

Co-op faces criticism over rate case expenses

By J.R. Logan

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Kit Carson Electric Cooperative CEO Luis Reyes estimates that \$90,000 has been spent on legal fees for the current rate case, and he expects another \$90,000 in lawyer costs before it's over.

In addition, the co-op has been conducting a PR campaign through ads and radio appearances to tout the need for the rate hike.

Reyes said an accounting of total ad expenses related to the rate case has not yet been done, but co-op reimbursement records show that some trustees have been paid \$150 per radio interview since the rate hike was announced last fall.

But Reyes defends these expenses, saying they're necessary to counter "unjust and unfair allegations" that have been made against the co-op and its board of trustees.

"It has, I think, been unfair," said Reyes in an interview Monday (April 11). He said critics of himself and of the board continue to disseminate "misinformation" about the reasons for the rate hike and the co-op's diversified ventures.

A petition is currently circulating asking for a removal of nine of the 11 trustees. The nine trustees cited in the petition voted for the rate increase, and among the charges of the board members are "misfeasance" and "breach of fiduciary duty."

The 10 co-op members circulating the petition say the board of trustees is "out of control."

But Reyes calls those who drew up the petition "vindictive." "It's causing me to defend myself and put out the right facts," Reyes said.

However, the co-op's attempts to make its case — both through its legal team and through advertisements — have added fuel to the critics' fire.

Reyes admits that the co-op message might appear "tainted" because it costs co-op money to spread it.

One ad, which ran in the March 31 edition of *The Taos News*, was ostensibly written and paid for by co-op employees out of their own pockets. Cecilia Quintana, project coordinator for the co-op, said she drafted the letter and asked employees to voluntarily sign and pay for the ad.

A portion of the letter reads: "We the employees would like to let our CEO and Board know that

you are not alone; we are in this fight with you.”

Quintana said she and other co-op employees have also started defending the co-op’s policies in the comments section of *The Taos News* online version.

“Somebody needs to know that the co-op employees are behind the board and the CEO,” Quintana said Monday, adding that she has heard too much negativity in public and in the press. “I can’t sit there and I can’t let that happen. These are my people and my community.”

Reyes said he and the board knew nothing about the March 31 ad while it was being prepared. According to Reyes, only one co-op employee refused to sign it.

“I think moral is as high as it’s ever been,” Reyes said.

Quintana said no employees were pressured or coerced into signing her letter or paying for the ad. Both she and Reyes argue that most co-op employees are protected by unions.

“This is a union-based co-op,” Quintana said. “If any employee felt threatened, the first place they’d go is their union.”

Reyes said that he has notified co-op employees that “all cost-cutting measures, including the size of the labor force, are on the table” if the Public Regulation Commission denies the proposed rate increase.