

ORDINANCE NO. 1361

AN ORDINANCE AMENDING ORDINANCE 1284 (WHICH GRANTED THE CENTRAL LINCOLN PEOPLE'S UTILITY DISTRICT A FRANCHISE) AND AMENDING ORDINANCE 1340 (WHICH AMENDED ORDINANCE 1284 AND EXERCISED THE OPTION TO RENEW THE FRANCHISE FOR ANOTHER 10 YEARS); REVISING SECTION 2: TERM, AND SECTION 7: CONSIDERATION.

WHEREAS, The Central Lincoln People's Utility District (hereinafter "District") is a municipal corporation and an operating utility engaged in the distribution of electric power in the City of Toledo (hereinafter "City") and other areas; and

WHEREAS, District and City agreed in Ordinance 1284 for a possible annual review of the franchise fees; and

WHEREAS, City gave District thirty (30) days notice on March 14, 2016 for a review of the franchise fees;

WHEREAS, on Apr .12,2016 the Toledo City Council conducted a review of the franchise fees;

NOW, THEREFORE, THE CITY OF TOLEDO ORDAINS AS FOLLOWS:

1. SECTION 2: TERM within Ordinance 1284, as amended by Ordinance 1340, shall be amended to read in its entirety as follows:

Pursuant to Ordinance 1284, the franchise was granted for an initial term of ten (10) years. Although not clearly reflected in the amendment made by Ordinance 1340, the City elected to extend the franchise and the District agreed in writing, so the term was extended for an additional ten (10) year period. As further clarification, upon the expiration of this second 10 year term, the parties intend that a new franchise agreement will be negotiated by the parties. It is understood by both parties that any franchise fees above three-quarters of one percent (.75%) of the gross industrial revenue from electric service rendered within the corporate limits of City during each District billing month, and three and one-half percent (3.5%) of all other revenues from electric service rendered within corporate limits of City during each billing month will entail a separate line item for additional tax on the bills from District to the customer/residents of City.

2. SECTION 7: CONSIDERATION within Ordinance 1284, as amended by Ordinance 1340, shall be amended to read in its entirety as follows:

Beginning thirty (30) days after the effective date of this ordinance, District shall pay City monthly as a franchise fee and as compensation for the rights and privileges under this Ordinance a sum equal to five percent (5.00%) of the gross revenue, including both on gross industrial revenue and on gross revenue from all other revenue, from electric service granted within the corporate limits of City during each District billing period. Such basis of computation has been set as a convenient and proper method of measuring the amount District should pay as a franchise fee for the enjoyment of the franchise

granted by the Ordinance, or all rights or privileges granted under this Ordinance. No other license, privilege or occupation tax or fee shall be required of District under the term of this franchise; provided, however, the City shall have the right to review the fee annually and, subject to Section 2 of this Ordinance, increase percentage rates stated in this Section after the review. City shall give District thirty (30) day's notice prior to any such review.

In the event District agrees to pay another City a franchise fee greater than specified, District agrees to give City the option to receive the same amount as franchise fee provided City agrees to the identical terms and condition which said greater franchise fee entails.

In the event of holding over after expiration or other termination of this franchise, District shall render compensation pursuant to the provisions of the Ordinance until the effective date of any new franchise.

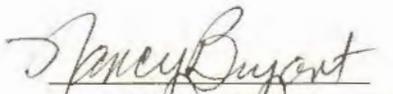
3. District shall, within thirty (30) days of the date hereof file in the office of the City of Toledo Recorder its written acceptance of the franchise revision as set forth by this Ordinance.
4. If any section, subsection, paragraph, sentence, clause, phrase or other part of this Ordinance is, for any reason, held to be invalid or unenforceable, such decision shall not affect the validity or enforceability of the remaining portions of this Ordinance and the provision of this Ordinance are hereby declared to be severable.

Passed and approved by the Council, this 20th day of April, 2016.

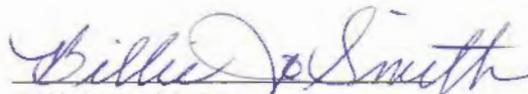
Approved by the Mayor the City of Toledo this 20th day of April, 2016.

ATTEST:

APPROVED:



Nancy Bryant, City Recorder



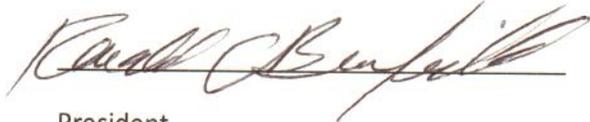
Billie Jo Smith, Mayor

ACCEPTANCE OF ORDINANCE

The Central Lincoln People's Utility District, a municipal corporation, owning and operating an electric system in the City of Toledo, Oregon, accepts the Franchise terms and conditions as set forth in Ordinance No. 1361, adopted the 20th day of April, 2016, by the City Council of the City of Toledo, Oregon, entitled:

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President

Dated: 5-25-16



Secretary

Dated: 5-25-16