

AN ORDINANCE GRANTING A FRANCHISE BY THE CITY OF CREEDE, A TOWN, MINERAL COUNTY, COLORADO, TO SAN LUIS VALLEY RURAL ELECTRIC COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE CITY OF CREEDE, A TOWN, A PLANT OR PLANTS, SUBSTATION, AND WORKS, FOR THE PURCHASE, GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRICAL ENERGY, AND TO FURNISH, SELL AND DISTRIBUTE SAID ELECTRICAL ENERGY TO THE CITY OF CREEDE, A TOWN AND THE INHABITANTS THEREOF, FOR LIGHT, HEAT, AND POWER OR OTHER PURPOSES BY MEANS OF CONDUITS, CABLES, POLES AND WIRES STRUNG THEREON, OR OTHERWISE, ON, OVER, UNDER, ALONG, ACROSS AND THROUGH ALL STREETS, ALLEYS, VIADUCTS, BRIDGES, ROADS, LANES, AND OTHER PUBLIC WAYS AND PLACES IN SAID CITY OF CREEDE, A TOWN, AND FIXING THE TERMS AND CONDITIONS THEREOF.

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE CITY OF CREEDE, A TOWN, MINERAL COUNTY, COLORADO:

ARTICLE I

Whenever the word Town is hereinafter employed, it shall designate the City of Creede, a town, Mineral County, Colorado, the grantor, and whenever the word Cooperative is used it shall designate not only San Luis Valley Rural Electric Cooperative, Inc., a Colorado corporation, the grantee, but also its successors and assigns.

ARTICLE II

Section 1. There is hereby granted to the Cooperative the right, privilege and authority to locate, build, construct, acquire, purchase, extend, maintain and operate into, within and through said Town a plant or plants, substations, and works for the purchase, generation, transmission and distribution of electrical energy, with the right and privilege for the period and upon the terms and conditions hereinafter specified to furnish, sell and distribute said electrical energy to the Town and the inhabitants thereof, for light, heat and power or other purposes, by means of conduits, cables, poles with wires strung thereon, or otherwise on, over, under, along, across and through any and all streets, alleys, viaducts, bridges, roads, lanes, and other public ways and places in said Town and on, over, under, along, across and through any extension, connection with or continuation of the same and/or on, over, under, along, across and through any and all such new streets, alleys, viaducts, bridges, roads, lanes and other public ways and places as may be hereafter laid out, opened, located or constructed within the territory now or hereafter included in the boundaries of said Town.

Section 2. The Cooperative is further granted the right, privilege and authority to excavate in, occupy and use any and all streets, alleys, viaducts, bridges, roads, lanes, and other public ways and places under the supervision of properly constituted authority for the purpose of bringing electrical energy

into, within and through the City of Creede and supplying electrical energy to said Town and the inhabitants thereof and in the territory adjacent thereto, provided, however, that the Cooperative shall so locate its plants, substations, works, transmission and distribution structures, lines, equipment and conduits within said Town as to cause minimum interference with the proper use of streets, alleys and other public ways and places and to cause minimum interference with rights or reasonable convenience of property owners whose property adjoins any of the said streets, alleys or other public ways and places. Should it become necessary for the Cooperative, in exercising its rights and performing its duties hereunder, to interfere with any sidewalk, pavement or any other public or private improvement, the Cooperative shall repair in a workmanlike manner such sidewalk, graveled or paved street, road, alley, or other public improvement after the installation of its poles, conduits or other structures. The Cooperative shall use due care not to interfere with or damage any water mains, sewers or other structures now or which may hereafter be placed in said streets, alleys or other public places, and will set no poles or other structures in the paved portions of the streets now traversed by U. S. Highway No. 149.

Section 3. The Cooperative shall so maintain its structures, apparatus, equipment, poles, wires and conduits as to afford all reasonable protection against injury or damage to persons or property therefrom, and the Cooperative shall save the Town harmless from all liability or damage and all reasonable expenses necessarily accruing against the Town arising out of the negligent exercise by the Cooperative of the rights and privileges hereby granted; provided, that the Cooperative shall have had notice of the pendency of any action against the Town arising out of such exercise by the Cooperative of said rights and privileges and permitted at its own expenses to appear and defend or assist in the defense of the same.

Section 4. If at any time is shall be necessary to change the position of any pole, conduit or service connection of the Cooperative to permit the Town to lay, or make or change street grades, pavements, sewers, water mains or other Town works, such changes shall be made by the Cooperative at its own expense.

Section 5. The Town shall have the right, without cost, to use all poles of the Cooperative within said Town for the purpose of stringing wires thereof for its fire alarm and police signal systems; provided, however, the Cooperative assumes and shall be subject to no liability and shall be subject to no additional expense in connection therewith. It is further provided that the use of said poles by said Town shall not interfere in any unreasonable manner with the Cooperative's use of the same.

ARTICLE III

Section 1. The Cooperative shall furnish electrical energy within the corporate limits of the Town or any addition thereto, to the Town, and to such of the inhabitants thereof, or to any

person or persons or corporations doing business in the Town or any additions thereto, in accordance with such rules and regulations and upon conditions as the Cooperative may by order of its Board of Directors establish. Such electrical energy shall be furnished at the rates and under the terms and conditions established by the Board of Directors of the Cooperative for service to like members as on file in the office of said Cooperative at Monte Vista, Colorado, subject to any regulations which may be prescribed by any competent authority having jurisdiction in the premises. The electric energy which the Cooperative will furnish as herein provided will be single phase electric service and nothing contained in this ordinance shall be construed to require or provide that the Cooperative will furnish three-phase service.

Section 2. The Cooperative shall not, as to rates, charges, service, facilities, rules, regulations or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage, provided that nothing in this grant shall be taken to prohibit the establishment from time to time of a graduated scale of charges and classified rate schedules to which any customer coming within an established classification would be entitled.

Section 3. Cooperative will from time to time during the term of this franchise, make such enlargements and extensions of its distribution system as the business of the Cooperative and the growth of the town justify, in accordance with Rules and Regulations prescribed by the Board of Directors of said Cooperative.

Section 4. The Cooperative, from time to time, may promulgate such rules, regulations, terms and conditions governing the conduct of its business, including the utilization of electrical energy and payment therefor, and the interference with, or alteration of any of the Cooperative's property upon the premises of its customers, as shall be necessary to insure a continuous and uninterrupted service to each and all of its customers, and the proper measurement thereof and payment therefor, provided that the Cooperative shall keep on file in its office at Monte Vista, Colorado, available to the patrons of the Cooperative, copies of its Rate Schedules, Standards for Service, Rules and Regulations. Copies thereof shall also be filed with the Town Clerk.

Section 5. The Town shall, from time to time, enact suitable, reasonable and appropriate ordinances governing and requiring the proper and safe installation and maintenance of electrical wiring of premises within said Town; and in preparation of such ordinances may consult with the engineers and technicians of said Cooperative, without charge for such service.

ARTICLE IV

Section 1. As a further consideration for this franchise, and acceptance by the Town in lieu of all occupancy and license

taxes and all other special taxes, assessments or excises upon the plant or system or other property of the Cooperative or ad valorem taxes, that might be imposed, either as a franchise tax, occupancy tax, license tax, permit charge or inspection fees, the Cooperative shall pay to the Town a sum equal to two percent (2%) of its annual gross revenue derived from the sale of electrical energy within the corporate limits of the Town, excluding the revenue arising from the sale of electrical energy to the Town itself.

Section 2. Payments of such revenue to the Town shall be made on or before the first day of March of each calendar year during the term of this franchise, for the next previous calendar year, and shall be adjusted at the beginning and expiration of this franchise.

ARTICLE V

Section 1. This ordinance shall be in full force and effect from and after its passage, approval and publication, as by law required, upon acceptance thereof in writing by the Cooperative on or before the tenth day after said publication, and the terms, conditions and covenants hereof shall remain in full force and effect for a period of twenty-five(25) years from and after such passage, approval and publication and acceptance thereof.

Section 2. Upon the expiration of this franchise, if the Company shall not have acquired an extension of renewal thereof and accepted same, it may have, and it is hereby granted, the right to enter upon the streets, alleys, bridges, viaducts, roads, lanes and other public places of the Town, for the purpose of removing therefrom any or all of its plants, structures, conduits, cables, poles and wire or equipment pertaining thereto, at any time after the Town has had ample time and opportunity to purchase, condemn or replace them. In so removing said conduits, cables, poles and wire, the Cooperative shall, at its own expense, and in a workmanlike manner, refill any excavations that shall be made by it in the graveled or paved streets, alleys, bridges, viaducts, roads, lanes and other public places after the renewal of its poles, conduits or other structures.

Section 3. Nothing in this Ordinance shall be so construed as to prevent the Cooperative from assigning all of its right, title or interest, gained or authorized under or by virtue of the terms of this Ordinance.

Section 4. The right is hereby reserved to the Town to adopt, from time to time, in addition to the provisions herein contained, such ordinances as may be deemed necessary in the exercise of its police power, provided that such regulations shall be reasonable and not destructive of the rights herein granted, and not in conflict with the laws of the State of Colorado, or with orders of other authorities having jurisdiction in the premises.

INTRODUCED, READ AND ORDERED PUBLISHED the ___ day of _____ A. D. 1921.

Signed by *Byron Fairchild*