

## Board recall sought

By JOANN LIVINGSTON Daily Light Managing Editor

HILCO Electric Cooperative Inc. members are calling for a special meeting in hopes of recalling four directors they allege are not acting in the organization's best interests.

The members cite concerns with what they say are excessive expenses charged to the cooperative by the directors and a lack of accessibility to documentation and paperwork. Members are also reporting that when they sought answers they were charged a rate of \$50 an hour to ask questions and that they have been refused admission to board meetings.

A spokesman for the cooperative told the Daily Light that HILCO is a private, not-for-profit member-based organization and as such is not subject to the Open Records and Open Meetings Acts. There was no response to a Daily Light request for comment from any board member.

Rescuehilco.com, a Web site that has been set up relating to the concerns, has posted a petition drive asking that members request a special meeting.

"According to HILCO Electric Cooperative Inc.'s bylaws, members may petition the board of directors to call a special meeting," rescuehilco.com notes. "The petition must contain the names, signatures and member number of 10 percent of the membership."

About 1,600 member numbers (a husband and wife do not count as two members) must sign the petition, according to the Web site, which notes it is seeking to have all petitions returned by July 1. This would allow member notification by June 15 of a special meeting planned for July 21.

"At this special meeting, a simple majority can vote to remove the directors, and then vote to replace them with new ones that will be responsive to the members," the Web site reads. "After all, it's our co-op. It's time to rescue HILCO."

Information available on the rescuehilco.com said the recall is for districts 2, 5, 6 and 7.

The Web site's cites two specific causes for action in petitioning for a special meeting:

- That board directors at their January 2007 meeting failed to amend bylaws to cap directors' costs at \$100,000 per year and present any change to the membership
- That directors from districts 2, 5, 6 and 7 at the February 2007 voted over the other directors' objections to remove the cooperative's general manager without explanation or cause.

The special meeting's agenda includes items relating to the recall of the four directors, an election for those districts, a motion to rescind all board action since and including the February meeting and adoption of the afore-mentioned bylaw amendment.

According to rescuehilco.com, directors are compensated \$600 a month retainer plus an additional \$600 a month for attending the monthly board meeting. They receive additional fees for attending other meetings as well as free transportation

for their spouses, free Internet service and Christmas bonuses, according to the Web site.

“Directors defend their spending by saying that they are serving the company and are being trained to do their job,” according to [rescuehilco.com](http://rescuehilco.com), which notes a budgeted amount of \$154,795 for 2005, \$254,925 for 2006 and \$295,300 for 2007.

[Rescuehilco.com](http://Rescuehilco.com) reports that directors from district Nos. 5, 6 and 7 “were the biggest spenders in the 2006 actual (with 11 months’ expenses reported) and have the highest budgeted amounts for 2007.”

According to the cooperative’s Web site, [www.hilco.org](http://www.hilco.org), HILCO has had two rate increases for its residential members in the past five years. In May 2002, the base rate for a residential account increased from \$10 to \$10.50 per month. The second increase, in February 2007, saw an increase to \$14.50.

HILCO, which has been in existence since 1936, has 16,000 members in its service area, which includes Hill, Ellis, McClennan, Johnson and Dallas counties. Hill County has the most members at this time; however, Ellis County is expected to become the largest in customer base in the next several years due to growth.

On the Internet:

[www.hilco.org](http://www.hilco.org)

[www.rescuehilco.com](http://www.rescuehilco.com)

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