

Let's Get in Gear

At this year's April 26 annual meeting of the Socorro Electric Cooperative (SEC), not enough members signed in to make it a formal meeting—again. We needed 3 percent, or 285 members. Only 146 showed up. The same thing happened last year. It's a showstopper and it paralyzes the co-op in areas like improving the by-laws.



A quorum might seem like a technicality, but it's not. In addition to our own member-adopted by-laws, we must follow various federal, state, and self-imposed laws, rules, and regulations. These include the New Mexico Rural Electric Cooperative Act, the IRS tax code section 501(c)12, Robert's Rules of Order, and SEC's own by-laws. They all cover quorum, among other topics. Maybe understanding the role of the by-laws and the process for changing them will show how important it is for members to participate.

The SEC by-laws govern and regulate membership, the Board of Trustees, elections, financial matters, and so on. The by-laws invest the authority in the board to oversee operations of the co-op. You elect trustees to represent you in board decisions using their knowledge, experience, and best judgment. While members do indeed own the co-op, they cannot make operational or policy decisions, except by proposing and approving changes to the by-laws.

Playing by the Rules

The by-laws cannot contradict state statutes. SEC is authorized by and complies with the New Mexico Rural Electric Cooperative Act.

The New Mexico Private Business Corporation Act and the Nonprofit Corporation Act do not apply to the way SEC is governed and managed or how SEC defines quorum. The United States Constitution, likewise, does not govern the business of the SEC.

To change the by-laws, members first must pass a proposal by majority vote at a district meeting or special meeting that has a quorum. The Board of Trustees may also pass proposals for consideration at a general-membership meeting. Either way, the changes next go to an annual meeting or special meeting—with a quorum—for consideration and, if passed, to a subsequent annual or special meeting for a vote.

Besides the by-laws, the co-op follows the New Mexico Open Meetings Act and Inspection of Public Records Act and, for parliamentary procedure at all co-op meetings, Robert's Rules of Order (except for the order of business at a meeting). Robert's Rules defines quorum as being the minimum number of members present in person to make an official meeting.

Finally, as a tax exempt co-op, SEC must follow IRS regulations, including the principles of democratic control, operation at cost, and having members, not shareholders, control the monetary benefits. The co-op also must meet the IRS requirement for members to be present to make a quorum.

Stuck in Neutral

You can see how important it is to have member turnout at meetings. All these laws, rules, and regulations might seem confusing at first, but around an issue like quorum, they all agree: a quorum is required for a meeting and members must be present in person to be counted toward a quorum. When we fail to achieve a quorum at our annual meeting, we cannot move forward on any official business concerning the general membership, like amending the by-laws. The whole process gets stuck in neutral.