

## 2009 SEC Reform Issues

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In keeping with our mission, there are issues which must be resolved so that democratic control of the Socorro Electric Cooperative can be established and assured in the future.

### 1. UNNECESSARY EXPENSES

- The SEC Board does not need 11 members to operate. The County Commission gets by with 5. Reducing the Board from 11 to 7 or even 5 would save a good bit of money and probably make the Board more efficient. Reduce monthly meeting from two to one. Do away with committees and have the smaller Board function as a Committee of the Whole

District, Location, Trustee	Grand Total from 1/1/06 to 6/31/08	Cost per District	Cost per Member
District I. Veguita, Valencia Co. Trustee Leo Cordova	\$ 77,775	\$ 77,775	\$ 52.30
District II. Limitar, Polvadera Trustee Paul Bustamante *	\$ 93,038	\$ 93,038	\$133.68
District III. City of Socorro Trustee Leroy Anaya Trustee Milton Ulibarri Trustee Harold Baca ** Trustee Juan Gonzales *** Trustee Manuel Marques ** Trustee Herman Romero	\$ 91,895 \$118,176 \$110,241 \$ 86,602 \$135,157 \$ 69,412	\$611,483	\$151.02
District IV. San Antonio, Bingham Trustee Dave Wade **	\$ 67,860	\$ 67,860	\$106.20
District V. West of Socorro to AZ Line Trustee Jack Bruton *** Trustee Charlie Wagner	\$ 68,121 \$ 123,683	\$ 191,804	\$ 71.60
<b>Grand Total</b>	<b>\$ 1,041,860</b>		

The cost of each trustee by district from 1/1/2006 to 6/31/2008 is shown on this chart.

Costs include: per diem, tax, lodging, mileage, insurance, air fares, registration fees, course tuitions, and subscriptions.

First term trustees are expected to cost more than trustees who have served more than one term due to training requirements. But as you can see by the asterisk (\*) beside their names (each \* = 10 or more years on the board) several continue to incur high costs. Committee appointees incur more costs because they attend more meetings and Socorro City Trustees are the majority on all but two committees. Each twice monthly meeting and every committee meeting attended earns \$60.00 for a trustee. If one resides in the

city, there is no expense incurred by attendance and the meetings seldom last an hour. Trustees attending from outside Socorro City limits are also reimbursed mileage, at the federal rate, and a meal allowance of \$15.00. The committee reports reveal that little is achieved by the committees that could not have been accomplished by a staff member or the board as a whole in a matter of minutes. To the majority of the board committee meetings like the twice monthly regular meetings are just more gravy.

## 2. OPEN MEETINGS:

- Socorro Electric Cooperative Policy # 22 approved 3/2/1998: Visitors to Meetings of the Board of Trustees stated:
  - "Members of SEC have the privilege of attending meeting of the Board of Trustees so as to observe and become familiar with the Board's role in conducting the affairs of the Cooperative.
  - If a Member wants to be recognized or has a matter to bring before the Board, he/she must have given prior notice and received authorization to address the Board and state the subject, prior to the meeting.
  - On 11/30/05, shortly before three newly elected trustees joined the Board, the sitting Trustees changed the above policy to repeal the first sentence leaving only the second sentence to apply to visitors giving prior notice and receiving authorization to attend the meeting. The trustees who were present and voted for this amendment were: Juan Gonzales, Paul Bustamante, Leroy Anaya, Milton Ulibarri, Manual Marques, and Dave Wade. Leo Cordova and Jack Bruton were absent.
  - Laws in New Mexico which apply to public meetings are defined in State law as "The Open Meetings Act," NMSA 1978, Chapter 10, Article 15. Rural electric cooperatives (RECs) may not be subject to this law because they are privately owned by their members for a commercial purpose (that of providing electric power to their members for the benefit of their members at cost). RECs are governed by their members through the co-ops bylaws and are subject to both Federal and State law. They are regulated by the Rural Utility Service (an agency of the U.S. Department of Agriculture) and the New Mexico Public Regulation Commission. The rules and regulations of lenders also come into play because co-ops depend on long term credit from both Federal and private sources.
  - Assuming that none of these lenders or governmental entities requires open meetings, the decision to require open meetings still remains in the hands of the members of the co-op either through the Bylaws or the Policy Manual. Changes in bylaws can be proposed by members or their elected representatives (Trustees) but any amendment, repeal or alterations of the Bylaws must be ratified by a vote of the members. The Board of Trustees is authorized by the Bylaws to create policies. If the Board thinks open meetings are in the best interest of the Members (Cooperative), it can create an Open Meeting

Policy by majority vote of the Board at any Board meeting. The Board can also dedicate a portion of the meeting to a Members Comment Period allowing members to speak without prior approval of the Board. Jack Bruton made such a motion according to the minutes of the April 9, 2008 Board meeting. It was voted down.

### 3. FAIR ELECTIONS OF TRUSTEES:

Redistricting, Amendment of "Rural Electric Cooperatives," 62-15-10 NMSA 1978 which forbids voting by mail to allow not only voting by mail but by phone, online, and in person.

### 4. BY-LAW AND POLICY COMPLIANCE:

The ignoring and/or delaying on action called for by the By-Laws and Policy Manual must stop. In addition the dilution of members' control by adverse revising of By-Laws and Policy Manual must be undone by rewriting to make both documents conform to standards which promote fairness and openness.

### 5. ACCESS TO DOCUMENTS OF THE COOPERATIVE:

House Bill 279, "Utility Disclosure of Consumer Information" signed into law March 2007 which was intended to prohibit the unauthorized release of "non-public" customer information is being used to block the release to members of all documents.

Also on this matter, NEW MEXICO LAW REVIEW, Winter, 1998, 28 N.M. Law Rev.133 cites CORPORATE LAW- Formulating and Applying a "Proper Purpose" Analysis to the case of a Books and Records Inspection Request-Schein v. Northern Rio Arriba Electric Cooperative, Inc. Aaron C. Viets. The New Mexico Supreme Court ordered the release of documents to a member of the Cooperative.