

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

**July 28, 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 9:10 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  
Dolores McCoy, Treasurer  
Stanley Crawford, Asst. Secretary/Treasurer  
Lucas J. Cordova  
Elias Coriz  
Bruce Duran  
Dennis Gallegos  
Marcie Martinez  
Marissa Maestas-Muller

**Trustee(s) Excused:**

None

**JMEC Staff Present:**

Michael Hastings, CEO and General Manager  
Geraldine Romero, CFO  
Tina Trujillo Archuleta, Manager of Administration and External Affairs  
Tammy Trujillo, Interim Member Services Manager  
Karen Wisdom, Senior Manager of Contracts, Compliance and Special Projects  
Dwight Herrera, Senior Manager of Human Resources and Support Services  
Bill Barva, Cuba District Manager and Engineer  
Tomas Barela, Manager of Broadband  
Michelle Vigil, Accounting

**Others Present:**

Joseph Yar, JMEC General Counsel and Utility Counsel  
Duane Highley, Tri-State President and CEO  
Tim Rabon, Tri-State Board Chair  
Bill Boas, Broadband Consultant  
Beverly Duran-Cash, JMEC Member  
Lonnie Tucker, Tri-State Member Services Department  
Steve Cook, JMEC Member  
Timothy Johnson, JMEC Member  
Karen Farrell, Wordswork, Secretarial Services

**4. REMARKS FROM JMEC MEMBERS**

Beverly Duran-Cash thanked Stanley Crawford and Bruce Duran, her brother, for their service to JMEC. She reminded the Board that she had served as president of NM Protects and although she no longer serves in that capacity, she has been receiving calls about the recent JMEC election cycle. She was informed that Trustees Vigil and Bustos were door-to-door canvassing for District 6 candidate Larry Rodriguez. This was concerning because neither Trustee is from District 6 and both are current Board officers. Upholding a fair and just election should be the Board's top priority, not campaigning, according to Ms. Duran-Cash.

Ms. Duran-Cash said that yesterday [July 27] she received a text from a concerned JMEC member that Trustee Vigil came into the District 6 polling place with proxies for his candidate and that this behavior does not reflect the change that JMEC members expected to see from this Board.

She stated she hopes to work in partnership with the Board. She also stated Mr. Vigil was present when she arrived at the polling site and she confronted him as a concerned District 6 member. According to Ms. Duran-Cash, Mr. Vigil informed her that the law allows him to tender proxies. She said she had hoped that Mr. Vigil would work to change bylaws to prevent corruption, coercion, and manipulation.

Ms. Duran-Cash mentioned that in the past NM Protects hired a utility lawyer and she understood the JMEC GM and members would propose bylaws rather than the Board. The new bylaws do not address the conflict of interest that she witnessed at the polling site.

President Trujillo said the bylaws will be available for review and discussion before and at the annual meeting before action is taken.

GM Hastings reminded the President that this agenda item was slated for member input, rather than a question-and-answer session.

Ms. Duran-Cash said the politics need to be removed from the JMEC Board adding that serving on the board should not be a career and there should be term limits, in her opinion.

Ms. Duran-Cash said her neighbor Dave Neal was unable to attend today's meeting nor make it to polling site yesterday. According to Mr. Neal, he phoned JMEC to obtain an absentee ballot and was told that the Co-op did not provide absentee ballots. Apparently, proxies are not allowed unless an LLC has assigned someone to vote for the LLC.

Joe Archuleta, a member from El Rancho, born and raised in the valley, said he served as a school board member in Pojoaque and was familiar with bylaws. He urged the Board to review and make changes to them. He mentioned that candidate Henry Roybal was his nephew. He pointed out that El Rancho members pay more for electricity than other members due to rate riders.

President Trujillo said this Board works hard to do right by its members. The Board has worked to provide greater transparency to the election process and they would continue to work on that.

Mr. Vigil addressed the comments made by Ms. Duran-Cash stating that none of the Trustees were involved in the elections and do not handle ballots and that staff and an election contractor run the elections. Mr. Vigil made additional statements, including stating to Ms. Duran Cash that she accosted him during the election. President Trujillo asked for a motion to not get into a debate.

There was a Motion and a Second to end the discussion when the President asserted his prerogative and ended discussion. The Board has heard the issues and will work on them going forward.

Tim Johnson, a member from Abiquiu, said his kilowatts are not being properly recorded by his meter and thus he has a billing problem. He requested a meter reading and was advised that his meter needs to be replaced. It's been three weeks and the issue has not been resolved. He commended the Board for hiring GM Hastings and urged them to address the metering issues.

## **5. CONSENT AGENDA**

- a. Approval of Agenda**
- b. Approval of the June 30, 2023 Board Meeting Minutes**
- c. Approval of the June 2023 Member List**

**ACTION:** Mr. Duran moved to approve the Consent Agenda. Mr. Bustos seconded.

Regarding the minutes, Ms. Martinez offered the following comments:

Page 6, "Following discussion, July 1<sup>st</sup> was selected as a more practical date than July 20<sup>th</sup>." This item required more than the bullet point above which identified the date to begin the trustee's four-year trustee term.

Page 10, "GM Hastings reported that Guzman Energy has agreed to donate \$500 to JMEC as a door prize which will be used as a credit on the winner's electric bill. Mr. Duran said he was opposed to accepting Guzman's gift because it could have an "inappropriate appearance." She asked that this be further fleshed out to better understand the vote approving the gift as a benefit to the membership.

The Motion passed to approve the Consent Agenda incorporating the modification of the Minutes without opposition.

## **6. OTHER REPORTS**

### **a. President's Report**

President Trujillo announced that District 5 elected Danny Velarde, District 6 elected Henry Roybal, and in District 4 Ward A Lucas Cordova ran unopposed. He thanked Trustees Duran and Crawford for their services to the Cooperative and they received a round of applause.

He thanked Staff for their hard work throughout the election process.

GM Hastings presented the Spotlight awards to employees. George Valdez, Chad Stacy and Juan Duran were all awardees that received certificates and \$100. In Cuba, Bobbie Jo Chavez, lead work-order clerk, and has taken on other work saving the co-op a great deal of money. Michelle Vigil has been awarded spotlight employee for August.

### **b. Tri-State Director's Report**

Mr. Duran said Tri-State is still working through issues with United Power.

Duane Highley, Tri-State President and CEO said Tri-State is also a cooperative owned by the 42 members it serves. Tri-State serves four states, Nebraska, Wyoming, New Mexico and Colorado – 200,000 square miles. Their mission is reliable power accomplished through a diverse portfolio of resources and affordability. Tri-State has not had a rate increase since 2017; in fact, two rate reductions equaling 4 percent within that period occurred. However, due to inflation, starting in January 2024 Tri-State will have a 6 to 7 percent rate increase.

Ms. Martinez asked about nuclear energy in the future for Tri-State. Mr. Highley said Tri-State looks at all the different technologies – nuclear, geothermal, wind, solar, and battery. He said that the large-scale nuclear is not feasible at this point. A small modular reactor may be feasible. June of 2030 may be an appropriate time to review that. The most important thing for Tri-State is a diverse power supply and they have been working on their resource planning which requires approval by the Western Area Power Administration and by the State of Colorado. Tri-State will meet and exceed New Mexico's Clean Energy Rule which requires 50 percent clean energy by 2030 and will reach that landmark by 2025. Currently, Tri-State is adding wind and within the next few years 800 megawatts of new solar projects will be added. These new sources will offset other increasing costs. Coal plants will be retired while solar and wind are added. He spoke about the importance of reserve capacity as well.

Mr. Highley discussed a nuclear project in Wyoming that started with a \$10 million estimate and is now up to \$20 million with Bill Gates committing to cover cost overruns.

Mr. Duran asked whether the current heat dome has impacted Tri-State's ability to serve its members. Mr. Highley said Tri-State surplus capacity ensures they can meet their load. With the addition of intermittent resources, Tri-State has increased its reserve to 30 percent.

Mr. Highley said shutting down coal plants before the cost for those plants has been recouped is difficult for the members. Retiring the Escalante plant left \$800 million of unrecovered costs to the initial plant investment. If it's in the government's interest to retire these plants, Mr. Highley asked for financial assistance by the taxpayers. Tri-State and its lobbyist worked on this issue and the funding appeared last year when \$9.7 billion was allocated for co-ops for energy transition and Tri-State is applying for assistance.

Joseph Yar asked about a natural gas and any problems with that and New Mexico's Energy Transition Act requirements. Mr. Highley said they expected 300 to 400 megawatts of gas at the end of the decade. He didn't foresee any problems with the ETA and said by the end of the decade Tri-State will be at 70 percent of clean energy supply. He was confident Tri-State would meet the requirements.

Mr. Yar asked where the new natural gas plant was proposed and noted that historically there have been problems with the production of natural gas flowing to New Mexico during the winter. Mr. Highley said the gas plant is not expected to run all the time. A site has not been selected but the most favorable sites would be western Colorado or western Wyoming.

In regards to the solar issue JMEC has had with Tri-State, Mr. Highley said a "Sun Saver" Program is being developed to assist members wanting to initiate more solar. The idea is to use federal monies to provide a turn-key solar energy solution for members. Tri-State will coordinate the project and build out the program that can be replicated throughout its member base. Tri-State has negotiated an agreement with a commercial solar developer and the local co-op will provide operations and maintenance services. The funding is complicated but can be worked out. JMEC wants to benefit its tribal members; including the Pueblos and Nations. The program would be administered by JMEC. The simple idea is there would be a bill credit back to the JMEC members. The partial requirements include JMEC having an open season allocation of 30 megawatt and built-in fixed cost obligation against the bill credit. Policy 115 and standby rates would not apply. The program requires FERC filing and approval and would be rolled into the partial buyout program.

GM Hastings said there are a lot of moving parts to the Sun Saver Program. The equalization payment program (EPP) through Tri-State replaces the partial buyout settlement concept. The program helps the land grants and Pueblos develop small solar to replace a total of 30 megawatts from Tri-State. While there has been work on the program, there is a lot more work to do. GM Hastings acknowledged that Tri-State has developed a good plan. The proposal will address the Policy 115 issues with the existing projects covered under the 30 megawatt allocation and the standby rate concept would not apply to the partial buyout portion of JMEC's load.

Mr. Johnson expressed concern about Tri-State's 6 percent increase commenting that members living on a fixed income are hard pressed. Mr. Highley said as a co-op, Tri-State works for its membership and tries to keep costs down.

Tim Rabon, Tri-State Board Chair, thanked JMEC for the invitation to attend today. As a board member of Otero County's electric co-op, he said their problems are similar to those of JMEC in trying to accommodate tribal members. He commended Mr. Duran for his service on Tri-State's board and Mr. Cordova for his past service.

Mr. Duran said he appreciated working with both Mr. Rabon and Mr. Highley.

[The Board recessed for five minutes, and Mr. Crawford excused himself for the remainder of the meeting.]

**7. CEO AND GENERAL MANAGER'S UPDATE – Discussion and Action**

**a. Miscellaneous Matters**

**i. CFC Delegate/NRECA – Regional 10 Meeting**

GM Hastings said the Board needs to name a CFC delegate for the NRECA October 18-20 meeting in New Orleans. Ms. Martinez said she would be interested but was concerned she may have a schedule conflict.

**ACTION:** Mr. Duran moved to name Marcie Martinez to serve as the JMEC CFC delegate. Mr. Coriz seconded, and the Motion passed without opposition. [Trustees Cordova, Bustos and Crawford were not present for this action.]

**ii. CoBank Charitable March 2023**

GM Hastings said JMEC has the opportunity to have CoBank match charity funding up to \$10,000 through CoBank's Sharing Success Program. JMEC participated in the program last year. A decision will be necessary at the August Board meeting. The co-op has \$10,000 and needs to be careful spending money.

Mr. Vigil said this item was discussed at length at the Finance Committee meeting. He noted that there is a difference between a charitable contribution and a sponsorship. Staff needs to evaluate the budget and the Board needs to make a determination regarding the definitions of sponsorship and charitable contribution.

President Trujillo recommended holding off on the decision until August.

**iii. Other Matters – None were addressed.**

**iv. Sandia Labs Project**

GM Hastings said he reviewed a project proposed by Sandia Labs and thinks it is a good idea. Basically, it includes pursuing agriculture projects underneath the solar panel field. Sandia has a plan that the solar panels are movable and not tied to a rack but instead on posts and hang in a manner that a tractor could drive beneath them. The idea would be to

have the solar panels charge batteries and a water pump for the produce growing under the panel field. Bill Boas brought this project to GM Hastings' attention. It appears Sandia may get a grant for this project that basically will be a micro-grid having its own energy and would be quite flexible.

GM Hastings said he has advised Sandia that JMEC would be glad to serve as the host, but JMEC is not currently in a financial situation to supplement federal funding.

Mentioning the solar panels at Santa Fe public schools, Ms. Maestas-Muller suggested talking to the schools within JMEC's service area about housing the project. GM Hastings said there are certainly grant opportunities for solar, but JMEC lacks the Staff capacity to research and broadcast the information to any great extent.

GM Hastings said JMEC has agreed to host the project and we would pay to connect it to the grid so long as it is close to a line and the capacity exists.

There was consensus that this was a good idea.

Mr. Coriz suggested Northern New Mexico Community College may be interested.

## **8. EXECUTIVE SESSION**

- a. Legal Matters**
- b. Personnel Matters**

GM Hastings recommended addressing executive session before the lunch break.

Mr. Duran moved to go into executive session to discuss legal and personnel matters. His Motion was Seconded by Mrs. McCoy and passed by unanimous voice vote.

[The Board met in executive session at 11:15 a.m. to 11:45]

- c. Business Services and Finance**
  - i. June 2023 Financial Reports**

GM Hastings reviewed the RUS Form 7 noting it was half way into the year. There was a loss of \$102,000 with the mild June weather. He attributed some of the loss to how JMEC shows expenses versus capitalizing within its accounting system. The co-op's expenses are higher than budgeted because JMEC has expensed more than it should for a long, long time. The reason is JMEC was not building a lot of plants for that time. The Ski Basin line is a capital expenditure that will be amortized over 30+ years. Some of the costs may be reallocated from expense to capital but the Accounting Department is still working on that. Currently, JMEC is overbudget by \$816,000 on expenses. He noted that there are funds that have been budgeted that JMEC is yet to receive, i.e., capital credits from Western United.

GM Hastings highlighted that at this time in 2022 JMEC had 36 new services connected compared to this year with 217. Those connects are keeping the line personnel very busy. There continue to be over 1,000 open work orders which staff is working hard to close.

Karen Wisdom as well as work order clerks are involved in this work order project.

Currently, JMEC is experiencing a cash flow issue. The Ski Basin line project is \$5 million and because it is in the new RUS 4-year work plan, it is not under the old RUS loan. The project will fall under the recently submitted RUS loan and those funds will realistically not be received until February 2024. The Ski Basin line needs to be addressed because the line may not survive the winter and may fail causing serious problems. The Forest Service has new rules that place the first \$1 million in a fire event as the co-op's liability even if JMEC was not at fault (strict liability). Secondary lenders, CoBank and CFC, will help bridge the gap to the new RUS loan. Meetings are ongoing with CFC and CoBank to secure funding. GM Hastings said he'd like to secure the \$7.5 million CFC in a line of credit as soon as possible. He anticipated July would bring in a lot of revenue from the members but the following months will require the line of credit to bridge the gap.

President Trujillo said with the Forest Service's admission that they were responsible for the Cerro Pelado Fire, JMEC may recoup the \$4 million it has invested in repairs as a result of the fire.

Mr. Coriz asked about line assessments, the necessity of the Ski Basin line and how to avoid liabilities. GM Hastings said Santa Fe Ski wants to make to more snow and would be using more electricity. The line was at capacity and what started as a re-conductor project to make the circuits stouter and carry more electrons revealed the lines' weaknesses. It is difficult to get equipment in the area which works against line maintenance. The area is overgrown and the USFS prohibited the blading of roads in the area. In fact, following the Rio en Medio fire, USFS mandated that JMEC cut trees and set the stumps as barricades to prohibit motorized vehicles, including JMEC's bucket trucks, etc. to enter.

GM Hastings said Ms. Wisdom has been providing JMEC's consultant reports including photos to demonstrate the problems with the line and offered to review this in greater detail after the annual meeting.

Regarding ratios, GM Hastings said July should be a good month and the MDSC, modified debt service coverage, number improved. The cash flow analysis highlights that the \$4 million spent on the fire was not budgeted. The peak power usage for the year has been 66.8 megawatts and he expected that would rise substantially in July.

## **ii. Finance Committee Meeting**

Mrs. McCoy, Finance Committee Chair, said that the Committee met July 27, 2023 with all members, Ms. Romero and GM Hastings attending.

### **a. June 2023 General Fund Expenditures**

**ACTION:** For informational purposes, Mrs. McCoy moved to approve the June 2023 JMEC general fund expenditures list. Mr. Duran seconded. The Motion passed by unanimous voice vote.



**b. June 2023 Staff Credit Cards**

**ACTION:** Mrs. McCoy moved to approve the June 2023 staff credit card charges. Ms. Martinez seconded. The Motion passed by unanimous voice vote.

**c. June 2023 Attorney Expenses**

**ACTION:** Mrs. McCoy moved to approve the June 2023 attorney expenses. Mr. Duran seconded and the Motion passed by unanimous voice vote.

**d. June 2023 Consulting Expenses**

**ACTION:** Mrs. McCoy moved to approve the June 2023 consulting expenses. Ms. Martinez seconded. The Motion passed by unanimous voice vote.

**e. June 2023 Trustee Reimbursement Vouchers**

**ACTION:** Mrs. McCoy moved to approve the June 2023 trustee reimbursement vouchers. Mr. Bustos seconded and the Motion passed by unanimous voice vote.

**f. Donations**

Mrs. McCoy said there were three donation requests:

**1) Friends of Jemez Springs Volunteer Firefighters**

This volunteer firefighter group provides fire protection for the JMEC annual meeting. A motion was made and unanimously passed at the Finance Committee to recommend a \$1,000 donation to the group. This donation would be made from the annual meeting budget.

**ACTION:** Mrs. McCoy moved to approve the \$1,000 from the annual meeting budget. Mr. Duran seconded and the Motion passed without opposition.

**2) San Martin de Porres (SMDP) Soup Kitchen**

Mrs. McCoy said following discussion at the Finance meeting, a Motion was made and passed to recommend a \$1,000 donation.

**ACTION:** Mrs. McCoy moved to approve the \$1,000 to the SMDP Soup Kitchen and a 2023 budget variance of \$1,000. Ms. Martinez seconded and the Motion passed without opposition.

**3) Big Brothers & Sisters**

This organization requested money for sponsorship of a golf tournament. Following Finance Committee discussion, GM Hastings was directed to contact the organization and suggest a modified request to include educational and mentoring components which could be granted through the Foundation Fund.

Mr. Vigil said this request illustrates the difference between sponsorship and charitable donations.

Ms. Maestas-Muller asked about Okhay Owingeh's new sports facility and GM Hastings said the facility is lighted with a large padmount transformer.

## **9. OTHER COMMITTEE REPORTS**

### **a. Communications Committee**

Ms. Trujillo Archuleta presented the Committee for Chair Crawford. She reported the main discussion was the *Enchantment Magazine* which will feature a cover story on the impact of the Foundation scholarships, an employee spotlight and an interview with Mr. Bustos. There will be other articles to include energy, safety, and the community.

Regarding outages, Ms. Trujillo Archuleta said once the new system is online it will greatly improve notification.

Ms. Martinez said additional information regarding donations is necessary and requested it be placed on the next Board Meeting Agenda. GM Hastings suggested the Policy Committee work on definitions for contributions and sponsorships. Mr. Vigil said the Foundation Committee should also be involved and stressed the importance of getting the word out to the community about JMEC's giving capacity.

Ms. Maestas-Muller suggested purchasing a mobile trailer that could travel to the service area schools and teach children about electrical safety etc. Tri-State has exhibits that JMEC could rent for educational purposes.

## **10. NEW BUSINESS**

- Statewide

Mr. Bustos said the Statewide is conducting an evaluation of CEO Charise Swanson. It was a difficult survey that requires editing down the 20 questions to six.

It was noted that Ed Rougemont recently retired from the Statewide. Mr. Bustos said Mr. Rougemont was integral to Statewide's success.

- Annual Meeting

President Trujillo reminded the trustees that the August Board meeting will be held on Friday, August 25, 2023.

Ms. Trujillo Archuleta offered an update on the Annual Meeting:

- The NM Music Commission under the Department of Cultural Affairs will reimburse 50 percent of the entertainment cost.
- Rudy's BBQ conducted a walk-through of the site.
- The asphaltting will be completed within the next few weeks.

Mrs. McCoy said she heard from a caterer within JMEC's service area that was disappointed locals were not utilized for the picnic. Ms. Trujillo Archuleta said there

were no local caterers able to handle the capacity. The Annual Meeting Committee determined it was better to use one caterer rather than four caterers.

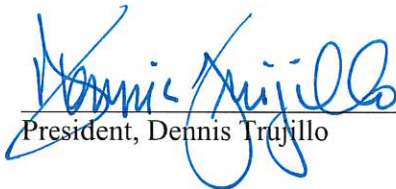
Mr. Vigil requested an additional meeting of the Annual Meeting committee before August 20, 2023.

President Trujillo asked that the Trustees discuss retiring some capital credits in an effort to engage the membership.

**11. ADJOURN**

Having completed the Agenda and with no further business to come before the Board, President Trujillo adjourned this meeting at 12:35 p.m.

APPROVED:

  
\_\_\_\_\_  
President, Dennis Trujillo

  
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Secretary, John Ramon Vigil