

**MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.**

BOARD OF TRUSTEES

FRIDAY, OCTOBER 29, 2021

HERNANDEZ, NEW MEXICO

1. This meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by President Dennis Trujillo at 9:25 a.m. on the above-cited date, at the new 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 as follows:

Present:

Dennis Trujillo, President
Manuel Bustos, Vice President
John Ramon Vigil, Secretary
Dolores McCoy, Treasurer
Stanley Crawford, Asst. Secretary/Treasurer
Lucas J. Cordova
Elias Coriz
Bruce Duran
Dennis Gallegos
Marissa Maestas-Muller
Marcie Martinez

Absent:

None

JMEC Staff Present:

Michael Hastings, CEO/General Manager
Dennis Astley, Director of Engineering/Engineering Operations
Tina Trujillo Archuleta, Administrative Professional
Geraldine Romero, Manager of Accounting
Carmen Campbell, Cuba District Manager /Tribal Liaison
Dwight Herrera, HR Manager

Others Present:

Johnny Valerio, Contract Accountant
Joseph Yar, Legal Counsel – Regulatory issues
Frank Coppler, Legal Counsel
William Coburn, *Rio Grande Sun*

Karen Farrell, Stenographer

4. APPROVAL OF THE AGENDA: September 24, 2021

GM Hastings requested that the Board move into Executive Session following approval of the agenda.

ACTION: Mr. Cordova moved to approve the agenda as amended. Mr. Crawford seconded and the motion passed by unanimous [10-0] voice vote.

For the record, Mr. Vigil clarified that the JMEC President will only vote to break a tie.

Mr. Duran asked to have a discussion regarding the new building and it was deemed appropriate under New Business. The NRECA update from Mr. Vigil will also be heard under New Business.

9. EXECUTIVE SESSION

- a. Personnel and Legal Matters**
- b. Other Items**

ACTION: Mrs. McCoy moved to go into Executive Session. Ms. Maestas-Muller seconded and the motion passed by unanimous roll call vote.

[The Board met in Executive session from 9:30 a.m. to 11:50 a.m.]

ACTION: With a motion by Mr. Cordova and second by Mr. Crawford, the Board reconvened in open session.

The Board recessed for lunch until 12:30.

President Trujillo said the Board discussed rate issues during closed session and requested action based on those discussions.

ACTION: Mr. Crawford moved to approve an overall rate increase by approximately 9 percent across all JMEC rate classes and to support the necessary changes to JMEC's rate structure as proposed. Ms. Maestas-Muller seconded and the motion passed by unanimous [7-0] roll call vote. Trustees Duran, Bustos and Coriz were not present for this vote.

5. ACTION ITEMS

- a. Review and Approve the September 24, 2021 Regular Board Meeting Minutes**

ACTION: Mr. Cordova moved to approve the minutes of the September 24, 2021 Board Meeting as presented. Mrs. McCoy seconded and the motion passed by unanimous [7-0] voice vote. Trustees Duran, Bustos and Coriz were not present for this vote.

b. Review and Approve the October 4, 2021 Special Board Meeting Minutes

ACTION: Mr. Vigil moved to approve the minutes of the October 4, 2021 Special Board Meeting as presented. Mr. Crawford seconded and the motion passed by unanimous [7-0] voice vote. Trustees Duran, Bustos and Coriz were not present for this vote.

c. Approval of the September 2021 Membership List

ACTION: Mrs. McCoy moved to approve the September 2021 membership list. Mr. Crawford seconded and the motion passed by unanimous [7-0] voice vote. Trustees Duran, Bustos and Coriz were not present for this vote.

6. GENERAL MANAGER'S UPDATE

a. Miscellaneous Matters

GM Hastings reported on the holiday closures as follows: November 11th Veterans Day, November 25th and 26th Thanksgiving, December 23rd possibly at noon, and the 24th all day, and December 31st, New Years Eve.

GM Hastings noted that a partial update on the meter audit program was provided at the La Cueva Board meeting by Dennis Astley. At that time half of the meters had been audited. The results of the audit are that:

- 33 meters need to be changed out and if back-ordered the change will wait
- 10 meters had reverse wired current transformers and were corrected in the field
- Three instrument rated meters with installed disconnect sleeves had the meters shut off but power was not disconnected. Those have been addressed
- 23 meter assemblies that required current transformers were changed out for being the wrong size or having an inaccurate metering mechanism
- A meter was found with a bad battery and that was corrected
- A meter required reassembling
- Five meters required a complete rewire and Chapman has addressed that
- Two meters were identified as inappropriate for the billing system
- 25 sites with problems were identified and require further investigation

The large power meters that were faulty added up to approximately \$1 million in additional revenues due; GM Hastings said they will be billed in November. The members have been contacted and while they are disappointed they recognize they used the electricity. PRC rules limit back billing to one year. The issue was throughout the service area and payment arrangements will be developed.

i. ACRE Program – held over to next month's meeting

ii. Logo Contest

GM Hastings suggested with the recent move into the new headquarters it may be an opportune time to revamp JMEC's logo. He proposed a logo contest with prize money. Along with GM Hastings, a few of the Trustees offered to contribute to the prize.

Ms. Trujillo Archuleta said a list of the schools and contacts for the scholarship was developed and she'll utilize that.

It is anticipated that the spelling bee will occur. JMEC usually holds it prior to the State's spelling bee.

iii. Statewide Membership Update

GM Hastings said JMEC's latest resolution was submitted to Statewide respectfully requesting that any past dues be forgiven. Statewide has suggested they were willing to spread the former dues – approximately \$41,000 – over a four-year period with quarterly payments of approximately \$2,500. The Statewide board is holding a special member meeting to consider JMEC's membership. Statewide's by-laws require six months notice to leave the organization and they are keen to abide by them and not set a precedent. Hastings noted that Statewide deducted the cost of the magazine from the past dues.

There was consensus that the GM communicate with Statewide and that JMEC is willing to work with them.

b. Business Servicers & Finance

i. October 2021 Financial Report

Geraldine Romero reviewed the September 2021 data from the Form 7 as follows:

- YTD Operating revenue and patronage capital, \$36.2 million
- YTD Total cost of purchase for power, \$21.6 million
- YTD Total operations and maintenance expense, \$31 million
- YTD Total cost of electric service, \$36.1 million
- YTD Patronage capital and operating margins, \$103,200
- YTD Patronage capital or margins, \$1.6 million
- There were 135 new services connected; 34 services retired
- Total services in place, 31,487
- Total miles energized, 4,158
- Net utility plant, \$77 million
- Total other property investments, \$22.6 million
- Total current and accrued assts, \$24.7 million
- Total assets and other debits, \$129.2 million
- Total margins and equities, \$64.7 million
- Total long-term debt, \$55.7 million
- Total current and accrued liabilities, \$8.8 million
- Total liabilities and other credits, \$129.2 million
- Monthly TIER, 1.51
- Monthly OTIER, .98
- Total deposits, \$6 million
- Total disbursements, \$8.1 million
- Ending book balance, \$5.2 million
- Number of consumers, 31,487

- Average residential usage, 578 kwh
- Average small commercial usage, 3,452 kwh
- Average large commercial usage, 174,000 kwh
- Number of employees, 102

Ms. Romero reviewed the balances in the different banks JMEC does business with to include Well Fargo, Century Bank, Jemez Valley Credit Union, and NM Bank and Trust. She noted the cost of power, revenues, and solar net metering. Regarding accounts receivable past due there is \$3.2 million less than 30 days, \$540,000 at 30 days, \$182,000 at 60 days and \$308,000 at 90 days. This month \$122,849 in past due accounts were forwarded to the collection agency.

Mr. Vigil said he understood it was difficult for the auditors to deal with the multiple banks JMEC utilizes. He noted that CFC's interest rates are exceptional and should be utilized. Further, he favored consolidation. He appreciated JMEC banking on the west side. GM Hastings said staff has been working for a number of months to leave Wells Fargo and go to Century Bank. There is a software system that JMEC is working with that requires updating to make the move and Ms. Romero is in contact with Century Bank. GM Hastings said consolidating banks will take a while but staff is working on it.

ii. Finance Committee Meeting

Mrs. McCoy, Finance Committee Chair, said the committee met yesterday, October 28th and reviewed the financial information and had questions addressed by staff.

1. General Fund Expenditures

Mrs. McCoy said the committee reviewed the expenditure list.

ACTION: Mrs. McCoy moved to accept the general fund expenditures for informational purposes. Mr. Vigil seconded and the motion passed by unanimous voice vote.

2. Credit Cards

ACTION: For informational purposes, Mrs. McCoy moved to accept the credit card charges. Mr. Vigil seconded and the motion passed by unanimous voice vote.

3. Attorney Expenses

ACTION: For informational purposes, Mrs. McCoy moved to approve the attorney fees. Mr. Coriz seconded and the motion passed by unanimous voice vote.

4. Consultant Expenses – None were presented

5. Trustee Vouchers

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

6. **RFPs** – None were presented

7. **Increase to CEO/GM Spending Limit**

Mrs. McCoy said the committee discussed increasing the GM's authorization to approve JMEC payments from the current \$20,000 to \$100,000. The committee recommends the increase.

ACTION: Mrs. McCoy moved to increase the CEO/GM's spending limit to \$100,000, effective immediately. Mr. Coriz seconded.

Chair Trujillo said the current limitation has hampered GM Hastings' effectiveness in expediting services for JMEC. Many of the expenditures have already been listed within the Board approved work plan. GM Hastings said the co-op has many reoccurring expenses that exceed \$20,000 and are within the budget, as well as the work plan, and issuing a check is delayed awaiting the Board's approval. He noted that there may be late fees attached to the bill. Transformers, regulators, poles, etc. all cost over \$20,000. It's important that expenditures can be made quickly while JMEC improves their system.

Mr. Vigil said the limit of \$20,000 was established because there had been issues with past managers. However, at this point he supported increasing the cap to \$100,000 to ensure GM Hastings can efficiency conduct co-op business.

The motion passed by unanimous [9-0] voice vote. Trustee Duran was not present for this action.

8. **Credit Card Limit Increase Request for Tina Trujillo Archuleta**

Mrs. McCoy said the Finance Committee recommends the increase of Ms. Trujillo Archuleta's credit card cap from the current \$5,000 to \$10,000.

ACTION: Mrs. McCoy moved to increase Ms. Trujillo Archuleta's credit card to \$10,000 effective immediately. Mr. Crawford seconded.

Chair Trujillo said Ms. Trujillo Archuleta has run up against her charging limit when making reservations for conferences. GM Hastings said the co-op has other card holders and if needed charges can be placed on other cards. He noted that the Finance Committee reviews every charge monthly.

The motion passed by unanimous [8-0] voice vote. Trustees Duran and Coriz were not present for this vote.

7. **COMMITTEE REPORTS**

a. **Communications Committee**

Mr. Crawford said the committee met and identified newsletter topics and discussed the logo contest.

b. Energy Committee

Mr. Crawford said the committee had a long productive meeting. They reached consensus to proceed with the fast-charger to be located in Abiquiu at Bode's. Tri-State will contribute \$45,000 towards the approximate \$90,000 charger. The warranty on the charger requires further investigation before proceeding.

ACTION: Mr. Crawford moved to proceed with the fast-charger in Abiquiu. Mr. Vigil seconded.

Mr. Gallegos, who represents the Abiquiu area, said he supported the level 3 fast-charger. GM Hastings said Bode's owner, Dennis Liddy, supports the charger.

Chair Trujillo recommended the committee consider placing a charger on the west side in Jemez Springs where there are bath houses, cafes, etc. Mr. Crawford said a level 2 charger – more affordable and slower charge – could be considered.

The motion passed by unanimous [9-0] voice vote. Trustee Duran was not present for this action.

The committee discussed the notion of JMEC's Foundation as a 501(c) 3 purchasing an electric vehicle for publicity. GM Hastings said the Foundation Committee would need to approve the purchase. He received an opinion letter from an accountant that did not adequately clarify the tax implications. Mr. Coppler said it is basically an IRS issue that will probably best be determined when taxes are prepared. Worse case is having to repay the Foundation, perhaps with interest.

Mr. Crawford said the committee scheduled a meeting with Positive Energy to work on the solar installation issues and adopt procedures for installation that can be forwarded to customers. A list of contractors with good installation history may be developed.

Regarding the 35 percent buy-out from Tri-State, GM Hastings said this morning Tri-State filed with FERC addressing the co-ops interested in a partial buy-out. Mr. Crawford advocated JMEC developing a strategic renewable energy plan.

Mr. Crawford said he understood there will be four level 2 chargers at Santa Clara Travel Center. The NCRTD is considering charger facilities for their electric Blue Buses.

b. Policy Committee Report

Chair of Policy Committee, Mr. Vigil said the committee is presenting five policies for the Board's consideration.

Policy 136: Member Access to Cooperative's Financial & Management Information

Mr. Vigil commended GM Hastings and Mr. Coppler for their assistance in the development of this policy. The policy promotes transparency for this member- owned co-op. Counsel referred to the court mandate in regards to this policy.

ACTION: Mr. Vigil moved to approve Policy 136. Ms. Martinez seconded and the motion passed by unanimous [7-0] voice vote. Trustees Crawford, Duran and Bustos were not present for this action.

Policy 151: Protocol for the purpose of formulating JMEC policy in meetings open to the membership; providing procedures for providing notice of JMEC Board of Trustees meetings; discussing JMEC business or taking any action within the authority of or the delegated authority of the JMEC Board, and providing procedure to address issues, complaints, comments, or other similar communications in open meetings of the Board of Trustees

Mr. Vigil said this policy responds to the State's Open Meetings Act and while they are not governed by the State's act, establishing this policy, it will, again, address transparency and consistency in JMEC policy.

GM Hastings said this reflects a court decision and establishes rules the co-op needs to follow regarding access to open meetings. Mr. Coppler added that the State's act applies to governmental entities and this policy will speak to JMEC as a non-profit corporation. While there are distinctions, the members clearly have the right to review records and have appropriate notice to meetings. If Policy 151 is approved, any violation would be handled internally.

Mr. Vigil said the policy is a testament to the Board moving in the right direction demonstrating good leadership and counsel.

ACTION: Mr. Vigil moved to approve Policy 151 and Mrs. McCoy seconded. The motion passed by unanimous [8-0] voice vote. Trustees Crawford and Duran were not present for this action.

Policy 109: Financial, Customer or Employee Information Requested by Individual Trustees of the Board

Mr. Vigil stated that the committee also reviewed Policy 109 which addresses information requests of individual trustees. The policy required review which GM Hastings and Mr. Coppler worked on with the committee.

GM Hastings said the amendments improve the policy and protect trade secrets and non-disclosure agreements. Upon the advice of general counsel or Board president, the request may be taken before the Board for consideration.

Mr. Coppler added that the new and amended policies are intended to provide greater transparency.

ACTION: Mr. Vigil moved to approve the amendments to Policy 109 and Ms. Maestas Muller seconded. The motion passed by unanimous [8-0] voice vote. Trustees Crawford and Duran were not present for this action.

Policy 103: Roles and Responsibilities of the Board of Trustees

Mr. Vigil said this policy was amended to include the requirement of rotating JMEC auditing firms every three years.

ACTION: Mr. Vigil moved to approve Policy 103 as amended and Mr. Coriz seconded. The motion passed by unanimous [8-0] voice vote. Trustees Crawford and Duran were not present for this action.

Policy 123: Nepotism

Mr. Vigil indicated that this policy was recently amended to address a lineman shortage. The amended policy has narrowed the definitions.

GM Hastings said the definition of “immediate family” was changed to include people who co-habitat or live under the same roof. Another change was to allow, in an emergency situation, bringing forward to the Board the hiring of an immediate family member.

ACTION: Mr. Vigil moved to approve Policy 123 as amended and Mr. Bustos seconded. The motion passed by unanimous [8-0] voice vote. Trustees Crawford and Duran were not present for this action.

Mr. Vigil said the committee is reviewing policies that require attention and have scheduled a monthly meeting on the second Friday at 9 a.m. He invited the trustees to review the policies and bring up any issues or concerns.

Mr. Coppler mentioned that a draft of the bylaws has been forwarded to the Annual Meeting Committee for review. The best mechanism to present the bylaws to the membership and obtain a quorum will require discussion.

Mr. Vigil said he along with Trustees Bustos, McCoy, and Cordova are committee members. They will meet November 19th, 2021 to strategize how to most efficiently get a membership quorum to move forward with adoption of the amended bylaws.

d. Vegetation Management Committee

GM Hastings said he met with the committee along with Ms. Wisdom, Ms. Trujillo Archuleta and Mr. Ortiz to discuss an RFP that was sent to 13 vendors for tree trimming in the Española area. The proposal identified trimming within circuits as well as needed trimming following weather events. Five responses were received and opened in the committee’s presence. He reviewed the bids from lowest at \$190/hour to highest at \$250/hour and identified the crew number. The lowest bidder, Family Tree, is currently

contracted with JMEC on two large ongoing projects and there is concern the firm would be over extended.

Following discussion, the committee decided to contract with the next three lowest vendors in price – Trees Inc., Asplundh and Innovations – and have them available to work on immediate needs prior to snowfall.

ACTION: Mr. Cordova moved to approve contracting with Trees Inc., Asplundh and Innovations as recommended by the committee. Mr. Vigil seconded and the motion passed by unanimous [8-0] voice vote. Trustees Crawford and Duran were not present for this action.

Mr. Cordova noted that Mr. Ortiz advised the committee that two valuable employees have left the Vegetation Division. GM Hastings confirmed that HR conducts exit interviews and the positions have been advertised. Currently, there are opportunities for tree trimming within the private sector which may pay better than JMEC. Mr. Vigil stressed that JMEC must be wage competitive.

8. NEW BUSINESS

NRECA Region 10 – Mr. Vigil repeated that the CFC rates are excellent and he hoped JMEC could take advantage of them.


Mr. Bustos, who also attended the conference, said JMEC is unique in its easement issues with the Pueblos. Texas reported that their easements are easily and quickly obtained from private landowners for very little money.

GM Hastings said Mr. Astley attended the NRECA Region 10 Meeting on his behalf and reported that he was comfortable with the resolutions and it was a good meeting.

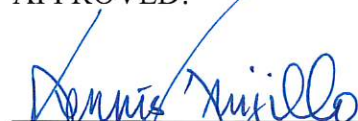
Mr. Vigil commented that there appears to be a great deal of money for the telecom industry that may benefit JMEC.

10. ADJOURN

There being no further business to come before the Board, Ms. Maestas Muller moved to adjourn. Ms. Martinez seconded and President Trujillo adjourned this meeting at 2:00 p.m.


Secretary, John Ramon Vigil

APPROVED:


President, Dennis Trujillo