

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

June 30, 2023

HERNANDEZ, NEW MEXICO

1. This regular 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
Dolores McCoy, Treasurer
Stanley Crawford, Asst. Secretary/Treasurer
Lucas J. Cordova
Elias Coriz
Bruce Duran
Dennis Gallegos
Marcie Martinez
Marissa Maestas-Muller

Trustee(s) Absent:

John Ramon Vigil, Secretary

JMEC Staff Present:

Michael Hastings, CEO and General Manager
Geraldine Romero, CFO
Tina Trujillo Archuleta, Manager of Administration and External Affairs
Tammy Trujillo, Administrative Assistant
Karen Wisdom, Senior Manager of Contracts, Compliance and Special Projects
Dwight Herrera, Senior Manager of Human Resources and Support Services
Dennis Astley, Assistant General Manager

Others Present:

Frank Coppler, JMEC Counsel
Danny Velarde, Member and District 5 Candidate
Morgan Tiffany, JMEC Member

Tom Lucero, JMEC Member
Bert Martinez, JMEC Member
Debbie Doyle, Wordswork, Secretarial Services

4. REMARKS FROM JMEC MEMBERS

Morgan Tiffany distributed a packet of information containing her statements and exhibits to the Trustees and management. She prefaced her comments that she was present to create solutions for the future of JMEC and provide facts for consideration. Ms. Tiffany identified herself as a general contractor and professor at UNM. She stated that in Spring of 2022, she met with JMEC staff to prepare for work order #221032 and was assured by Dennis Astley that the Co-op's estimates were greatly improved and the final invoice should not exceed 10 percent of the original payment. On March 25, 2022, she paid the Co-op \$42,705. She summarized what occurred at the site.

Ms. Tiffany said her partner, Bert Martinez, used his own backhoe to dig the pole and anchor holes as well as assisting in placement. She and Mr. Martinez donated time, personal tools and materials as well as disposing of all waste. The job was completed April 2022 and on May 17, 2023 she received a final invoice in the amount of \$9,398.

Ms. Tiffany said she sent an email to management on May 19, 2023 and did not receive a response until she emailed the Board on June 5, 2023 when she received a call from Ms. Wisdom who indicated she would reconcile the account and schedule a time to work through the order. Ms. Tiffany also spoke with GM Hastings on June 23, 2023 Ms. Wisdom phoned her with an approved settlement offer of \$4,270, which is 10 percent over the original payment. Ms. Tiffany said for JMEC to be successful things need to change.

On June 22, 2023 a JMEC employee conducted a site visit for a new work order regarding a 250-foot line extension from her transformer to a new service meter at her casita. Ms. Tiffany said she was advised at that time that the 10 percent was already added to the work order estimate and she was advised to go to NM PRC with any complaints. Further, she questioned whether her tax exempt status as a general contractor was applied to the estimate.

Ms. Tiffany said the process lacks transparency and she requested that the Board make policy changes – itemize invoices, final invoice within 90 days of completion of work and final amount not to exceed 10 percent of original estimate – to protect the membership.

GM Hastings said because this issue involves personnel matters he advised the Board that discussion should occur in executive session.

Ms. Tiffany said it was not her intent to “throw anyone under the bus” but to move forward and complete her line extensions and see the process improved.

JMEC customer Tom Lucero said he received a bill 12 months after the completion of his project for an additional \$3,600 which was 40 percent extra. He too wants to see improvements and a detailed invoice.

Chair Trujillo said the Board was pleased this was brought to their attention and will work with management to improve the Co-op's processes.

Bert Martinez who helped Ms. Tiffany on the project stated that JMEC should be able to itemize the work order and fully explain any additions.

Mr. Coriz said it was obvious there are procedure and policy issues that need to be corrected. He thanked the JMEC members for attending and advising the Board of their issues.

Speaking as the Policy Committee Chair, Ms. Martinez said these issues will be addressed and the line extension policy will be prioritized. She thanked the members for attending the meeting.

Prior to leaving, Ms. Tiffany noted that the JMEC linemen were "amazing" and it was a pleasure to work with them.

5. CONSENT AGENDA

- a. Approval of Agenda**
- b. Approval of the May 19, 2023 Board Meeting Minutes**
- c. Approval of the May 2023 Member List**

ACTION: Mr. Crawford moved to approve the Consent Agenda. Ms. Maestas-Muller seconded.

Ms. Martinez noted there were discrepancies with the time listed for certain board members' arrivals. GM Hastings offered to review and correct that.

The Motion passed by unanimous voice vote. [Mr. Gallegos was not present for this action.]

6. PRESIDENT'S REPORT

President Trujillo said there has been a lot occurring with Board-State and the Board elections in July. The Board may want to schedule a Special Board meeting. He was pleased that the Bylaw Committee has approved seven of the eight proposed changes and the eighth amendment was reviewed by legal counsel and all eight will be presented today.

GM Hastings said, as required by the bylaws, notice will be mailed to the membership of the annual meeting along with the bylaw amendments for consideration at the annual meeting. He planned on sending out the notice and bylaw materials on or about August 1, 2023.

7. TRI-STATE REPORT

Mr. Duran said Tri-State has filed with FERC to withdraw the partial buyout offer and wants to move forward with an equalization payment methodology that may help Tri-State with tax issues. He noted that the closure of electric producing plants will create a big burden on electric co-ops. JMEC did reach out to Tri-State regarding the problems with Policy 115 and the Tri-State standby rate.

Tri-State is being sued in Adams County by United Power for a breach of contract action in the amount of \$500 million. GM Hastings said Tri-State added three new members that are not electric cooperatives, i.e., other types of entities. This put Tri-State within FERC's jurisdiction to avoid state courts and judges. United Power contends that it was illegal for Tri-State to add those members. United Power also argues that if they win the suit, they should not have to pay an exit fee from Tri-State which, if successful, would be another huge loss for Tri-State and that Tri-State may not survive.

Stating this is his last term as a trustee, Mr. Duran said when serving on the Tri-State board one is there for Tri-State; although, his concern is with the JMEC members.

8. STATEWIDE REPORT

Mr. Bustos provided the following information:

- Ed Rougemont is retiring and has worked tirelessly for New Mexico co-ops.
- Carmen Campbell is now working for Statewide assisting with co-op grants.
- The Statewide board meeting is scheduled for Friday, July 14, 2023.
- The Statewide's BBQ is scheduled for July 13, 2023 at 6:00 p.m.

9. OTHER BOARD ITEMS – DISCUSSION AND ACTION

a. **Approval of the 2023 Bylaw Amendments to Present to the Members at the JMEC 2023 Annual Meeting**

President Trujillo summarized the eight amendments as follows:

- Eliminate the \$5 membership fee
- Eliminate the reference of “husband and wife” and substitute “member/owner”
- Allow for meetings on Saturday or Sunday – providing flexibility in scheduling the annual meeting
- Re-define “trustee-at-large” and identify that trustee at large will come from District 6, Wards A or B, and that the at-large trustee is elected by the members of District 6, not the JMEC Trustees.
- Add a Trustee's Code of Conduct
- Revise the election calendar
- Add Board Secretary/Treasurer
- Term Limits for Trustees

ACTION: Mr. Crawford moved to approve the bylaw amendments. Ms. Martinez seconded.

Following discussion, July 1 was selected as a more practical date than August 20 for the term limits provision. This is because Mr. Cordova is up for election starting his fifth term. Therefore, Mr. Cordova could serve four more full terms if re-elected in 2023.

It was clarified that one can serve four consecutive four-year terms, sit out two four-year terms and run for JMEC Trustee again.

The Motion passed by unanimous voice vote.

In response to Mr. Duran's comment that a member could introduce an amendment change at the annual meeting for consideration, GM Hastings said that while it is possible, there would be a notice issue. The current bylaw amendment requires notice to the members on the amendments that are being presented for action. The Board discussed the idea of accepting a donation from a power marketer even though JMEC has not contracted with Guzman Energy and could therefore be influenced by the gift.

b. RUS RD Apply Resolution

GM Hastings said RUS requires this resolution identifying who signs submissions to the RUS. The resolution identifies GM Hastings as the certifier and administrator, and CFO Geraldine Romero as the backup.

ACTION: Ms. Martinez moved to approve the resolution, Mr. Bustos seconded and the Motion passed by unanimous voice vote. [Mr. Coriz was not present for this action.]

c. CoBank Resolution

GM Hastings said CoBank serves as a supplemental lender to electric co-ops in the U.S. Occasionally, CoBank requires resolutions affirming borrower information. JMEC has a \$1 million line of credit with CoBank and the signers have not changed.

ACTION: Ms. Maestas-Muller moved to approve the resolution, Mr. Cordova seconded and the Motion passed by unanimous voice vote.

d. Business Services and Finance

i. May 2023 Financial Reports

The Board congratulated CFO Romero on her recent accomplishments.

Ms. Romero reviewed the May 2023 Form 7 noting operating revenue and patronage capital is slightly above budget at \$23,689,879. She reviewed May 2023 numbers as well as year to date. Total operation and maintenance expenses are above budget which can be attributed to payroll. Year-to-date cost of electric power is \$22.6 million. For the month of May there is a negative margin of \$86,104. Total miles energized is 4,168.53. She reviewed the balance sheet and noted that Ms. Wisdom is working with FEMA for reimbursement regarding the Cerro Pelado fire. Broadband expenses since inception are \$434,000. She reviewed monthly ratios of TIER, OTIER and MDSC. There are

currently 31,623 JMEC member accounts. She reviewed the sale of KWH and revenues obtained.

In terms of cash flow, total deposits collected for May were \$7.9 million and expenses were \$5.1 million. Ending book balance was \$2.759 million. Total liquid account was \$3.1 million and non-liquid assets were \$476,000.

Line loss was 5 percent for the month and year-to-date it is 3 percent. There are currently 122 employees.

GM Hastings noted that May is considered a shoulder month and it's typical to have lower electric usage. The large commercial users – casinos, hotels, Walmart – did not have air conditioning running much during May and that added to the dip in electric sales.

ii. Finance Committee Meeting

Mrs. McCoy, Finance Committee Chair, said that the Committee met June 29, 2023 with all members except Mr. Vigil present. The Committee reviewed the May agenda items.

a. May 2023 General Fund Expenditures

ACTION: For informational purposes, Mrs. McCoy moved to approve the May 2023 JMEC general fund expenditures list. Mr. Duran seconded.

Ms. Martinez asked about some refunds listed on the ledger. GM Hastings said sometimes an estimate for a new JMEC electric service to a member will come in higher than the actual and JMEC will refund members the difference.

The Motion passed by unanimous voice vote.

b. May 2023 Staff Credit Cards

ACTION: Mrs. McCoy moved to approve the May 2023 staff credit card charges. Mr. Coriz seconded. The Motion passed by unanimous voice vote.

c. May 2023 Attorney Expenses

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

d. May 2023 Consulting Expenses

ACTION: Mrs. McCoy moved to approve the May 2023 consulting expenses. Ms. Martinez seconded.

Ms. Martinez asked what services JMEC obtained from Sturges Word. GM Hastings said Sturges Word is doing the monthly communications and marketing including

website work, press releases and provides stories and interviews for the *Enchantment Magazine*. GM Hastings said the plan is to hire someone to take charge of marketing and communication in house for the Co-op.

Mr. Coriz noted that the Finance Committee Agenda items are carefully reviewed during the Finance Committee meeting.

The Motion passed by unanimous voice vote.

e. May 2023 Trustee Reimbursement Vouchers

ACTION: Mrs. McCoy moved to approve the May 2023 trustee reimbursement vouchers. Mr. Duran seconded and the Motion passed by unanimous voice vote. [Mr. Gallegos was not present for this action.]

f. Donations

Mrs. McCoy said there were three requests:

- Española Valley Fiesta Council request for \$1,500.
- Rio Arriba County Rodeo Association request for \$4,000.
- Española Valley High School Cheerleaders for an unspecified amount.

In recognition of Española's assistance with the JMEC 2022 District 4 meeting last year, the Finance Committee voted to recommend approval of the \$1,500 request. The rodeo and the cheerleader requests were denied due to a lack of funds.

ACTION: Mrs. McCoy moved to approve a donation of \$1,500 to the Española Valley Fiesta Council. Mr. Bustos seconded.

Mrs. McCoy explained that only \$2,500 was budgeted for donations for the year and this donation will require a budget adjustment.

Ms. Trujillo Archuleta said there is a donation requests form that is used. The program was frozen throughout COVID.. Typically, the organization is required to have a 501(c)(3) tax status.

Ms. Martinez said it was important that every organization within the service area have a fair chance of receiving a donation. Chair Trujillo agreed that better communication about the donation program was needed and it should be distributed fairly. Education outreach requests go through the Co-op's Foundation Fund.

Ms. Trujillo Archuleta suggested opening the main foyer at headquarters to different organizations to use for bake sales, like Century Bank in Espanola does.

The Motion passed by unanimous voice vote.

g. La Luz Campground

Mrs. McCoy said the Finance Committee discussed the cost of paving areas near La Luz campground. GM Hastings said the Annual Meeting Planning Committee discussed paving two basic areas. Section A is the gravel road up to the La Luz to the campground and Section B is paving over to the entrance where people register and creating a narrow 10-foot road to the building structure and a piece from there to the pavilion. The primary reason is to seek compliance with the ADA and provide better access to all. Paving would reduce the dust created by the vehicles coming in and would eliminate some of the annual expense of a water truck spraying to keep the dust down.

Paving for Section A amount was \$68,855 and Section B was \$126,000. The Committee wants the paving contractor to reduce the paving on Section B and pave an ADA parking area and provide legal striping and two handicapped signs.

ACTION: Mrs. McCoy moved to approve Section A in the amount \$68,000 and direct management to reduce the area of Section B for less than \$126,000. Mr. Coriz seconded.

GM Hastings noted that staff sought three quotes and only received one.

Mr. Coriz said the paving was important and could be accomplished in phases.

GM Hastings said money was budgeted for this project. He identified Section B to the immediate right of the where the food is served which would start at the registration area, and two rows for parking cars, plus signage and striping. The Finance Committee requested further negotiation on Section B. GM Hastings said he anticipated a new quote from the paver today or tomorrow.

The Motion passed by unanimous voice vote.

That concluded the Finance Committee business.

[The Board recessed from 11:05 a.m. – 11:11 a.m.]

10. OTHER COMMITTEE REPORTS

a. Bylaw Committee Report [See pages 4-5]

b. Communications Committee Report

Mr. Crawford said the Committee met on June 12, 2023 with all members present. The Committee discussed the Spotlight award recipient. Ms. Wisdom said Michelle Vigil from the Finance Department has been selected. Mr. Crawford said the *Enchantment Magazine* will feature the annual meeting, bylaw changes, scholarship recipients, etc. The notion of a JMEC marketing campaign was discussed.

Ms. Martinez said the annual meeting and proposed bylaw changes are really important to communicate to the membership. The JMEC website is a vital venue that needs to carry more information and be better organized with an information banner/dashboard on page one. Ms. Maestas-Muller agreed and said clearly more information was needed on the website regarding a few items the upcoming elections.

GM Hastings said a contractor for Sturges Word has been doing the website updates. Ms. Trujillo Archuleta can also post on the website. JMEC has budgeted for a marketing and communications position on staff and an offer has been extended to an individual.

Ms. Trujillo Archuleta said she would work with the current provider, Sturges Word, to improve the locations of information on the website.

c. Broadband Committee

Mr. Coriz said the Committee met on May 26, 2023 with all but Mr. Gallegos present. At this point, there was no update on the New Mexico Wave 2 broadband grant. The City of Española received congressional appropriations in the amount of \$870,000 that JMEC will be working with. Work continues with NRTC for Reconnect money. There are a lot of hurdles associated with the grants.

Informing the JMEC members about broadband should be on the website before rollout.

Ms. Martinez recommended including broadband within the Communications Committee Agenda to expand outreach.

d. Building and Grounds Committee

Mr. Coriz said the Committee met June 20, 2023 with all members and staff present. Eli Gallegos reported on the demolition of the old headquarters building. New signage is underway. Sites are being explored for an additional substation. Additional acreage will be necessary for the broadband extension and that too is being considered.

The Committee discussed and approved to the full Board purchasing 2.75 acres behind the headquarters.

ACTION: Mr. Coriz moved to authorize staff to move forward on the purchase of 2.75 acres. Mr. Cordova seconded and the Motion passed without opposition.

The Committee recommended that the buildings on this campus be the same color and Mr. Gallegos was tasked to develop an RFP for painting the two older buildings on the JMEC headquarters campus. If the budget is not there, the Committee recommends completing the project next year.

GM Hastings said management attended an Española School Board meeting where they introduced purchasing about 1.5 acres for a substation. The school board did not indicate any interest. Recently the school superintendent phoned GM Hastings. She has been authorized to work with JMEC in getting an appraisal, survey and advancing towards a sale. He noted that city zoning and planning will need to be contacted. If this fails, an independent real estate person will be utilized to find a location. The school board approved JMEC's request to hang an antenna on the roof of the middle school which will assist in meter reading. A license agreement will be prepared by Mr. Coppler's firm.

GM Hastings said Tri-State has given authorization to JMEC to build an expansion of the Coyote Switch Station just north of the deteriorating Abiquiu Substation. This would solve the big issue of the Abiquiu Substation, which is well past the end of its useful life.

e. Energy Committee

Mr. Crawford reported that the Committee discussed Tri-State and FERC. Also discussed were solar issues with the Pueblos and the standby rate. Mr. Astley was at the meeting and discussed work plans and the current state of the JMEC infrastructure.

f. Annual Meeting Planning Committee

In Mr. Vigil's absence, GM Hastings reported that the Committee met on June 26, 2023 and discussed the caterer, Rudy's Bar B-Q, \$1,000 for the door prizes, a jump house, and two different face painters. Small give-away gifts were solicited from JMEC vendors. Electrical upgrades and sound system improvements for the campgrounds were discussed. The Committee recommended adding a used JMEC fleet vehicle to the prizes – a 2010 4-door Chevrolet Malibu, unit #90 with 81,961 miles – along with two 4x4s and the two TVs.

ACTION: Mr. Bustos moved to approve Rudy's Bar B-Q catering bid in the amount of \$35,557.50 to cater the annual meeting. Ms. Martinez seconded and the Motion passed by unanimous voice vote.

ACTION: Mr. Bustos moved to utilize the 2010 4-door Chevrolet Malibu fleet car as a prize. Mrs. McCoy seconded. The Motion passed by unanimous voice vote. [Mr. Coriz was not present for this action.]

Ms. Trujillo Archuleta said \$1,000 was budgeted for door prizes and bigger items were purchased as well as donations from vendors.

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.

ACTION: Mr. Bustos moved accept the \$500 donation from Guzman and award two \$250 in bill credits as prizes. Mr. Coriz seconded and the Motion carried by majority vote with Mr. Duran voting against.

October is Co-op Month and the Committee discussed holding an open house in the new headquarters to celebrate JMEC's 75th anniversary.

JMEC District 4 election is uncontested and will have no formal election pursuant to the bylaw passed in 2022. District 5 candidates include Stanley Crawford and Danny Velarde. District 6 candidates are Henry Roybal and Larry Rodriguez.

The Annual Meeting was budgeted for \$100,000. The paving is considered a capital expenditure and not within that budgeted \$100,000.

11. RECOGNITION OF THE FOUNDATION SCHOLARSHIP RECIPIENTS

Many of the JMEC Foundation 2023 scholarship recipients were present and Chair Trujillo congratulated them and their parents.

Ms. Trujillo Archuleta introduced the recipients that were present and they receive a certificate and a round of applause: Maria Analyse Torres, Jaydn Martinez, Clayton Chavez, Unica Velasquez, Joshua Garcia, Unica May, Gracie Bird, Adam Pacheco, Alanah Marquez, Joshua Sanchez, Nicolas Garcia, Nathaniel Garcia, Adrian Triana, Mia Casados, Gabriel Salazar, and Letisha Ortiz. The Tri-State scholarship was awarded to Kaitlyn Velarde.

The recipients and their parents were invited to stay for lunch. GM Hastings congratulated the scholarship recipients as well.

[12:10 the Board recessed for lunch]

The Board of Trustees resumed its regular monthly Board meeting at 12:44 p.m. A Motion was made by Mr. Gallegos that was seconded by Mrs. McCoy to go into Executive Session at 12:45 p.m. to discuss legal and personnel matters. Mr. Crawford was not present for the beginning of the Executive Session. Ms. Wisdom attended the beginning of the Executive Session at the request of GM Hastings.

12. EXECUTIVE SESSION

- a. Legal Matters
- b. Personnel Matters

13. NEW BUSINESS

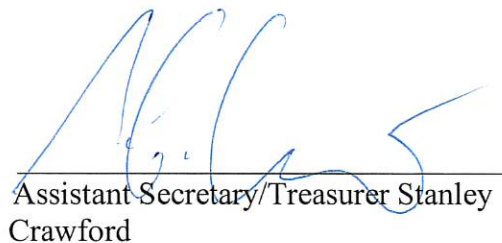
14. ADJOURN

Having completed the Agenda and with no further business to come before the Board, President Trujillo adjourned this meeting at 1:59 p.m.

APPROVED:



President, Dennis Trujillo



Assistant Secretary/Treasurer Stanley
Crawford

DRAFT

- subject to approval –