

JMEC Newsletter April 2021

## A Message From The Board

Greetings JMEC Consumers,

Spring has come and so have the spring winds. And with those strong southwesterly winds comes the chance that power lines can be knocked down. We want to remind our consumers to be sure to take every precaution if you see a downed power line and report immediately to our automated Outage Management System (OMS). The JMEC OMS can be accessed 24 hours a day, please see the contact information below.

In the spirit of season change from winter to spring, I would like to announce a change of the guard at JMEC. As we say thank you to a lifelong and committed friend, Ernesto A. Gonzales as General Manager, we welcome our newly hired GM, Michael W. Hastings. In this newsletter we recognize Ernesto and Michael as they transition the Co-op leadership.

The Board of Trustees continues its commitment to being the best and most efficient power supplier in Northern New Mexico. We remain diligent in our efforts to fight the Pandemic and look forward to a strong 2021 with our consumers and communities.

> Sincerely, Dennis Trujillo, President JMEC Board of Trustees

## Best Wishes To Ernesto Gonzales

Ernesto A. Gonzales will be moving on from his duties as JMEC General Manager. Closing out a career of service at the Co-op, Ernesto leaves behind a legacy of work.

After graduating from New Mexico Highlands in 1970 and serving in the United States Marine Corps for two years, Ernesto began his career with Kit Carson Electric Co-op in 1974 in finance. Just 10 years later he would become the General Manager at Kit Carson. Ernesto would take his skills to Central America for a stint and end up coming back home to serve as the GM of the Mora Co-op. In 2005 he would join JMEC as the Director of Finance and then become the GM in 2009 and retire in 2010.

Retirement would not last long as duty called for Mr. Gonzales to come back to the Co-op in 2013 and retire once again in 2014. In late 2019 as the Board of Trustees called upon Ernesto and his leadership to return to JMEC, he graciously obliged and has again successfully led JMEC through a transition and an unprecedented pandemic. As the pandemic took center stage, Ernesto was able to keep the organization moving forward with the completion of a new headquarters, an updated JMEC communications system, the integration of solar power into JMEC's capabilities, and the oversight of the health and welfare of JMEC employees and consumers in response to the pandemic restrictions and impacts.

The Board of Trustees is grateful for the years of service and duty that Ernesto has given to the Co-op. We wish him well as he looks forward to getting back to his farm and doing some traveling to visit and enjoy his family and grandchildren. Ernesto is JMEC family and will forever be considered one of our own. Best wishes to our friend and colleague.



Ernesto A. Gonzales, JMEC General Manager (former)

REPORT An Outage 24 HOURS A DAY! Automated OMS (Outage Management System) will track everyone that is out to make sure everyone has power restored. You can report and track the outage three ways:

- 1. Call the outage hotline at 1-877-753-0095
- 2. Online Customer Portal <a href="https://billing.jemezcoop.org/oscp/">https://billing.jemezcoop.org/oscp/</a>
- 3. JMEC Mobile App.

Have a question? - Contact Us Toll Free:

1-888-755-2105

Española Office, Jemez Springs Office, and Cuba Office



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## JMEC Welcomes Michael W. Hastings As New General Manager

Michael W. Hastings officially assumed the helm as General Manager of Jemez Mountains Electric Cooperative, Inc. on March 15, 2021. Mr. Hastings brings a wealth of knowledge and experience leading and expanding large electric cooperatives. Michael's experience comes to JMEC via Virginia, Illinois and Kansas where he successfully managed economic development alliances and self-insured insurance companies. In addition, he has served as general counsel for the Association of Illinois Electric Cooperatives, counsel for the Kansas Department of Revenue, and has owned a successful private practice. Additionally, he was a founding board member of National Renewables Cooperative Organization (NRCO), a nationwide cooperative established to provide renewable energy generation projects for the 950-plus electric cooperatives throughout the United States. Michael holds a law degree from Washburn University School of law in Topeka, KS, a Master's of Business Administration from the University of Illinois, and a bachelor's degree in accounting from Kansas Wesleyan University.

Michael has made his way back to New Mexico with his wife Shauna. As a teenager, Michael would often visit family and friends who lived in New Mexico. The Hastings are looking forward to enjoying the beautiful outdoors and culture of New Mexico. In addition, Michael really enjoys the authentic foods of New Mexico and is a fan of chile served Christmas!



Michael W. Hastings, Newly Hired JMEC General Manager

Mr. Hastings will take over the reins from retiring General Manager, Ernesto Gonzales, who has served the Co-op in several capacities over the decades. Ernesto will stay onboard part-time in the interim to assist and assure a seamless transition. As soon as the pandemic restrictions on 'large gatherings' lifts, the Co-op will hold a public reception for member-owners to meet and welcome Michael and Shauna at the new JMEC headquarters. Please join the Board of Trustees in welcoming Michael Hastings to the JMEC family.

# Cost of Service Study Update

Jemez Mountains Electric Cooperative, Inc. is a nonprofit, member owned cooperative that operates through the collection of revenues generated by cost of services that are directly allocated to cover the expenses necessary to maintain operations and provide reliable, affordable electricity to all JMEC consumers in northern New Mexico. The last rate increase to consumers was implemented in 2013 based upon the Cost of Service Study conducted in 2011. The Board of Trustees and Staff have worked diligently to allow for this rate to stay in place for the last seven years.

As noticed in recent months, the Co-op initiated a Cost of Service Study and has recently completed the study. The study is the standard used by cooperatives across the country to understand the costs of operations necessary to provide electricity to each type of JMEC consumer, i.e. residential, commercial and industrial. A heavily weighted factor taken into account in the study is forecasting the revenue necessary for future years in order to operate and maintain the Co-op through fiscally responsible practices. This study includes identifying recurring expenses that must be covered by the revenue collected through fees to consumers based upon the established rates to continue operations. Recurring expenses come in the forms of employee wages, paper used for billing statements and postage, fleet maintenance and property upkeep to name a few. These recurring expenses must be paid even when revenues decline. Energy expenses further account for necessary costs incurred and these are based on how much electricity is used by each consumer type, i.e. residential, commercial and industrial. As expenses are analyzed and identified for each consumer type, rates are then established by the Co-op with the ideal to collect revenues equitably. A simple example to consider is, someone that only uses electricity for a few small appliances like a refrigerator and lights (residential) will not and should not have the same rate as a rock crushing plant (commercial/industrial). The energy costs in this example will be analyzed and an equitable service fee will then be established and charged accordingly.

With the Cost of Service Study now complete, the next step is to decide how to apply these changes to the current rates. This requires careful consideration to balance the financial needs of JMEC with the needs of our consumers that will take into consideration the ideal goal of keeping the rates as low as possible. As the Board of Trustees begins analysis of the Cost of Service Study, we want to assure our consumers that we are committed to keeping you informed throughout the process.