

**MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
Friday, September 27, 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:

George Rivera [excused]

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
Randy Vigil, Operations Department
Brandon Bustos, Apprentice Lineman
Manny Vigil, Operations Manager
Alfred Salazar, Journeyman Tree Trimmer
Joseph Archuleta, Apprentice Lineman
Jim Wiseman, Safety Manager

OTHERS PRESENT:

Chucks Wright, Dixon, Owner Member
Amanda Martinez, *Rio Grande Sun*
Chris Madrid, Rio Arriba County, Economic development
Richard Hubler, City of Española
Gilbert Serrano, Española Schools
Denise S. Penning, Visitor
Sylvia Salazar, Owner Member
Bobbie J. Gutierrez, Superintendent Española Public Schools
Dan O. Romero, Española Schools
James R. Mountain, *Valley Daily Post*

4. APPROVAL OF AGENDA

ACTION: Mr. Naranjo moved to approve the agenda as published. Mr. Tapia seconded.

There was agreement to move the Tri-State report to Executive Session.

The motion as amended was approved.

5. RECOGNITION OF GUESTS & STAFF

Those present introduced themselves.

Comments from Guests

Rio Arriba County Economic Development Director Chris Madrid advised the Board that in December 2018 the community's nursing home was closed. Over 100 residents were relocated around the state. The family members that advocated for and visited on a daily basis are now struggling to visit weekly. The County is working to develop a new nursing facility in the community and the cost estimate is \$12 million. The County has \$36 million in bonding capacity that has never been tapped and it makes sense to utilize that for the facility. The notion is the facility will assist in caring for the community's elders and create 90 full-time jobs.

Rio Arriba has three questions on the November 2019 ballot: \$12 million for a nursing home, \$6 million for a recreational facility; and \$12 million for roads.

Mr. Madrid said Northern New Mexico College is also on the ballot requesting \$2 million to bring trade training back to the college. Española Valley schools are also requesting additional funds which Rio Arriba County supports.

It is time to invest in the community and Mr. Madrid said this election will provide that opportunity.

Española Public Schools Superintendent Bobbie Gutierrez opened her remarks thanking JMEC for their continued support for the schools. She spoke about their school board election with four positions on the ballot. The SB-9 mill levy election is asking the voters to continue the current levy. The funds can only be spent on students, facilities improvements, facilities repairs, and student furnishings. The sole purpose is to invest in the schools and facilities that house the students and technology. She noted that Española has aging facilities and these funds will assist in that, otherwise the money comes from the operating budget.

Gilbert Serrano urged the support of the trustees. He said safety is a big issue and continuing the levy will provide that.

Mr. Salazar said he was a strong believer in vocational training and advocated the public schools consider including that within the curriculum. Ms. Gutierrez said a program is being developed at NNMC to expand trade training. The high schools will not be able to participate because of the tremendous cost to update labs; however, prerequisite classes will be offered. The plan is to revive the El Rito campus for trade training. She noted that Los Alamos National Lab is supporting the return of those programs.

Dan Romero commented that without the passing of SB-9 the district will be hurting. The age of district's facilities demand maintenance attention. The levy will generate about \$8 million over its life. Ms. Gutierrez reminded the Board that this will not raise taxes, rather maintain what is currently paid out.

6. ACTION ITEMS

A. Approval of the August 19, 2019: Regular Board Minutes

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

B. Approval of August 2019 Membership List

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

7. GENERAL MANAGER'S UPDATE

A. Employee of the Month

Mr. Chávez announced Roger Corrales as employee of the month. Mr. Corrales serves as the lead mechanic out of the Cuba office. Mr. Corrales was presented a check, a certificate of appreciation and award of excellence, and he received a round of applause.

Mr. Corrales was appreciative of the recognition and said the Co-op has been good to him throughout his 37 year career.

B. Introduction of New Employees

Mr. Chávez introduced the following employees:

Garrick Romero, Apprentice Lineman

Joseph Archuleta, Apprentice Lineman

James M. Calvert, Dispatch

Adrian Orozco, Dispatch

Alfred Salazar, Journeyman Tree Trimmer

Brandon Bustos, Apprentice Lineman

Chair Marquez thanked all the employees of JMEC for their service to the membership.

Mr. D. Trujillo noted that there were two new dispatchers and asked if the department was expanding or had JMEC lost employees. Mr. Chávez said one dispatcher left for personal reasons and another moved within the agency. Engineer Russ Groves said that dispatch is 24/7 with three daily shifts. There are currently six dispatchers and one supervisor.

Mr. Salazar said during a power outage it is important especially for the disabled and elderly customers to have some form of backup. He displayed a battery operated light switch that provided a great deal of illumination. The switch has an adhesive and can be adhered to the wall as well as function similar to a flashlight. He advocated developing a program to advise customers of what they can do in the event of power failure.

While thanking Randy Vigil and his crew for getting power back on as quickly as possible, Mr. Chávez offered to look into this.

C. Business Service and Finance

1. August 2019 Financial Information

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

- Revenues were very strong this month
- The TIER (times interest earned ratio) was 1.84
- The OTIER (operating times interest earned ratio) was 1.80
- The year-to-date ratios are within the RUS annual minimum requirements
- There was an increase of 89 consumers
- Large commercial (six accounts) average KWH usage was up substantially from last year
- Total connects were up 224 for the three districts from last year for a decrease of 34
- Total disconnects were 162, a decrease of 53 from last month
- Solar net metering - there were three news installs which is an increase of 10 from last year
- KWH purchased power was up from last month

- KWH sold was up from last month
- Fluctuations with line loss, KWH sold and purchased, is attributed to timing differences and billing cycles
- KWH costs for the different classes remained the same
- Plant investment per mile increased by \$1,000 due to work orders being addressed

Ms. Chavez reviewed by comparison graphs, the KWH sold, electric revenue, other revenue (wheeling, joint pole use and service changes), Kinder Morgan revenues which made up 10 percent of total revenue for the month, cost of power, energy accounts receivable, aging accounts (30, 60 and 90 days), and bad debt write-offs.

Regarding Windstream's bad debts, Karen Wisdom said she is in constant contact with Windstream who owes the Co-op approximately \$20,000 for 2019. She suggested it may be more appropriate to discuss details in executive session.

Mr. Crawford requested the number of net metering installations the Co-op has and Ms. DeAguero, Billing Manager, said there were 244.

Ms. Chavez referred to Form 7, and said the Co-op is in very good financial standing.

[The Board recessed for five minutes]

Chair Marquez thanked Richard Hubler from the City of Española for his attendance and said the issue of electric vehicles will be discussed with the Communications & Energy Committee.

Mr. Chávez invited Vegetation Management Coordinator Lenny Ortiz to update the Board on latest judgment regarding the protection of the spotted and Mexican owls. All New Mexico National Forest lands are prohibited from cutting timber, fuel wood, logging, etc. Three JMEC contractors within the Cuba-Jemez Springs areas may continue. Existing permits are valid; however, no new permits will be issued.

D. Finance Committee Meeting - August 2019 information

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum, Thursday, September 26th at the Hernandez office, and reviewed the finance-related materials for August 2019.

1. General Fund Expenditures

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

ACTION: Mr. Jaramillo moved to accept the general fund expenditures for information. Mr. Naranjo seconded. The motion passed. [Mr. Crawford was not present for this action.]

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 - Mr. Chávez, Ms. Rendon, the plant, Mr. Duran and accounting - and announced the total as \$10,853.18. He added that the committee vetted the charges.

ACTION: Mr. Jaramillo moved to accept the Wells Fargo charges of \$10,853.18. Mr. Naranjo seconded and added that the charges were also reviewed by the Audit Committee. The motion passed with no opposition.

3. Attorney Expenses - noticed on the agenda for executive session [See page 9]

4. Consultant Expenses

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

FBT Architects	\$ 5,927.31
Geo-Test, Inc.	\$ 2,481.27
Burns & McDonnell	\$ 20,000.00
NV5/Marron & Assoc.	\$ 3,807.99
Total	\$ 32,216.57

Mr. Jaramillo noted that Geo-Test will continue conducting field tests throughout construction. Burns & McDonnell, an engineering consulting firm, conducted the impact study for the solar array in Caldera.

ACTION: Mr. Jaramillo moved to accept the expenses of \$32,216.57. His motion was seconded by Mr. Naranjo and passed with Ms. McCoy abstaining.

5. Trustee Vouchers

Mr. Jaramillo said the August vouchers were reviewed by the Finance Committee and were made available in the packets.

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

Mr. Crawford observed that some of the vouchers appeared higher than usual and asked what that could be attributed to. Chair Marquez suggested committee meetings. Mr. Jaramillo said staff reviews the vouchers carefully and Mr. Chávez said there were a number of additional committee meetings during the month.

The motion passed without opposition. [Mr. Tapia was not present for this action.]

6. **August 2019 - Cash Flow Analysis**
7. **Banking Analysis Comparison**

Mr. Jaramillo said the committee reviewed this material mostly for comparison purposes. The Audit and Finance committees will be meeting jointly to discuss if any action is necessary regarding cash flow.

8. **Foundation Reimbursement to General Fund**

Chair Marquez requested the record reflect that Mr. Jaramillo will be calling a special Finance Committee meeting to discuss the audit.

9. **Morgan Stanley Signature Cards for Authorized Signers**

Mr. Jaramillo said the signature cards were updated to reflect the authorized signers.

10. **Pojoaque Easement payment due October 1st**

Mr. Jaramillo said the easement was discussed and he suggested further information could be provided during executive session.

11. **RFPs/Contracts/Purchasing**
 - a. **Approval to issue a contract to Burns & McDonnell for engineering design at San Ysidro washout**

Mr. Groves reminded the Board of the washout in the San Ysidro area and that in the past corrective measures have been employed but it is staff's recommendation that a permanent solution be sought. Staff is recommending steel poles with concrete foundations. The cost appeared excessive and following discussion with Burns & McDonnell a reduced price was negotiated.

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

Mr. Groves said the design contract will be completed in time to go out for the construction bid in May. The focus is on completing the project before the monsoons. The geo-test and ground surveys will take time.

Ms. Wisdom pointed out BLM permitting is necessary as well as environmental and archaeological surveys.

b. ITB - La Ventana Tie Line Arch Survey

Mr. Jaramillo said the Finance Committee reviewed this item.

ACTION: Mr. Jaramillo moved to approve. Mr. Naranjo seconded.

Ms. Wisdom said the Co-op issued an invitation to bid on the cultural and biological survey as required for a BLM permit for the La Ventana project. She sited the project on a map and said relocating the line will result in removing 22 acres of easement out of the Jemez Pueblo r-o-w. Two bids were received and the Finance Committee approved the lowest bid (\$14,500+) by Tierra Right-of-Way. The bid does not include an environmental assessment.

Nathan Duran said this would allow the Co-op to reduce line that has already reached age requiring maintenance and provide redundancy on another circuit.

Mr. D. Trujillo asked whether BLM could produce the survey and Ms. Wisdom said BLM was contacted but their time constraints were not conducive to the Co-op's needs.

The motion passed by unanimous voice vote.

12. Request for Donation

Mr. Jaramillo said the Committee had no action on this item.

That concluded the Finance Committee business.

8. COMMITTEE REPORTS

A. Executive/Personnel

Chair Marquez said the purpose of the meeting was to advance the search for a General Manager and approve the job description.

Mr. D. Trujillo said he saw an advertisement for the GM's position and it lacked a deadline and qualifications. The advertisement seemed too general. Mr. Naranjo said he reviewed the job posting in the paper and it had details. Mr. Chávez said the posting is on the website.

B. Executive/Audit

The Chair request this be discussed during executive session.

9. NEW BUSINESS

Mr. Crawford noted that at last month's Trustees' meeting he requested that he be appointed to the Energy Committee. To date, he has not received a response and he pointed out that he is a champion of renewable energy.

Regarding the drainage issue in Cuba, Mr. Duran said staff has reached out to the contractor on the project. Permitting with NM DOT will take additional time. Chair Marquez said the Co-op's unsuccessful efforts to purchase the adjacent property for the solar array caused delays.

10. BOARD REPORTS

None were offered.

11. EXECUTIVE SESSION

- A. Attorney Expenses
- B. Audit
- C. Tri-State
- D. Windstream

ACTION: Mr. Naranjo moved to go into executive session. Mr. Tapia seconded and with no opposition the Board met in executive session.

The Board met in Executive Session from 10:35 a.m. to 11:30 a.m.

Returning to open session, Chair Marquez announced that only the items noted in the agenda were discussed during executive session.

ACTION: Mr. Jaramillo moved to approve the attorney charges in the amount of \$45,604.32. Mr. Naranjo seconded and the motion passed without opposition. Ms. McCoy abstained. [Board members Salazar, Crawford and Cordova were not present.]

13. ADJOURNMENT

Upon motion and second and having completed the agenda, Chair Marquez declared the meeting adjourned at approximately 11:35 a.m.



Nick R. Naranjo
 Secretary, Nick Naranjo

Leo Marquez
 Chairman, Leo Marquez