

**MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
FRIDAY, APRIL 24, 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.

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

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]
Bruce Duran [Non-voting] [telephonically]
Delores McCoy [telephonically]
John Ramon Vigil

EXCUSED:

Dennis Trujillo

JMEC STAFF PRESENT:

Ernesto Gonzales, General Manager
Teresa Chavez, Chief Financial Officer
Karen Wisdom, Contract Administrator and Compliance Officer
Laura Rendon, Executive Assistant

OTHERS PRESENT:

Molly Montgomery, *Rio Grande Sun*

4. APPROVAL OF THE AGENDA

Manager Gonzales requested the inclusion of Recognition of Employee of the Month as 5.c.

Mr. Crawford requested a discussion regarding the release of documents to the public. Because of current litigation, Chair Marquez advised that this discussion should occur during an executive session.

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

5. ACTION ITEMS

A. Approval of the Regular Board Minutes: March 27, 2020

Mr. Jaramillo moved to approve. Mr. Tapia seconded.

Under discussion, Ms. McCoy said the minutes failed to identify who was physically present at JMEC headquarter and who was on the phone.

The motion was withdrawn and the Chair asked that the minutes be tabled until the issue identified by Ms. McCoy is addressed.

B. Approval of March 2020 Membership List

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

C. Employee of the Month [this item was postponed until the employees arrived on line.]

6. GENERAL MANAGER'S UPDATE

A. Business Services & Financial Information

1. March 2020 Financial Information

Teresa Chavez, Chief Financial Officer, reviewed the March ratios and statistics. What follows are highlights of her March review:

- The TIER actual was 1.55 percent and OTIER 1.52 percent well within the targets
- There were 31,187 consumers, a decrease of six from last year
- Total connects for all three districts were 214, a decrease from last year
- Total disconnects were up 177 from last year which is attributed to the disconnection of an oilfield
- Solar net metering - year-to-date there is an increase of two
- Revenue generated per mile was down and noted there was an increase in line miles
- Line loss was decreased from last month with a loss of 7 percent
- There are currently 111 employees, a decrease of four from this time last year

6. C. Employee of the Month - Peter Valdez

On behalf of JMEC's employees, management and the Board, Manager Gonzales recognized Peter Valdez as the March 2020 employee of the month. Mr. Valdez has been an employee at JMEC for 28 years and received a round of applause.

Chair Marquez announced a special meeting to review and approve the audit for Thursday, April 30th at 9 a.m.

1. March 2020 Financial Information (cont.)

Returning to the report, Ms. Chavez reviewed the revenue received from large commercial. Other revenues showed an increase. Kinder Morgan showed a decrease of \$344,084 creating an 8 percent decrease in total revenue.

Commenting on the price reduction in gas, Mr. Duran asked about Kinder Morgan. The Manager responded that Kinder Morgan contacted JMEC and advised that they would be suspending, not disconnecting, their operations. While it is a loss, Kinder Morgan has three large power meters with a minimum monthly charge of \$12,000.

Ms. Chavez noted that Form 7, describes JMEC at 53 percent net worth for the month. Revenues are down for the month as well as year-to-date.

B. Finance Committee Meeting - March 2020 information

Johnny Jaramillo, Chair of the Finance Committee, reported that the committee met with a quorum, Thursday, April 23rd and reviewed the finance-related materials for March 2020.

1. General Fund Expenditures

Mr. Jaramillo said the committee reviewed the expenditure list and staff addressed questions. He noted that this item is presented as informational.

No action was required on this informational item.

Mr. Duran said he was not advised of being censured. Chair Marquez said notice was sent via certified mail - return-receipt to Mr. Duran's El Rancho address. Notice was also provided via email. Mr. Duran said he received neither.

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 \$7,186.15. This was presented for

informational purposes and no action is required.

3. Consultant Expenses

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

Bolinger/Segars/Gilbert & Moss	\$	400.00
Transmission & Dist Svcs	\$	5,637.71
FBT Architects	\$	5,571.01
Geo-Test, Inc.	\$	1,920.32
Total	\$	13,629.04

Mr. Jaramillo said these charges have all been paid and are being presented for informational purposes.

4. Attorney Expenses

Other than the pending expenses of \$34,111, there were no new charges, stated Mr. Jaramillo.

Chair Marquez said the invoices are available for the trustees' review.

ACTION: Mr. Jaramillo moved to approve the attorney fees of \$34,111. Mr. Tapia seconded.

Chair Marquez called for a recess to circulate the invoices. Laura Rendon, Executive Assistant, requested that the participants disconnect and rejoin with the new email invite she will send.

The motion passed by majority roll call vote with Trustees Crawford and McCoy voting against.

5. Trustee Vouchers

Mr. Jaramillo said the March vouchers were reviewed by the Finance Committee and are presented for informational purposes.

6. March 2020 Cash Flow Analysis

CFO Teresa Chavez reviewed the cash flow analysis with a beginning balance plus deposits of \$17,459,965. Total disbursements were \$5,456,640 leaving a book balance as of the end of March of \$12,003,325. Total general ledger balance for all accounts was \$13,292,862.

7. Open Work Orders

Manager Gonzales stated there were 888 open work orders.

8. RFPs/Contracts/Purchasing

Karen Wisdom, Contract Administrator and Compliance Officer, advised the Trustees that the Building Committee chose to have the IT and security systems within the new headquarters the owners' responsibility. The bid lot includes security related item, i.e., structure cabling, cameras, audio/visual, driveway gates, etc. This was not included in the contractor's bid and budgeted at \$290,000. Two bids were received under budget. This is JMEC's state-of-art IT needed for the new building and is presented for informational purposes.

Ms. Wisdom informed the Trustees that only essential contractors are working in the new headquarters in compliance with the state's COVID-19 regulations. She said Bradbury continue to oversee the project and is following the state-imposed protocol.

Mr. Duran commented that his audio connection to this meeting has been tenuous at best with periodic disconnects. He requested holding the next meeting at headquarters. Ms. Rendon explained that pursuant to the State's order, meetings are limited to less than 10 individuals physically. She was hopeful that these glitches will be worked out for the next meeting.

Manager Gonzales repeated that a special Board of Trustees meeting was scheduled for Thursday, April 30th at 9 a.m. to review and approve the 2019 audit for submission to RUS.

9. **Donations** - None were presented.

10. **New Business**

Regarding the 219s, Manager Gonzales said JMEC drew \$3.5 million on the existing loan at an interest rate of 1.137 percent. A few days later, the rate dropped to .98. RUS is accepted the 219 inventories pre-inspection and JMEC has submitted special equipment and work orders of \$6.662 million. That will be withdrawn with the understanding that it will be for refinancing the high interest loans.

In conjunction with Wells Fargo Bank, JMEC has applied for \$1.5 million through the PPP (Payroll, Protection Program) which is a low-interest loan. If spent according to the rules, the loan money becomes a grant.

That concluded the Finance Committee report.

8. NEW BUSINESS

Manager Gonzales said there was a fire in Cuba that started under JMEC lines. An investigator has already been out to the site and determined that the fire was on private property and a result of the owner burning brush. It was not JMEC's fault.

9. BOARD REPORTS

Mr. Crawford was thanked for his assistance with the recent JMEC newsletter.

Mr. Crawford asked about borrowing low-interest money to build the next solar 2.5 mega watt array which ultimately would lower consumer rates. Manager Gonzales said the array would cost upwards of \$6 million. Contracting with a developer to build it on JMEC property will, after 25 years, revert to the Co-op with no cost. Mr. Crawford requested an analysis of JMEC financing it, how long it would take to pay off and the effect on rates.

A. Tri-State

Manager Gonzales said the report was forwarded to the Board members. In the event JMEC has low revenues, Tri-State has agreed to review a delayed payment arrangement.

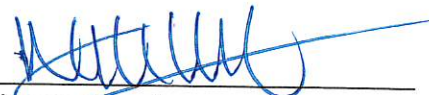
10. ADJOURN

ACTION: Mr. Jaramillo moved to adjourn and Mr. Naranjo seconded. The meeting was adjourned at 10:20 by unanimous roll call vote.




Secretary, Nick Naranjo

APPROVED:


Chairman, Leo Marquez