

September 9, 2010 – Comments on special board meeting on September 7, 2010 which took up the issue of the forensic audit. Also a report from the RUS Agent on the co-op finances.

(Full video of the discussion about the forensic audit is available on www.informedcynic.com - <http://www.informedcynic.com/videos/Setpember-2010-recordings.html>)

This report is late because the meeting was so confused and mean spirited that I just really didn't want to relive it much less try make it comprehensible.

David Wade is acting as chairperson. Don Wolberg is the man in the blue shirt to the right of Charlie with his back to the camera. Dennis Francish, attorney, is the white haired man at a separate desk at left. Watch the whole thing even though you might find it disturbing. There is lip service to a fast, full forensic audit but watch how delay is built into the process and how the "committee" which will set the boundaries of the audit is composed. If you have any doubts about the necessity for a counter claim, class action suit, I think viewing this will change your mind.

On another topic from the meeting, Milton Ulibarri nominated Charlie as delegate to the Statewide Rural Electric Co-op Assoc to a chorus of giggles (yes, I mean "giggles" of the grade school variety) from other trustees. Milton loved being the delegate but resigned when Attorney Francish backed off his claim that the funds for travel, etc. to Santa Fe DID come out of the \$10,000 allotted to each trustee instead of being extra as he had originally ruled. The trustees consider it a good joke to save Milton's funds and use up Charlie's but Charlie doesn't see it that way as he has been speaking to other co-ops and Socorro's representative, Don Tripp about the voting by mail issue and going to Santa Fe is a good way to accomplish this. He has been attending the meetings just as a trustee during his time on the board. It was really odd though to see Milton nominate Charlie and the board voted him in unanimously. Additional information on the vote by mail campaign coming soon.

Shortly, there will be documents available for readers that show a concern for the information given to the board by Larry McGraw, RUS agent for this area. These are financial documents on SEC loans and the shortages in the margins needed to secure these loans. The bottom line vastly simplified, is that the SEC is spending too much money and needs to get its financial house in order.

One point Mr. McGraw stressed was there is a lot of litigation going on and although the co-op is insured against errors and omissions, it is not insured for deliberate acts by individuals. Remember in addition to the suit against the members by the board which they are now trying to dismiss, there is a counter suit and pending class action in the works. Also Kathy Torres has a suit filed with the EEOC against the SEC and two others against both the SEC and Board of Trustees. All of these are either based on the unproved allegations of harassment by Charlie or claim that she was fired in retaliation because she filed the original complaint. Now add in the suits by Polo Pineda and Kathy Torres for wrongful dismissal and you have a lot of litigation.

Another important issue raised by Mr. McGraw was that of a rate study which will probably result in a higher cost of service on upcoming electric bills. The co-op has to move out of the negative margin and can only do that by conserving funds and raising rates.

Well you all knew that the co-op was in trouble-----