

Socorro Mayor Ravi Bhasker and Socorro City Council have vocalized an end game to the relentless feud among the municipality, Socorro Electric Cooperative, Inc. board of trustees and divisive stakeholders who live within city limits.

During Monday's city council meeting, Bhasker entertained his idea of establishing a city-specific set of rules that, he said, would not deter businesses or threaten the democratic representation of the city of Socorro. This hypothetical franchise agreement would have to be approved by the city council, but Bhasker told El Defensor Chieftain following the meeting he intends to work with the city's attorney to draft the franchise agreement.

Bhasker outlined specificities of the new bylaws passed last Saturday of which he did not find favorable to the co-op member-owners and the city. The bylaws were passed by a total of 953 votes to 797 votes by member owners. (See related story: <http://www.dchieftain.com/2015/04/30/members-approve-sec-bylaws>).

Three main points dissenters claim to be disingenuous are the amended bylaws of having to pay a certain electric rate in perpetuity, not being able to reap the benefits of generating personal renewable energy for equitable tax credits and the co-op board's ability to expel a board member through a majority vote, which would not involve the member-owners.

"I would hope that we could put together a franchise that does not allow that to happen to our businesses, to our people and to the representatives that are going to be elected from the city of Socorro on that board," Bhasker said. The new bylaws state three members on the board would be residents of the city of Socorro. "... We can put together a franchise agreement that says 'This is what we expect from you.' (The city) gives them six months to look at it and then another six months to see what we can negotiate. But after that would be a drop-dead date that we would then decide that we're going to go ahead and impose an action on the co-op not to be able to give service within Socorro."

Bhasker said he was dismayed by the new bylaws adoption by member-owners. He also took aim at the "PR" (public relations) campaign he said the co-op put in the mail-in ballots, as he said the bylaws did not represent what the co-op touted for the vote.

"That's disappointing," Bhasker said. "In this case, we're going to put in a franchise, and it's a take it or leave it, just like they said with the bylaws."

The vote for the new bylaws had been established as an all-or-nothing proposal during the April 25 meeting. The franchise agreement would be put in ordinance form and codified by the city, should it come to that.

Bhasker said he would like to see a shorter enforcement term on the city's franchise agreement rather than a decade-long mandate in order to see how it would be received.

The mayor alluded to the co-op bylaws drafted in cooperation with consultant Aaron Christensen, who the co-op hired.

"Mr. Christensen had in mind certain things that he was going to do in order to sweeten the pot; he put in this business about democratic action and transparency," Bhasker said. "Democratic action meant they were going to add three representatives from the city of Socorro. But on the other side of it, they were going to let the board fire any of the board members, if they had a majority. That's my understanding of that bylaw. That basically cancels out the democratic part."

Bhasker said his interpretation of the bylaw is that by this process the board could take any trustee out by a simple majority (just more than half the board voting in favor or against with the president's tiebreaker). He said the franchise agreement would require more due process for that to happen.

“The other bylaw that affects me personally that if we have a motel that is 100 percent occupied and then 10 years later it’s come into disrepair and it’s only 40 percent occupied, but yet my bill had been running \$10,000 a month, they’re saying that I am legally bound to (that rate),” Bhasker said, making a metaphor to funding children accustomed to receiving money from their parents until they leave home. The mayor is the owner of two motels within Socorro.

“With a rule like that, how are you going to attract new business?” City Manager and Clerk Pat Salome asked rhetorically. “If you’re going to have a rule that says if you’re going to come in with a big business and you have to leave for whatever reasons, you may be on the hook for additional funding, how are you going to bring anybody in that’s going to spend money on electricity? Without electricity you don’t have jobs.”

Bhasker said as a member-owner he has five votes, of which he voted “no” for each of them because of the accounts for which he pays to the co-op. In response, he said the new franchise would require users to pay what they use rather than staple them to a certain amount, Bhasker said.

“Number three, there was no comment about alternative energy and what the payment for that alternative energy was going to be,” he said, adding when he contacted the consultant for the co-op he was told the only way they would discuss the matter would be to have the co-op president listen to a phone conversation between himself and Christensen.

“That told me that they’re not interested in the city being of any kind of a partnership as to what’s going on here,” Bhasker said. “I think it’s important that we take care of the people who live in the city of Socorro.”

Salome said the new rules should be similar to that of the city government in the democratic process rather than those tailored to the private enterprise.

Some of the reasons the co-op decided to go forth with the bylaws the mayor mentioned were in regard to the loans and debt the co-op currently pays.

According to New Mexico Public Regulation Commission’s 2013 annual report (<http://nmprc.state.nm.us/consumer-relations/company-directory/cooperatives/socorro-electric-coop/annual-reports/socorro-electric-coop-2013.pdf>), submitted Aug. 17, 2014, Socorro Electric Cooperative has more than \$43 million in debt to projects and a total of more than \$72 million combined liabilities and other credits.

The documents from that time stated the co-op had a beginning balance of about \$78 million.

Bhasker also said another inquiry is whether leases to property would be grandfathered into the agreements with the former bylaws and the new bylaws.

Councilors Michael Olguin, Jr., Gordon “Gordie” Hicks and Donald Monette all echoed support for the franchise agreement during the meeting.

“I thought it was intimidating that they didn’t send out a red-line version of what the changes were,” Monette said.

A date has not been set for when council will decide on a franchise agreement.

(the rest of the article was concerned with other non-SEC reports before the council)