



MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES
FRIDAY, JUNE 28, 2024 at 9:00 AM
HERNANDEZ, NEW MEXICO

1. Call to Order

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
Marcie Martinez, Secretary
Dolores McCoy, Treasurer
Henry Roybal, Asst. Secretary/Treasurer
Lucas J. Cordova (left at 1:22pm)
Elias Coriz
Deanis Gallegos
Marissa Maestas-Muller
Danny Velarde
John Ramon Vigil (via Webex from 9:00am – 10:00am)

Trustee(s) Excused:

None

JMEC Staff Present:

Joseph Sanchez, General Manager and CEO
Tom Beamon, Former Interim General Manager/BSGM Consultant
Geraldine Romero, CFO
Tina Trujillo Archuleta, Manager of Administration and External Affairs

Others Present:

Joseph Yar, JMEC General Counsel
Shawna Tillberg, Paralegal

4. REMARKS FROM JMEC MEMBERS –

Tiffany Morgan, accompanied by Bert Martinez, expressed concerns about a potential work order on a county road that is 20 feet wide at its widest point. Neighbors believe that there will be issues with the integrity of the existing steel conduit. Mr. Trujillo thanked them for their concerns and referred the issue to Mr. Sanchez, who promised to investigate the matter.

5. CONSENT AGENDA AND APPROVAL OF MINUTES

The Board considered Approval of the March 27, 2024 meeting minutes, the May 9, 2024 meeting minutes and the May 24, 2024 meeting minutes. The only change that was made was to fix the March meeting minutes to reflect 2024 instead of 2023, otherwise there were no changes.

Mr. Cordova pointed out a typo on board meeting agenda, which says June 27th and needed to be changed to 28th.

ACTION: With those changes being accepted, Ms. Martinez made the motion to approve the agenda and minutes, Mr. Vejarde seconded. The vote passed unanimously.

6. BUSINESS AND FINANCIAL REPORT

Mr. Beamon reported a \$1.4 million loss due to milder winter and reduced electric load. It is hopeful that expense and payroll reductions throughout the year will offset the losses. Ms. Martinez inquired about RUS approval of the work plan, to which Mr. Beamon responded that adjustments are needed to meet standards. Mr. Sanchez mentioned that the work plan could be modified for efficiency. Mr. Beamon noted that they are addressing questions regarding lien accommodations. Mr. Sanchez reported positive feedback from Larry McGraw of RUS, who has been both responsive and optimistic.

Mr. Trujillo highlighted plans to use lien accommodations to pay off high-interest debts. Discussion about a future rate case revealed a preference for small, incremental increases every few years to avoid large increases, with general agreement that regular rate increases are necessary. Ms. Martinez urged reviewing the circulated Supreme Court opinion regarding Socorro Electric and supported the approach of gradual rate adjustments.

Ms. McCoy said the finance committee met yesterday and reviewed the May 2024 general expenditures.

ACTION: Ms. McCoy moved to approve the May finances, Ms. Maestas-Muller seconded. The vote passed unanimously.

The committee also discussed allocating \$1,000 to the Rio Arriba County Fair, the Santa Fe County fair and the school drive.

ACTION: A motion was made by Ms. Maestas Muller to donate \$1,000 to each. Seconded by Mr. Coriz. The vote passed unanimously.

7. GENERAL MANAGER REPORTS

The General Manager's Report started with a presentation by the audit firm Kelso Lynch. George Lynch presented the 2023 audit, noting a finding but no instances of non-compliance, with all debt covenants met. He highlighted that expensed internal labor charges are significantly higher than other electric co-ops. In response, Mr. Sanchez mentioned that he and the CFO will meet with internal departments to improve industry-relevant cost allocations.

ACTION: Motion by Ms. Martinez to accept the report by JMEC's audit firm. Seconded by Mr. Bustos. The motion passed unanimously.

Mr. Beamon suggested that Kelso Lynch continue as the audit firm for 2024, despite the common practice to change the audit firm every few years.

Mr. Sanchez agreed that he recommends keeping Kelso Lynch another year for familiarity's sake.

ACTION: Motion by Mr. Roybal to keep the Kelso Lynch contract for another year. Seconded by Ms. Martinez. The motion passed unanimously.

Mr. Beamon asked the board to authorize Mr. Sanchez as the signatory authority over financial matters.

ACTION: Mr. Cordova motioned to approve authorization. Mr. Coriz seconded. The motion passed unanimously.

Mr. Sanchez presented his general manager's report and discussed that there were several outages due to recent storms. JMEC had to replace 5 poles. Mr. Sanchez stated that the linemen did a great job and got 90% back on very quickly. The other 10% were fixed by the following day. He stated that several linemen worked all night. Mr. Sanchez wanted to thank them for their support.

Mr. Gallegos raised concerns about a critical pole in the Lybrook area, suggesting an inspection to ensure the lines are up to standard or expedited replacement if necessary. Mr. Sanchez committed to gathering more information and prioritizing the issue. Mr. Roybal expressed gratitude to the linemen for their swift response to outages, noting that while other co-ops experienced extended downtimes, JMEC restored service quickly. Ms. Maestas-Muller proposed that Mr. Trujillo send a thank-you email to the team and possibly recognize the linemen at the next meeting. Ms. Martinez also praised the linemen and inquired about the permanent fixing of temporarily repaired poles. She also questioned ongoing outages in La Mesilla and their relation to recent storms. Mr. Sanchez explained that the temporary fix was necessary for quick restoration, with a permanent replacement

scheduled soon, and acknowledged that tree trimming needs to be prioritized to address the persistent issues in La Mesilla.

Mr. Sanchez stated that even though he is only two weeks in he believes that employee morale is up and he expressed optimism for the future. He acknowledged appreciation for Tom's ongoing support. Mr. Roybal and Mr. Coriz praised Tom Beamon for his impactful changes and effective leadership. Mr. Trujillo clarified that Tom's departure is not immediate, and a formal farewell will be arranged later.

Mr. Sanchez proposed recognizing Eli Gallegos and Jim Wiseman for their years of service with plaques, and Geraldine suggested a luncheon for the retirees, which was agreed upon by all.

8. OTHER REPORTS

a. President's Report

Mr. Trujillo reported that he was tasked by the board with finalizing the CEO employment agreement, and he confirmed that the task has been completed. With that said, Mr. Trujillo had no further report to be made at this meeting.

b. Statewide Report

Mr. Bustos has been in touch with Charise Swanson regarding the fires in Ruidoso and noted that the Statewide members are required to assist each other. She offered services to co-ops affected by the fire, but there has been no need for assistance yet.

c. Tri-State Report

Mr. Coriz reported on the June 4-5 Tristate meeting, where they discussed the integrated resource plan and a new wholesale rate filed with FERC, which requires re-filing to address FERC's questions and currently reflects a 6.96% increase. Mr. Beamon noted that JMEC has already implemented the required power cost adjustments to its membership, requiring no further action. Additionally, Mr. Coriz mentioned that Escalade Solar is now operational and running smoothly without any issues.

d. Annual Meeting Committee

Tina Trujillo-Archuleta reported on the Annual Meeting Committee, noting that Tomas Barela is assisting with outdoor coordination under Eli Gallegos's supervision. Structures will be repositioned to prevent line clogs, and preparations are nearly complete. They anticipate 1,500 plates from Rudy's though Mr. Sanchez asked to explore additional vendors.

Mr. Velarde inquired about passing bylaws and quorum requirements, with Tina estimating a quorum of 700-800 members.

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Ms. Maestas-Muller asked about entertainment; no acts are scheduled yet, but a DJ setup was suggested.

Mr. Coriz and Mr. Cordova expressed reluctance to address bylaws this year, preferring to focus on the quorum. Mr. Trujillo agreed to review the matter legally but deferred to the board's decision. Tina mentioned an \$18,000 invoice for the meeting notice, and Mr. Trujillo suggested publishing it in Enchantment Magazine, with additional local newspaper ads recommended by Mr. Sanchez.

Additionally, Tina suggested that there will be a booth for e-billing sign-ups, with the opportunity to win an iPad for signing up and Tina will check the warehouse for any remaining promotional items on-hand to minimize incremental expenses.

e. Communications Committee

Ms. Martinez reported that the committee met on June 5th. One of JMEC's members, Liddie Martinez, will contribute four articles to Enchantment through the end of the year, starting with one in the July issue, which will also feature the scholarship awards. The committee discussed including a press release to welcome the new CEO in the next issue. Employee spotlights will resume on a limited basis in the future.

Since reducing the space to three pages there seems to be plenty of stories to fill in the space. Ms. Martinez discussed allowing other members to contribute articles in the future.

f. Policy Committee

Ms. Martinez reported that the policy committee met on June 18th to address needed policy updates and compliance. The Committee and management highlighted the need for an update to internal policies including mechanisms for employees to acknowledge acceptance of the Cooperative's employee handbook.

The committee also discussed the need for Electric Vehicle and Line Extension policies, and a Safety Committee policy. Mr. Velarde, chair of the safety committee, was invited to the next Policy Committee meeting where Legal counsel will review proposed policies, with Policy 101, Policy 106, and the Establishment of the Safety Committee up next.

Mr. Trujillo suggested creating a policy to allow Webex participants in executive sessions, proposing a confidentiality waiver for trustees participating remotely. Ms. Maestas-Muller recommended a time requirement for remote participation, while Mr. Coriz suggested modeling a policy after Tristate's approach. Mr. Yar confirmed the necessity of such a policy to address confidentiality issues. Ms. Martinez reminded the board that this was one of the policies that was being worked on under the previous leadership and that the committee would have to determine if it is best for placement in an existing policy or if a new policy is necessary. She recognized the need to allow access to meeting through WebEx, especially for committee meetings but emphasized the need to encourage in-person attendance of regular and special board meetings by trustees.

9. EXECUTIVE SESSION

ACTION: At 12:26pm: Motion by Mr. Cordova to go into Executive Session. Mr. Velarde Seconded. The motion passed unanimously.

ACTION: 1:25pm: Motion by Mr. Bustos to come out of Executive Session. Seconded by Mr. Roybal. The motion passed unanimously.

ACTION: At 1:32pm: Motion by Mr. Velarde to return to Executive Session. Ms. Maestas-Muller Seconded. The motion passed unanimously.

ACTION: 1:40: Motion by Ms. Martinez to come out of Executive Session. Seconded by Mr. Velarde. The motion passed unanimously.

10. NEW BUSINESS

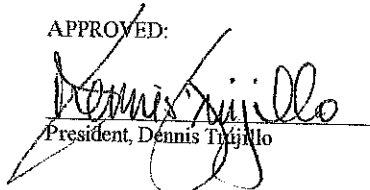
Mr. Coriz informed the board about contract extensions through Tristate and expressed his intention to participate in the upcoming negotiation meetings. He plans to meet with Mr. Sanchez to update him on the developments. Additionally, Mr. Trujillo suggested scheduling a Broadband Committee meeting, tentatively planned for Tuesday, to make important decisions regarding broadband.

ACTION: Motion by Mr. Velarde to give notice to Mr. Vigil that an exception will be made at the next board meeting which will allow him to attend the meeting in person. Seconded by Mr. Coriz. The vote passed unanimously.

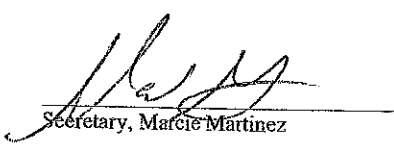
11. ADJOURN

Having completed the agenda and with no further business to come before the Board, President Trujillo adjourned this meeting at 1:42 p.m.

APPROVED:



President, Dennis Trujillo



Secretary, Marcie Martinez

