

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

**BOARD OF TRUSTEES**

**FRIDAY, SEPTEMBER 24, 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 9:07 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 as follows:

**Present:**

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

**Absent:**

Marcie Martinez

**JMEC Staff Present:**

Michael Hastings, General Manager  
Dennis Astley, Director of Engineering/Engineering Operations  
Tina Trujillo Archuleta, Executive Assistant  
Geraldine Romero, Finance Department  
Carmen Campbell, Cuba District Manager /Tribal Liaison  
Shawnti Gonzalez, Member Services

**Other(s) Present:**

Johnny Valerio, Contract Accountant  
Frank Coppler, Legal Counsel  
Josh Howard, Legal Counsel  
William Coburn, *Rio Grande Sun*

Frank Coppler introduced his associate Josh Howard who, in the event Mr. Coppler cannot attend a Board meeting, will be present. He added that the firm was billing JMEC for one attorney at this meeting.

The Electric Car Expo will be in Taos, Saturday, September 25<sup>th</sup> at the Taos library. Mr. Crawford encouraged attendance.

#### **4. APPROVAL OF THE AGENDA: August 29, 2021**

Mr. Duran requested discussing scheduling of committee meetings under item 8, New Business. He later requested discussing this item during executive session.

**ACTION:** Mr. Coriz moved to approve the agenda. Mr. Vigil seconded and the motion passed by unanimous voice vote.

#### **5. ACTION ITEMS**

- a. Review and approve the minutes: August 29, 2021 Regular Board Meeting, Meeting of Delegates and Organizational Board Meeting**

**ACTION:** Ms. McCoy moved to approve the minutes as presented. Ms. Maestas-Muller seconded, and the motion passed by unanimous voice vote.

- b. Approval of the July and August 2021 Membership List**

**ACTION:** Mr. Cordova moved to approve the July and August 2021 membership lists. Mr. Duran seconded and the motion passed by unanimous voice vote.

- c. Selection of JMEC NRECA Delegate for the NRECA District 10 Regional Meeting**
- d. Selection of JMEC CFC Delegate for the CFC District 10 Meeting**

Chair Trujillo reminded the Board that Ms. Trujillo Archuleta emailed information regarding the regional meeting. Mr. Vigil expressed an interest in attending.

**ACTION:** Mr. Coriz moved to name John Ramon Vigil as JMEC's voting delegate at both the NRECA 2021 Region 10 meeting and the CFC 2021 District 10 meeting. Mrs. McCoy seconded, and the motion passed by unanimous voice vote.

- e. Consideration of JMEC Resolution to join the New Mexico Statewide Association**

Trustees Bustos and Duran offered to participate in working with GM Hastings in negotiations for membership with Statewide.

GM Hastings reviewed a fact sheet itemizing what Statewide membership offers. The cost of Worker's Comp will adjust as the experience modifier will change. He highlighted the training – safety and industry knowledge – and stated that, if the Board chooses not to join, he recommended bolstering the safety program by utilizing outside

contractors. Timing wise, Statewide is preparing their 2022 budget this month and the JMEC Board deciding today would be helpful.

Mr. Bustos said the safety program was very important and needed to be addressed.

Per the Board's previous request, GM Hastings said he talked to four co-op managers belonging to Statewide. Those managers were very supportive of Statewide, although criticism of current management was mentioned. It seems that changes in the New Mexico legislature have resulted in the loss of contacts that Statewide management previously relied upon.

Statewide provides lobbyists and has legal counsel representing rural electric co-ops during the session. Chair Trujillo said in the past JMEC has hired a lobbyist, and belonging to Statewide would eliminate that expense. Mr. Duran noted that even if JMEC is not a member of Statewide, it still benefits from their efforts.

Commenting that the cost of service study has not been completed, Mr. Cordova asked if the Co-op was in a position to join Statewide. GM Hastings said the Statewide expense was included within the study calculation. He repeated that, if the Board decides not to go forward with Statewide, a substantial increase to the safety training program is warranted.

There was agreement that membership in Statewide, from a safety training standpoint, was an advantage.

JMEC would be the largest co-op with Statewide, and should have a voice.

Mr. Vigil observed that JMEC lacks sustainability in its leadership positions, and this deficiency could be addressed through the leadership trainings which Statewide offers.

Mr. Crawford said it seems apparent that JMEC will benefit by joining Statewide and offered to introduce a motion.

Regarding past dues JMEC may owe, GM Hastings said that, according to Statewide's bylaws, a member is required to provide six months notice to end its membership. JMEC did not do that and the Statewide invoiced the remainder of the contract about 5 years ago. JMEC did not pay the invoice and the Statewide expelled JMEC. The issue has not been resolved. If the Board wants to join Statewide, a proviso that JMEC not be back-billed should be added.

Mr. Coppler mentioned that years ago during the session, Statewide issued a weekly list of bills of interest to the co-ops, with a summary that was a very valuable tool. The most effective lobbying is contacting a legislator before the bill drops.

Member Services Director Carmen Campbell said Statewide's legislative contribution, both federally and locally, would be a tremendous benefit to JMEC. She added that Statewide's training for interior staff, and having the ability to gain information from other members, would also benefit JMEC.

Mr. Coriz said JMEC has been in self-imposed isolation by not participating with Statewide and while the dues are high the benefits are too. He noted that the current legislature is very progressive, and Statewide will need to find the middle ground to speak to them.

Regarding cost to join, GM Hastings said the formula Statewide uses for membership is still the same, JMEC's customer base has grown. The dues have gone up a few thousand. Statewide pays dividends on their Workman's Comp program and that will provide additional savings.

Mr. Vigil read Resolution 2021-007 [on file with Management] with the addition of a number four, that Statewide forgives past dues.

**ACTION:** Mr. Crawford moved to approve Resolution 2021-007 to join Statewide with the proviso that the back dues be forgiven. Mr. Vigil seconded and the motion passed by unanimous roll call vote.

GM Hastings said he would have the resolution revised and ready for Secretary Vigil's signature.

**f. Consideration of Bank Resolutions regarding Signatories for JMEC Officers**

Chair Trujillo said the banks require formal resolutions identifying JMEC's current officers.

**ACTION:** Mr. Crawford moved to approve the bank resolutions. Ms. Maestas-Muller seconded, and the motion passed by unanimous voice vote.

**g. Consider Resolution for purchase of property adjacent to JMEC Headquarters**

GM Hastings said the owners of a 3.1-acre tract of land contiguous to the Hernandez headquarters approached JMEC to purchase the property. Contract Administrator Karen Wisdom worked with the sellers and Mr. Vigil assisted in reviewing the property comps and developing a purchase agreement strategy. Having this additional property would be useful. There are two arroyos on the property, one that problematically drains onto JMEC property. The idea is to construct a berm to channel the water and improve flood protection on JMEC's current property. Following negotiations, a selling price was agreed upon and a resolution prepared.

GM Hastings said the property was probably not suitable for a solar array unless it was small array and spread onto existing property. There are two structures on the property which he characterized as "bulldozer ready." The funds to purchase would be derived from JMEC's savings.

Mr. Duran said he'd like to table this item and have an opportunity to walk the property and review some comparables. GM Hastings said the opportunity presented itself quickly, and he had concerns that if JMEC did not move on the offer it would be lost. Mr. Duran moved to table and Mr. Coriz seconded. The motion passed by majority voice vote, with Mr. Crawford casting the sole nay vote.

Chair Trujillo asked management to contact the property owner and advise them the Trustees want to walk the property and discuss it further. He suggested offering earnest money to ensure the property is not sold in the interim.

By consensus, the motion to table was withdrawn.

**ACTION:** Mr. Duran moved to table the purchase and offer the sellers \$1,000 non-refundable earnest money in exchange for keeping the property off the market and selling it to JMEC for the agreed upon price of \$80,000 until the Board's October meeting. Mr. Coriz seconded and the motion passed by unanimous voice vote.

#### **h. Approval of JMEC FERC Filing Regarding Partial Tri-State Buyout**

GM Hastings reminded the Board that this item was discussed during the strategic plan and there was agreement to file an intervention at the FERC in regards to Tri-State's partial buyout document. JMEC intervened based on JMEC's unique customer base. This agenda item constitutes formal approval of the JMEC's intervention.

**ACTION:** Mr. Crawford moved to approve JMEC's filing with FERC regarding Tri-State's buyout documents. Mr. Duran seconded and the motion passed without opposition.

### **6. GENERAL MANAGER'S UPDATE**

#### **a. Report on meetings regarding JMEC and JMEC Member Internet Services**

GM Hastings reported that a member in Abiquiu/District 3 asked whether JMEC could assist in bringing internet service to the area. Currently, Windstream provides service in that area but it is spotty at best. He spoke with Kit Carson's GM Reyes who is willing to assist. JMEC's investment would initially be pole attachments. Initially, a point to point/line of sight type of system may be used followed by fiber to the home. The west side also has issues with internet and Sacred Wind may be able to extend services. Extending service would improve JMEC's communications with substations and other equipment by using a SCADA (Supervisory Control and Data Acquisition) system, which is an industry standard and is desirable.

Mr. Duran said he understood JMEC owns strands through REDI-Net which has federal funding to extend lines. GM Hastings said he would look into REDI-Net.

Chair Trujillo requested management prepare a whitepaper on the broadband issue within the JMEC service area.

Mr. Coriz noted that the FCC supports rural co-ops in developing broadband networking and infrastructure. He fully supported engaging with broadband providers and moving this issue forward. JMEC's infrastructure should be used for the community's benefit and he requested a monthly update on the item.

GM Hastings said over the next 90+ days his staff will be consumed with the strategic plan. He recommended that JMEC contract with a consultant to develop the broadband issues.

Mr. Duran noted that in the past, JMEC had extensive meetings with REDI-Net. Those dialogues ended and no agreement was reached. It was his opinion that returning to the table with REDI-Net was the most practical way to move forward. Mr. Cordova recalled that REDI-Net was required to obtain easements – from the Forest Service, tribal entities, private owners, etc. – to attach to JMEC's poles.

GM Hastings mentioned that JMEC could attach fiber to the poles so that a SCADA system could be used to monitor the substations.

With federal funding available, Mr. Coriz encouraged staff to move forward with the issue. Agreeing, Chair Trujillo asked GM Hastings to obtain some consultant quotes on the topic.

**b. Report on JMEC 2021 Annual Meeting Costs and 2022 Initial Discussion**

GM Hastings lauded Mr. Vigil and the Annual Meeting Committee for their work. The budget was originally set at \$60,000 and increased to \$75,000 prior to the 2021 Annual Meeting. At this time, it appears that the total spent on the 2021 Annual Meeting was under \$60,000. Other than failing to obtain a quorum of the membership at the meeting, the meeting was very successful.

GM Hastings proposed holding a traveling 2022 annual meeting that would convene over a course of a few weeks at different districts and then combine the member attendance to hopefully obtain a quorum. Votes would occur at each meeting on the bylaw amendments. Rather than adjourning, the meeting would recess and reconvene at a different district. Mr. Coppler did not see an issue in proceeding forward with studying this annual meeting concept.

GM Hastings said more investigation of the proposed concept is required and he recommended scouting-out prizes to entice membership attendance. He noted that it is important to amend the outdated JMEC bylaws. Mr. Duran recommended a thorough review of the bylaws for presentation of any additional amendments.

Mr. Vigil pointed out that, according to the bylaws, "special meetings" can be held at any place within the Cooperative's area. However, the annual meeting is designated to occur between July 15<sup>th</sup> and September 1<sup>st</sup>. He noted a quorum of the district may be required to vote at a district meeting. Ms. Campbell said the notion was to hold a traveling annual meeting and count all the members at conclusion to hopefully obtain a collective quorum. Kit Carson allows for bill credit for attending members.

**c. Consideration of Retaining ESCI Safety Services – deemed unnecessary**

**d. Consideration of Retaining EnerVision regarding JMEC Power Supply Issues**

EnerVision is an engineering technical consulting firm from Georgia. GM Hastings said he has experience with the firm, and they can provide a wide variety of services on power supply issues. Elaine Johns is the President and in July 2021 EnerVision provided a quote for a study on a buyout from Tri-State. Internal staff is not in a position to study and identify what is available in the marketplace in the event there is a partial buyout with Tri-State.

GM Hastings recommended retaining EnerVision as insurance if identifying other power supply sources is necessary.

**ACTION:** Mr. Crawford moved to accept the proposal. Mr. Vigil seconded and the motion passed by unanimous voice vote.

**e. Update on COVID-19 Vaccinations**

GM Hastings said the Biden Administration wants employers with over 100 employees to require COVID -19 vaccinations. JMEC has over 100 employees. JMEC's current position is that although vaccinations are encouraged, they are not required. He said JMEC has employees who do not want the vaccine. OSHA has not done any rulemaking but it is expected that the unvaccinated may be required to test weekly. Union negotiations begin at the end of the month, and it seems the union believes the employer should pay for the weekly testing, travel time and pay. GM Hastings said he was not prepared to pay for weekly COVID- 19 testing, however, he would offer free vaccinations at the different JMEC offices.

GM Hastings respected the different perspectives on the vaccine, and he was focused on the co-op and the money involved in testing. He did not know the number of employees that were vaccinated.

Mr. Coppler said there is no question that OSHA has the power to enact a rule. OSHA's rules regarding workplace safety have been upheld by federal district courts as well as the US Supreme Court. The only exemption that has prevailed is the religious one.

Mr. Coriz said he understood testing was very expensive. He thought it was important to know the number of unvaccinated in the workforce and a standard for testing should be developed. President Trujillo agreed that there should be a standard for testing developed before a mandate comes through.

For the safety of all employees, Ms. Maestas-Muller said the unvaccinated should be tested weekly.

President Trujillo asked GM Hastings to keep the Board apprised of government mandates regarding vaccines and testing.

Ms. McCoy said that, depending on how many employees require testing and the cost, she could support JMEC paying for the testing. Mr. Gallegos said he too supported JMEC paying for the testing.

**f. Business Services & Finance**  
**i. September 2021 Financial Report**

Geraldine Romero reviewed the September data as follows:

- 2021 Operating revenue and patronage capital, \$32.1 million
- 2021 Total operations and maintenance expense, \$27.8 million
- 2021 Total cost of electric service, \$32 million
- 2021 Patronage capital and operating margins, \$106,000
- 2021 Patronage capital or margins, \$1.6 million
- 2021 The month was negative by \$77,000

GM Hastings said the Co-op went to great lengths to inform customers with past due bills of the available programs for utility assistance. He said many customers were able to get assistance but many did nothing until a disconnect notice was placed on their door. JMEC extended deadlines prior to disconnect and he was disappointed that there had to be disconnects. Historically, JMEC has used a collection agency for bad debt.

Ms. Romero continued her report noting:

- New services connected, 123
- Services retired, 25
- Total services in place, 31,516
- Idle services, 637
- Total current and accrued assets, \$26.5 million
- Total assets and other debits, \$129.9 million
- Total long term debt, \$56.7 million
- Total current and accrued liabilities, \$8.5 million
- Total liabilities and other credits, \$129.9 million

Ms. Romero reviewed the TIER at .56 and the OTIER is .51. Year-to-date, TIER is 2.15 and OTIER is 1.08. She reviewed the bank account information noting there was \$8.6 million in the cash balance and \$7.9 million in investments.

- Total number of consumers, 31,403
- Average residential kwh usage is 583
- Average small commercial kwh usage is 3,411
- Average large commercial 169,371 kwh – down 156,000 kwh from last year
- Purchased kwh, 31.2 million – year to date average
- Sold kwh, 29.1 million – year to date average
- Line loss was 2 million or 6 percent average
- Average cost residential kwh, 14 cents
- JMEC currently has 102 employees
- Solar net metering, year to date there are 119



Regarding line loss, GM Hastings said major causes in the past have been theft and inaccurate metering/measuring. Chapman Metering is working on correcting inaccurate metering. Dennis Astley, Director of Engineering/Engineering Operations, agreed that theft, bad metering and poor power factor all drive the loss. He suspected that the power factor is a driver and with additional data he will be able to study line losses and power factor and address the issues. The loss numbers have already begun to improve, down from 7 percent. Chapman will return on Monday to finish their audit.

GM Hastings said staff would not be presenting data on Kinder Morgan until they come back on line.

Regarding accounts receivable, Ms. Romero said at 90 days there is \$485,000; at 60 days, \$164,000; at 30 days, \$507,000 and current receivables are at \$3.2 million. GM Hastings said that when the moratorium lifted there was over \$1.5 million owed in the 90+days' category and that has substantially dropped. Progress has been made.

The category bad debt write-offs will be changed to "AR Assigned to Collections." \$22,000 was sent to collections in August.

## **ii. Finance Committee Meeting – July and August 2021 information**

Ms. McCoy, Finance Committee Chair, said the committee met yesterday, September 23<sup>rd</sup> and reviewed the financial information.

### **1. General Fund Expenditures**

Ms. McCoy said the committee reviewed the expenditure list page by page and had all questions addressed by staff. Mr. Vigil remarked that this information is presented as informational since the checks have already been issued.

GM Hastings said the prices for tires have been substantially less in Española than quotes in Cuba, alignment was also an issue. Mr. Duran said he has heard that some of the vehicle issues may have to do with employee neglect.

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

### **2. Credit Cards**

Ms. McCoy said the charges on the credit cards were reviewed by the committee. Card users include Mr. Hastings, Ms. Trujillo Archuleta, Mr. Astley, Mr. Gallegos, Ms. Campbell and Ms. Baca.

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

### 3. Attorney Expenses

Ms. McCoy noted that the attorney charges were reviewed by the committee. The charges have been paid with GM Hastings' approval.

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

### 4. Consultant Expenses

Ms. McCoy indicated that the July expenses were \$920 and August \$34,000. The August bill includes consulting in Nambe. GM Hastings said T&D Engineering has been working on the project in Nambe Pueblo for three years. The work is quite expensive and involves surveying. Ms. Campbell said the project includes preparing the original right-of-way maps for submission to and approval by BIA. BIA has returned the maps twice because of errors. The cost of the work is picked up by the rate riders.

GM Hastings said it is important for a co-op to have an engineering firm under contract, especially one that has institutional knowledge. T&D has contacted him to serve in that capacity, and at this point he has not gotten back with them. He said they have billed for engineer stand-by time which he found inappropriate. Mr. Astley has been designated as a New Mexican professional engineer and can conduct the RUS required closed work order reviews that T&D had previously been doing.

Mr. Coriz asked about archiving engineering information, and GM Hastings said there is a good process in place.

**ACTION:** For information, Ms. McCoy moved to accept the consultant fees. Ms. Maestas-Muller 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. Crawford seconded. The motion passed without opposition.

Ms. McCoy said there were no RFPs nor new business and that concluded the Finance Committee report.

## 7. COMMITTEE REPORTS

### A. Communications Committee

Mr. Crawford reported that the committee worked on the September newsletter. GM Hastings said work on the October newsletter will begin soon.

## 8. NEW BUSINESS

GM Hastings said the executive session had a number of items and he anticipated it would be a lengthy session. He recommended moving a few items – the Cost-of-Service Study, an update on legal issues and review of the property – to a Special Board meeting on Thursday, October 7<sup>th</sup>. A motion was made by Mrs. McCoy and seconded by Mr. Coriz to move these items to the special Board Meeting.

The Board recessed for lunch at 11:45 a.m. and following lunch went into Executive Session.

## 9. EXECUTIVE SESSION

Upon motion by Mr. Cordova, second by Mr. Bustos and unanimous vote, the Board reconvened in Open Session at 2:30 p.m.

GM Hastings recommended denying the data request from Leo Marquez on the JMEC Pole Attachment Program.

**ACTION:** Mr. Crawford moved to deny the data request by Leo Marquez, motion seconded by Ms. McCoy. Motion carried unanimously.

GM Hastings recommended approval of a nepotism waiver for Paul Romero and Geraldine Romero.

**ACTION:** Mr. Vigil moved to approve the waiver for Paul Romero and Geraldine Romero and to send the nepotism policy to the JMEC Policy Committee for further review. The motion was seconded by Ms. Maestas Muller and passed by unanimous voice vote.

**ACTION:** Mr. Vigil moved to affirm JMEC's insurance coverage of General Manager Michael Hastings, if he personally were sued relating to JMEC business. Mr. Crawford seconded and the motion carried unanimously.

The Board reviewed the sale of the SatView cable system to an interested party.

**ACTION:** Mr. Crawford introduced a motion, Mr. Gallegos seconded, to forward the non-disclosure agreement to the respective interested party. That motion passed without opposition.

GM Hastings recommended the Board's approval of retaining Chris Townsend, Energy Attorney.

**ACTION:** Mr. Crawford moved to approve the GM's recommendation to retain Chris Townsend. Mr. Bustos seconded and the motion carried unanimously.

Mr. Coppler discussed the issue of the Possessory Tax payment refund.

**ACTION:** Mr. Cordova moved to forward the Possessory Tax refund request, seconded by Ms. McCoy. Motion carried unanimously.

**10. ADJOURN**

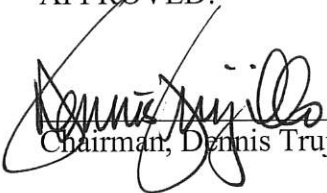
There being no further business to come before the Board, Mr. Crawford moved to adjourn. Ms. McCoy seconded and Chair Trujillo adjourned this meeting at 2:35 p.m.



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Secretary, John Ramon Vigil

APPROVED:



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Chairman, Dennis Trujillo