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Jemez Mountains Energy Cooperative
The Power of Community

Electric Cooperative, Inc.
P.O. Box 128, Espanola, New Mexico, 87532

MINUTES OF THE
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES
FRIDAY JULY 26, 2024 at 9:30 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 9:38 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
Elias Coriz
Dennis Gallegos
Marissa Maestas-Muller
Danny Velarde
John Ramon Vigil

Trustee(s) Absent:

Lucas J. Cordova

JMEC Staff Present:

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

Others Present:

Joseph Yar, JMEC General Counsel
Shawna Tillberg, Paralegal

4. REMARKS FROM JMEC MEMBERS –

None.

5. CONSENT AGENDA AND APPROVAL OF MINUTES

ACTION: Motion to approve agenda and table the April and June minutes until the board has had an opportunity to review them by Ms. Martinez. The motion was seconded by Mr. Coriz and passed unanimously.

6. BUSINESS AND FINANCIAL REPORT

Since Ms. Geraldine Romero (CFO) was out of town, Mr. Beamon presented the finance report. Mr. Beamon emphasized the critical need for frontline departments and managers to improve the accuracy of their expenditure coding to ensure that costs are correctly categorized. This is essential for maintaining the integrity of financial reporting and aligning with best practices. He also highlighted the importance of properly capitalizing expenses with a useful life extending beyond one year, rather than treating them as immediate income statement items. This approach not only improves financial metrics, such as the financial coverage ratio, but also aligns the organization with industry standards.

Mr. Sanchez added that a multi-tiered review process will be implemented to ensure accurate time entry and proper categorization of expenses. Accounting will take the lead in monitoring these efforts, with plans to gradually reduce oversight as processes improve. Training will be provided to ensure that all relevant staff understand the financial implications of their actions. Mr. Sanchez concluded by stressing the importance of diligently monitoring financials and questioning any significant discrepancies to uphold accountability and ensure sound financial management.

ACTION: Ms. McCoy reported that finance committee met yesterday, and approved June finances. A motion was made by Ms. McCoy to approve the June finances, which was seconded by Mr. Velarde. The motion passed unanimously.

Mr. Coriz asked if he could review the finances. He acknowledged that he isn't on the committee, but would still like to see them before they get presented to the board. Mr. Sanchez said that he would make sure financials are accessible to all board members.

7. CEO / GENERAL MANAGER REPORT

Mr. Sanchez provided an update on the four-year work plan, mentioning that he met with a consultant earlier in the day. The plan, reviewed by Randy and other staff, included projects initially outlined by Dennis Astley that were deemed unfeasible. Mr. Sanchez is working to identify feasible projects and aims to secure board approval at the August meeting to avoid delays in the meter project. He suggested a special meeting to discuss the

work plan in detail, which Ms. Maestas-Muller supported, noting that the regular August meeting at the picnic would be too hectic for thorough discussion. Ms. Martinez requested an article for the September issue of Enchantment magazine to communicate with members about the metering project and address any discrepancies.

Additionally, Mr. Sanchez reported progress on the Truchas area complaint, with further details to be discussed in executive session. He is also coordinating with POMS for safety training and personnel policy reviews. Mr. Velarde, as the safety committee chair, requested to be included in safety training updates.

Mr. Sanchez is exploring grants for EV charging stations, aiming to collaborate with other entities for profit-sharing and rate offsets. He noted that while optimal locations have been identified, the state will make the final determination based on need. Mr. Sanchez added that while other co-ops typically file rates rather than policies, they are considering their approach and working with legal counsel on the matter. They plan to own, operate, and maintain the equipment, with applications due soon.

Additionally, Mr. Sanchez mentioned that they will start charging for service upgrades and light installations beginning next Monday, reversing a previous decision not to charge. He also noted that they are addressing 12 expired rights-of-way, with costs estimated at \$25,000 to \$35,000, and are working with the Navajo Nation and Hichoria as part of the four-year work plan.

8. OTHER REPORTS

a. President's Report

Mr. Trujillo stated that he has had discussions with Mr. Sanchez and would like to commend him for successfully reaching resolutions, particularly with the State, regarding the rights-of-way. He is optimistic that this will help us avoid significant expenses related to trespass fees.

Mr. Trujillo also provided a reminder that the Annual Meeting is approaching on August 18th and urged everyone to be present.

b. Statewide Report

Mr. Bustos presented that there have been some recent changes at Statewide, with Paul Bishop assuming legal counsel responsibilities and Dan Najjar stepping down. He said that the Statewide is managing this transition smoothly. Additionally, he wanted to remind everyone that the Statewide's Annual BBQ is scheduled for September 5th, and all are welcome to attend.

c. Tri-State Report

Mr. Coriz provided an update on the July meeting, noting that they are still working on the wholesale rate and awaiting FERC approval, which will have future implications for our

rates. This situation is being closely monitored. Additionally, they are waiting on federal funding for which Tri-State has applied, along with a separate USDA application, with hopes that these funds will be secured soon. Efforts are also being made to explore additional renewable services.

Mr. Coriz mentioned a recent discussion with Mr. Sanchez regarding the solar operation, which will be further addressed in the executive session. He expressed concern over the financial uncertainty, highlighting that some co-ops are considering leaving the cooperative network, with one (La Plata) currently not paying its rate, thereby placing a financial burden on the others.

In the upcoming executive session, there will be a more detailed discussion on solar operations, including future replacement costs. As Mr. Coriz continues to gain a deeper understanding, he has recognized that solar operations entail significant upkeep expenses.

d. Annual Meeting Committee

Ms. McCoy provided an update on the recent annual meeting, where the budget was discussed, totaling \$100,000, with the majority allocated to staffing. The meeting also covered logistical details such as tree trimming at the venue, as well as prizes, which include TVs, a smoker, YETI coolers, umbrellas and more. While no guest speakers have been confirmed, the decision was made to advertise the event in Enchantment magazine instead of sending out notices, with a suggestion to also promote it on Facebook. The catering options, Rudy's at approximately \$35,000 or La Cocina at around \$29,600, were presented for board approval, along with a decision on whether to hire a DJ or live band.

A discussion ensued about the choice between a DJ and live music. Mr. Bustos advocated for a live band, while Ms. Martinez questioned the additional expense suggesting that a DJ might be more cost-effective. Mr. Gallegos expressed concern that it might be too late to secure a band. Mr. Sanchez noted that a grant used to fund a band the previous year was not available this time.

Additionally, Ms. Maestas- Muller inquired about how exempt workers would be compensated for their time, and Mr. Sanchez confirmed that they would receive a day off at a later date.

ACTION: Motion to go with La Cocina for catering was made by Mr. Velarde. The motion was seconded by Ms. Maestas-Muller and passed unanimously.

Mr. Sanchez offered (with no promises) to look for a band in lieu of a DJ. The board asked Mr. Sanchez not to exceed \$1,500 for the band. If that does not work out, the board will agree to allow Mr. Sanchez to book the DJ.

9. EXECUTIVE SESSION

ACTION: Motion at 11:49am by Mr. Coriz to go into Executive Session, which was seconded by Ms. Martinez. The motion passed unanimously.

ACTION: Motion by Ms. Martinez at 1:16pm to come out of executive session. The motion was seconded by Mr. Velarde. The motion passed unanimously.

10. NEW BUSINESS

Mr. Trujillo presented the outcome of Executive Session stating that based on a formal complaint filed regarding incidents that occurred on July 27, 2023, and July 28, 2023, the Board of Trustees conducted a thorough review and, as a result, has voted to censure Mr. John Ramon Vigil for violations of Policy 102. A censure is an official condemnation and expression of adverse criticism that can be imposed by motion and vote of the Board. Mr. Vigil, you are hereby censured for your actions almost, actually - almost exactly a year ago.

The Board wishes to extend a sincere apology to Ms. Beverly Duran Cash for any harm or distress caused by these actions.

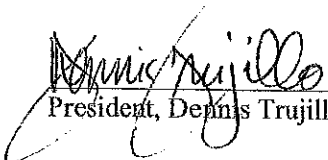
As representatives of this organization, we are committed to upholding the highest standards of professionalism in all capacities and expect the same from all members. We will continue to ensure that these standards are clearly communicated and adhered to by everyone involved.

Mr. Trujillo stated that since there is no further business, this meeting was adjourned.

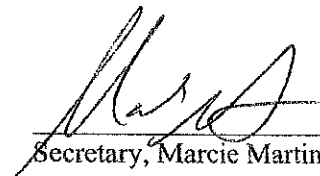
11. ADJOURN

Having completed the agenda and with no further business to come before the Board, President Trujillo adjourned this meeting at 1:19 p.m.

APPROVED:



President, Dennis Trujillo



Secretary, Marcie Martinez

