

**TOWN OF RIDGWAY, COLORADO
EMERGENCY ORDINANCE NO. 01-2024**

AN EMERGENCY ORDINANCE OF THE TOWN OF RIDGWAY COLORADO, AMENDING THE FRANCHISE GRANTED TO SAN MIGUEL POWER ASSOCIATION, INC., TO OPERATE AN ELECTRIC POWER UTILITY WITHIN THE TOWN OF RIDGWAY

WHEREAS, the Town of Ridgway entered into a Franchise Agreement with the San Miguel Power Association (“SMPA”) on September 13, 2023, with the passage of Ordinance No. 2023-06 (the “Franchise Agreement”); and

WHEREAS, the Franchise Agreement contains language which limits SMPA’s ability to recover costs in the event the Town orders the relocation or undergrounding of SMPA facilities;

WHEREAS, cost recovery for SMPA is critical to the utilities ability to maintain a consistent rate structure for all of its users within its service territory; and

WHEREAS, the Town and SMPA wish to amend the Franchise Agreement to allow for SMPA to recover costs from the residences of the Town should the Town order relocation or undergrounding of SMPA facilities within the Town.

WHEREAS, The Town Council has the authority, pursuant to Article III, Section 3-8 of the Charter, to enact emergency ordinances for the preservation of the public peace, safety, or welfare upon the affirmative vote of six members of the Town Council.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF RIDGWAY, COLORADO, THAT:

- 1. AMENDMENT OF TOWN OF RIDGWAY ORDINANCE NO. 06-2023.** The Franchise Agreement between the Town and SMPA is amended as follows:

Paragraph 8.4(G) is deleted in its entirety, and new Paragraphs 8.4(G) and (H) are added as follows:

(G) The Company may recover costs it incurs for relocation or undergrounding of facilities when the work was ordered by the Town pursuant to paragraphs 8.4(B) or 12.1(B)(3), through an increase in the franchise fee that is retained by the Company instead of being paid to the Town (“Recovery”). The Recovery shall be amortized over five years without interest, or a longer or shorter period as is appropriate to avoid increases in excess of 10% of electric bills. The Company shall consult with the Town concerning an appropriate Recovery schedule, but the final decision shall be the Company’s. When the remaining term of this Franchise is insufficient to accommodate a reasonable amortization period, collection of the surcharge shall be automatically extended to

encompass the Recovery schedule. The Company shall provide the necessary financial records to the Town to allow it to monitor such recovery. Upon receipt of an order from the Town to relocate or underground facilities, the Company shall provide a good faith estimate of the cost of such relocation or undergrounding ("Cost"). If the estimated Cost, plus the outstanding balance of any prior Recoveries, exceeds \$150,000, the Town agrees to pay the amount in excess of \$150,000. If the actual Cost causes the balance of total Recoveries to exceed \$150,000, the Town shall not be responsible for such excess, and the Recovery shall include such excess.

(H) The Company shall report to the Town within sixty (60) days of the execution of a subsequent franchise or of any change of an existing franchise which includes terms that are more favorable to the Town than this Section 8.4.

- 2. REMAINDER OF ORDINANCE TO REMAIN IN PLACE.** Unless specifically amended herein, the remainder of Ordinance No. 06-2023 remains in place.

SECTION 2. Emergency.

Pursuant to Article III, Section 3-8 of the Charter, this Ordinance shall be effective immediately upon adoption, as it is necessary for the immediate preservation of the public health and safety of the citizens of the Town for the reasons recited herein.

SECTION 3. Public Hearing.

A public hearing on this Ordinance was held on the 12th day of June 2024, in the Town Council Chambers, 201 N. Railroad Street, Ridgway, CO 81432.

INTRODUCED, READ, HEARD AND FINALLY ADOPTED by the Town Council of the Town of Ridgway, Colorado, this 12th day of June 2024.

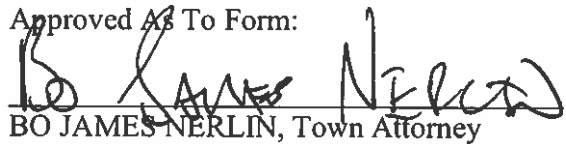
**TOWN OF RIDGWAY, COLORADO, A
HOME-RULE MUNICIPALITY**

By: 
JOHN CLARK, Mayor

ATTEST

PAM KRAFT, Town Clerk

Approved As To Form:


BO JAMES NERLIN, Town Attorney

CERTIFICATE OF TOWN CLERK

The foregoing Ordinance was adopted as an emergency measure at a meeting of the Ridgway Town Council on June 12, 2024 and published by title and posted thereafter.

(SEAL)



Pam Kraft, MMC, Town Clerk