

## DECEMBER 2013 BILLING

Dear Co-op Member,

They say the flutter of a butterfly's wings in China affects the weather in Socorro. Put another way, seemingly inconsequential events can have an impact out of proportion to their original size.

As my term on the Board of Trustees of Socorro Electric Cooperative (SEC) winds down and I reflect on the past three years, it seems to me that a few simple misunderstandings about rules and procedures have blown up into major issues. They are now taking up way too much of the board's and management's attention.

I want to set the record straight on a few key matters—quorum, the importance of our by-laws, and the role of our attorneys, plus the future of our franchise agreement with the City of Socorro.

### "Present, In Person"—That's a Quorum

Quorum is simply the minimum number of SEC members who must attend a meeting in person to carry out co-op business legally. If that magic number doesn't show up or if enough people leave during the meeting, the remaining members cannot take official action. This prevents a tiny group from having undue influence over a large organization like SEC, with its 10,000 members.

The issue of mail-in ballots counting toward quorum is complicated, but the board accepts our attorney's legal opinion that despite a recent by-laws amendment allowing mail-in ballots to count, that unwise provision contradicts our own by-laws and violates state law. Several regulations and laws that SEC must follow define quorum as being a count of people present, in person. Our own by-laws state that Roberts Rules of Order must govern the way we conduct all co-op meetings; Roberts Rules of Order also insist on members being present to constitute a quorum.

It's black and white. Counting mail-in ballots toward quorum creates a legal by violating these rules. That's not right. To avoid exposing the SEC to a lawsuit, we have relied on our very able attorneys to guide us in this matter by sticking to the strict letter of the law. It's not about politics. It's a prudent and fair path. It's best for members and the co-op.

### Power to Socorro

Still, the issue of quorum dogged SEC affairs during the District III election on Nov. 16. After some members left the meeting, it lost quorum. Our attorneys later determined that ambiguity in the by-laws meant the election could stand, so we certified Melissa Amaro as the winner.

Unfortunately, these internal struggles over interpreting the by-laws and running our meetings has spilled over into our negotiations for a franchise agreement with the City of Socorro. Through the agreement, which expired in 2009, the City of Socorro grants the SEC use of their rights-of-ways to deliver electric power in town for a franchise fee. SEC collects 2 percent on the kilowatt-hour revenue only from members living within the city limits. A franchise agreement sets user conditions of said rights-of-ways the co-op must comply with to maintain those user rights.

The Nov. 21 *El Defensor Chieftain* quoted Socorro Mayor Ravi Bhasker, who voted in the District III election, as saying the co-op does not follow its own by-laws and challenging our interpretation of quorum. According to the paper, the mayor said, "They had a lawyer sitting right there, but I don't know if they read the by-laws or not." Bhasker suggested the city might put the franchise up for bid by other companies.

Bhasker's comments show the damage being done by a handful of ill-informed or politically motivated co-op members. Their disregard for legal procedure has injured our reputation in Socorro, which generates significant revenue for all SEC operations.

Our lawyers have strenuously resisted irresponsible attempts to conduct meetings in violation of the by-laws. They have been sticklers in pointing out instances when lack of quorum meant a meeting should adjourn. The attorneys have no agenda. Their only concern is seeing the co-op follows its own by-laws, other regulations, and state law—for the co-op's own protection. We hire lawyers to keep us out of legal trouble, and they've done their job.

### **Cleaning Up the By-laws**

All this talk about quorum and by-laws drives home the need to review them and clean them up. That's exactly why trustee Prescilla Mauldin and the Member By-laws Committee recently drafted amendments designed to clarify the by-laws, eliminate internal inconsistencies, and ensure compliance with state law. The committee's recommendations should come before the members for a vote at the 2014 annual meeting, if the newly elected board agrees. I hope so. These amendments are a positive indication of effective co-op management.

As the new trustees join the board in January, I urge all co-op members to get involved, express your concerns, and push for the Member By-laws Committee amendments. The amendments will go a long way toward ensuring the co-op runs efficiently and continues to provide reliable and affordable electricity to thousands of people.

### **Operation**

The fact is, Socorro Electric Cooperative staff is one of the best and I'm proud to be associated with such a bright and knowledgeable management and staff. SEC was awarded first place for work place safety out of 15 other New Mexico co-ops. This is huge as we have not used any outside contractor in almost three years to do construction or maintenance of SEC power lines. I know that management and staff have strived to provide first-class service to members. All the key indicators show improvement. Finely tuned staff, a recent completed GPS inventory of all our facilities and equipment, which will assist with quicker dispatching, and decreased power-outage times—things at SEC are going in the right direction. Also, our 2012 audit shows what great condition our accounting financials are in. The auditors said it was the best audit that they have performed at SEC in 12 years. These are signs of a board and staff doing a great job. It makes you wonder why a few people keep complaining. Is it because they can't claim credit?

Thanks for giving me the opportunity to serve your as SEC board president. I'll see you around!

Sincerely,

Luis Aguilar

President, Socorro Electric Cooperative