

May 9, 2013

VIA HAND DELIVERY

Mr. Charles Wagner
c/o Socorro Electric Cooperative, Inc.
P.O. Box H
Socorro, New Mexico 87801

Socorro Electric Cooperative, Inc.

Dear Mr. Wagner:

As you know, Ira Bolnick was hired by the Board to investigate multiple issues relating to your conduct and behavior as a trustee of Socorro Electric Cooperative. After an extensive investigation, Mr. Bolnick concluded, among other things, that:

- * You have clearly yelled at others and have been not only critical but demeaning, belittling and sarcastic toward other trustees, staff and Board counsel in violation of Policy No. 122;
- * You have disparaged other trustees and staff in violation of Policy No. 119;
- * You have violated your fiduciary duties when you secretly tape recorded executive sessions of the Board and then refused to return those tapes to SEC as you were asked and directed to do;
- * You have violated Policy Nos. 103 and 123 when you contacted a vendor for SEC without prior authority and asked that the contact be kept confidential. This conduct violated the standard in Policy No. 122 requiring a trustee to observe the highest standards of ethics and to practice honesty and integrity in fulfilling your responsibilities; and
- * You have failed to properly account for money owed to SEC following your trip to a conference in Biloxi in violation of state law (§62-15-9.1 NMSA) and Policy Nos. 119 and 121 when you failed to promptly and properly handle an overpayment of expenses made to you.

As a result of your disruptive and inappropriate behavior, and in accordance with Board Policy 113, you will not be appointed to any SEC committees while I serve as President of the Board. You will continue to not be permitted to attend executive sessions of the Board. You will not be authorized to attend any NRECA or NMRECA meeting on behalf of SEC and you will not be provided with any credentials on behalf of SEC to attend any other meeting with third parties regarding SEC.

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Finally, because as recently as the April Board meeting you have continued your insulting, demeaning and sarcastic behavior toward SEC counsel and in your May 6, 2013 email you made baseless accusations against me, I expect you to apologize for this behavior in writing. If you choose to accept responsibility for your behavior and make this apology, I ask that you provide me with copies of any communications. Thereafter, you will be immediately removed from any meeting during which you are demeaning, belittling, sarcastic or disparaging toward trustees, staff or counsel.

This letter will be published on SEC's website and be available publically.

Very truly yours,



Luis Aguilar
President, Socorro Electric Cooperative, Inc.
Board of Trustees

LA:me
cc: Joseph Herrera, GM