

MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES
FRIDAY, JUNE 25, 2021
HERNANDEZ, NEW MEXICO

1. This meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Chairman Dennis Trujillo at 9:00 a.m. on the above-cited date, at JMEC Headquarters, 19365 S.R. 84/285, Hernandez, New Mexico.

2. & 3. Following the Pledge of Allegiance, John Ramon Vigil, Secretary, called roll and confirmed the presence of a quorum.

Present:

Dennis Trujillo, Chair
Bruce Duran, Vice Chair
John Ramon Vigil, Secretary
Dolores McCoy, Treasurer
Stanley Crawford, Asst. Secretary/Treasurer
Lucas J. Cordova
Johnny Jaramillo
Leo Marquez
Marissa Maestas-Muller
Nick Naranjo
Charlie Trujillo

Absent:

None

JMEC Staff Present:

Michael Hastings, General Manager
Dennis Astley, Director of Engineering/Engineering Operations
Carmen Campbell, Member Services Director /Tribal Liaison
Geraldine Romero, Finance Department
Andrew Chavez, Director of IT

Other(s) Present:

Johnny Valerio, Contract Accountant
Rio Grande Sun [virtually]

4. APPROVAL OF THE AGENDA

ACTION: Mr. Naranjo moved to approve the agenda as published. Mr. Crawford seconded and the motion passed by unanimous [11-0] voice vote.

5. ACTION ITEMS

A. Review and Approve: May 28, 2021 Regular Board Meeting Minutes

ACTION: Mr. Cordova moved to approve and Mr. Crawford seconded. The motion passed without opposition.

B. Approval of April 2021 and May 2021 Membership Lists

The membership deadline for voting eligibility was confirmed as May 31st.

ACTION: Mr. Naranjo moved to approve the two lists. Mr. Crawford seconded. That motion passed without opposition.

6. GENERAL MANAGER'S UPDATE

A. Miscellaneous Items

GM Hastings said the cost of ballot machines and ballots as estimated by Automated Election Services (AES) is \$29,003.61. He indicated that his authority for signature does not exceed \$20,000 and requested the Board's approval.

ACTION: Mr. Naranjo moved to approve the \$29,003.61 for ballot machines and ballots. Mr. Crawford seconded and the motion passed by unanimous [11-0] voice vote.

Chair Trujillo reminded the Board that the GM has authorization to sign off on expenses up to \$20,000. Based on expenditure history, he supported increasing that authority and suggested \$50,000. It is important that the GM can be responsive to contractors and added that the GM will continue to report on expenditures.

Mr. Jaramillo said items over \$20,000 should come to the Finance Committee.

Mr. Naranjo stated that during his tenure on the Board there has never been a problem with the GM presenting expenditures over \$20,000 for approval. Anything above that amount was, in his opinion, too much authority to the GM.

GM Hastings said there are expenditures that for the good of the Co-op and membership need to be addressed quickly.

Ms. Maestas-Muller suggested granting authorization for the Finance Committee to meet more often to approve expenditures up to \$50,000.

With the approval of the annual budget, Chair Trujillo said the GM should be able to take care of the Co-op's day-to-day business without Board oversight.

Mr. Vigil said in the past there had been misuse of funds by a general manager. He could support increasing the amount to \$25,000 but nothing greater. He noted that there was a policy providing the GM emergency powers.

Mr. Naranjo opposed canvassing the Board via email for approval and offered that a special meeting could occur when action on an expenditure between \$20,000 and \$50,000 is necessary.

Mr. Duran said he could support increasing the GM's authorization but checks and balances must be in place before doing so.

Mr. Marquez recommended the GM contact Chair Trujillo to approve any emergency expenditures.

B. Business Servicers & Finance
i. May 2021 Financial Report

Geraldine Romero reviewed the May year-to-date financial reports indicating that:

- Total operations and maintenance expense was \$16.8 million
- Total cost of electric service was \$19.4 million
- Patronage capital was \$402,000

GM Hastings noted the loss of \$67,000 for the month.

Ms. Romero reviewed the balance sheet for the month:

- 95 new services connected
- 18 services retired
- 31,405 services in place
- 202 idle services
- 4,152 miles energized
- Total current and accrued assets, \$26.4 million
- Total long-term debt, \$58.9 million
- Total current and asset liabilities, \$7.9 million
- Cash flow: total deposits, \$3.8 million
- Total disbursements, \$3.3 million
- Book balance at month end, \$4.5 million
- Cash account balance, \$5.7 million
- Investments, \$10.1 million
- Liquid accounts, \$50.3 million
- Illiquid accounts, \$505,000
- Year to date, the TIER is 1.46 and OTIER 1.38
- Commercial is down 280,000 kWh from last year
- Purchased kWh, 31 million – year to date average
- Sold kWh, 29 million – year to date average
- There is a 4 percent line loss
- 102 employees

- Expense per consumer, \$8.07
- Admin and general expense per consumer, \$11.92
- kWh sold, 25 million
- Electric revenue, \$3.3 million
- Other revenue – pole use, wheeling – \$60,000
- Kinder Morgan revenue was \$38,911.00 – 1 percent of total revenue
- Cost of power for the month, \$1.9 million
- Solar net metering, 97 total installs

Ms. Romero reviewed the past due accounts (60+ days) noting that the amount is \$1.2 million.

GM Hastings said disconnect notes are going out and the members have been coming in to develop payment plans. He commended his staff for assisting consumers in finding assistance with information on radio spots, newsletters and bill inserts. There are three staff people working full-time helping consumers with financial assistance. He highlighted that JMEC is going beyond the PRC's guidelines.

Mr. Vigil requested information of what percent of customers have overdue balances, how many are on payment plans and how many disconnect notices were sent.

GM Hastings said the two-day cutoff notice gains the consumers' attention quickly. The goal is not to disconnect; however, it does get the consumer to start paying their bill.

Member Services Director Carmen Campbell said JMEC's collectors are trained and have contact numbers and applications for financial assistance. Following the 30-day notice a two-day disconnect notice is delivered. She too assured the Board that staff is working diligently to assist the consumer in arrears of getting on a payment plan and/or taking advantage of the available financial assistance. In fact, if there are extenuating circumstances, the disconnection can be halted with a call to the supervisor. Temporarily, JMEC is waiving the disconnect fee, requiring 50 percent of the past due bill and a payment schedule.

Mr. Naranjo repeated Mr. Vigil's request for information on the number of consumers in arrears and average amount per consumer.

The last disconnect was in March 2020.

Chair Trujillo spoke with appreciation of staff's outreach efforts.

Mr. Crawford said the manner in which the Co-op is working with their consumers is very good publicity and the *Rio Grande Sun* should be made aware of it.

GM Hastings said that the recent weather-related outages brought members in to pay down their bills thinking their service was terminated. He noted that May was mild and with the hotter weather he was optimistic the Co-op would hold its own in June on a financial basis.

ii. Finance Committee Meeting – May 2021 information

Ms. McCoy, Finance Committee Chair, said the committee met yesterday, June 24th, and reviewed the May financial information.

1. General Fund Expenditures

Mr. Naranjo had a series of questions regarding the general expenditures beginning with vehicle repairs. Ms. Romero said \$11,000 was spent on a 2007 bucket truck. GM Hastings said the repair bills indicate it may be time to invest in a new bucket truck. Due to cash constraints, management has held off on replacing vehicles.

Staff was requested to send out the general fund expenditures via email/PDF and have hard copies available upon request. Mr. Duran said the Board Diligent software should function better for the Trustees. IT Director Chavez requested that the Board members reach out to him with IT-related issues. Reauthorization of passwords and issues can be addressed easily if he is contacted.

The computers purchased for engineering required additional software and larger memory thus cost more.

Abeyta Engineering is providing services in Cuba having to do with rechanneling runoff and other issues at the Cuba office.

Ms. McCoy commented on the uniform expenses.

GM Hastings recognized that there are recurring problems with the gates. The eastside gate will be replaced.

ACTION: Ms. McCoy moved to accept the general fund expenditures for informational purposes. Ms. Maestas-Muller seconded and the motion passed by unanimous voice vote.

2. Credit Cards

Ms. McCoy said the charges were reviewed by the committee.

ACTION: For informational purposes, Ms. McCoy moved to accept the credit card charges and Ms. Maestas-Muller seconded. The motion passed by unanimous voice vote. [Mr. Marquez was not present for this action.]

3. Attorney Expenses

Ms. McCoy noted that the attorney fees were fairly minimal for the month.

ACTION: For informational purposes, Ms. McCoy moved to approve the attorney fees. Mr. Cordova seconded and the motion passed by unanimous voice vote. [Mr. Marquez was not present for this action.]

4. Consultant Expenses

ACTION: For information, Ms. McCoy moved to accept the consultant fees. Mr. Jaramillo seconded and the motion passed by unanimous voice vote.

5. Trustee Vouchers

ACTION: Ms. McCoy moved to accept the trustee vouchers for informational purposes. Mr. Marquez seconded. The motion passed without opposition.

6. RFPs – There were none to report at the present time.

That concluded the Finance Committee report.

7. COMMITTEE REPORTS

A. Communications Committee

Mr. Crawford reported that the newsletter is ready and he awaits review of the draft. There is a piece on car-charging, Karen Wisdom provided a recipe, and there is also information about the elections and employee of the month.

B. Energy Committee

Mr. Crawford reported that Juan Valencia from the Jacona Land Grant talked with the committee. They have areas for solar expansion or community solar.

Mr. Crawford, Carmen Campbell and GM Hastings participating in the Electric Vehicle – Beneficial Electrification Management Process with Kit Carson. GM Hastings said identifying locations for chargers was the focus of the discussion. JMEC is investigating chargers in Española and as far north as Abiquiu and south toward Santa Fe.

Mr. Marquez recommended JMEC consider replacing meter reading trucks with hybrid trucks. Mr. Crawford said that Eli Gallegos has been tasked to study electrification of JMEC's fleet. Chair Trujillo suggested purchasing an electric vehicle, with foundation funds, for educational purposes.

Mr. Crawford reminded the Board of the need for an infrastructure study in anticipation of the load changes with the electrification of vehicles and heating and cooling. An RFP will be issued for that study. Recognizing there will be money for infrastructure, Mr. Marquez recommended planning on building substations, etc.

C. Tri-State

Mr. Cordova said Tri-State held a strategic planning session last month. One of the topics that came up was caution about reconditioning coal plants too quickly. The annual meeting is scheduled for August 4th and 5th, 2021.

D. Annual Meeting Committee Report

This item was postponed until after Executive Session.

9. EXECUTIVE SESSION

- A. Personnel and Legal Matters**
- B. Other Items**

ACTION: Mr. Cordova moved to meet in executive session. Mr. Marquez seconded and the motion passed by unanimous voice vote.

[The Board met in Executive Session from 10:15 a.m. to 11:05 a.m.]

Chair Trujillo reconvened the Board in open session. Members Crawford and Marquez were not present for the remainder of the meeting.

7 D. Annual Meeting Committee Report

Mr. Vigil said the committee has been meeting often to organize the annual meeting. There is an issue with catering the event. Quotes are expected from a number of vendors. The vendor is required to carry liability insurance. Staff is working on insurance and other logistics.

The annual meeting will be held on Sunday, August 29th at the JMEC property near Jemez Springs.

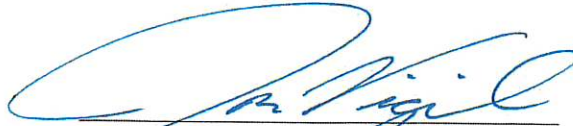
A proposal to change the quorum requirement of 5 percent of the membership to 2.5% will be prepared for consideration at the 2021 Annual Meeting.

There was consensus to hold the July 2021 Board meeting on July 23rd with Finance Committee meeting on July 22nd.

8. NEW BUSINESS - None was presented.

10. ADJOURN

Having completed the agenda and with no further business to come before the Board, Mr. Naranjo moved to adjourn. Mr. Cordova seconded and Chair Trujillo adjourned this meeting at 11:15 a.m.



Secretary, John Ramon Vigil

APPROVED:



Chairman, Dennis Trujillo