

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

**BOARD OF TRUSTEES MEETING**

**THURSDAY, MAY 21, 2020**

**HERNANDEZ, NEW MEXICO**

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

In accordance with the Public Health Emergency Order issued by the State of New Mexico, this meeting was conducted telephonically.

2. & 3. Following the Pledge of Allegiance, Nick Naranjo, Secretary, called roll and confirmed the presence of a quorum. The Trustee officers and staff were present at JMEC headquarters. All others participated telephonically.

**PRESENT:**

Leo Marquez, Chair [late arrival]  
Charlie Trujillo, Vice Chair  
Nick Naranjo, Secretary  
Johnny Jaramillo, Treasurer  
John Tapia, Asst. Secretary/Treasurer  
Lucas J. Cordova [late arrival]  
Stanley Crawford [late arrival]  
Bruce Duran [late arrival]  
Delores McCoy  
Dennis Trujillo  
John Ramon Vigil

**ABSENT:**

None

**JMEC STAFF PRESENT:**

Ernesto Gonzales, General Manager  
Teresa Chavez, Chief Financial Officer  
Laura Rendon, Executive Assistant

**4. APPROVAL OF THE AGENDA**

Manager Gonzales requested the inclusion of a recommendation to cancel the annual meeting under the Executive Committee report.

**ACTION:** Upon motion by Mr. Naranjo and second by Mr. Tapia, the agenda as amended was approved without opposition.

**5. ACTION ITEMS**

**A. Approval of March 2020 Board Minutes**

[Mr. Crawford joins the meeting]

**ACTION:** Mr. Vigil moved to approve. Mr. Tapia seconded. The minutes were approved by unanimous roll call vote.

**C. Approval of April 2020 Special Board Minutes**

Manager Gonzales reminded the Board that this special meeting was held to review the audit.

**ACTION:** Mr. Naranjo moved to approve and Mr. J. Jaramillo seconded. The motion passed by unanimous vote.

[Mr. Duran joins the meeting]

**B. Approval of April 2020 Board Minutes**

**ACTION:** Mr. Tapia moved to approve and Mr. J. Jaramillo seconded. The motion passed by unanimous roll call vote.

**D. Approval of April 2020 Membership List**

**ACTION:** Mr. J. Jaramillo moved to approve. Mr. Tapia seconded and the motion passed without opposition.

[Mr. Cordova joins the meeting]

**6. GENERAL MANAGER'S UPDATE**

**A. Business Services & Financial Information**

**1. April Financial Information**

Teresa Chavez, Chief Financial Officer, reviewed the April ratios and statistics. What follows are highlights of the report:

- The TIER actual was 1.66 percent and OTIER 1.65 percent; both showing a decrease from last year
- There were 31,037 consumers, a decrease of 129 from last year
- Total connects for all three districts were 168, a decrease of 44 from last year
- Total disconnects were 120, a decrease from last year
- Consumers per employee was 280
- Solar net metering, year-to-date is five
- Revenue generated per mile was down \$141 from last year
- KWH purchased and sold was down from last year

- Line loss was decreased from last year by 1 percent
- RUS loan is 84 percent; Co-Bank/CFC loan is 16 percent
- There are currently 111 employees
- KWH sold for 2020 year is 27,065,289 a decrease from last year
- Kinder Morgan shows a decrease in KWH from last year, and is currently providing 1 percent of total revenue compared to April 2019, at 13 percent of total revenue

[Chair Marquez joins the meeting and assumes the chairman's role]

Manager Gonzales said Kinder Morgan is closed down and their accounts are suspended. However, there are three separate meters that have a minimum charge of \$12,000 on each.

Ms. Chavez reviewed the accounts receivable and noted an increase in all components. Bad debt write-offs were down for the month from last year.

Manager Gonzales said that staff conducted a comparison of revenues ending in April for 2018, 2019 and 2020. 2020 revenues to date compared to 2019 are down \$3 million, cost of power is down \$1 million - total expenses are down by \$2 million - decreased revenue and decreased cost of power. TIERS are being met. The category of administrative and general is down about \$1 million compared to 2019. Delinquency is up 2 percent.

## **B. Finance Committee Meeting - April 2020 information**

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum, Thursday, May 21<sup>st</sup>, and reviewed the finance-related materials for April 2020.

The trustees, who were connected to the meeting by telephone, advised those in the Board room that they were barely audible and it was difficult to follow what was occurring. Mr. Crawford recommended that all the Board members attend telephonically. A short recess occurred while Mr. Jaramillo connected by telephone.

[Mr. Vigil excused himself from the remainder of the meeting.]

### **1. General Fund Expenditures**

Mr. Jaramillo said that the committee reviewed the expenditure list and staff addressed questions. He noted that this item is presented as informational, and action is not necessary.

### **2. Credit Cards**

Mr. Jaramillo said that the committee reviewed the Wells Fargo credit card

charges made by the authorized users on the one account. There were no issues brought up to staff and are being presented for informational purposes.

An issue regarding reviewing documents on Board docs came up and Laura Rendon, Executive Assistant, offered to provide them in a PDF format.

### 3. Attorney Expenses

Mr. Jaramillo said that the April expenses require Board approval and will be presented at a later date.

### 4. Consultant Expenses

Manager Gonzales said the expenses totaled \$45,933.

### 5. Trustee Vouchers

Mr. Jaramillo said the vouchers were reviewed and are presented for informational purposes.

### 6. April 2020 Cash Flow Analysis

The analysis was provided in the Boardbook.

### 7. Open Work Orders

No information was provided.

### 8. RFPs/Contracts/Purchasing

**NRECA Audit:** Manager Gonzales said that the Co-op is required to conduct an audit on the NRECA benefits. The Finance Committee recommends moving forward with Bolinger, Segars, Gilbert & Moss, L.L.P, since JMEC already has a contract with them.

**San Ysidro Pole Replacements:** The Committee recommended moving forward with the low bid.

**Abatement of the old headquarters:** The Committee recommended moving forward with the low bid.

**Utility Boxes:** The Committee supported the low bid.

**ACTION:** Mr. Jaramillo moved to approve the RFPs as listed above. Mr. Naranjo seconded.

Regarding a contract with the Domenici firm, Mr. Crawford said it was not made available to the entire Board for action. Chair Marquez said that a



physical copy of the contract was available for review at headquarters. He requested that discussion regarding legal matters occur in closed session.

The motion passed with six ayes, three abstentions, and one nay.

Chair Marquez said he was disappointed that some Board members chose to abstain or vote against these important projects.

### **Engineering Study to Decommission Española Substation**

Manager Gonzales said that the substation is in the yard of Cook's hardware store. The idea is to decommission the substation and shift the load to San Pedro and La Loma substations. Management recommends a study by an engineering firm to determine the feasibility of decommissioning and transferring the load to the two substations. The study includes balancing the load and protection of lines. He said it was important to move the substation out of Cook's private property.

Mr. Duran recalled this topic came up a few years ago. At that time it was determined leaving the substation in place was the best solution. He requested additional data to support the request. Mr. Naranjo said the engineering study will either prove it feasible or not.

**ACTION:** Mr. Jaramillo moved to approve the engineering study. Mr. Naranjo seconded. The motion passed by unanimous roll call vote.

That concluded the Finance Committee report.

## **7. COMMITTEE REPORTS**

### **A. Executive Committee Meeting**

Due to COVID-19, Manager Gonzales requested that the Board formally cancel the annual meeting to protect the membership and staff.

**ACTION:** Mr. Naranjo moved to cancel the 2020 Annual JMEC meeting. Mr. Cordova seconded and the motion passed by unanimous roll call vote.

### **B. Building Committee**

Mr. Tapia said that the committee discussed the mechanics of moving the furniture from the existing building to the new building and any furnishing needs. Staff is working on an inventory, and the information will be presented to the committee at their next meeting.

## **8. BOARD REPORT - None was offered**

Mr. D. Trujillo said he hoped for improved communications between the Foundation and School Committee. Chair Marquez pointed out that the Executive Committee serves as the Foundation Board and he would work to improve communications. The virus and closing of the schools forced expediency on the Foundation's part.

Ms. Rendon said the 14 students have been very responsive self-advocates in terms of the obtaining the scholarship money. She said each student is required to provide a letter of acceptance to the school they will be attending along with a class schedule once the semester begins.

Before JMEC publishes the names of scholarship recipients, Mr. Vigil advised staff to, if necessary, receive waivers from minors. Mr. Tapia suggested including a waiver within the scholarship documentation.

It was noted that since the funds in the Foundation have been correctly structured and professionally managed it has grown from \$250,000 to \$1.3 million.

**8. NEW BUSINESS**  
**A. Tri-State Report**

Mr. Cordova said that the latest report was forwarded to the Board.

**9. EXECUTIVE SESSION**

Chair Marquez said executive session was necessary and upon unanimous [10-0] roll call vote the Board met from 10:50 a.m. to 11:10 a.m. in closed session.

Returning to open session, Chair Marquez announced that no action was taken during executive session.

**10. ADJOURN**

Upon motion by Mr. Jaramillo and second by Mr. Cordova, Chair Marquez adjourned the meeting at 11:15 a.m.



APPROVED

  
Chairman, Leo Marquez

  
Secretary, Nick Naranjo