

Last updated on Thursday December 13, 2012 11:44 AM

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2010 MEMBER SPONSORED PROPOSITIONS PASSED AT ANNUAL MEMBERSHIP MEETING, APRIL 17, 2010

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1. The business affairs of the Socorro Electric Cooperative shall be managed by Board of Five trustees

COMMENT:

This proposition has its basis in economy and efficiency. A cooperative of 38 employees and a membership of about 10,000 does not need a board of more than five. Co-ops nationwide are moving to smaller boards, reducing their costs and increasing their efficiency. Reduction of the board could be handled by a number of methods, one of the most obvious being attrition which would do away with any threat of lawsuits by present trustees. Other methods, such as recall, can also be considered after this proposition is approved by the members.

2. The Service Area comprising the Socorro Electric Cooperative, Inc. shall be divided into five Representative Voting Districts of as equal member populations as possible and the members of each shall elect one trustee.

COMMENT:

The present Districts are so imbalance as to be illegal under the Democratic Rule that governs cooperatives. Some trustees represent about 650 members while others represent almost 1600. This inequality violates the Equal Voting Rights concept - a situation which goes against every principle of this country and cooperatives owned by their members. A company that does redistricting can adjust the five districts by number of members. Mr. Michael Sharp of Research and Polling, Inc. presented a brief survey of the process for such a redistricting plan for SEC to the Board of Trustees on September 8, 2008.

3. No member of the Board of Trustees of the Socorro Electric Cooperative, Inc. shall serve more than two consecutive terms.

4. One regular meeting of the Board of Trustees shall be held monthly at the time and place as the Board shall schedule by resolution. This meeting shall be open to member/owners and representatives of the press with timely notice of the meeting advertised in monthly bill mailings and local newspapers. A section of the meeting agenda shall be reserved for member participation during which member/owners may address the Board without prior approval of the board.

COMMENT:

This proposition is necessary to clearly place in the by-laws of the co-op the right of members/owners to oversee the actions of their agents, i.e. the trustees. The right of members to know when the meetings are held is necessary to their right of attendance and the right of member participation should not be restricted by onerous requirements.

5. The Socorro Electric Board of Trustees and Management shall guarantee transparency of Actions with open access to SEC Books, Records, Audits, and membership lists to members, for a Proper, non commercial purpose with the exception of those Records which would violate the Privacy Act or other laws.

COMMENT:

This proposition is in accordance with the New Mexico Supreme Court ruling of 1992 In the case of "Schein v. Northern Rio Arriba Electric Cooperation." As cited in the 1998 "New Mexico Law Review" 28 NMLR 133, I. INTRODUCTION states, "...the New Mexico Supreme Court held that a rural electric cooperative member could inspect cooperative books and records when she desired to inform herself and others of the record's contents through publication of her findings. The court allowed inspection because the member stated a "proper purpose." A COPY OF THIS CASE REVIEW (CLICK)

6. The Socorro Electric Cooperative of Trustees and Management will account for and notify Members of their Patronage Capital (Capital Credits) annually (as required by existing bylaws but disregarded until 7/2009).

7. The Socorro Electric Cooperative, Inc. Board shall make adequate arrangements for and Assure Fair Elections which include voting by mail and election administration by a third party Accounting firm.

COMMENT:

While state law presently prohibits voting by mail in cooperatives' district election, it does not address voting at Special and Annual Meetings of the members. A SEC by-law change would allow voting by mail at Special and Annual Meetings and a change of the state law would extend that privilege to district elections. Other co-ops and interested individuals in Santa Fe are looking into such a change. An impartial election administration without commitment to any faction is necessary to insure confidence.

DISTRICT 5 - PROPOSITION PUT FORWARD BY TRUSTEE JACK BRUTON

8. The SEC Board of Trustees is restricted from making contributions to adult or civic Organizations. Contributions may only be made to student scholarships.

DISTRICT 3 - PROPOSITIONS PUT FORWARD BY DISTRICT 3 MEMBERS

9. All expenses incurred by the Socorro Electric Cooperative for or on behalf of a Trustee shall not exceed \$10,000 (ten thousand dollars) per year, with the exception of the President of the Board of Trustees for which the limit shall be \$15,000 (fifteen thousand dollars) per year. This sum includes but is not limited to : per diem payments, insurance, travel, conference fees, meals- regardless of whether those payments are made based on a schedule of payments or as reimbursement of actual expenses, and regardless of whether those payments are made directly to a trustee or on behalf of the trustee to accomplish business for the SEC.

10. Except when the Board of Trustees meets in executive session, all meetings shall be open to all members and all members must be permitted to attend any meeting. Time shall be available for any member to address the Board at any of its meetings. The Board may remove persons disrupting a meeting.

11. The Board of Trustees shall follow the New Mexico Open Meeting Act and the Inspection of Public Records Act.

COMMENT:

District 3's Propositions #10 and #11 have the same intent and purpose as District 5's Propositions #3 and #4. The members, as owners of the cooperative, want to attend Board meetings to inform themselves and others of the actions of the Trustees in regard to their property, the cooperative. In the case of Proposition #10, the New Mexico Open Meeting Act and the Inspection of Public Records Act refer solely to public bodies. However, the elements contained within these Acts are readily adaptable to the cooperative. Following the OMA in regard to executive or closed session would make the SEC's board actions in regard to their executive sessions more lucid and accountable. The Inspection of Public Records Act and Proposition #4 have as their intent and purpose transparency of action and in the case of Proposition #4 draw their authority from the New Mexico Supreme Court ruling in SCHEIN V. NORTHERN RIO ARRIBA ELECTRIC COOPERATIVE, INC. Under Section VI IMPLICATIONS "Among Managers, the Schein decision should promote accountability. A wide range of Business forms should now be on notice that their shareholders or members are Afforded a general presumption of propriety when seeking access to corporate books, Records, and probably shareholder lists. New Mexico cooperative members will Better appreciate their highly respected ownership rights."

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