

**ORDINANCE NO. 2014-01**

**AN ORDINANCE OF THE TOWN OF Pine Island, TEXAS, GRANTING TO SAN BERNARD ELECTRIC COOPERATIVE, INC., A FRANCHISE FOR THE OPERATION OF LINES AND FOR THE SALE OF ELECTRIC POWER WITHIN CERTAIN ANNEXED AREAS OF THE TOWN OF Pine Island, TEXAS: PROVIDING FOR THE TERM AND OTHER PROVISIONS OF SAID FRANCHISE: PROVIDING THE FEES TO BE PAID TO THE CITY BY THE GRANTEE: AND REQUIRING THE WRITTEN ACCEPTANCE OF THE FRANCHISE BY SAN BERNARD ELECTRIC COOPERATIVE, INC.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF Pine Island, TEXAS, THAT:

SECTION 1: The Town of Pine Island, Texas, (herein called City), hereby grants to San Bernard Electric Cooperative, Inc., its successors and assigns, (herein called Grantee), the non-exclusive right, privilege and franchise, until August 1, 2029, to construct, install, maintain, repair, operate and remove in the present and future streets, alleys and public utility easement rights of way of the Town of Pine Island, Texas, as the limits of said City now exist and as they may hereafter be extended, electric light and power lines with all necessary or desirable appurtenances, including underground conduits, poles, towers, wires, transmission lines, and private use communication lines, for the purpose of supplying electricity to the present members in and beyond the limits thereof: provided, however, that this franchise is limited, and the rights and privileges granted hereby are as follows:

- A. Grantee may furnish electricity within any annexed area of the City to customers and members of Grantee who were served by Grantee at the time of such annexation and are now served by Grantee in said annexed areas;
- B. Grantee may furnish electricity in areas which are annexed hereafter to Grantee's customers in such annexed area who are members of Grantee at the time of such annexation; and,
- C. Grantee may furnish electricity to any person eligible to be a member of Grantee who desires electric service in such annexed area for any dwelling, structure, apparatus or point of delivery which was not being served by Grantee on the date the area became annexed and to which central station service is not available from the City of a public utility corporation at the time such person requests electric service from Grantee.

SECTION 2: For and as full consideration and compensation for this franchise and the rights, privileges, and easements granted and conferred thereby and as rental for the use of the streets, alleys, and public utility easement rights-of-way within or that may hereafter be within said City, Grantee shall pay said City during the life of this franchise, on or before the first day

of each month during the term of this agreement, beginning August 1, 2014, an amount equal to four percent (4%) of the gross revenue received by the Cooperative, its successors and assigns, during the preceding calendar month from sales of electricity within the corporate limits of said City. The said tax shall be based upon the gross revenues received by the Cooperative. A report shall be filed along with the payment with the City by the Cooperative showing its gross revenues for the aforesaid period, and the payment made hereunder shall be based upon said report.

SECTION 3: Nothing herein contained shall ever be held or construed to confer upon the Cooperative exclusive rights of privileges of any nature whatsoever. This franchise is granted by the Town of Pine Island, Texas, to San Bernard Electric Cooperative, Inc. for the purpose of allowing San Bernard Electric Cooperative, Inc. to continue providing electric service to its members in the areas incorporated or to be incorporated by the Town of Pine Island, Texas, in which the Cooperative was serving prior to such incorporation; and to provide electric service in such areas.

SECTION 4: This Ordinance shall be cumulative and in addition to the other permits and franchises granted and ordinances owned, held or claimed by the Cooperative, provided, however, that all ordinances or parts of ordinances that conflict herewith are hereby repealed. This Franchise shall comply with all applicable laws, rules, and regulations of the United States and the State of Texas

SECTION 5: The quality of service shall be consistent with prudent public utility practices and in compliance with parameters set forth by the Rural Utilities Service and the Public Utility Commission of Texas. The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy, but if such supply shall fail or be interrupted, or become defective through an act of God, of the public enemy, or by accident, strikes, labor troubles, or by action of the elements, or inability to secure right-of-way, or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable therefor. However, the Cooperative expressly agrees to indemnify and hold the City, its officials, agents and employees, harmless from and against any and all liability, damage, loss, cost and expense which may accrue to or be sustained by the City, Its officials, agents or employees on account of any claim, suit or action made or brought against the City, Its officials, agents or employees, in connection with the granting of this franchise to the Cooperative, its operation of the electric utility system pursuant thereof, or arising from any other cause whatsoever in relation to the subject matter of this agreement.

SECTION 6: This ordinance shall become effective as of August 1, 2014.

ADOPTED AND APPROVED this 5<sup>th</sup> day of August, 2014.



Debra Ferris  
Mayor Debra Ferris

ATTEST:

Linda Cole  
Secretary