

**MINUTES OF THE**  
**JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES**  
**THURSDAY, JANUARY 26, 2023**  
**HERNANDEZ, NEW MEXICO**

1. This meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Board President Dennis Trujillo at 9:18 a.m. on the above-cited date, at the JMEC Headquarters, 19365 S.R. 84/285, Hernandez, New Mexico.

2. & 3. Following the Pledge of Allegiance, roll call confirmed a quorum as follows:

**Trustees Present:**

Dennis Trujillo, President  
Manuel Bustos, Vice President  
John Ramon Vigil, Secretary [10:57 arrival]  
Dolores McCoy, Treasurer  
Stanley Crawford, Asst. Secretary/Treasurer [10:30 arrival]  
Lucas J. Cordova  
Elias Coriz  
Dennis Gallegos  
Marcie Martinez  
Marissa Maestas-Muller

**Trustee(s) Excused:**

Bruce Duran

**JMEC Staff Present:**

Michael Hastings, CEO and General Manager  
Dennis Astley, Assistant General Manager  
Tina Trujillo Archuleta, Manager of Administration and External Affairs  
Erlinda Baca, Accounting Department  
Sandra Herrera, Accounting Department  
Dwight Herrera, Senior Manager of Human Resources and Support Services  
Patricia Martinez, Cuba, Office Manager  
Bill Barva, Cuba, District Manager  
Karen Wisdom, Senior Manager of Contract Administration and Compliance  
Tony Martinez, Marketing/Communications Coordinator

**Others Present:**

Johnny Valerio, Contract Accountant  
Josh Howard, JMEC Counsel  
Dale Salazar, Leroy's Excavating  
Karen Farrell, Wordswork, Secretarial Services

4. **REMARKS FROM JMEC MEMBERS** - None were offered.

5. **CONSENT AGENDA**

- A. **Approval of Agenda**
- B. **Approval of the December 2022 Membership List**
- C. **Approval of the December 2, 2022 "November" Board Meeting Minutes**
- D. **Approval of the December 16, 2022 Board Meeting Minutes**

GM Hastings noted an error in the December 16<sup>th</sup> Board minutes on page 4. It should read that Mr. Vigil nominated Lucas Cordova to serve as JMEC's alternate.

Ms. Maestas-Muller requested that the School Committee report be heard before lunch.

Mr. Coriz requested that Executive Session be heard before Committee Reports.

**ACTION:** With those changes, Mr. Coriz moved to approve the Consent Agenda. Mr. Bustos seconded. The Motion passed by unanimous voice vote. [Trustees Vigil and Crawford were not present for this action.]

6. **OTHER REPORTS**

- A. **President's Report**
  - i. **Update on Bylaw Committee Activities**

President Trujillo said a meeting of the Bylaw Committee is scheduled for February 13<sup>th</sup> at 1 p.m. That meeting will be held at the headquarters. Recognizing there will not be another JMEC Board meeting prior to the 13<sup>th</sup>, GM Hastings suggested emailing the Board to inform them of interested members to serve on the committee as non-voting members.

President Trujillo recommended developing a three-bucket review: bylaws for presentation at the 2023 annual meeting; those bylaws that can be introduced within the next two to four years, and finally a bucket of proposed bylaws for the future.

GM Hastings said three sets of bylaws will be forwarded to the Board members: Loyda Martinez's proposed bylaws; Legal counsel Coppler's proposed draft and; Dave Neal's proposed bylaws. The current JMEC Bylaws will also be distributed.

An advertisement will be placed in the *Rio Grande Sun* and on the front page of the JMEC website inviting interested JMEC members to participate.

ii. **Strategic Planning Discussion**

President Trujillo said the 7<sup>th</sup> and 8<sup>th</sup> of February have been earmarked for strategic planning with a focus on broadband. He appreciated that those working Board members may not be able to attend a two-day meeting and he solicited input.

Ms. Maestas-Muller pointed out that these dates are two weeks away and asked whether all the data/material was gathered to hold these meetings. Mr. Coriz said more

information would be available in March. GM Hastings offered to confirm potential dates with Mr. Cano. He was confident that materials can be ready for February 7<sup>th</sup>. He noted that Tuesday, March 14<sup>th</sup> and Wednesday March 15<sup>th</sup> were reserved with Mr. Cano.

It was suggested to hold the meeting on the Monday before the April board meeting.

Mr. Gallegos noted that he was only available the last week in March and Ms. Maestas-Muller said she was unavailable March 6<sup>th</sup> through the 10<sup>th</sup>.

President Trujillo requested that Mr. Coriz and GM Hastings work together to schedule strategic planning dates. GM Hastings said it is very important that the Board set the policy to direct the Co-op and critical that all the Board members attend.

## **B. Tri-State Director Report**

### **i. Review of Proposed Tri-State Rate Design**

In Mr. Duran's absence, GM Hastings reviewed the Tri-State information. He noted that Generation and Transmission (G&T) rates can be very complicated. Tri-State named a rate design committee 11 months ago to develop new rates. It was necessary because they voluntarily decided to go under the jurisdiction of the FERC (Federal Energy Regulatory Commission) instead of the various state regulatory commissions. The FERC is now in charge, not Tri-State's management or its board. The rate design committee will present its final recommendation to the full Tri-State Board in early February. He reviewed the different rate design components Tri-State is considering. Tri-State currently has a 10-hour demand window and is willing to drop that to 8 hours. Another issue is the direct assignment of transmission assets and costs which would affect the radial lines. While a great deal of JMEC's system is networked there are some lines that are not. FERC wants radial lines to be assigned to the co-ops, so they are owned and maintained by co-ops. That would be a huge burden to many co-ops and Tri-State is conducting a study to determine how that affects its 42 co-ops. The rates JMEC has with Tri-State are considered "stated rates" or "A-40 rates" which has worked for JMEC. Another method is a "formula rate" which has advantages and disadvantages. GM Hastings said the biggest downside to formula rates is it lacks incentives for G&T staff to keep costs as low as possible.

All the New Mexico co-ops have banded together in support of the current "stated rate" concept; however, they are in the minority in support of this concept. Poudre Valley Co-op is proposing guardrails around the formula rate concept. At this point, it appears to GM Hastings that Tri-State and its consultants are working towards a formula rate which is the FERC's preference.

GM Hastings said power supply is JMEC's biggest expense and it is important that the Board understand the changes Tri-State is proposing. The FERC decision in the docket for JMEC and the other co-ops requesting partial buyouts has been postponed until spring of 2025. One of the partial buyout parties, Mountain Parks in Colorado, has decided to do a full buyout leaving five co-ops requesting partial buyouts. Tri-State management is exploring ideas to speed up partial buyout and may create a new class of members which would be very helpful to JMEC.

### C. Legal updates

Josh Howard, Coppler law firm, provided a procedural update on the status of cases JMEC is involved in. There is a refund case regarding double taxation with the New Mexico Tax & Revenue Department. JMEC staff has provided the requested documentation and recently submitted updated information. He noted that JMEC has promptly responded to all requests and at this point, communications with Tax & Rev have been positive. The State is levying a tax that JMEC should not be paying. The process is ongoing and is considered an administrative action protesting the tax that JMEC believes to be an improper tax. At this point, there has been no push-back from Tax & Rev. There is a strict statute of limitations on filing for a refund. Noting he did not have the file with him, Mr. Howard guestimated \$300,000 in refundable taxes.

GM Hastings said if JMEC were not to win this petition, which he sees as a slam dunk, JMEC should appeal.

In regards to a utility pole that was destroyed during a car accident, Mr. Howard said it is basically an insurance issue. President Trujillo said a teenage grandson drove the vehicle into a JMEC power pole. Mr. Howard said a claim was made on the insurance company that denied the claim and JMEC filed suit seeking to recoup the cost of the damaged pole. JMEC's position is very simple requesting recovery cost of damaged property. GM Hastings said rather than pay the claim; the insurance company canceled the policy alleging fraud. JMEC is not interested in suing the grandparents, but it is the only way to force the insurance company to pay. The incident occurred late 2021.

## 7. OTHER BOARD ITEMS –Discussion and Action

### A. Miscellaneous Matters

#### i. Selection of 2023 Regular Board Meeting Dates

It was noted that the meeting dates proposed for June and May will need to be adjusted for the holidays and graduations.

Ms. Maestas-Muller requested that the meeting dates be entered onto the Board calendar.

**ACTION:** Mr. Coriz moved to approve the dates with changes as necessary. Ms. Martinez seconded, and the Motion passed by unanimous voice vote.

## 8. OTHER COMMITTEE REPORTS

### F. School Committee

Ms. Maestas-Muller said the Committee met earlier this week and the following information was discussed:

- The application process and essay question for the youth tour to Washington D.C. is being developed.
- Essay question ideas can be forwarded to Ms. Trujillo Archuleta.
- Regarding the spelling bees, the Committee determined that this year an English only spelling bee would occur.

- The JMEC Junior Board of Trustees concept will be offered to high school juniors to attend Board meetings during the summer.
- All local schools have received the information for the coloring contest.
- The Foundation scholarship applications will be available in February/March and an essay question will be necessary for this. Ms. Trujillo Archuleta is working on that.

Ms. Maestas-Muller referred to Policies #114 and #106P and said the changes were minimal. There is an expansion to include junior student participation in the program as long as the parent/guardian has a JMEC meter rather than attending a school within the service area. [Mr. Crawford arrives at this point.]

**ACTION:** Ms. Maestas-Muller moved to approve Policies #114 and 106P (procedures). Ms. Martinez seconded, and the Motion passed by unanimous [8-0] voice vote.

## **7. OTHER BOARD ITEMS – DISCUSSION AND ACTION (Cont.)**

### **B. Business Services and Finance**

#### **i. November and December 2022 Financial Reports**

GM Hastings noted that the Co-op lost \$274,841 for the month of November. Construction work in progress was \$9.4 million and that came down to under \$8 million in December – a \$1.4 million reduction in construction work in process as a result of the work order clerks who were able to close out a number of work orders. Also, money that was spent on the fires – the Ski Basin and Cerro Pelado – between those two there is around \$4 million in cash that JMEC is seeking to recover from the US Forest Service. Staff continues to work on that with FOIA requests and have teamed up with Jobey Conley's law firm another entity to recover cash expenditures.

Referring to December 2022, GM Hastings noted the following:

- JMEC's revenue was about \$1 million under the budget for 2022 and spent \$1 million less on power.
- Expenses wise, the Co-op is slightly above budget by \$200,000 on maintenance.
- Administrative and General (A&G) expenses are above budget by \$700,000 for the year which is driven by the cost of the district meetings and associated costs.
- Depreciation and amortization expense was up about \$250,000 and tax expenses were down \$100,000.
- Interest on non-operating margins was budgeted at \$10,000 and came in at \$95,000 which he attributed to the decision to put funds into the CFC to get a better interest rate and that decision made the Co-op \$85,000.
- There is \$288,000 in capital credit money for 2022.

GM Hastings noted that when he came to JMEC there was \$15 million in cash and currently there is about \$6 million. The Co-op has been running on cash which will change with the rate increase. He added that \$3 million in cash for a co-op of this size is not bad. He assured the Board that he was watching the cash position very closely.

Summarizing 2022, GM Hastings said the financial ratios were not met which is no surprise. There were no questions regarding the November or December financials.

**ii. Finance Committee Meeting**

Mrs. McCoy, Finance Committee Chair, said that the Committee met January 24<sup>th</sup> and reviewed the Agenda items. She noted that November and December's financial data were reviewed.

**a. November & December 2022 General Fund Expenditures**

**ACTION:** For informational purposes, Mrs. McCoy moved to approve the November & December 2022 general fund expenditures list. Ms. Martinez seconded, and the Motion passed by unanimous [7-0] voice vote. [Trustee Coriz was not present for this action.]

**b. November & December 2022 Staff Credit Cards**

**ACTION:** Mrs. McCoy moved to approve the staff credit card charges. Mr. Bustos seconded.

The Motion passed by unanimous [7-0] voice vote. [Trustee Coriz was not present for this action.]

**c. November & December 2022 Attorney Expenses**

**ACTION:** Mrs. McCoy moved to approve the November & December 2022 attorney expenses. Ms. Martinez seconded, and the Motion passed by unanimous voice vote.

GM Hastings noted that the rate case attorney expenses are mostly paid. The current charges have to do with a neighboring co-op issues and necessary state broadband designations.

The motion passed by unanimous [8-0] voice vote.

**d. November & December 2022 Consulting Expenses**

**ACTION:** Mrs. McCoy moved to approve the November & December 2022 consulting expenses. Ms. Maestas-Muller seconded, and the Motion passed by unanimous [8-0] voice vote.

**e. November & December 2022 Trustee Vouchers**

**ACTION:** Mrs. McCoy moved to approve the November & December 2022 trustee vouchers. Mr. Bustos seconded. The Motion passed by unanimous [8-0] voice vote.

**f. Line of Credit - Exploration**

Mrs. McCoy said GM Hastings has requested that the Board grant him authority to explore setting up a line of credit with Century Bank, a New Mexico bank, in the amount of \$1 million, if needed, for cash. This would be separate from the line of credit with CFC. There were no questions.

**ACTION:** Mrs. McCoy moved to authorize GM Hastings to explore setting up a line of credit at Century Bank in the amount of \$1 million. Mr. Coriz seconded, and the Motion passed by unanimous [8-0] voice vote.

That concluded the Finance Committee report.

**9. EXECUTIVE SESSION**

- A. Legal Matters**
- B. Personnel Matters**

President Trujillo requested a Motion to go into executive session to be followed by lunch and then to return to open session.

**ACTION:** Mr. Bustos moved to go into executive session and Mr. Coriz seconded. The Motion passed by unanimous [8-0] vote. [Mr. Vigil arrived during executive session.]

[The Board met in Executive Session from 10:55 to 11:40]

Following lunch, Ms. Maestas-Muller excused herself from the remainder of the meeting.

**8. OTHER COMMITTEE REPORTS**

- A. Communications Committee**

Committee Chair Crawford said they met January 13<sup>th</sup> with all members present. They discussed the JMEC Spotlight Employee award and the 11 nominees. Juan Duran was selected by consensus.

The committee also discussed:

- The March *Enchantment Magazine* will include Jemez Net, tree trimming activities, fast chargers, and safety.
- JMEC has reserved seven pages for the April *Enchantment Magazine* to feature its 75<sup>th</sup> anniversary.
- There was discussion on including a non-voting member on the Committee and text messaging for members once the tech department is fully staffed.

- B. Policy Committee**

Ms. Martinez said the Committee met January 24<sup>th</sup> with all members present. She noted there were a number of policies emailed to the Board for review prior to today's meeting. The Policy on Policies was tabled at the Board's November meeting to allow the committee time for additional review. The Policy Committee recommends repealing

Policy #101 and then approving the new Policy. Repealing and approving the Policy will require a super majority – eight of the eleven members.

GM Hastings said in an emergency situation, a Policy could be moved through the Committee to the Board in an expedited manner.

**ACTION:** Ms. Martinez moved to repeal policy #101. Mr. Crawford seconded. The Motion passed by unanimous [8-0] voice vote.

**ACTION:** Ms. Martinez moved to approve the new Policy, currently unnumbered, to replace former Policy #101. The Motion was seconded by Mrs. McCoy and passed by unanimous [8-0] voice vote.

Compensation and Reimbursement Policy 112 was presented to the Board at its November 22<sup>nd</sup> meeting and following discussion, additional Committee discussion was needed, stated Ms. Martinez. The Committee does not recommend changing the meeting stipend of \$150 per meeting; however, they recommend a stipend per meeting regardless of how many meetings occur within one day. That recommendation basically serves as a cost- saving measure reducing Board travel expenses as well as encouraging greater participation. Trustees participating in on-line classes will receive a stipend of \$200 per day. The rental car provisions was also amended to include Uber, rental of an SUV or less and associated gas.

Mr. Vigil noted that a rental car can be cheaper than Uber or Lyft.

The Policy also delineates that all JMEC Board members can attend the Tri-State annual meeting and all Board members will be paid for attending NM Statewide legislative events. After the event, authorization can be granted with prior to the event communication with the Board President or GM.

**ACTION:** Ms. Martinez moved to adopt the changes to the Compensation and Reimbursement Policy 112 as presented. Mr. Crawford seconded, and the Motion passed by unanimous [8-0] voice vote.

Conflict of Interest Policy #137 was reviewed to address that employees and Trustees could not accept gifts over the value of \$100 from vendors; that facts are required to accuse someone of a conflict of interest, and that the JMEC general counsel will serve as parliamentarian during JMEC Board meetings.

**ACTION:** Ms. Martinez moved to adopt the changes to Policy #137. Mrs. McCoy seconded. The Motion passed by unanimous [8-0] voice vote.

Election Policy #145 was modified to include a two-year hold period following termination or resignation by any former JMEC employee before running as a trustee. A fair election resolution will be developed to better outline the election procedures and policies.



Mr. Vigil disagreed with establishing any “cool down” period and advocated for broad participation on the JMEC board. Mr. Coriz agreed and said if a candidate meets the requirements for eligibility that should suffice. President Trujillo agreed.

GM Hastings said a “cool-down period” is a very common policy among co-ops in the country.

Ms. Martinez said there were other amendments that were necessary that include providing the voters list to candidates and details on recounts that have not been fleshed out.

**ACTION:** Ms. Martinez moved to table Policy #145. Mr. Coriz seconded, and the Motion passed by consensus.

Ms. Martinez encouraged Trustees to send her suggestions on Policies.

[Trustees Bustos and Vigil excused themselves from the remainder of the meeting.]

#### **D. Broadband Committee**

Broadband Committee Chair Coriz stated that the committee met on Monday and discussed the following items:

- Grant writing opportunities with NRTC and perhaps adding a grant writer to JMEC staff.
- Consider expanding engineering staff and contracting with consultants to address installing fiber on JMEC poles.
- Continue to work with NRTC on broadband projects.
- Review and discussion of the pole attachment agreements.
- The additional legal designations required from PRC. Mr. Albright continues to work with Mr. Yar on these designations.
- The City of Española received \$800,000 in grant money for broadband and is committed to working with JMEC.

Tomas Barela, JMEC Broadband Manager, said he continues to work with NM Department of Information Technology (DoIT) on the Connect New Mexico funds. JMEC’s grant application is being reviewed and DoIT will contact JMEC of the results.

Because JMEC did not meet its 2021 or 2022 metrics, GM Hastings said JMEC will need to get a lien accommodation from RUS to work with CFC or Cobank. RUS has a lien on everything in the co-op, and has to provide permission to another lender to lend money. Management will move quickly on the Broadband financing.

Regarding JMEC’s broadband business name, it was mentioned that using “Jemez Mountains Net” may circumvent any issues with Jemez Pueblo. “Jemez Connect” was also mentioned. Ms. Trujillo Archuleta offered to review the Secretary of State’s website for names already registered.

**E. Building and Grounds Committee**

Mr. Coriz said the Committee is working with staff to finish phase 3 of the new headquarters project. The price of the demolition of the old headquarters has increased to a total of \$277,345. The Committee favored completing phase 3 and accepting that amount.

GM Hastings said Bradbury Stamm has informed him that the contractors for the sign and electrical work have backed out of the contract because the bids were over two years old. The demolition is within JMEC's 2023 budget. Bradbury Stamm will be closing the contract out and staff is working with Mosher to get the JMEC-owned solar panels on site. Also, JMEC received an offer on the single-phase diesel generator from Elliot MagneTek, the firm that has been servicing it for the past 10 years. The manufacturer of the generator has been out of business for over 15 years and JMEC staff supports the sale. Mr. Coriz said the Committee supports moving forward with the sale of the generator.

GM Hastings said the carport and the solar panels, the signage and electrical work are the remaining items following demolition.

Karen Wisdom, Senior Manager of Contract Administration and Compliance, said she'd like to see the project finished. The demolition includes asphalt work and the cost of that has increased. She reminded the Board that the project was bid on in 2018.

**ACTION:** Mr. Coriz moved to authorize Staff to move forward with the completions of Phase 3. Mr. Cordova seconded, and the Motion passed by unanimous voice vote.

Mr. Coriz said there was discussion regarding the Cuba drainage issue and moving the entrance gate. Both projects are within the 2023 budget. GM Hastings said an RFP will be issued for the drainage issues. He anticipated that the gate can be addressed for far less than the drainage issues.

**ACTION:** Mr. Coriz moved to authorize Staff to move forward with the drainage and gate issues at the Cuba campus. Ms. Martinez seconded, and the Motion passed by unanimous voice vote.

GM Hastings said the ADA compliance issues in Cuba have been addressed.

Ms. Wisdom reminded the Board of the three-acre site JMEC was attempting to purchase that borders JMEC southwest property line. The acreage is actual two and the seller is firm for the same price agreed upon for three acres. She has reached out to the owner of the additional acre. The civil engineer will need to change the FEMA berm plans and a new appraisal is necessary. The two acres will still be beneficial to JMEC.

**ACTION:** Mr. Coriz moved to approve an appraisal on the property at \$850. Mr. Cordova seconded, and the Motion passed without opposition.

**ACTION:** Mr. Coriz moved to proceed with the sale of the old generator for \$5,000. Ms. Martinez seconded, and the Motion carried by unanimous voice vote.

**D. Energy Committee**

Mr. Crawford said the Committee met on January 23<sup>rd</sup> and discussed the partial buyout, FERC and that Mountain Parks Electric Co-op is seeking a full buyout. Several pueblos are discussing solar and battery storage.

Regarding the EV charging stations, Dennis Astley, Manager of Engineering and Engineering Operations, said Tri-State's demand charges to JMEC for generation and transmission would be approximately \$19 per KW. It took 48 KW to charge to JMEC's Tesla on peak. He explained the formula Tri-State is using to charge at the metering points. GM Hastings said JMEC needs to talk to Tri-State and obtain an exception for EV charging.

Energy Committee member Chuck Wright had mentioned that the future of EV charging is 150 KW not 50. This issue is pertinent to more than just JMEC. Mr. Crawford said a car charging rate is necessary.

Mr. Astley said the new meters expected in March will provide a great deal of data that is not now available.

President Trujillo recommended holding back on any installations of EV chargers until these issues are resolved with Tri-State. GM Hastings agreed.

Ms. Martinez pointed out that few individuals within the JMEC service area can afford EVs and perhaps JMEC should slow down on this endeavor. She suggested polling JMEC's member base about installing chargers.

Stating he was not opposed to going green and as a rancher he was gravely concerned about climate change and water, Mr. Gallegos said it is important to recognize the cost of EV chargers to this Co-op.

Mr. Cordova suggested offering the installation of surge protectors, behind meters, which would be useful for JMEC members working at home.

**10. NEW BUSINESS**

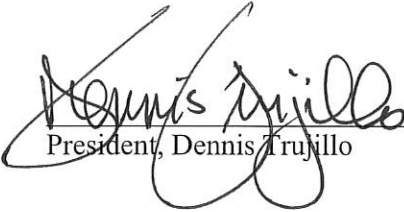
Ms. Martinez said someone from Nambe passed a compliment to her regarding the professionalism of the pole replacement crew (4G) working in that area.

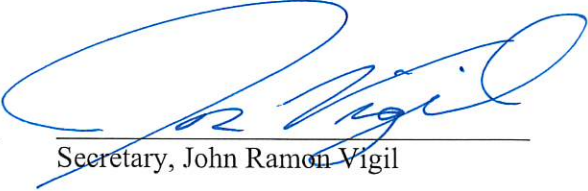
Ms. Trujillo Archuleta announced that Mr. Vigil received the NRECA gold certificate.

**11. ADJOURN**

Having completed the Agenda and with no further business to come before the Board, President Trujillo adjourned this meeting at 2:04 p.m.

APPROVED:

  
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President, Dennis Trujillo

  
\_\_\_\_\_  
Secretary, John Ramon Vigil

