included within the proposals.

Mr. D. Trujillo mentioned Governor Lujan Grisham's solar related mandate which is in conflict with Tri-State's limit of 5 percent. Chair Marquez said the governor's initiative is for transmission not distribution. The mandate will be levied on Tri-State.

Mr. Crawford asked about the add-back charge in the economic analysis for the community solar proposal. Mr. Cordova said he understood those payback charges have yet to be determined. However, depending on the usage, he understood that increasing the solar cap by 2 percent was being considered.

Mr. Salazar said he was informed of a PRC hearing with Tri-State occurring today. Chair Marquez said he understood Tri-State was rectifying the record regarding previously provided information. Ms. Clay will be attending PRC meetings on behalf of JMEC.

Mr. Chávez noted that Carmen Campbell was attending training at PRC and would report on it in the future.

In response to Mr. Salazar, Ms. Wisdom said JMEC's insurance agent will be reporting on claims versus payments, etc. at the November meeting. HUB is JMEC's insurance broker and Hartford serves as the liability agent.

10. EXECUTIVE SESSION

For the record, Chair Marquez said the purpose of executive session is to review the attorney fees.

Mr. D. Trujillo recommended that the Co-op investigate the legality of and procedure for shutting operations during a high fire incident/season.

Mr. Naranjo moved to meet in executive session. Mr. C. Trujillo seconded and the motion passed by unanimous voice vote.

[The Board met in closed session from 10:00 to 10:18]

Returning to open session, Chair Marquez said the only issue discussed was legal fees.

ACTION: Mr. Jaramillo moved to accept the attorney statements. Mr. Naranjo seconded and the motion passed with Ms. McCoy and Mr. Crawford voting against.

Mr. Duran expressed concern with the Cuddy & McCarthy charges and questioned whether the firm was acting in the best interest of the Co-op. He recommended that the Board consider a change in its legal counsel.

MEETING SCHEDULE November 22nd and December 20th were selected as end of the year meeting dates.

Regarding staff time off in December, the Board directed Mr. Gonzales to check with the union and make a decision.

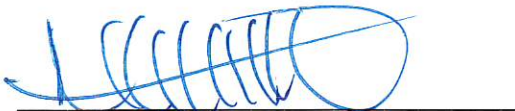
Mr. Salazar welcomed Mr. Gonzales back to the Co-op and Mr. Gonzales thanked the Board for the opportunity.

11. ADJOURNMENT

Upon motion and second and having completed the agenda, Chair Marquez declared the meeting adjourned at approximately 10:30 a.m.


Secretary, Nick Naranjo

APPROVED:


Chairman, Leo Marquez

