

**MINUTES OF THE**  
**JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES**  
**FRIDAY, JANUARY 22, 2021**  
**HERNANDEZ, NEW MEXICO**

1. This meeting of the Jemez Mountains Electric Cooperative, Inc. Board of Trustees was called to order by Chairman Dennis Trujillo at 9:00 a.m. on the above-cited date, at JMEC Headquarters, 19365 S.R. 84/285, Hernandez, New Mexico.

This meeting was conducted in accordance with the Public Health Emergency Order issued by the State of New Mexico.

2. & 3. Following the Pledge of Allegiance, John Ramon Vigil, Secretary, called roll and confirmed the presence of a quorum. Trustees present not listed as attending "virtually" were in attendance at the JMEC Headquarters Boardroom.

**Present:**

Dennis Trujillo, Chair [*virtually*]  
Bruce Duran, Vice Chair  
John Ramon Vigil, Secretary [*virtually*]  
Dolores McCoy, Treasurer  
Stanley Crawford, Asst. Secretary/Treasurer [*virtually*]  
Lucas J. Cordova [*virtually*]  
Johnny Jaramillo  
Leo Marquez [*virtually*]  
Marissa Maestas-Muller [*virtually*]  
Nick Naranjo  
Charlie Trujillo [*virtually*]

**Absent:**

None

**JMEC Staff Present:**

Ernesto Gonzales, General Manager  
Laura Rendón, Executive Assistant  
Geraldine Romero, Accounting  
Tony Martinez, Engineer  
Karen Wisdom, Contract Administrator

**Others Present**

Dominic Martinez, Santa Cruz Irrigation District  
Richard Chang, Santa Cruz Irrigation District

Chair Trujillo recognized the challenges of holding a virtual meeting and asked the Trustees to be respectful when someone else is speaking.

#### **4. Approval of the Agenda**

Mr. Naranjo moved approval as presented and Mr. Duran seconded.

Manager Gonzales requested the addition of New Business items:

- 8.b. Report on REDINet
- 8.c. Approval Resolution Certifying Form 7 - RUS
- 8.d. Discussion on second application for the Payroll Protection Program

**ACTION:** Mr. Naranjo moved to approve the agenda as amended and Ms. McCoy seconded. The motion passed by unanimous voice vote.

#### **5. Action Items**

##### **A. December 18, 2021**

Ms. McCoy requested that the minutes reflect which trustees called in to the meeting. She also noted a typo on page 4 which should read "being disconnected."

**ACTION:** Mr. Jaramillo moved to approve the minutes as corrected. Mr. Vigil seconded. The motion passed by unanimous voice vote.

##### **B. Approval of December 2020 Membership List**

**ACTION:** Mr. Vigil moved to approve the December membership list. Mr. Jaramillo seconded and the motion passed by unanimous voice vote.

#### **6. General Manager's Update**

##### **A. Santa Cruz Irrigation**

Richard Chang and Dominic Martinez were present representing the Santa Cruz Irrigation District. Mr. Chang thanked Manager Gonzales and the Board for this opportunity and requested assistance in accelerating the project that began in January 2019. At this point, the District requires an estimate for the underground wire project, number of transformers, and a signed Santa Fe County agreement for use of the county road on the right-of-way. The District is concerned the capital outlay may be lost. Any assistance from the JMEC Board would be greatly appreciated, stated Mr. Chang. According to the County, the road is available for easement.

Manager Gonzales said he was surprised the County required JMEC's involvement in the right-of-way but offered to reach out to them.

JMEC Engineer Tony Martinez indicated that an estimate was provided to the District regarding the overhead lines and he met with Mr. Chang before Christmas to determine whether underground could be accomplished. Manager Gonzales advised that the request was originally for an overhead line and an estimate was provided. However, converting

the existing route for the single-phase line to a three-phase line required new easements and one of the property owners refused. The District is working with Santa Fe County for underground placement. RUS requires a 24-foot easement.

The underground estimate provided by JMEC of \$124,000 does not include trenching. Mr. Chang said he could not obtain an estimate for trenching until he received a go ahead from Santa Fe County.

Mr. Chang said they would talk to the property owner again and see if underground was acceptable. The Board requested that management assist in any way possible.

#### **B. Tri-State Presentation – Jennifer Goss**

Manager Gonzales noted that this presentation was scheduled for 10 a.m. and he recommended continuing with the agenda and returning to this item when Ms. Goss is on line.

#### **C. December 2020 Financial Information**

Geraldine Romero, Finance Department, indicated that neither OTIER nor TIER was met. She reviewed the consumer statistics and noted net worth has dropped to 50 percent. There are currently 103 employees and 108 employees is the average. Electric revenue shows a drop of \$232,000 for the month of December.

Manager Gonzales reminded the Board that JMEC bills on a cycle that differs from Tri-State's end of the month meter reading.

Ms. Romero reviewed JMEC's decreased revenues in December. Manager Gonzales noted that Kinder Morgan has three meters and is now paying the minimum of \$12,000 per each meter. JMEC was down close to \$1 million from Kinder Morgan. Chair Trujillo requested management talk to Kinder Morgan regarding any forecast.

Manager Gonzales noted that the residential use has increased slightly but residential is not paying which affects cash flow. Some of JMEC's residential customers have not paid since March 2020 and is hard to collect on old bills.

Chair Trujillo recommended an incentive/discount plan be developed for the consumer to pay off their past due bills. There was consensus on this concept and management was directed to move forward on it.

Cost of power for December was \$2.8 million down from last year and solar net metering went up with an increase in accounts.

December 2019 accounts 90 days+ were \$217,000 and currently it is \$1.61 million. The number of delinquent customers in 2019 was 1,319, today there are 2,975.

Manager Gonzales said staff participated in a comment period with the PRC and PRC commissioner Joseph Maestas expressed his concern about small utilities. Co-ops are

requesting PRC consider different conditions once the moratorium is lifted. Mr. Vigil said Commissioner Maestas is interested in meeting with JMEC.

Ms. Romero reviewed Form 7.

Manager Gonzales said JMEC received \$1.4 million of PPP funds.

The Board recessed in anticipation of the Tri-State presentation.

**Executive Session:**

**B. Tri-State Presentation – Jennifer Goss**

It was determined that the presentation may include sensitive information and the Board decided to go into executive session.

Mr. Duran moved to meet in executive session and Mr. Naranjo seconded. The motion passed by unanimous voice vote.

[The Board met in closed session from 10:02 a.m. to 11:23 a.m.]

Mr. Naranjo moved to return to open session and Mr. Duran seconded. The motion passed by unanimous voice vote.

[The Board recessed for 10 minutes returning at 11:33.]

**B. Finance Committee Meeting – November 2020 information**

Dolores McCoy, Finance Committee Chair, said the committee met yesterday, January 21<sup>st</sup> and reviewed the December financial information.

**1. General Fund Expenditures**

Ms. McCoy suggested reviewing the expenditures page by page.

Mr. Naranjo asked about JMEC's financial exposure for the Santa Fe Ski Basin fire. Manager Gonzales said what appeared in the readout was not the final payment which was made yesterday in the amount of \$57,000. The estimated cost is \$1.4 million. Chair Trujillo would be assisting in recouping the expenses with the Forest Service. Another option is submitted the expenses as a work order to get loan funds.

Regarding the new building, Eli Gallegos said phases 2 and 3 remain. Phase 2 is the demolition of the old building and Phase 3 is the parking lot, solar shed, fencing and paving. Once Phase 3 is completed, the permanent Certificate of Occupancy will be issued. Currently, a temporary certificate is obtained on a monthly basis.

The Board expressed concerns regarding rental vehicle maintenance costs and Mr. Gallegos offered to review the agreement.

**ACTION:** Ms. McCoy moved to accept the general fund expenditures for informational purposes. Mr. Jaramillo seconded. The motion passed by unanimous voice vote.

## **2. Credit Cards**

Ms. McCoy said the total charges were \$855.77.

**ACTION:** For informational purposes, Ms. McCoy moved to accept the credit card charges and Mr. Jaramillo seconded. The motion passed by unanimous voice vote.

## **3. Attorney Expenses**

Ms. McCoy said the attorney expenses were \$38,449.33 for September and October 2020.

**ACTION:** For informational purposes, Ms. McCoy moved to approve the attorney fees. Mr. Jaramillo seconded. The motion passed by voice vote.

**ACTION:** Ms. McCoy noted that there were additional attorney fees in the amount of \$11,792.58 and she moved approval for information only. Mr. Jaramillo seconded. The motion passed without opposition.

## **4. Consultant Expenses**

Ms. McCoy stated the only invoice was in the amount of \$4,000 from Bolinger, Segars, Gilbert & Moss. This was for the preparation of the 990 to be filed with the PRC.

**ACTION:** For information, Ms. McCoy moved to accept the consultant fees and Mr. Jaramillo seconded. The motion passed by unanimous voice vote.

## **5. Trustee Vouchers**

**ACTION:** Ms. McCoy moved to accept the trustee vouchers for informational purposes. Mr. Jaramillo seconded. The motion passed without opposition.

## **6. December 2020 Cash Flow Analysis**

For information, Ms. Romero highlighted the following from the report:

- Beginning cash balance, \$6.8 million
- Cash collected from consumers, \$1.9 million
- There was a transfer of funds from Jemez Valley Credit Union in the amount of \$350,000 into the Wells Fargo account
- Total deposits, \$4.1 million
- Bank balance \$4.5 million

Ms. Romero reviewed each of the cash balances. Manager Gonzales identified the balance in a Wells Fargo account that contains capital credits from 2017. Once reconciled, that money will be transferred to the Foundation.

Ms. Romero reviewed the co-op's investment in CDs and money market accounts that total \$10.1 million. Manager Gonzales noted that the total general fund, although some is invested in interest bearing accounts, is currently \$15 million. Three months ago there was \$17 million but by the end of December that amount dropped by \$2 million. He noted there was approximately \$1 million available to draw upon the existing loan. The line of credit with Co-Bank is 2.5 percent.

Chair Trujillo said it was important to pay attention to the liquid account and for the Board and management to discuss remediation of losses. Collecting on delinquent accounts will improve the cash flow.

**ACTION:** Ms. McCoy moved to accept the cash flow analysis for informational purposes. Mr. Jaramillo seconded. The motion passed without opposition.

That concluded the Finance Committee's report and the Board recessed at 12:05 to 12:30.

## **7. COMMITTEE REPORTS**

### **A. Policy Committee**

Mr. Vigil said the committee met once during January and discussed a policy for the search and selection of a general manager, as well as, policies outlining the duties of the general manager and relationship with the board.

The committee is requesting amendment to Policy 106 regarding the Board of Trustees Committee Policy. The policy states that the standing committees are to be composed of no more than four members of the Board which includes the Board Chair who serves as an ex officio. The committee recommends appointment of four or fewer members and the Chair as ex officio.

**ACTION:** Mr. Naranjo moved to approve the amendment to Board Policy 106. Mr. Duran seconded and the motion passed by unanimous voice vote.

### **B. Communications Committee**

Mr. Crawford said that newsletter deadlines have been missed creating a backlog of articles for the next newsletter. Executive Assistant Rendón said the articles created for the missed newsletter will be used in the next one. The committee will be meeting on January 27<sup>th</sup> to meet the February deadline.

Mr. Crawford said it was important the paid consultant pays attention to and meets the newsletter deadlines.

Ms. Rendón said she contacted a web-editor in Dixon and IT manager Chavez will provide additional information to him.

### **C. Energy Committee**

Mr. Crawford said the committee's recommendation on the solar loan program is to move forward, subject to Board approval.

Manager Gonzales said the bank has approved proceeding with the program; however, it may be prudent to hold off until JMEC's financial position improves. The 33 received applications have not been submitted to the bank.

Mr. Marquez said he understood a loan of 2 percent interest was obtained for a solar installation. JMEC will have a difficult time competing with that and he advocated letting individuals obtain their own loans.

Mr. Duran said many solar companies finance the installation and he supported postponing the program and freeing up the \$500,000 that otherwise would be set aside for the program.

Ms. Rendón pointed out that the three solar companies JMEC reached out to can provide financing.

**ACTION:** Mr. Marquez moved to advise the Energy Committee to work with staff to pursue different financing for installation of solar. Mr. Duran seconded and the motion passed without opposition.

Staff was directed to advise the applicants of the solar loan program that due to Covid, JMEC is suspending the program. Ms. Maestas-Muller encouraged staff to reach out to the applicants as soon as possible.

Mr. Crawford said the committee recommends to the Board the issuance of an RFP for the Abiquiu vehicle fast charger station. Manager Gonzales said Contract Administrator Karen Wisdom is working on that. The committee was also interested in conducting a capacity study for the effects of rooftop solar on JMEC's substations and infrastructure. Manager Gonzales said staff has reached out to Burns & Donnell.

As a point of information, Mr. Naranjo said non-Board committee members require Board vetting.

## **B. Report on REDINet**

Ms. Wisdom provided background history of bringing broadband to rural NM through what was originally Northern New Mexico Economic Development District and is now REDINet. An agreement with JMEC for a joint use license agreement was entered into and JMEC did not charge REDINet for joint use fees, an equivalent of \$93,780. In 2012 the JMEC BOT approved an annual contribution of \$752,500 for pole replacement to address conditions and clearance. JMEC billed REDINet \$21,000 which was paid. There was an easement amendment with the Pueblo of Pojoaque and JMEC for the placement, installation, maintenance and operation and encroachment of fiber optic cable and associated equipment by REDINet. Although REDINet agreed to an MOA in 2010 that they would acquire their own easements on tribal land, public lands, private lands, and other lands prior to any attachment or cable to any poles or substations of JMEC, it

has never been completed. She reviewed a series of fees that were not paid by REDINet that included pole replacement and easements totaling a contribution of \$1,046,280 from JMEC. She developed this summary under the direction of former JMEC Manager Joseph Sanchez. She worked with attorney Chuck Garcia and a JMEC engineer on a joint use attachment contract that would assist JMEC in making revenue off of its poles. The agreement will be used per attachment per pole use following an audit. She noted that JMEC consumers have been subsidizing pole users and said the pole's life is shortened from attachments. The pole users are located lower on the poles and benefit from JMEC's aggressive tree trimming program. The contract now includes a pro-rata share of tree-trimming within the r-o-w.

The settlement agreement price with REDINet is \$20 per pole for the 1,563 poles and following the agreement the charge was \$28 per pole. Since the agreement, REDINet has only attached to five additional poles. Currently, they are attached to 1,568 JMEC poles.

Regarding a current agreement, Ms. Wisdom said REDINet has removed all of the regulatory language and is requesting JMEC agrees to it. The settlement agreement gave JMEC fiber for its own use. The new agreement requests JMEC gives up its ownership which includes the fiber and it becomes a joint venture.

Mr. Marquez said he understood the MOU holds anything preexisting to be unaffected. There is currently \$1.6 million of CARES Act money tied up for SR 76. He encouraged the Board to get the issue settled quickly to protect the CARES Act money and stated that he would recuse himself from action on this issue. He expressed concern that the funding for this multi-agency project could be "clawed back" if there is no action.

Ms. Wisdom said there was a license agreement with REDINet which was taken out by the Settlement Agreement which says that JMEC and REDINet will negotiate a new Joint Use License Agreement which has not been done.

Chair Trujillo requested that in the co-op's best interest, Ms. Wisdom continue to work on this issue. Mr. Duran recommended the Executive Committee review the issue and perhaps seeks the advice of a consultant and added that he talked to Santa Fe County Commissioner Henry Roybal about this issue.

Regarding the Jacona array, Mr. Duran said he met with a contractor out of Taos interested on the project. Manager Gonzales said the developer needs to work out the issues with the Jacona Land Grant not JMEC. Mr. Duran said the developer desires a PPA before working through the Land Grant.

Ms. Wisdom pointed out that the PRC does not have jurisdiction over joint use attachment agreements or pole attachment agreements for an electric cooperative. Mr. Marquez said this fiber project differs because it includes CARES Act funding. He added that the limits of broadband are particularly obvious during the Covid lockdown.

Manager Gonzales recommended holding an executive committee meeting with Chuck Garcia and Ms. Wisdom available. An executive committee meeting was tentatively scheduled for 10 a.m. on January 28<sup>th</sup>.



**8. NEW BUSINESS**

**A. Tri-State** – Addressed in earlier Executive Session

**8. B. Approval of Resolutions**

Manager Gonzales said the resolution is an RUS requirement for the certification of Form 7 and changes for staff signatures. He recommended passage of the resolution.

**ACTION:** Mr. Cordova moved to approve the resolution and Mr. Naranjo seconded. The motion passed by unanimous voice vote.

**8. C. Second Application – PPP Federal Protection Program**

Manager Gonzales said JMEC can apply for funding during this second round of stimulus money. He supports the application and requested the Board grant him the authority to move forward. The amount is determined by calculating payroll and the last amount was \$1.4 million.

**ACTION:** Mr. Naranjo moved to grant authority to the Manager to move forward with a PPP application. Mr. Duran seconded and the motion passed by unanimous voice vote.


**9. EXECUTIVE SESSION**

**A. HR Reports**

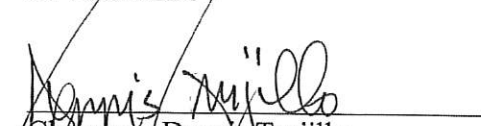
**ACTION:** Mr. Duran moved to meet in Executive Session. Ms. McCoy seconded. The motion passed by unanimous voice vote.

**10. ADJOURN**

The Board adjourned and met in Executive Session at 1:50 p.m.

  
Secretary, John Ramon Vigil

APPROVED:

  
Chairman, Dennis Trujillo