

MINUTES
FINANCE/AUDIT COMMITTEE MEETING
BOARD OF TRUSTEES
THE SOCORRO ELECTRIC COOPERATIVE, INC.

NOVEMBER 26, 2012

A meeting of the Finance/Audit Committee Meeting of the Board of Trustees of The Socorro Electric Cooperative was held on Monday, November 26, 2012 in Socorro, New Mexico.

The meeting was called to order at 12:16 p.m. by Dave Wade, Chairman.

Committee members in attendance were Trustees Cordova and Anaya.

Also present were Joseph Herrera, General Manager, and Eileen Latasa, Sr. Admn. Asst./HR.

Manager Herrera informed the committee that the Form 990 was included in the board information packet for board approval. The Form 990 as written are formulated from audited data.

Manager Herrera recommended a calendar year for trustee per diem and to begin the process on January 1, 2013. Manager Herrera explained that the current system of April 17 to April 17 for trustee per diem is skewing the numbers for the Form 990 due to the utilization of two years documentation for per diem and is creating accounting issues for reconciling the figures for audit purposes.

After discussion, a motion was made by Trustee Cordova and seconded by Trustee Anaya to recommend the approval of the 2011 Form 990 for audit purposes to the Board. Motion carried unanimously.

After further discussion on the trustee per diem, a motion was made by Trustee Anaya and seconded by Trustee Cordova to recommend to the board to institute the issuance of trustee per diem by calendar year to coincide with the audit. Motion carried unanimously.

Manager Herrera informed the Board that former Manager Lupe Vega invested \$100,000 of SEC funds in the Mainstay Fund Investment in the late 1990's. Manager Herrera stated that the fund has been accruing dividends on the initial investment. No further SEC funds had been invested and that the investment has grown to \$270,000.00.

Manager Herrera recommended that the Board approve to cash out the Mainstay Funds In order to make a down payment on four one-ton 40' foot bucket trucks.

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After discussion, a motion was made by Trustee Cordova and seconded by Trustee Anaya to approve Manager Herrera's recommendation to cash out the Mainstay Fund Investment for the down payment of four one-ton 40' foot buck trucks for board consideration. Motion carried unanimously.

There being no further items open for discussion, Chairman Wade adjourned the meeting.