

CITY OF SOCCORO
SOCORRO INDUSTRIAL CORRIDOR COMPETITIVE ELECTRIC POWER
ORDINANCE

ORDINANCE No. 16-03-21b

WHEREAS, the City of Socorro (the City), a municipal corporation and long-time provider of public utilities, recently engaged in economic development enhancement ideas/strategies; and

WHEREAS, the City owns and operates an industrial park lying within the boundaries of the City which is designed to encourage and attract business and industry to the Socorro area and thereby increase and improve economic opportunities for the area's workforce; and

WHEREAS, after engaging in lengthy deliberations with the Socorro Electric Cooperative (SEC) regarding the role of SEC in community-related affairs and various SEC policies, it became evident that SEC operations have a negative impact on the ability of the City and its community to fully realize the economic potential of the area; and

WHEREAS, to better understand the economic impact of SEC on the Socorro community, the City contracted with the University of New Mexico (UNM) to do an economic study on the effect SEC has on the City and its local economy; and

WHEREAS, the UNM study found that the SEC rate structure, as compared to the rate structure found in other similar communities throughout New Mexico, costs residents of the City an additional \$2,118,037 in direct and indirect costs and reduced the number of available jobs throughout Socorro County; and

WHEREAS, the UNM study further found that these costs negatively impact the City and substantially reduced the City's ability to attract new business, industry and employment opportunities; and

WHEREAS, additional research conducted by the City Administration regarding the cost of electricity in the SEC service area suggests that those consumers and businesses residing in the SEC service area are at a competitive disadvantage as compared to other areas in New Mexico; and

WHEREAS, the City desires to pursue the economic enhancement of the Socorro community by attracting new business and industry to the area and in particular to the City's industrial park, and therefore it is imperative that the high cost of electricity be addressed; and

WHEREAS, to this end, on June 15, 2015, the Socorro City Council passed, approved and adopted Resolution No. 15-06-15B which authorized the City to conduct a feasibility study

regarding the City's development of a municipally owned electric utility serving the City's industrial park and surrounding areas; and

WHEREAS, as a first step in the development of a municipally owned electric utility the City desires to create, by ordinance, a municipal utility which shall be charged with the efficient delivery of reliable electric power service to the City, its industrial park and the public at the lowest cost and competitively determined price.

NOW, THEREFORE, we the Governing Body of the City of Socorro, ordain as follows:

Section 1. SHORT TITLE

This Ordinance shall be known and may be cited as the Socorro Industrial Corridor Competitive Electric Power Ordinance (S-Corridor Power Ordinance).

Section 2. PURPOSE

The purpose of this Ordinance is to provide for the efficient delivery of reliable electric power service to the City, its industrial park and the public at the lowest cost and, where feasible, at a competitively determined price.

Section 3. SOCORRO ELECTRIC UTILITY

There is hereby created a municipally owned electric utility, the Socorro Industrial Corridor Competitive Electric Utility, hereinafter "S-Corridor Electric Utility," which shall be responsible for the planning, development, production, purchase, sale, transmission and distribution of electricity related services by the City to the industrial park or others, as may be required.

Section 4. POWERS AND DUTIES OF THE CITY RELATED TO THE OPERATIONS OF THE S-CORRIDOR ELECTRIC UTILITY

- (A) Property and contracts. The City may:
 - (1) Sell its products and services to the residents, both public and private, of the City and others as may be permitted by law;
 - (2) Construct and operate generating plants, transmission, distribution, and other electric facilities;
 - (3) Set electric rates and service policies and regulations;
 - (4) Purchase real property and personal property; and
 - (5) Enter into contracts, leases, and agreements in furtherance of its powers and duties.

- (B) Extensions of service. The City may adopt regulations governing extensions of services of the S-Corridor Electric Utility. The regulations shall provide the conditions under which the extensions shall be made to render them compensatory and shall provide that each extension project shall, when completed, become the property of the City whether on public or private

property. The S-Corridor Electric Utility may provide for refunds where advances by the person benefitted are necessary to make extensions compensatory.

(C) Joint operations with others. The City may enter into contracts and agreements with any public entity, private corporation or any other person, both inside and outside the boundaries of the City and state:

(1) For the joint use of property belonging either to the City or to the other contracting party or jointly to both parties;

(2) For the joint acquisition of real and personal property, rights and franchises and the joint financing, construction, and operation of plants, buildings, transmission, distribution, and other facilities; or

(3) For the operation and management of the electric system of S-Corridor Electric Utility or any part thereof.

(D) Eminent domain. As granted by Section 3-24-5 NMSA 1978, the City may enter upon any land or water for the purpose of making surveys and may exercise the right of eminent domain as provided by law when the City determines that public interest, necessity or convenience requires such action in furtherance of the S-Corridor Electric Utility.

(E) Use of thoroughfares and easements for utility installations. The City may use the ground over, under, or along any road, railway, highway, street, sidewalk, thoroughfare, alley, waterway or any other public right-of-way in the operations of the S-Corridor Electric Utility including the easements granted by Section 3-24-4 NMSA 1978 but shall in all cases, subject to the applicable general regulations of the City, cause the surface of the public way to be restored to its usual condition.

(F) Bond issues and other indebtedness. Subject to applicable state laws, the City may authorize the issuance and sale of revenue bonds or other types of indebtedness necessary to finance the condemnation, acquisition, construction, improvement, and extension of the utility facilities owned by the S-Corridor Electric Utility, including facilities owned or operated jointly with others.

(G) Public information expenditures. The City may authorize reasonable expenditures to inform the public of the policies, operations, programs and plans of the S-Corridor Electric Utility.

(H) Existing obligations. Contracts and obligations relating to the utility systems of the City incurred prior to the effective date of this Ordinance shall not be impaired and shall be binding upon the City insofar as they apply to the City.

(I) Remaining Powers. To do and perform any and all remaining acts as permitted by law as necessary to carry out the purpose of this Ordinance.

Section 5. REGULATIONS, AMENDMENTS, PROCUREMENT

(A) The City may amend any provision of this Ordinance and may adopt the regulations it finds necessary in the exercise of its police power as may be necessary to effectuate such regulations.


(B) The City may amend this Ordinance when necessary to enable the S-Corridor Electric Utility to pursue developments which may afford the opportunity to provide more efficient and economical electric services.

(C) The City is authorized to use procurement processes to further the public and corporate purposes of the S-Corridor Electric Utility.

Section 6. NO IMPAIRMENT FROM PARTIAL INVALIDITY

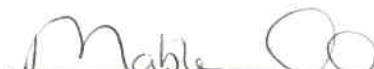
The provisions of this Ordinance are severable, and if any provision, section, clause, sentence, or part thereof is held to be illegal, invalid, unconstitutional, or inapplicable, to any person, persons, circumstances, situation, or otherwise, the illegality, invalidity, unconstitutionally or inapplicability shall not affect or impair any of the remaining sentences, clauses, sections, articles, or parts of this Ordinance or their applicability to other persons, circumstances or situations.

Passed, Approved and Adopted this 18th day of April, 2016.



Ravi Bhasker, Mayor Pro Tem
Jordan Hicks

ATTEST:



Mable Gonzales, Clerk/Treasurer