

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

BOARD OF TRUSTEES

FRIDAY, May 19, 2023

HERNANDEZ, NEW MEXICO

1. This regular monthly Board meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Board President Dennis Trujillo at 9:08 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
John Ramon Vigil, Secretary [10:11 arrival]
Stanley Crawford, Asst. Secretary/Treasurer [9:15 arrival]
Lucas J. Cordova
Elias Coriz [9:15 arrival]
Bruce Duran [10:21 arrival]
Marcie Martinez [10:20 departure]
Marissa Maestas-Muller

Trustee(s) Excused:

Dennis Gallegos

JMEC Staff Present:

Michael Hastings, CEO and General Manager
Dennis Astley, Assistant General Manager
Geraldine Romero, CFO
Tina Trujillo Archuleta, Manager of Administration and External Affairs
Bill Barva, Cuba District Manager and Engineer
Karen Wisdom, Senior Manager of Contract Administration and Compliance
Dwight Herrera, Senior Manager of Human Resources and Support Services
Erlinda Baca, Accounting
Eli Gallegos, Purchasing Agent
Tomas Barela, Broadband Manager

Others Present:

Frank Coppler, JMEC Counsel
Karen Farrell, Wordswork, Secretarial Services

4. REMARKS FROM JMEC MEMBERS

Friday Night Dining organizer, Mrs. Johnnie Mae de Schweinitz, described the 501(3)(c), which started in 2019, that serves locally grown food prepared by local chefs to provide a free sit-down dinner to low income senior citizens, disabled adults and the homeless of Española. Twenty volunteers are needed to serve as waiters, kitchen staff, greeters, bussers, dishwashers, bathroom attendants, etc. The events are held once a month from January through October. The last event had volunteers from the Zia Credit Union. She invited 10 to 20 volunteers from JMEC.

Ms. Trujillo Archuleta said she had the information and dates and would send it out to the Board and post it for JMEC employees. She offered to get back in touch with Mrs. De Schweinitz to confirm JMEC's participation.

5. CONSENT AGENDA

- a. Approval of Agenda**
- b. Approval of the April 28, 2023 Board Meeting Minutes**
- c. Approval of the May 12, 2023 Special Board Meeting Minutes**

President Trujillo requested that item 8. Statewide Report be deleted and replaced with 10.b. Policy Committee Report and remove item 9.c. Approval of the 2023 Bylaw amendments and item 10.c. Communications Committee Report.

ACTION: Mr. Crawford moved to approve the Consent Agenda as amended. Ms. Martinez seconded and the Motion passed by unanimous voice vote. [Trustees Vigil and Duran were not present for this action.]

6. PRESIDENT'S REPORT

President Trujillo noted that staff has been very busy preparing for the next election cycle with positions open in Districts 4, 5 and 6. There is no news from FERC regarding buyouts/partial buyouts with Tri-State.

7. TRI-STATE – no report

10. a. Policy Committee Report

Ms. Martinez said the Committee met on May 15, 2023, and reviewed Policies in preparation for the Board's action. She reviewed the following:

- **Employee Credit Card Policy** was recently edited and prepared for action. A credit card policy acknowledgement form has been added.

ACTION: Ms. Martinez moved to approve the Employee Credit Card Policy and Mr. Bustos seconded. The Motion passed by unanimous voice vote. [Trustees Crawford, Duran and Vigil were not present for this action.]

- **Confidential Information Policy #107** was reviewed with changes by the GM and the Committee.

ACTION: Ms. Martinez moved to approve amended Policy #107, Confidential Information, and Mr. Coriz seconded. The Motion passed by unanimous [7-0] voice vote. [Trustees Duran and Vigil were not present for this action.]

- **Financial, Customer or Employee Information Requested by Individual Trustees of the Board Policy #109**

ACTION: Ms. Martinez moved to approve amended Policy #109. Mr. Crawford seconded and the Motion passed by unanimous [7-0] voice vote. [Trustees Duran and Vigil were not present for this action.]

Ms. Martinez noted that other Policies were reviewed by the Committee but were not ready for Board action. She anticipated bringing forward a number of policies at the June meeting. President Trujillo said he appreciated the work of the Policy Committee. GM Hastings will be forwarding Policy #125 before the next meeting.

9. OTHER BOARD ITEMS – DISCUSSION AND ACTION

a. Presentation of Awards

i. NRECA Spotlight on Excellence Gold Award – Best Total Communications Program

ii. NRECA Spotlight on Excellence Edgar F. Chesnutt Award

GM Hastings extended the Co-op thanks to staff and the Trustees who worked on the six special district meetings in the summer of 2022. Ms. Wisdom approached him late last Fall with the idea of applying for these NRECA awards. There are 18 categories in the NRECA Spotlight on Excellence Awards and JMEC won the gold for the best communications program and the Chesnutt award, which is the overall award for all the co-ops in the U.S. There were 150 applicants. A video was shown of JMEC’s campaign and marketing efforts to hold six special district meetings in order to amend the bylaws and give the power to the members.

President Trujillo shared a voice message he received from former JMEC manager Robert Garcia congratulating the Co-op for these awards.

A press release was sent to all the local media outlets and GM Hastings said at the last KDCE “coffee break” he discussed it. The announcement was sent to Statewide, and the award makes all the New Mexico co-ops shine. A suggestion to post the video on the JMEC website was mentioned. Ms. Martinez reminded the Board of the pushback they got when starting the special district meetings and she said publicizing the awards will be a bonus for JMEC.

President Trujillo recommended using the *Enchantment* to announce the award to the community.

iii. JMEC Anniversaries

- a. **Eli Gallegos – 30 year**
- b. **Ronaldo Estevan – 20 year**

GM Hastings characterized Eli Gallegos as one who works behind the scenes and accomplishes a ton for the Co-op. Mr. Gallegos was presented a gift and a round of applause for his 30 years of service to JMEC. Photos were also taken.

Ronaldo Estevan was not able to participate today and GM Hastings said he hoped to have him join the Board next month.

b. Approval of the 2023 RUS Four-Year Work Plan

Mr. Astley said there will be two versions of the work plan: one with the generic work and the other the actual work plan that would have been presented over the last 30 years. RUS is now requiring additional environment reports. The new substations are contained in the plan but may be modified to meet recent RUS requirements. Timelines were included. BLM reports may be necessary on the electric line out of Lybrook. The transmission line and the Lybrook Substation rebuild are not part of the \$72 million-plus work plan total cost. He reminded the Board that he has reviewed the plan with them in the recent past.

Mr. Astley requested approval of the new four-year construction work plan. GM Hastings said RUS may require a resolution on the four-year work plan.

ACTION: Mr. Cordova moved to approve the new four year work plan and authorize the JMEC President and Secretary to execute a resolution if necessary for the RUS. Mr. Coriz seconded and the Motion passed by unanimous voice vote.

d. Business Services and Finance
i. April 2023 Financial Reports

GM Hastings referred to the RUS Form 7 and highlighted that the Co-op made \$280,395 in April. As far as broadband, JMEC has spent approximately \$395,000 of the million that was set aside. As an accounting issue, the Co-op is transitioning from maintenance to construction. Now, more costs can be capitalized. The January through April 2023 financials will be adjusted to assign more personnel costs to capital expenditures rather than expenses. Meeting the financial ratios is an important goal for this year.

GM Hastings pointed out that construction work in progress/closing work orders is a priority and staff is focused on that. Management continues to watch cash and temporary investments. A breakdown of each class and how much electricity and revenues are coming in for each was noted. Another drawdown on the line of credit may be necessary. Filing the new work four-year work plan was the prerequisite to get the necessary lien accommodation for broadband funding and a new RUS loan for the four-year work plan projects.

ii. Finance Committee Meeting

Mrs. McCoy, Finance Committee Chair, said that the Committee met May 18, 2023 with all Committee members present, and reviewed the April Agenda items.

a. April 2023 General Fund Expenditures

ACTION: For informational purposes, Mrs. McCoy moved to approve the April 2023 JMEC general fund expenditures list. Mr. Coriz seconded and the Motion passed by unanimous [7-0] voice vote. [Mr. Crawford was not present for this action.]

b. April 2023 Staff Credit Cards

ACTION: Mrs. McCoy moved to approve the April 2023 staff credit card charges. Ms. Martinez seconded. The Motion passed by unanimous [7-0] voice vote. [Mr. Crawford was not present for this action.]

Ms. Trujillo Archuleta said holding the strategic planning sessions at the JMEC headquarters was far more economical than holding it at a casino.

c. April 2023 Attorney Expenses

ACTION: Mrs. McCoy moved to approve the April 2023 attorney expenses. Mr. Cordova seconded and the Motion passed by unanimous [8-0] voice vote.

Mr. Coriz pointed out that staff is responsive to any questions regarding the financial reports.

[Mr. Vigil and Mr. Duran joined the meeting at this time.]

d. April 2023 Consulting Expenses

ACTION: Mrs. McCoy moved to approve the April 2023 consulting expenses. Ms. Maestas-Muller seconded, and the Motion passed by unanimous voice vote.

GM Hastings said while the rate case cost of service study is completed, Justin Proctor with Guernsey is assisting in distinguishing the residential class into general service, seasonal and truly residential components. The meter readers are also providing additional data by identifying that the meter is for the well house, barn, home, etc. He anticipated a few more projects of this nature throughout the year and then in 2024 a new cost of service study may be warranted.

e. April 2023 Trustee Reimbursement Vouchers

ACTION: Mrs. McCoy moved to approve the April 2023 trustee reimbursement vouchers. Ms. Martinez seconded.

President Trujillo commented that the increase in vouchers can be attributed to the strategic planning workshops and Tri-State's annual meeting.

The Motion passed by unanimous [8-0] voice vote.

f. RFPs

Mrs. McCoy said the Committee reviewed the two responses to the transmission and substation design work at the La Jara and Lybrook substations. This is in conjunction with moving the transmission line that runs through the Jicarilla Apache Nation. That transmission line easement expires in 2026. The Committee and staff recommend that ECI Electrical Consultants be awarded the contract for their low bid and completion date of 34 weeks.

ACTION: Mr. Crawford moved to award the contract to ECI Electrical Consultants. Mr. Coriz seconded. The Motion passed by unanimous [8-0] voice vote.

That concluded the Finance Committee business.

10. OTHER COMMITTEE REPORTS

b. Bylaw Committee

President Trujillo said the Committee met on May 18, 2023, with all members present and reviewed the bylaws that were prepared by Mr. Coppler and GM Hastings. There was Committee consensus to move forward with seven of the eight presented bylaws. Those seven amendments will undergo further review and will be re-presented to the Committee. A trustee election cycle plan, trustee at-large, and trustee's term limits will require additional preparation, edit and review.

Ms. Trujillo Archuleta has deadlines to ensure presentation and proper notice of the proposed bylaws for the annual meeting, President Trujillo said the Committee is cognizant of that fact. A choice of dates for the next bylaw committee meeting will be announced.

Board room sound issues: Mr. Vigil said the sound system in the Board Room is awful and he requested that staff contact the contractor to address the issue. When he participates in the Board meetings remotely he is unable to hear people on one side of the room. Mr. Barela said a new amplifier has been ordered and the tech installing it will provide training to staff. Mr. Duran asked that staff check the warranty on the sound system. Mr. Crawford questioned the strength and positioning of the speakers.

d. Broadband Committee

Mr. Coriz said the Committee met on May 12, 2023, and reviewed strategic planning discussions and NRTC information. The Committee supports the strategic plan. Mr. Barela will be offering a workshop on May 23, 2023, to delineate broadband operations.

GM Hastings said he has talked with the Connect NM Council and he agreed to a grant funding ratio of 50-50. The state is running low on its funding for these projects and there are more projects than grant money. The Council wants a letter describing JMEC's broadband project and how it will be rolled out.

Other points noted regarding broadband include:

- Negotiations on the MOU with Kit Carson continue.
- Mr. Coriz identified the areas to be covered in Phase I of JMEC's broadband roll out.
- Mr. Coriz also discussed the Espanola Broadband grant with the Board.

11. EXECUTIVE SESSION

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

ACTION: Mr. Coriz moved to go into executive session at 10:45 a.m. and Mr. Duran seconded. The Motion passed by unanimous voice vote.

[The Board met in Executive Session from 10:45 to 11:25 a.m.]

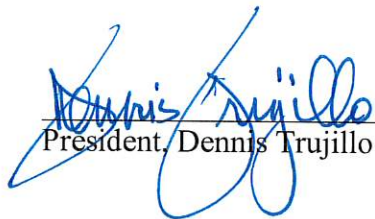
12. NEW BUSINESS

There was no new business to come before the Board of Trustees.

13. ADJOURN

Having completed the agenda and with no further business to come before the Board, President Trujillo adjourned this meeting at 11:26 a.m.

APPROVED:



President, Dennis Trujillo



Secretary, John Ramon Vigil