



CITY OF SOCORRO

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March 30, 2021

Citizens of Socorro Residents and Socorro Electric Cooperative Owners/Members:

On February 25, 2021 representatives from the City of Socorro and the Socorro Electric Cooperative (SEC) engaged in mediation in an effort to agree on a mutually beneficial arrangement that would cease the SEC lawsuit against the City of Socorro and provide the SEC with an outcome they are seeking through the courts. After approximately nine hours of mediation, the representatives arrived at a settlement to be presented to their respective governing bodies. The City is sad to report that the resolution effort proved fruitless.

On March 16th, 2021, the City received a letter from SEC counsel informing the City the SEC Board of Trustees had rejected the Settlement. This decision indicates the SEC prefers to have the judicial system decide what is best for SEC owners/members/users as well as City residents. This action will, no doubt, greatly increase legal expenses for the SEC, its owners/members/users as well as City of Socorro residents. The City was hopeful the mediation, as encouraged by the judicial system, would avoid further unnecessary expenses for all involved. The SEC Board of Trustees' decision to reject the settlement will also delay resolution of any other differences both entities may have by forcing the outcomes to be determined through the judicial system. Time and money are limited resources for both entities, and resources the City manages closely.

In the lawsuit, SEC's Amended Complaint recognizes, among other items, the Franchise Agreement was signed by both parties in 1999 and has not been renewed (item #8 and item #10). The City does not dispute these claims. The Amended Complaint then states (item #11), "The Agreement continues in effect until at least (emphasis added) 25 years from the date of execution if the Agreement is not renegotiated between the parties, or until at least 2024." The amended Complaint in paragraph 33 also requests "...a declaration from the Court that the Agreement will remain in effect until at least 2024..." In paragraph 35 the Amended Complaint asks (#35), "...that this Court declare that SEC has the right and obligation to provide electric power to these certain customers and members of SEC until at least 2024." In paragraph 50 the SEC requests that the Court "...Declare that the Agreement remains in full force and effect until at least 2024 or until the parties renegotiate the Agreement."

The requested items contained in the preceding two paragraphs are EXACTLY what the City agreed to do, yet the SEC Board of Trustees rejected the settlement. The City, through the settlement, was agreeable to allowing SEC to continue to use City property for its electric service operations through 2024. Because the City has offered to work with the SEC in granting their requests, but have been flatly rejected by the SEC Board, the City will continue efforts to bring the City of Socorro reasonable electric rates as well as widely available broadband services. The City will keep all interested parties apprised of our efforts and corresponding results.

Respectfully,

Ravi Bhasker
Mayor
City of Socorro