

What's a Quorum?

October begins the season of district meetings for Socorro Electric Cooperative (SEC), which makes this a good time to review the quorum requirements established in the co-op's by-laws for conducting its business. Representative bodies like the SEC, which depend on the democratic involvement of their members, rely on the principle of a quorum to ensure that major actions reflect the will of a reasonable minimum number of participating members. A meeting can be derailed before it starts if too few members show up or part way through if too many members leave. Both situations create a lack of quorum. That means co-op business needs your participation to assure important issues are addressed by a representative vote.

In the past year, the issue of quorum became important when members of District V in October 2012 passed several proposals to amend the SEC's by-laws. Their votes on many of the amendments came after members left the meeting and the quorum was lost. Against legal advice, they continued to vote on the amendments, although they therefore would have no legal status for a vote at the next annual meeting. More recently, at the co-op's May 15, 2013, annual meeting and the June 8, 2013, continuation of that meeting, a quorum was not achieved, preventing action on proposed by-law amendments.

Having a clear understanding of quorum will enable members to avoid procedural mishaps like this and effectively engage in co-op business, from trustee elections to consideration of changes to the by-laws.

A quorum is the number of members of a body required to attend any meeting to transact the business of that body. If that number is not reached at a meeting or is lost during the meeting, then the meeting's actions are not legally valid or binding.

For all purposes of the co-op's business and governance, including all district meetings, the annual meeting of the SEC, and special meetings, these laws, rules, and regulations define quorum (present in person):



- The New Mexico Rural Electric Cooperative Act (RECA).
- The SEC's by-laws.
- Robert's Rules of Order, which the co-op has adopted to govern its meetings and therefore has the force of the by-laws.
- IRS regulations.

As allowed under RECA, an SEC meeting has a quorum only if 3 percent of the membership is "present in person." The by-laws, Robert's rules, and the IRS regulations say the same thing. That's clear-cut, but it's a key point that some have overlooked. The law and regulations do not allow mail-in ballots to be considered for purposes of counting the members present to constitute a quorum. The mail-in ballots can only count toward a trustee election or an issue such as a bylaw change that is clearly stated on that ballot; they cannot count as a person present.

Furthermore, if the number of members in attendance at an SEC meeting drops below 3 percent, a quorum is lost and the meeting is no longer able to transact business. If the members attempt to do so, their actions are legally null and void. Three percent is about 300 people at SEC's current membership number of just less than 10,000.

RECA is the only applicable state law in this regard. No other state statutes apply to electric cooperatives in the area of defining a quorum or governing how voting may be conducted. Specifically, Section 53-11-32 of the Business Corporation Act does not govern the determination of a quorum and meetings of members of the SEC. The Business Corporation Act applies solely to for-profit corporations formed under the Business Corporation Act and not to cooperative associations formed under RECA.