

**MINUTES OF THE**  
**JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING**  
**Friday, March 23, 2018**  
**HERNANDEZ, NEW MEXICO**

1. This regular meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Chairman Nick Naranjo at 8:30 A.M. on the above-mentioned date, at JMEC Headquarters, 19365 S.R. 84/285, Hernandez, NM.

2. & 3. Following the Pledge of Allegiance, Charlie Trujillo, Secretary, called roll and confirmed the presence of a quorum as follows:

**PRESENT:**

Mr. Nick Naranjo, Chair  
Mr. Leo Marquez, Vice Chair  
Mr. Charlie Trujillo, Secretary  
Mr. Johnny Jaramillo, Treasurer  
Mr. Lucas J. Cordova, Trustee  
Mr. Bruce Duran, Trustee  
Ms. Dolores McCoy, Trustee  
Mr. David D. Salazar, Trustee  
Mr. Victor Salazar, Trustee  
Mr. John Tapia, Trustee at Large  
Mr. Dennis Trujillo, Trustee

**ABSENT:**

None

**JMEC STAFF PRESENT:**

Ms. Donna Montoya-Trujillo, General Manager/Chief Financial Officer  
Ms. Laura Rendon, Executive Assistant  
Ms. Karen Wisdom, Contract Administrator and Compliance Officer  
Mr. Andrew Chavez, IT Systems Manager  
Mr. Eli Gallegos, Facilities Manager  
Ms. Theresa Chavez, Interim Account Manager  
Mr. Adam Roybal, Engineering Manager  
Mr. Chris Oakley, Cuba Warehouse Supervisor  
Ms. Eva De Agüero, Billing Manager  
Mr. Lenny Ortiz, Vegetation Coordinator/Manager  
Mr. Randy Vigil, Operations Department  
Ms. Angel Trujillo, Cashier  
Mr. Harold Romero, Meter Tech

**OTHERS PRESENT:**

Mr. Lee Goodwin, Co-op member  
Mr. Chuck Wright, Co-op member  
Mr. C.M. Sperburg-McQueen, Co-op member  
Ms. Amanda Martinez, *Rio Grande Sun*

**4. APPROVAL OF AGENDA**

**ACTION:** Mr. Marquez moved approval of the agenda as published. Mr. Cordova seconded and the motion passed by unanimous [11-0] voice vote.

**5. RECOGNITION OF GUESTS & STAFF**

Manager Montoya-Trujillo invited staff and guests to introduce themselves.

**6. ACTION ITEMS**

- a. **Approval of Minutes**
  - 1. **February 23, 2018 Regular Board Meeting**

The following corrections were offered:

Page 2 it should be Karen Gilgore

Page 5, second to the last paragraph, should refer to Mr. D. Salazar

Mr. Duran said he was surprised to see the Executive Committee took action on donations without Board input.

Ms. McCoy said she had difficulties logging on to the Diligent Board Book. Chair Naranjo requested that staff review the accessibility of Diligent.

**ACTION:** Mr. V. Salazar moved to approve as amended. Mr. Cordova seconded and the motion passed by unanimous [11-0] voice vote. [The corrected minutes were provided to staff]

- b. **February 2018 Membership List**

Manager Montoya-Trujillo said the information was included in the Board packet as well as on the Diligent software.

**ACTION:** Mr. Cordova moved to approve the membership list. Ms. Jaramillo seconded and the motion passed by unanimous voice vote.

- c. **Approval of Change to Policy 114 - Foundation Trust Educational Scholarship Fund Policy**

Manager Montoya-Trujillo said the draft policy was emailed to the Board last week and Board comments were incorporated in the draft being presented.

Mr. D. Salazar said JMEC's Foundation scholarships should be limited to the average and good students. Manager Montoya-Trujillo said that under Section 3, Selection Process, item ii says preference will be given to students that are not recipients of other awards but that do maintain a passing grade point average.

**ACTION:** Mr. D. Trujillo moved to approve Policy 114. His motion was seconded by Mr. C. Trujillo and passed by unanimous [11-0] voice vote.

**d. Adoption of Policy 149: Renewable/Alternative Energy**

Manager Montoya-Trujillo said the draft policy was reviewed at the previous meeting and with the incorporation of the Board's comments the policy is presented for approval.

**ACTION:** Mr. Marquez moved to approve Policy 149. The motion was seconded by Mr. Cordova.

Under discussion, Mr. Marquez commended Board members Tapia and Cordova for their work on the policy.

The motion passed by unanimous [11-0] voice vote.

**7. GENERAL MANAGER'S UPDATE**

**a. Employee Awards**

Manager Montoya-Trujillo introduced Angel Trujillo as JMEC Employee of the Month. Ms. Trujillo is a cashier and was described as a pleasure to work with.

Ms. Trujillo received a round of applause and a certificate of appreciation.

Manager Montoya-Trujillo congratulated Harold Romero for 30 years of service to JMEC.

Mr. Romero received a round of applause and a certificate of appreciation.

**b. OSHA Update**

Manager Montoya-Trujillo said the OSHA complaint filed against the Co-op related to the events that occurred in October 2017 on the Westside when an outage occurred has been resolved. The incident was cited as serious and JMEC was penalized \$4,000. OSHA accepted JMEC's corrective action plan which will be implemented and posted for line crews.

Mr. Jaramillo said it was important to closely monitor JMEC's safety program. Manager Montoya-Trujillo said JMEC's internal safety committee is meeting bi-monthly.

Directive: Staff to determine whether this incident will affect JMEC's RESPA ranking.

**c. Business Services & Financials**

**1. February 2018 Financials**

Manager Montoya-Trujillo reviewed the month ratios for the TIER (times interest earned ratio) and OTIER (operating). Chair Naranjo noted that five years ago JMEC was in technical default with its ratios and he lauded the improvements that have been made to JMEC. Manager Montoya-Trujillo agreed, adding that JMEC is positioned very healthily in its financials. She said JMEC maintains the RUS requirements regarding TIER and OTIER. She explained that there is no carryover from one year to the next and it is important to match expenses to revenues and get the most out of revenue.

Manager Montoya Trujillo reviewed the consumer statistics for February. Average KWH usage for the month for residential, small commercial, large commercial, public authority and lighting were about the same as last year at this time. Connects and disconnects were listed by district with a net 21 connects for the month. Revenue per KWH sold was 13 cents; revenue generated per mile was \$1,134.77, purchased power as a percent of revenue was 55 percent; operating expense as a percent of revenue was 22 percent and margin as a percent of revenue was 7 percent.

Manager Montoya-Trujillo said staff is developing a newsletter that will provide an opportunity to give members a better understanding of JMEC expenses, etc. Adding a link to the PRC website from JMEC's site was suggested.

For February, JMEC purchased 33,512,516 KWH and sold 36,351,878. Manager Montoya-Trujillo reviewed the statistics that relate to the plant, debt and other financials. She noted that operation and maintenance expenses have come down which she attributed to management.

Mr. D. Salazar said customers have cost related questions. He asked whether the residential cost includes rate riders. Mr. Cordova noted that the rate rider is different for each customer. Manager Montoya-Trujillo offered to review the cost per KWH in the City of Española including franchise and rate rider fees.

Manager Montoya-Trujillo reviewed the actual KWH sold compared to what was budgeted with a chart going back to 2016. She noted a decline has historically appeared in February. Kinder Morgan had a substation down for maintenance during February.

Regarding bad debt, Manager Montoya-Trujillo said she expected the number to improve within the year. Referring to the RUS forms, Mr. Marquez said what is budgeted appears very high and Manager Montoya-Trujillo said she would review the figures.

The Board recessed from 9:20 a.m. to 9:30 a.m.

## 2. Finance Committee Meeting

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum yesterday, Thursday, March 22<sup>nd</sup> and reviewed the finance-related materials for February 2018.

### a. General Fund Expenditures

**ACTION:** Mr. Jaramillo moved to accept the general fund expenditures for information. Mr. C. Trujillo seconded. The motion passed without opposition and having not had the opportunity to review the expenditures, Ms. McCoy abstained.

### b. Credit Cards

Mr. Jaramillo said the committee reviewed the Wells Fargo account charges made by the following authorized users: Ms. Rendon, the plant, Mr. Duran, and the accounting department. The total charges for the month were \$2,933.72.

**ACTION:** Mr. Jaramillo moved to accept the Wells Fargo charges of \$2,933.72 for February 2018. Mr. Marquez seconded and the motion passed without opposition.

### c. Attorney Expenses

Mr. Jaramillo provided the attorney expenses as follows: Long, Komer & Associates, \$12,017.92, and Cuddy and McCarthy, \$7,531.50. The total attorney fees were \$19,549.42.

**ACTION:** Mr. Jaramillo moved to accept the attorney expenses. His motion was seconded by Mr. V. Salazar.

Chair Naranjo advised the Board that Long, Komer & Associates' billing was for a two-month period.

The motion passed without opposition and Mr. Duran abstained.

Mr. Duran said not having reviewed the charges he was not prepared to vote. Manager Montoya-Trujillo said in the future she would upload the invoices under Finance on Diligent for the Board's review. Long,

Komer's billing encompasses the OSHA issue and Cuddy participated in the manager search.

**d. Consultant Expenses**

Mr. Jaramillo reviewed the charges as follows: The Prime Group, \$1,700; Wilson & Company Engineers and Architects, \$415.03; and Transmission & Distr. Services, \$1,236.25.

**ACTION:** Mr. Jaramillo moved to accept the consultant expenses of \$3,351,28. His motion was seconded by Mr. Marquez and the motion passed by unanimous voice vote.

**e. Trustee Vouchers**

Mr. Jaramillo said the January vouchers were vetted by management and reviewed by the Finance Committee. No discrepancies were found and he noted the material was provided within the Board packet.

**ACTION:** Mr. Jaramillo moved to approve the trustees' vouchers as presented to the Finance Committee for February 2018. His motion was seconded by Mr. Marquez and the motion passed without opposition. Ms. McCoy abstained.

**f. February 2018 Bank Account Summary**

This item was covered during the Manager's report.

**g. RFPs, Contracts and Purchasing**

**US Electrical Corporation:** Manager Montoya-Trujillo said management recommends a contract with US Electric to perform work on items under the four-year work plan on Highway 4 in the Calderas area. This would include the removal of an overhead line and move it underground. The total contract cost is \$247,055.

**ACTION:** Mr. Jaramillo moved to approve a contract with US Electrical in the amount of \$247,055. Mr. Tapia seconded.

Adam Roybal said the project addresses 2.2 miles of underground on Highway 4. This project will allow JMEC to remove approximately five miles of line that runs through a canyon that has been dangerous for the line crew and causes outages to the Caldera and other customers. US Electrical will do the boring and dirt work. JMEC is providing the material and JMEC crew will do the termination on the electrical side.

The motion passed by unanimous voice vote.

**Marron & Associates:** Manager Montoya-Trujillo said once JMEC receives approval and requirements from US Forest Service, Marron & Associates, who are under an as-needed contract, will provide the necessary archaeological review. Management requests the Board's approval to enter into a specific contract, not to exceed \$50,000, once the requirements are known. The property is below the Girl Scouts.

**ACTION:** Mr. Jaramillo moved to approve the task order as requested with Marron and Associates. His motion was seconded by Mr. Cordova and the motion passed by unanimous voice vote.

The following information was provided:

- An RFP will be issued for pole inspections
- A contract, under \$10,000, will be entered into with Southwest Safety Services to provide a traffic safety control plan for the Highway 4 project

#### **h. Requests for Donation**

**Knights of Columbus, Pojoaque Chapter:** Mr. Jaramillo said the organization requested \$500 for assistance to the needy. There was Finance Committee consensus to donate \$100.

**ACTION:** Mr. Jaramillo moved to approve \$100 to the Knights of Columbus and Mr. Marquez seconded.

Mr. Duran asked why the requested amount was not recommended and Mr. Jaramillo said this was the first time JMEC has provided funding to this group and they want to see ensure its proper utilization.

The motion passed without opposition.

**Big Brothers/Big Sisters Mountain Region:** This organization requested \$2,500 and there was Committee consensus to donate \$500.

**ACTION:** Mr. Jaramillo moved to approve \$500 to Big Brothers/Big Sisters Mountain Region and Mr. C. Trujillo seconded. The motion passed by unanimous voice vote.

Rio Arriba Adult Literacy Program failed to sign the form and once that has been corrected the Finance Committee will consider the request.

That concluded the Finance Committee business.

## **8. COMMITTEE REPORTS**

### **a. Energy Committee**

Manager Montoya-Trujillo said the Pojoaque schools and Rio Arriba County are two sites under investigation. The committee and advisory members met on March 5<sup>th</sup> and discussed timelines, projects, and other potential sites. The committee met again on March 22<sup>nd</sup> with representatives from the two sites under consideration. A consensus was reached that the solar project should remain on JMEC's distribution lines and to avoid oversaturation to the system, 10 percent will be set aside for solar rooftop. Staff will be moving forward in planning and sizing the proposed projects.

Mr. Tapia said staff is also investigating low interest loans for LED, appliances and weather-stripping. Zero interest loans for solar opportunities in the Cuba area are also occurring.

Mr. Marquez and Mr. Tapia commended staff for their work on this project.

### **b. Tree Trimming Committee**

The committee and a few other Board members met on February 26<sup>th</sup> with the Forest Service in the Jemez Springs office. The meeting was very productive and the Forest Service was responsive to JMEC's information request in clearing of rights-of-way. Tree trimming will begin at the Girl Scouts April 22<sup>nd</sup>.

### **c. Audit Committee**

Mr. Marquez said the committee met on March 13<sup>th</sup> to coincide with the external audit. He was interviewed by the external auditors. Contracts were reviewed with the assistance of Ms. Wisdom and review of meter tampering was assisted by Ms. Eva De Agüero. Mr. Marquez said he reviewed contracts prior to his interview with the external auditors which revealed that in 2016 with the change in JMEC management some contracts may not have been approved by the Board and lack the by-laws required signatures. He noted there was an over-budget in the four-year plan and Ms. Wisdom said this occurred when JMEC failed to provide certain required modelings and deliverables to the contractor, T&D. She noted that the previous general manager approved the payment.

Manager Montoya-Trujillo said in an effort to correct this issue, she has implemented an item ID to be used when making payments on an invoice in the accounting office. The ID will trigger an approval from Ms. Wisdom prior to payment.

Mr. D. Trujillo suggested discussing the contract issues in a different forum, perhaps executive session.

Mr. Marquez said he has recommended that every contract JMEC enters into come before the Board for action.



**d. Headquarters Committee**

Mr. V. Salazar said the committee met on March 14<sup>th</sup> with the architects. It is expected that plans will be ready to go out to bid in mid-July. An internal work session with staff is scheduled for March 27<sup>th</sup>.

**e. Report on Tri-State**

Mr. Cordova reported the following:

- Springer and Clayton co-ops are considering merging
- Tri-State is reducing the cost of its coal train cars to \$100 from \$525 monthly
- California receives much of its gas from Oregon and with the closure of the state's coal producing power plants there is concern regarding backup energy

**9. BUSINESS WITH MEMBER GUESTS**

Chuck Wright of Dixon offered the following points to the Board:

- The website did not note that this meeting was starting at 8:30 rather than 9 this morning
- It continues to be difficult to hear the Board if one is in the back of the room
- He congratulated the Board on its progress with the solar program and provided details on his personal home solar system
- The Co-op may want to contact energy analyst Bill Brown from Taos - Mr. Brown provided important information to Kit Carson
- It is estimated that by 2030, half the cars will be electric and this may provide a strategic opportunity for JMEC
- The new JMEC headquarters are "hopefully all electric and built to the highest standard...passive house standard, super efficient..."
- Española will be hosting a renewable energy fair April 20<sup>th</sup> and 21<sup>st</sup>

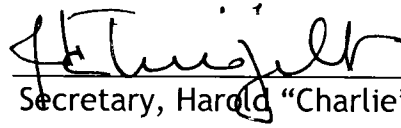
Manager Montoya Trujillo said the solar being exported to JMEC from Mr. Wright comes during non-peak hours. JMEC's peak time is between 5 p.m. and 7 p.m.

**10. NEW BUSINESS**

None was offered.

11. ADJOURNMENT

Chair Naranjo declared this meeting adjourned at approximately 10:30 a.m.

  
Secretary, Harold "Charlie" Trujillo

APPROVED:

  
Chairman, Nick Naranjo