

**MINUTES OF THE  
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.  
BOARD OF TRUSTEES MEETING  
FRIDAY, MARCH 27, 2020  
HERNANDEZ, NEW MEXICO**

1. This 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-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 with staff and the officers physically present.

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 [telephonically]  
Stanley Crawford [telephonically]  
Dolores McCoy [telephonically]  
Dennis Trujillo [telephonically]  
John Ramon Vigil [telephonically]

**ABSENT:**

Bruce Duran

**JMEC STAFF PRESENT:**

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

**OTHERS PRESENT:**

George Morris, *Valley Daily Post*

#### 4. APPROVAL OF AGENDA

Chair Marquez announced that all votes would be taken by roll call and he requested the Board's assistance by identifying themselves when they speak.

A request was made to move item 5. New Business up to the top of the agenda and add "Conflict of Interest Statement."

**ACTION:** Upon motion by Mr. Naranjo and second by Mr. Vigil, the agenda as amended was approved by unanimous roll call vote.

#### 5. NEW BUSINESS

##### A. Policy 112 - Compensation and/or Expense Reimbursement Policy

Chair Marquez requested a motion to suspend a portion of the policy and permit compensation to trustees who participate telephonically. They will not be entitled to travel compensation.

**ACTION:** Mr. Naranjo moved to approve the temporary adjustment to Policy 112. Mr. Jaramillo seconded. The motion passed by unanimous roll call vote.

##### B. Policy 137 - Conflict of Interest

By roll call, each of the 10 Trustees present identified in the affirmative, that they submitted a conflict of interest statement as required.

Chair Marquez stated that it was only Bruce Duran who has not submitted the form as required by the JMEC policies. Executive Assistant Laura Rendon confirmed that was accurate.

For the record, Chair Marquez read that:

"Under JMEC Policy 137, each member of the Board of Trustees must disclose all personal and business relationships that could influence decisions related to the operations and management of JMEC, as well as relationships that could give the appearance of influencing such decisions. And that each Trustee must disclose all matters which could give rise to a potential claim against JMEC. Each of the Trustees completed the required Conflict of Interest form required by Board Policy 137 in January of 2020, with the exception of Trustee Bruce Duran. Mr. Duran has been and is aware of the requirement to complete the conflict of interest form as required by Board Policy 137. In failing to complete the required conflict of interest form, Mr. Duran is knowingly and willingly failing to comply with established Board policy.

JMEC Board Policy 102, dated April 27, 2012, provides that each Trustee is expected to observe both the letter and the spirit of

the law and applicable JMEC policies in every transaction. Board Policy 102 also establishes that each Trustee owes a duty of obedience, a duty of care and a duty of loyalty to JMEC. Mr. Duran's failure to complete the conflict of interest form constitutes a violation of Board policy 137 and policy 102. Pursuant to Policy 102, Trustees that violate Board Policy may be subject to Board action pursuant to Policy 102, and it says that the President of the Board may ask the Board to take action."

Chair Marquez asked that, given Mr. Duran's failure to comply with the Board policies, the Board sanction Mr. Duran by not recognizing Mr. Duran's vote on any matter coming before the Board, until such time that he completes and submits the required Conflict of Interest form.

**ACTION:** Mr. Naranjo moved to sanction Mr. Duran as outlined by the Chair. Mr. C. Trujillo seconded.

Mr. Crawford asked whether Mr. Duran has been approached on this matter and the Chair said that he has, and that Mr. Duran failed to submit a form in 2019, stating that his attorney was reviewing the form.

Chair Marquez said that the sanction was not requested out of malice, but instead to enforce the policies that all trustees abide by.

Mr. D. Trujillo agreed that all trustees should submit the form and he hoped that management would reach out to Mr. Duran and advise him of the Board's action.

Mr. Vigil requested documentation/paper trail be provided to Mr. Duran advising him of the policies, requirement to submit the form, repeated requests to submit the form and the Board's action in a formal letter written by management. The Chair supported that recommendation.

Mr. Crawford said that he would feel more comfortable moving forward with this sanction if Mr. Duran were present and suggested tabling the action.

The motion passed by majority [7-2] 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	Abstain
Bruce Duran	Absent
Dolores McCoy	No
Dennis Trujillo	No
John Ramon Vigil	Yes

Chair Marquez directed GM Gonzales to draft a letter/email to Mr. Duran that the Chair will sign. Ms. McCoy requested that the Board members receive a copy of the letter.

**5. ACTION ITEMS**

**A. Approval of the Regular Board Minutes: February 21, 2020**

**ACTION:** Mr. Naranjo moved to approve. Mr. C. Trujillo seconded. The minutes were approved by unanimous roll call vote.

Mr. Vigil recommended that in the future, the approval of the minutes be handled by the Chair and presented as a consent agenda item.

**B. Approval of February 2020 Membership List**

**ACTION:** Mr. Vigil moved to approve. Mr. Cordova seconded and the motion passed by unanimous roll call vote.

Manager Gonzales stated that during the COVID-19 restrictions, JMEC has suspended all disconnects and credit card surcharges. Staff is working with Century Bank to accept payments to better accommodate the membership. Further, as a utility, JMEC is exempt from the Governor's executive order in regards to operations.

**7. GENERAL MANAGER'S UPDATE**

**A. Finance Committee Meeting - February 2020 information**

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum, Thursday, March 26<sup>th</sup> and reviewed the finance-related materials for February 2020.

**1. General Fund Expenditures**

Mr. Jaramillo said the committee reviewed the expenditure list and staff addressed questions. He noted that these items have already been paid and are presented as informational.

**ACTION:** For informational purposes, Mr. Jaramillo moved to accept the general fund expenditures. Mr. Naranjo seconded.

Mr. Tapia noted that approval for informational purposes was clarified at a recent REC class attended by many of the trustees.

Ms. McCoy had questions regarding payments that were answered by staff.

The motion passed by unanimous roll call vote.

**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. Card users last month included Laura Rendon, Eli Gallegos and Erlinda Baca. He provided a breakdown and announced the total as \$2,941.26.

Chair Marquez noted that the charges were vetted by Manager Gonzales.

**ACTION:** Mr. Jaramillo moved to accept the Wells Fargo charges of \$2,941.26 for informational purposes. Mr. Tapia seconded. The motion passed by unanimous roll call vote.

**3. Attorney Expenses**

Mr. Jaramillo outlined the attorney expenses as follows:

Long, Komer & Associates (Dec)	\$ 5,055.91
Wiggins, Williams & Wiggins (Feb)	\$ 2,263.11
Cuddy & McCarthy (Jan/Feb)	\$ 49,733.01
<b>Total</b>	<b>\$57,052.03</b>

Mr. Vigil said it was important that the Board monitor the Co-op's legal expenses.

**ACTION:** Mr. Jaramillo moved to approve the attorney fees of \$57,052.03. Mr. Naranjo seconded. The motion passed by majority roll call vote. with Ms. McCoy voting against and Mr. Crawford abstaining.

**4. Consultant Expenses**

Mr. Jaramillo said the consultants' expenses were reviewed by the committee and vetted by the General Manager. He provided them as follows:

FBT Architects	\$ 5,756.44
Transmission & Dist Svcs	\$ 7,474.49
<b>Total</b>	<b>\$ 13,230.93</b>

**ACTION:** Mr. Jaramillo moved to accept the expenses of \$13,230.93 as informational. His motion was seconded by Mr. Naranjo. The motion passed by unanimous roll call vote.

**5. Trustee Vouchers**

Mr. Jaramillo said the February vouchers were reviewed by the Finance Committee. The material was available within the packets.

**ACTION:** Mr. Jaramillo moved to approve, for information, the February trustees' vouchers. His motion was seconded by Mr. Cordova. The motion passed by majority roll call vote, with Ms. McCoy casting the sole nay vote.

Noting that the Board was not physically meeting, Mr. Tapia recommended that emailed vouchers to Executive Assistant Rendon serve as confirmation.

**ACTION:** Mr. Tapia moved that vouchers emailed to Ms. Rendon serve as sufficient receipt of such. Mr. Naranjo seconded and the motion passed by unanimous roll call vote.

## 6. February 2020 Cash Flow Analysis

CFO Teresa Chavez reviewed the cash flow analysis with a beginning balance of \$12,918,740. Total deposits for the month were \$4,857,237. Total beginning balance plus deposits was \$17,775,977. Total disbursements were \$5,580,336 leaving a book balance as of the end of February to \$12,195,641. The total balance of all accounts totaled \$13,210,773. Total investments were \$547,342. And the RUS cushion of credit was \$2,297,788.

Mr. Tapia requested a special Finance Committee meeting to discuss outstanding 219s and work orders. Manager Gonzales said that at yesterday's Finance Committee meeting there was a discussion regarding the Co-op's available loan funds. The interest rate is currently at 1.22 percent, and the Co-op is carrying some loans as high as 6 percent interest rate. RUS representative Larry McGraw has advised that guidelines for refinance through the new Farm Bill are expected soon. Mr. Tapia said it was important any new loans to address existing loans maintain the same payoff period.

Chair Marquez invited Mr. Flores from the *Valley Daily Post* to contact Teresa Chavez with any questions, and she offered to phone him later today.

**ACTION:** Mr. Jaramillo moved to direct the General Manager to proceed with refinancing based on the information provided above. Mr. Naranjo seconded. The motion passed by unanimous roll call vote. [Mr. Cordova was not present for this action.]

## 7. RFPs/Contracts/Purchasing

Manager Gonzales said an RFP had been issued for the replacement of transmission poles on the west side and additional poles for inventory. The bids included class two poles with five 55-foot poles and eleven 65-foot poles. Two bids were received, and management is recommending approval of the low bidder, Bell Lumber & Pole, for \$23,434.

**ACTION:** Mr. Jaramillo moved to award the bid to Bell Lumber & Pole. Mr. Tapia seconded.

Mr. Tapia asked that staff ensure the poles meet wind-height and attachment specifics. Manager Gonzales explained that those requirements relate to distribution not transmission lines.

Mr. Tapia reminded staff that the poles being replaced need to come back to the distribution yard.

The motion passed by unanimous roll call vote. [Mr. Cordova was not present for this action and returned immediately thereafter.]

Manager Gonzales said the Co-op has received a response for the Cost of Service RFP; however, additional specifics were needed.

## **8. Donations**

Mr. Jaramillo said that upon Finance Committee consensus, all donations will be suspended until a later date.

That concluded the Finance Committee report.

### **B. Policy Committee**

Mr. Cordova, Chairman of the Policy Committee, referred to Board of Trustee Election Policy #145 which was provided to the Board digitally.

**ACTION:** Mr. Cordova moved to approve Policy #145. Mr. Naranjo seconded.

Regarding the new language that “no candidate shall make unfounded defamatory statements against the Board or any Trustee of the Board,” Mr. Vigil asked whether that was reviewed by counsel. Chair Marquez confirmed the policy was vetted by counsel.

Mr. Crawford said that he too had concerns regarding the new language being too broad, and questioned how the Board could sanction a candidate. He suggested additional vetting and redrafting of the language. Ms. McCoy requested tabling the policy. Mr. Cordova commented that the committee has worked on this policy for many months.

Mr. Vigil said it was important that JMEC not infringe on the freedom of speech of any individual or the press.

Stating he agreed that false allegations were inappropriate, Mr. D. Trujillo questioned how the policy would be enforced. The Chair responded the policy may assist in the reduction of mudslinging during JMEC elections.

As a private company, Chair Marquez pointed out that JMEC does not fall under the State’s election mandates or policies, and this policy provides a tool. The propaganda against Board members, where they have been called corrupt and crooks, has been very difficult and hurtful to people’s reputations.

The motion passed by majority 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	No
Bruce Duran	Absent
Dolores McCoy	No
Dennis Trujillo	No
John Ramon Vigil	No

Mr. D. Trujillo explained his vote, stating that additional discussion and drafting of the policy was required.

10. BOARD REPORTS

A. Tri-State Report - Provided digitally

11. EXECUTIVE SESSION - Deemed unnecessary

12. ADJOURN

**ACTION:** Mr. Cordova moved to adjourn and Mr. Tapia seconded. The meeting was adjourned at 10:10 by unanimous roll call vote.



  
Secretary, Nick Naranjo

APPROVED:

  
Chairman, Leo Marquez