

**MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES
REGULAR MONTHLY BOARD MEETING
FRIDAY, MAY 27, 2022
HERNANDEZ, NEW MEXICO**

1. This regular monthly meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Board President Dennis Trujillo at 9:15 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, Secretary Vigil 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
Dennis Gallegos
Marissa Maestas-Muller [telephonically]
Marcie Martinez

Absent:

Bruce Duran

JMEC Staff Present:

Michael Hastings, CEO and General Manager
Karen Wisdom, Senior Manager of Contract Administration and Compliance
Tina Trujillo Archuleta, Administrative Professional
Geraldine Romero, Interim CFO
Dwight Herrera, HR Manager

Others Present:

Johnny Valerio, Contract Accountant
Frank Coppler, JMEC Counsel
William Coburn, *Rio Grande Sun*
Joseph Yar, JMEC Counsel
Melissa Sturges, Sturges Word Communication
Justin Proctor, Guernsey Consulting

D McCall, Developer – Cuba Solar Array
Karen Farrell, Wordswork – Secretarial Services

4. APPROVAL OF THE AGENDA

ACTION: Mr. Bustos moved to approve the Agenda as published. Mr. Crawford seconded and the Motion passed without opposition.

President Trujillo invited JMEC staff and others present to introduce themselves.

5. JMEC MEMBER COMMENTS - There were no speakers.

6. ACTION ITEMS

A. Review and Approve: April 29, 2022 Regular Board Meeting Minutes

ACTION: Mr. Crawford moved to approve the minutes as presented. Mrs. McCoy seconded.

Under discussion, Ms. Martinez noted on page 11, that the Policy Committee did not discuss rate cases and that should be removed.

With that correction, the minutes were unanimously approved.

B. Review and Approve: May 12, 2022 Special Board Meeting Minutes

ACTION: Mr. Crawford moved to approve the minutes as presented. Ms. Maestas-Muller seconded.

Noting the importance of that special meeting, there was Board consensus that additional information regarding the deliberations should be included.

ACTION: Ms. Martinez moved to table and Mr. Coriz seconded. The motion passed by unanimous voice vote.

C. Approval of the April 2022 Membership List

ACTION: Mr. Cordova moved to approve the April 2022 membership list. Mr. Crawford seconded and the motion passed by unanimous voice vote.

Regarding new customers, GM Hastings said the default is membership; however, if a customer declines that is respected. Staff has developed a list of non-members which appear to be mostly long-time patrons.

D. Approval of the JMEC 2021 Financial Audit

President Trujillo reminded the Board that the audit was presented at the April meeting. At that time, the Board requested additional time to review the information which indicated a clean audit.

ACTION: Mr. Cordova moved to approve the 2021 Financial Audit. Ms. Martinez seconded and the Motion passed by unanimous voice vote.

E. CoBank June 2022 Annual Meeting Proxy Ballot Authorization

GM Hastings said CoBank will be presenting bylaws amendments at its annual meeting that have been approved by its Board of Directors. He said he reviewed the amendments and saw no adverse effects to JMEC. He requested authorization to sign the proxy ballot approving the changes. The packet was available for review.

Mr. Vigil requested a record of JMEC's loans with CoBank and a listing of their membership. President Trujillo suggested a listing of all of JMEC's loans would be beneficial for the Board. Mr. Vigil said JMEC should be reviewing its loans for better amortization rates.

ACTION: Mr. Cordova moved to authorize GM Hastings on behalf of JMEC to sign and send the proxies to CoBank. Mr. Crawford seconded and the motion passed by unanimous voice vote.

F. CFC Forum June 19-20, 2022 (Boston) Delegate Selection

GM Hastings advised the Board that he would not be attending the CFC meeting. He recommended whoever wanted to go serve as the JMEC delegate. At this point, none of the Board members were planning on attending the Boston meeting.

G. CEO and GM Signatory Authority in GM Hastings' Absence

GM Hastings commented that he had been conducting business and recovering from COVID and out of the office for two weeks and during that period there were documents that needed to be signed. He recommended authorizing Dennis Astley to sign time sensitive Co-op business documents, i.e., inventory and equipment orders, and easements. With the current shortage of materials the Co-op is pushing to keep orders moving smoothly. Checks are not necessarily an issue.

Chair Trujillo recommended holding off on this request until GM Hastings develops a list of documents that the authority would be extended to.

H. Discussion with D. McCall – Cuba Solar Project

Mr. D. McCall advised the Board that he entered into an agreement with Jerry Mosher, who owns the Cuba 2.5 solar array which provides power to JMEC, to buy the LLC that owns the solar array. The contract includes a 25-year power purchase agreement (PPA) and lease with JMEC. Mr. McCall provided his personal and occupational history growing up in the far southeast corner of New Mexico which is an oil basin. Mr. C.

McCall is a graduate of Eastern New Mexico. He has been in Albuquerque for 50 years and is a professional real estate developer and a rancher.

Mr. McCall assured the Board that he was not leaving New Mexico and all of the guarantees and obligations in the contract with PPA and lease would be met. Mr. McCall's contract with Mr. Mosher contains a two-year warranty on the solar array and a daily maintenance agreement for an unspecified time. He and Mr. Mosher have known each other over 20 years and have a good working relationship.

President Trujillo asked about an adjacent parcel and entrance to the array area. Mr. McCall said he was aware that there were issues regarding access and he was confident it would be addressed.

Mr. McCall clarified that he will own 100 percent of Cuba 2.5 ac LLC, and Mr. Mosher has certain obligations within their agreement, i.e., repairs. He offered to forward the agreement to GM Hastings.

There were some questions regarding the PPA and GM Hastings said he would re-review the agreement. He recommended discussing any original transaction issues reviewed within a forensic audit during executive session.

7. EXECUTIVE SESSION

- A. Discussion Regarding JMEC Cost of Service Study (COSS)**
- B. Miscellaneous Items**

ACTION: Mr. Cordova moved to go into executive session. Ms. McCoy seconded and the motion passed without opposition. [Mr. Vigil was not present for this action.]

[The Board met in Executive Session from 09:57 a.m. until 12:15 p.m.]

8. RECOVENE IN OPEN SESSION

- A. Action Regarding JMEC Rate Case**

The Board reconvened to open session at 12:15 p.m. per a motion by Mr. Coriz, seconded by Mrs. Martinez and carried unanimously. The following Motion was then made:

ACTION: Mr. Crawford moved to approve the filing of the updated cost of service study and approve the request for 11.65 percent overall rate increase with a residential facility charge of \$27.00 per month, (option 2 within the study). Ms. Martinez seconded and the Motion passed by unanimous voice vote. [Mr. Cordova and Ms. Maestas-Mueller were not present for this vote or the remainder of the meeting.]

[The Board recessed for lunch from 12:15 until 1:15]

9. OTHER REPORTS & ACTION ITEMS

- A. Tri-State Director Report
 - i. Tri-State Partial Buyout Report

In Mr. Duran's absence, these items were postponed.

- ii. **Consideration of Additional Tri-State Letter of Support [See page 7]**

- B. Consideration of JMEC Special District Meeting Resolution**

GM Hastings noted that the latest special District Meeting resolution was distributed to the Board members and Mr. Vigil's Annual Meeting Planning Committee has reviewed a series of drafts. A recent change was added to allow a customer to pay the membership fee the day of the meeting and be allowed to vote and be eligible for the prize drawings. This change would require a quorum of Board members at each Special District Meeting to then approve any new members. Another change reduced the required number of members to lodge a challenge from 25 to five.

Mr. Vigil said getting these bylaw amendments passed is important for JMEC. A quorum of the district will be necessary at each of the district meetings. The trustees are requested to campaign for member attendance at the district meetings. District quorums are as follows:

- District 1: 111 members
- District 2: 127 members
- District 3: 80 members
- District 4: 188 members
- District 5: 345 members
- District 6: 270 members

Special District Meetings and locations have been approved. Mr. Vigil said once the Resolution is passed, campaign cards and notices will be sent out highlighting the prizes. Melissa Sturges designed the annual meeting notice as a colorful invitation that he was pleased with. Those members that attend both the Special District Meeting and Annual Meeting will receive an additional entry doubling their chance of winning the grand prize.

Ms. Trujillo Archuleta identified the prizes to include a 75" flat-screen TV at each Special District Meeting, a bag of swag, a used JMEC vehicle at each Special District Meeting, and entry to the side-by-side grand prize drawing. At the annual meeting in addition to the side-by-side drawing, an insulated shopping bag and an umbrella will be given. A discussion regarding folding camp chairs ensued.

Three questions will be on the ballot/bylaw amendments:

1. Shall the JMEC bylaws be amended to reduce the quorum requirement from 5 percent to 2.5 percent?
2. If there is only one qualified candidate running for the position of trustee, an election will not be required?

3. Two District 5 trustees must be JMEC ~~customers~~ members residing in and elected by Ward A or B, the third trustee, also a JMEC member, to be elected at-large from within the two wards? [changes agreed to by the Board by consensus]

Mr. Vigil said question three is an attempt to clarify the third trustee position in District 5. Mr. Coriz said he understood there were boundaries that identified the wards. GM Hastings said JMEC member Luis Torres brought the issue up last year and said the Board's interpretation of the at-large position did not make sense and this amendment should clarify the issue.

Mr. Coriz said it concerned him that there could be two representatives from the same area, i.e., San Pedro. He preferred delineating the Wards including C.

[Mr. Crawford excused himself from the remainder of the meeting.]

Mr. Coppler pointed out that if the ballot language is too lengthy it will cause confusion and probably be defeated. He recommended maintaining the language as noted above.

ACTION: Mr. Gallegos moved to approve the JMEC Special District Meeting Resolution. Mr. Bustos seconded and the Motion passed by unanimous [7-0] voice vote.

C. Electric Vehicle Charging Station Update

GM Hastings said JMEC had been working with Dennis Liddy, owner of Bode's in Abiquiu, for the installation of a fast charger. According to a lease provision, Mr. Liddy wanted all of the profits once the facility was paid for. The fast charger may be paid for by Tri-State and federal funds and Mr. Liddy would immediately receive profits. At their last meeting, the JMEC Board decided that all of the members of the co-op should benefit from the fast charger revenues. He noted that even though a customer pays for a line extension to receive their power, JMEC owns that line and receives its revenues.

Contract negotiations have stopped and the fast charger will be removed and relocated, and Bode's property returned to its original state. GM Hastings said in the future the lease will be signed before moving forward with EV chargers. Once a lease is signed, a charger will hopefully be installed at Michael's Mini-Mart in Velarde.

10. CEO AND GENERAL MANAGER'S UPDATE

A. Miscellaneous Matters

i. Introduction of JMEC Broadband Manager

Tomas Barela was introduced and offered his personal and professional information he is born and raised in Abiquiu and has been in the communications industry since 2003. Mr. Barela said he was excited to be with JMEC and will work to bring broadband to the community.

ii. Update on Tribal Meetings (Nambe, Okhay Owingeh and Jemez)

GM Hastings said management has been meeting with the local tribes to discuss solar projects and a few other issues. Management has been talking with Nambe’s consultant, Baker Tilly. Tri-State’s policy 119 may be instrumental in working with Nambe for a solar project. A trespass agreement was reached with Jemez Pueblo and the Pueblo continues to explore solar. There was a very positive meeting with Okhay Owingeh and they desire to have a solar project to the southeast of the casino. The Pueblo is also interested in a new substation.

B. Business Services and Finance

i. April 2022 Financial Report

GM Hastings referred to the Form 7 that delineated a loss attributed to the cool weather during the shoulder month in April 2022. Due to time constraints, Ms. Romero’s report was postponed until next month.

Ms. Romero said the Co-op’s New Mexico Bank & Trust account was closed and that money was deposited into Century Bank then to CFC.

9. OTHER REPORTS & ACTION ITEMS (Cont. from page 4)

A. ii. Consideration of Additional Tri-State Letter of Support

GM Hastings requested the Trustees approve an additional Tri-State letter of support for his signature. The letter advises FERC that there are a number of Tri-State’s member distribution cooperative that support a middle ground buy-out between Tri-State and United Power with the goal of keeping Tri-State whole.

There was Board consensus that GM Hastings move forward with the letter of support.

12. COMMITTEE REPORTS

F. Broadband Committee

Broadband Committee Chair Coriz said they met a couple of weeks ago with all members present as well as Tomas Barela. The Committee discussed JMEC’s broadband goals and received an update on the broadband feasibility study NRTC is conducting important components of the feasibility study include specifics of fiber locations, size of the fiber, and will assist in developing a cost estimate. The feasibility study will identify how much material is necessary and what it will cost.

Mr. Coriz said the Committee will be developing priorities in moving forward.

G. Building and Grounds Committee

Mr. Coriz said at this meeting staff discussed with the Committee the headquarters in Hernandez, and offices in Cuba and Jemez Springs. Flood control issues need to be addressed in Hernandez. At that meeting, Ms. Martinez had questions regarding the

change orders related to the new headquarters. GM Hastings noted there was drainage work required at Cuba as well.

Mr. Coriz said the Committee discussed the old headquarters and the next steps in either renovation or demolition.

Regarding the change order, Karen Wisdom, JMEC Senior Manager of Contract Administration and Compliance, said she was compiling a change order notebook with the minutes from the weekly meetings with Bradbury Stamm and JMEC staff. She noted that every Tuesday during the construction period she, Andrew Chavez and Eli Gallegos met with a representation of Bradbury Stamm and FBT Architects regarding the new headquarters building project.

President Trujillo said an RFP would be issued to look at options for the old building.

Appreciating Bradbury Stamm's willingness for JMEC to explore options regarding the old building Mr. Vigil, asked whether there was a time limit on the next Phase 3 of the contract. Ms. Wisdom said Bradbury Stamm has been very generous and has not levied any fees or penalties in moving forward with Phase 3 which was the demolition of the building. GM Hastings said he and Ms. Wisdom would reach out to Bradbury Stamm and advise them of what JMEC is considering.

10. B. ii. Finance Committee Meeting

Mrs. McCoy, Finance Committee Chair, said that the Committee met yesterday, May 26th and all Committee members were present as well as staff. The Committee discussed several items related to JMEC financial performance including:

- Request for donations from area charities
- Ensuring that local vendors and contractors received notice of JMEC RFPs

a. April 2022 General Fund Expenditures

Mrs. McCoy said the Committee reviewed the general fund expenditure list.

ACTION: Mrs. McCoy moved to approve the April 2022 general fund expenditures list. Mr. Bustos seconded and the Motion passed by unanimous [7-0] voice vote.

b. April 2022 Staff Credit Cards

ACTION: Mrs. McCoy moved to approve the April 2022 staff credit card charges. Ms. Martinez seconded and the motion passed by unanimous [7-0] voice vote.

c. April 2022 Attorney Expenses

ACTION: Mrs. McCoy moved to approve the April 2022 attorney expenses. Mr. Bustos seconded. The motion passed by unanimous [7-0] voice vote.

d. April 2022 Consultant Expenses

ACTION: Mrs. McCoy moved to approve the April 2022 consultant expenses. Ms. Martinez seconded and the motion passed by unanimous [7-0] voice vote.

e. April 2022 Trustee Vouchers

ACTION: Mrs. McCoy moved to approve the April 2022 trustee reimbursement vouchers. Mr. Coriz seconded. The motion passed without opposition.

That concluded the Finance Committee report.

10. COMMITTEE REPORTS

A. Communications Committee - This item was postponed.

B. Policy Committee

Chair of the Committee, Ms. Martinez said the Committee met on May 19th and continued to work on developing a grievance policy for non-union staff employees. Work continues on the JMEC code of conduct Policy 102 as well as three policies: #103, Roles and Responsibilities of the Board of Trustees; #104, Relationship Between Board of Trustees and General Manager; and #105, Roles and Responsibilities of the General Manager. The Committee also began working on policy #137, Conflict of Interest. She mentioned a course she recently completed that included FEMA's Conflict of Interest Policy that should drive JMEC's Policy. The policies (#114, #115, and #116) relating to the Foundation are pending legal and CPA review. The Committee discussed the need to review the current draft of the JMEC's personnel policies.

Ms. Martinez mentioned a course she took that recommended the development of a line extension Policy and a grant program that relates to community development that could be useful for JMEC.

C. Energy Committee - This item was postponed.

D. Annual Committee Planning [See page 5]

E. Broadband Committee [See page 7]

G. Building and Grounds Committee [See page 7]

13. NEW BUSINESS

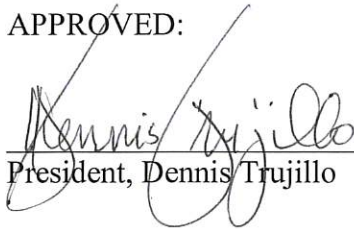
President Trujillo said he would like to explore the Infrastructure and Investment Act and any other mechanisms that may assist JMEC in recovering some of its expenditures resulting from wildfires. Ms. Martinez said the course she took discussed FEMA reimbursement eligibility that would be useful for JMEC to investigate.

14 ADJOURN

Having completed the agenda and with no further business to come before the Board, a motion was made by Mrs. Martinez which was seconded by Mrs. McCoy to adjourn the meeting at 2:28 p.m. The motion carried unanimously.


Secretary, John Ramon Vigil

APPROVED:


President, Dennis Trujillo

