

**CITY OF SOCCORO  
RESOLUTION NO. 23-06-06c**

**RELATED TO THE CITY’S MUNICIPAL ELECTRIC UTILITY SERVING THE CITY OF SOCORRO AND INCLUDING THE INDUSTRIAL PARK CORRIDOR; DIRECTING THE DEVELOPMENT OF PROFORMA FINANCIAL STATEMENTS**

**WHEREAS,** the City owns and operates an industrial park 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,** in October of 2014, the City contracted with the University of New Mexico (UNM) to conduct an economic study on the effect Socorro Electric Cooperative (“SEC”) has on the City and its local economy; and

**WHEREAS,** the UNM study found that the SEC rate structure costs residents of the City millions of dollars in direct and indirect costs, reduced the number of available jobs throughout Socorro County, and substantially reduced the City’s ability to attract new business, industry and employment opportunities; and

**WHEREAS,** building on the UNM study, 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,** on April 18, 2016, by Ordinance No. 16-03-21b, the Socorro City Council created a municipal utility 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

**WHEREAS,** since that time, Socorro has conducted multiple studies, preliminary system valuations, and a municipal utility feasibility study investigating a range of utility service options including the acquisition of existing infrastructure and/or the construction of electric utility assets within the City. The City has also conducted a Request for Information for wholesale electric supply; and

**WHEREAS,** in December 2022, the City issued RFP No. 021023 soliciting proposals to provide 30% conceptual engineering drawings for suggested primary voltage distribution and service line routes, equipment specifications and the estimated cost to develop the preliminary design of the interconnection facilities, distribution substation, distribution feeders, service voltage

transformers, service lines and metering equipment to connect selected customers to the Socorro municipal electric utility; and

**WHEREAS,** given that the Franchise Agreement with SEC expires in 2024, the City of Socorro desires to begin providing electric utility services within the city limits and within the Industrial Corridor as soon as possible after the expiration of the SEC Franchise Agreement; and

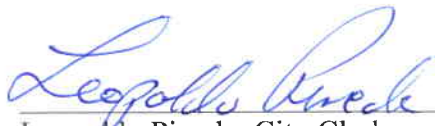
**WHEREAS,** the City desires to develop preliminary pro forma financial statements in anticipation of seeking funding for the construction and operation of the City's municipal utility.

**NOW, THEREFORE, be it resolved by the Governing Body of the City of Socorro,** that the City administration, in conjunction with various City municipal utility contractors, is directed to develop preliminary pro forma financial statements in anticipation of seeking funding for the construction and operation of the City's municipal utility; and further, that City administration is directed to brief the Council no later than August 31, 2023 on the progress of such financial statements.

**Passed, Approved and Adopted this 6th day of June, 2023.**

**ATTEST:**

  
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Ravi Bhasker, Mayor

  
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Leopoldo Pineda, City Clerk