

CHAPTER 5

Franchises and Communication Systems

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ARTICLE 1

Gas and Electric Franchise

Sec. 5-1-10. Definitions.

For the purpose of this franchise, the following words and phrases shall have the meaning given in this Article. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number and words in the singular number include the plural number. The word *shall* is mandatory, and *may* is permissive. Words not defined in this Article shall be given their common and ordinary meaning.

Board or Board of Trustees refers to and is the legislative body of the Town.

Company refers to and is Excel, formerly known as the Public Service Company of Colorado and its successors and assigns, and does not include its affiliates, subsidiaries or any other entity in which it has an ownership interest.

Distribution facilities refers to and is only that portion of the Company's electric system which delivers electric energy from the substation breakers to the point of delivery of the customer, including all devices connected to that system, as well as that portion of the Company's gas system which delivers gas from the low pressure side of the regulator station to the point of delivery of the customer, including all devices connected to that system.

Facilities refers to and is all facilities reasonably necessary to provide gas and electricity into, within and through the Town, and include plants, works, systems, substations, transmission and distribution structures, lines, equipment, pipes, mains, conduit, transformers, underground lines, gas compressors, meters, wires, cables and poles.

Gas or natural gas refers to and is such gaseous fuels as natural, artificial, synthetic, liquefied natural, liquefied petroleum, manufactured or any mixture thereof.

Public easements refers to and is public and dedicated easements created and available for use by investor-owned or other public utilities for their facilities.

Public Utilities Commission or PUC refers to and is the Public Utilities Commission of the State or other authority succeeding to the regulatory powers of the Public Utilities Commission.

Residents refers to and includes all persons, businesses, industry, governmental agencies and any other entity whatsoever presently located or to be hereinafter located, in whole or in part, within the territorial boundaries of the Town.

Revenues refers to and is those amounts of money which the Company receives from its customers within the Town from the sale of gas and electricity under rates authorized by the Public Utilities Commission, as well as from the transportation of gas to its customers within the Town, and represents amounts billed under such rates as adjusted for refunds, the net write-off of uncollectible accounts, corrections or other regulatory adjustments.

Streets and other public places refers to and is streets, alleys, viaducts, bridges, roads, lanes and other public places in the Town.

Town refers to and is the municipal corporation designated as the Town of Red Cliff, Eagle County, Colorado, and includes the territory as currently is or may in the future be included within the boundaries of the Town of Red Cliff. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-20. Grant of franchise.

The Town hereby grants to Public Service Company, for the period specified in and subject to the conditions, terms and provisions contained in this franchise, a nonexclusive right to furnish, sell and distribute gas and electricity to the Town and to all residents of the Town. Subject to the conditions, terms and provisions contained in this franchise, the Town also hereby grants to the Company a nonexclusive right to acquire, construct, install, locate, maintain, operate and extend into, within and through the Town all facilities reasonably necessary to furnish, sell and distribute gas and electricity within and through the Town, and a nonexclusive right to make reasonable use of the streets and other public places and public easements as may be necessary to carry out the terms of this franchise. These rights shall extend to all areas of the Town as it is now constituted and to additional areas as the Town may increase in size by annexation or otherwise. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-30. Street lighting service.

The rights granted in this franchise encompass the nonexclusive franchise to provide street lighting service to the Town, and the provisions of this franchise apply with full and equal force to the street lighting service provided by the Company. Wherever reference is made to the sale of electricity or to the provision of electric service in this franchise, these references shall be deemed to include the provision of street lighting service. Wherever reference is made to Company facilities, equipment, system or plant in this franchise, this reference shall be deemed to include Company-owned street lighting facilities, equipment, system and plant. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-40. Term of franchise.

This franchise shall take effect on May 31, 1990. The term of this franchise shall be for twenty-five (25) years, beginning with said effective date of this franchise and expiring on May 31, 2015. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-50. Franchise fee.

In consideration for the grant of this franchise, the Company shall pay the Town a sum equal to three percent (3%) of all revenues received from the sale and transportation of gas and from the sale of electricity within the Town. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-60. Payment schedule.

For the franchise fee owed on revenues received after the effective date of this franchise, payment shall be made in monthly installments not more than thirty (30) days following the close of the month for which payment is to be made. Initial and final payments shall be prorated for the portions of the months at the beginning and end of the term of this franchise. All payments shall be made to the

Town Finance Director. The Finance Director, or other authorized representatives, shall have access to the books of the Company for the purpose of auditing or checking to ascertain that the franchise fee has been correctly computed and paid. In the event an error by the Company results in an overpayment of the franchise fee to the Town and said overpayment is in excess of five thousand dollars (\$5,000.00), credit for the overpayment shall be spread over the same period the error was undiscovered. If the overpayment is five thousand dollars (\$5,000.00) or less, credit shall be taken against the next payment. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-70. Change of franchise fee and other franchise terms.

(a) Once during each calendar year of the franchise term, the Board of Trustees, upon giving thirty (30) days' notice to the Company of its intention so to do, may review and change the consideration the Town may be entitled to receive as a part of the franchise; provided, however, that the Board may only change the consideration to be received by the Town under the terms of this franchise to the equivalent of the consideration paid by the Company to any city or town in the State in which the Company supplies gas and/or electric service under this franchise.

(b) The Company shall, upon request, report to the Town within sixty (60) days of the execution of a subsequent franchise or of any change of franchise in other municipalities that could have a significant financial impact on the consideration to be paid by the Company to the Town hereunder. If the Board of Trustees decides that the consideration shall be so changed, it shall provide for such change by ordinance; provided, however, that any change in the franchise fee is then allowed to be surcharged by the Company; and provided, further, that the consideration is not higher than the highest consideration paid by the Company to any municipality within the State. For purposes of this Section, *consideration* means the franchise fee established in Section 5-1-50 above and the undergrounding program established in Section 5-1-310 of this Article; and also includes any other provision which is of similar significant financial benefit to the Town. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-80. Franchise fee payment in lieu of other fees.

Payment of the franchise fee by the Company is accepted by the Town in lieu of any occupancy tax, license tax, permit charge, inspection fee or similar tax on the privilege of doing business or in connection with the physical operation thereof, but does not exempt the Company from any lawful taxation upon its property or any other tax not related to the franchise or the physical operation thereof, and does not exempt the Company from payment of head taxes or other fees or taxes assessed generally upon businesses. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-90. Supply of gas and electricity.

The Company shall take all reasonable and necessary steps to provide an adequate supply of gas and electricity to its customers at the lowest reasonable cost consistent with long-term reliable supplies. If the supply of gas or electricity to its customers should be interrupted, the Company shall take all necessary and reasonable actions to restore such supply within the shortest practicable time. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-100. Restoration of service.

In the event the Company's electric or gas system, or any part thereof, is partially or wholly destroyed or incapacitated, the Company shall use due diligence to restore its system to satisfactory service within the shortest practicable time. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-110. Obligations regarding Company facilities.

The Company shall install, maintain, repair, renovate and replace its facilities with due diligence in a good and workmanlike manner, and the Company's facilities will be of sufficient quality and durability to provide adequate and efficient gas and electric service to the Town and its residents. Company facilities shall not interfere with the Town's water mains, sewer mains or other municipal use of streets and other public places. The Company shall erect and maintain its facilities in such a way so as to minimize interference with trees and other natural features. Company facilities shall be installed in public easements so as to cause a minimal amount of interference with such property. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-120. Excavation and construction.

All excavation and construction work done by the Company shall be done in a timely and expeditious manner which minimizes the inconvenience to the public and individuals. All public and private property whose use conforms to restrictions in public easements disturbed by Company excavation or construction activities shall be restored by the Company at its expense to substantially its former condition. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-130. Relocation of Company facilities.

Any relocation of the Company's facilities in any street or other public place required, caused or occasioned by any Town project shall be at the cost of the Company. Relocation shall be completed within a reasonable time from the date when the Town makes its request, such time to be established by the Company as soon as possible after the Town's request. The Company shall be granted an extension of time of completion equivalent to any delay caused by conditions not under its control, provided that the Company proceeds with due diligence at all times. Relocated underground facilities shall be underground. Relocated aboveground facilities shall be aboveground unless the Town either agrees to pay the additional cost of moving them underground or requests that such additional cost be paid out of available funds under Section 5-1-310 of this Article. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-140. Service to new areas.

If the boundaries of the Town are expanded during the term of this franchise, the Company shall extend service to residents in the expanded area at the earliest practicable time and in accordance with the Company's extension policy. Service to the expanded area shall be in accordance with the terms of this franchise agreement, including payment of franchise fees. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-150. Town not required to advance funds.

Upon receipt of the Town's authorization for billing and construction, the Company shall extend its facilities to provide gas and electric service to the Town for municipal uses within the Town limits

or for any major municipal facility outside the Town limits, and within the Company certificated service area, without requiring the Town to advance funds prior to construction. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-160. Technological improvements.

The Company shall generally introduce and install, as soon as practicable, gas and electrical energy technological advances in its equipment and service within the Town when such advances are technically and economically feasible and are safe and beneficial to the Town and its residents. Upon request by the Town, the Company shall review and promptly report advances which have occurred in the gas or electric utility industry that have been incorporated into the Company's operations in the Town in the previous year or will be so incorporated in the six (6) months following the Town's request. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-170. Town regulation.

The Town expressly reserves, and the Company expressly recognizes, the Town's right and duty to adopt, from time to time, in addition to the provisions herein contained, ordinances and rules and regulations as may by the Town be deemed necessary in the exercise of its police power for the protection of the health, safety and welfare of its citizens. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-180. Compliance with Town requirements.

The Company will comply with all Town requirements regarding curb and pavement cuts, excavating, digging and related construction activities. If requested by the Town, the Company shall submit copies of reports of annual and long-term planning for capital improvement projects, with descriptions of required street cuts, excavation, digging and related construction activities, within thirty (30) days after issuance. Except for emergencies, the Town may require that all installations be coordinated with the Town's street improvement programs. The Director of Public Works shall be the Town's agent for inspection and for compliance with Town ordinances and regulations on any such projects. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-190. Town review of construction and design.

Prior to construction of any significant gas facilities above ground or, for electrical energy, any transmission lines or generating plant, building, substation or similar structure within the Town, if requested by the Town, the Company shall furnish to the Town the plans for such facilities. In addition, the Company shall assess and report on the impact of such proposed construction on the Town environment. Such plans and reports may be reviewed by the Town to ascertain, inter alia: (1) that all applicable laws, including building and zoning codes and air and water pollution regulations, are complied with; (2) that aesthetic and good planning principles have been given due consideration; and (3) that adverse impact on the environment has been minimized. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-200. Compliance with PUC regulations.

The gas and electrical energy which the Company distributes shall conform with the standards promulgated by the Public Utilities Commission in the Rules Regulating the Service of Gas and

Electric Utilities and with the tariff provisions of the Company setting standards, as the same may be amended from time to time. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-210. Compliance with air and water pollution laws.

The Company shall use its best efforts to take measures which will result in its facilities meeting the standards required by applicable federal and state air and water pollution laws. Upon the Town's request, the Company will provide the Town with a status report of such measures. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-220. Inspection.

The Town shall have the right to inspect at all reasonable times any portion of the Company's system used to serve the Town and its residents. The Town shall also have access to Company records for the purpose of determining Company compliance with this franchise. The Company agrees to cooperate with the Town in conducting the inspection and to correct any discrepancies affecting the Town's interest in a prompt and efficient manner. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-230. Public Utilities Commission regulation.

The Town and the Company recognize that the lawful provisions of the Company's tariffs on file and in effect with the Public Utilities Commission which are consistent with the restrictions and limitations of Article XXV of the State Constitution, regarding the rights of municipalities to franchise, are controlling over any inconsistent provision in this franchise dealing with the same subject matter. In the opinion of the Company, no provision of this franchise is inconsistent with any of the currently effective provisions of the Company's tariffs. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-240. Reports on Company operations.

The Company shall submit reasonable and necessary reports containing or based on information readily obtainable from the Company's books and records as the Town may request with respect to the operations of the Company under this franchise and provide the Town with a list of real property within the Town which is owned by the Company. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-250. Copies of tariffs; all PUC filings.

The Company shall keep on file in a local Company office all tariffs, rules, regulations and policies approved by the PUC relating to service by the Company to the Town and its residents. Upon request by the Town, the Company shall provide the Town with copies of filings affecting said service which it makes with the PUC. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-260. Town use of Company facilities.

The Town shall have the right to use, for the purpose of stringing wires, all poles and suitable overhead structures constructed by the Company within the Town, which use shall not include the distribution or transmission of electricity. Such use by the Town will be without cost. The Company will allow others holding a franchise, except for gas or electric service, from the Town to so utilize such poles and suitable overhead structures upon reasonable terms and conditions to be agreed upon

by the Company and such holder of a franchise from the Town; provided, however, that the Company shall assume no liability, nor shall it be put to any additional expense in connection therewith, and the use of said poles and structures by the Town or others holding a franchise from the Town shall be in such a manner as not to constitute a safety hazard or to interfere unnecessarily with the Company's use of the same. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-270. Underground conduit.

If the Company installs new electric underground conduit, opens a trench or replaces such conduit, the Company shall provide adequate advance notice to permit additional installation of similar conduit and pull wire for the Town. If the Town wants additional similar conduit and pull wire installed, it will so notify the Company and provide similar conduit and pull wire at its expense to the Company, which will install it without further expense to the Town, provided that such action by the Town will not unnecessarily interfere with the Company's facilities or delay the accomplishment of the project. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-280. Town held harmless.

The Company shall indemnify, defend and save the Town harmless from and against all liability or damage and all claims or demands whatsoever in nature arising out of the operations of the Company within the Town pursuant to this franchise and the securing of and the exercise by the Company of the franchise rights granted in this Article, and shall pay all reasonable expenses arising therefrom. The Town will provide prompt written notice to the Company of the pendency of any claim or action against the Town arising out of the exercise by the Company of its franchise rights. The Company will be permitted, at its own expense, to appear and defend or to assist in the defense of such claim. Notwithstanding any provision hereof to the contrary, the Company shall not be obligated to indemnify, defend or hold the Town harmless to the extent any claim, demand or lien arises out of or in connection with any negligent act or failure to act of the Town or any of its officers or employees. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-290. Payment of expenses incurred by Town in relation to franchise.

At the Town's option, the Company shall pay in advance or reimburse the Town for expenses incurred in publication of notices and ordinances and for photocopying of documents arising out of the negotiations or process for obtaining the franchise. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-300. Underground electrical distribution lines in new areas.

The Company will place newly constructed electrical distribution lines underground to serve new residential subdivision areas in accordance with the Company's tariffs and the Town's subdivision regulations. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-310. Overhead conversion at expense of Company.

(a) As and when requested by the Town, the Company will spend one percent (1%) of the preceding calendar year's electric revenues to move electric distribution facilities located in streets and other public places in the Town underground, provided that the undergrounding shall extend for a minimum distance of one (1) block or seven hundred fifty (750) feet.

(b) Any unexpended portion of the one percent (1%) of electric revenue may be carried over to succeeding years; and, in addition, upon request by the Town, the Company shall anticipate amounts to be available for up to three (3) years in advance. Any amounts advanced shall be credited against amounts to be expended in succeeding years until such advances are eliminated. No relocation expenses which the Company is required to expend pursuant to Section 5-1-130 of this Article shall be charged to this allocation.

(c) Funds to be expended pursuant to this Section shall not be used in any project or situation for which and to the extent that the Town has received federal or state funds for the purpose of undergrounding utilities. Funds to be expended pursuant to this Section may be used for matching purposes with state or federal monies.

(d) If the Public Utilities Commission authorizes a system-wide program of undergrounding electric distribution facilities, the Company will allocate to the program of undergrounding in the Town such amount as is authorized by the Public Utilities Commission, but in no case less than one percent (1%) of annual electric revenues.

(e) In addition to the provisions of this Section, the Town may require additional facilities to be moved underground at the Town's expense.

(f) The Town acknowledges that the establishment of this undergrounding fund creates no vested right in the Town to the undergrounding monies. Further, if such monies are not expended pursuant to the conditions hereof, the fund is not convertible to cash or available for any other purposes. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-320. Review of undergrounding program.

Representatives of both the Town and the Company shall meet periodically to review the Company's undergrounding program. This review shall include:

(1) Undergrounding programs, including conversions and replacements which have been accomplished or are underway by the Company, together with the Company's plans for additional undergrounding.

(2) Undergrounding projects anticipated by the Town.

Such meetings shall be held to achieve a continuing program for the orderly undergrounding of electrical lines in the Town. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-330. Cooperation with other utilities.

When undertaking a project of undergrounding, the Town and the Company shall work with other utilities or companies which have their lines overhead to attempt to have all lines undergrounded as part of the same project. When other utilities or companies are placing their lines underground, the Company shall cooperate with these utilities and companies and undertake to underground Company facilities as part of the same project where feasible. The Company shall not be required to pay the costs of any other utility in connection with work under this Section. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-340. Transfer of franchise; consent of Town required.

The Company shall not transfer or assign any rights under this franchise to a third party, excepting only corporate reorganizations of the Company not including a third party, unless the Town approves in writing such transfer or assignment. Approval of the transfer or assignment shall not be unreasonably withheld. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-350. Transfer fee.

In order that the Town may share in the value this franchise adds to the Company's operation, any such transfer or assignment of rights under this franchise requiring the approval of the Town shall be subject to the conditions that the transferee shall promptly pay to the Town a pro rata share of one million dollars (\$1,000,000.00), which pro rata amount of one million dollars (\$1,000,000.00) shall be calculated by multiplying one million dollars (\$1,000,000.00) times a fraction of which the then population of the Town is the numerator and the then population of the City and County of Denver is the denominator. Such transfer fee shall not be recovered from the Town or from the Town residents or property owners through electric or gas rates of customers in the Town or by surcharge by the transferee or the Company. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-360. Town's right to purchase or condemn.

The right of the Town to construct, purchase or condemn any public utility works or ways, and the rights of the Company in connection therewith, as provided by the State Constitution and statutes, are hereby expressly reserved. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-370. Continued cooperation by Company.

In the event the Town exercises its option to purchase or condemn, the Company agrees that, at the Town's request, it will continue to supply any service it supplies under this franchise, for the duration of the term of this franchise pursuant to terms and conditions negotiated for such continued operation. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-380. Limitations on Company removal.

In the event that this franchise is not renewed at the expiration of its term or the Company terminates any service provided herein for any reason whatsoever, and the Town has not purchased or condemned the system and has not provided for alternative gas or electrical service, the Company shall have no right to remove said system pending resolution of the disposition of the system. The Company further agrees it will not withhold any temporary services necessary to protect the public and shall be entitled only to monetary compensation in no greater amount than it would have been entitled to were such services provided during the term of this franchise. Only upon receipt of written notice from the Town stating that the Town has adequate alternative gas and electrical energy sources to provide for the people of the Town shall the Company be entitled to remove any or all of said systems in use under the terms of this franchise. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-390. Transportation of gas.

The Town expressly reserves the right to obtain or produce gas. The Company shall transport natural gas purchased by the Town for use in Town facilities pursuant to separate contracts with the Town. The Company agrees to transport gas made available for sale on terms and conditions comparable to other contracts entered into contemporaneously by the Company with similarly situated customers. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-400. Company to purchase.

The Town expressly reserves the right to engage in the production of electricity. The Company agrees to negotiate for the purchase of Town-generated power in accordance with its tariffs and applicable Public Utilities Commission rules and regulations. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-410. Forfeiture.

Both the Company and the Town recognize that there may be circumstances whereby compliance with the provisions of this franchise is impossible or is delayed because of circumstances beyond the Company's control. In those instances, the Company shall use its best efforts to comply in a timely manner and to the extent possible. If the Company fails to perform any of the terms and conditions of this franchise and such failure is within the Company's control, the Town, acting by and through its Board of Trustees, may determine, after a hearing, that such failure is of a substantial nature. Upon receiving notice of such determination, the Company shall have a reasonable time in which to remedy the violations. If, during said reasonable time, corrective actions have not been successfully taken, the Town, acting by and through its Board of Trustees, shall determine whether any or all rights and privileges granted the Company under this franchise shall be forfeited. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-420. Judicial review.

Any such declaration of forfeiture shall be subject to judicial review as provided by law. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-430. Other legal remedies.

Nothing herein contained shall limit or restrict any legal rights that the Town or the Company may possess arising from any alleged violation of this franchise. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-440. Continued obligations.

Upon forfeiture, the Company shall continue to provide service to the Town and its residents in accordance with the terms hereof until the Town makes alternative arrangements for such service. If the Company fails to provide continued service, it shall be liable for damages to the Town. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-450. Amendments to franchise.

At any time during the term of this franchise, the Town, through its Board of Trustees, or the Company may propose amendments to this franchise by giving thirty (30) days' written notice to the

other of the proposed amendment desired, and both parties thereafter will negotiate within a reasonable time in good faith in an effort to agree on a mutually satisfactory amendment. The word *amendment*, as used in this Section, does not include a change authorized in Section 5-1-70 of this Article. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-460. Successors and assigns.

The rights, privileges, franchises and obligations granted and contained in this franchise shall inure to the benefit of and be binding upon the Company, its successors and assigns. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-470. Third parties.

Nothing contained in this franchise shall be construed to provide rights to third parties. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-480. Representatives.

Both parties shall designate from time to time, in writing, representatives for the Company and the Town who will be the persons to whom notices shall be sent regarding any action to be taken under this franchise. Notice shall be in writing and forwarded by certified mail or hand delivery to the persons and addresses as hereinafter stated, unless the persons and addresses are changed at the written request of either party, delivered in person or by certified mail. Until any such change is hereafter made, notices shall be sent to the Town Administrator and to the Company's Mountain Division Manager. Currently the addresses are as follows:

For the Town:

Town Administrator
Town of Red Cliff
400 Pine Street
Red Cliff, Colorado 81649

For the Company:

Phillip L. Noll
Public Service Company
200 West 6th Street
Silverthorne, Colorado 80425

(Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-490. Severability.

Should any one (1) or more provisions of this franchise be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective; provided, however, that the parties shall forthwith enter into good-faith negotiations and proceed with due diligence to draft a term that will achieve the original intent of the parties hereunder. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-500. Entire agreement.

This franchise constitutes the entire agreement of the parties. There have been no representations made other than those contained in this franchise. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-510. Board approval.

This grant of franchise shall not become effective unless approved by a majority vote of the Board of Trustees. (Ord. 02, 1990; Ord. 7 §1, 2010)

Sec. 5-1-520. Company approval.

The Company shall file with the Town Clerk its written acceptance of this franchise and of all of its terms and provisions within ten (10) days after the adoption of this franchise by the Board of Trustees. The acceptance shall be in form and content approved by the Town Attorney. If the Company fails to timely file its written acceptance as herein provided, this franchise shall be and become null and void. (Ord. 02, 1990; Ord. 7 §1, 2010)

ARTICLE 2

Telephone and Cellular Telephone Utility Tax

Sec. 5-2-10. Local purpose.

The tax provided in this Article is upon the affected occupations and businesses in their performance of local functions and is not a tax upon those functions relating to interstate commerce. (Ord. 4 §1, 1983; Ord. 7 §1, 2010)

Sec. 5-2-20. Levy of tax.

There is levied against every telephone utility, including cellular telephone services, which is engaged in the business of furnishing local exchange telephone service within the Town a tax on the privilege of engaging in such business. The annual amount of tax levied hereby shall be equal to six dollars (\$6.00) per telephone account for which local exchange telephone service is provided within the Town on the effective date as provided in Subsection 5-2-30(a) below and upon each anniversary of the effective date. (Ord. 4 §2, 1983; Ord. 7 §1, 2010)

Sec. 5-2-30. Payment of tax.

(a) The tax levied by this Article shall commence on July 1, 1983, and shall be due and payable in twelve (12) equal monthly installments with the first such installment due thirty (30) days after the effective date.

(b) Within thirty (30) days after the effective date as provided in Subsection (a) above, each telephone utility subject to the tax imposed in this Article shall file with the Town Clerk, in such form as the Town Clerk may require, a statement showing the total number of telephone accounts for which local exchange telephone service was provided within the Town on the effective date. Such

statement shall be filed within thirty (30) days after each anniversary of the effective date showing such accounts on the anniversary date. (Ord. 4 §3, 1983; Ord. 7 §1, 2010)

Sec. 5-2-40. Inspection of records.

The Town shall have the right, at any reasonable time, to examine the books and records of any telephone utility which is subject to the tax imposed by this Article and to make copies of the entries or contents thereof. (Ord. 4 §4, 1983; Ord. 7 §1, 2010)

Sec. 5-2-50. Tax in lieu of other occupation taxes.

The tax provided in this Article shall be in lieu of all other occupation taxes, or taxes on the privilege of doing business within the Town, on any telephone utility subject to the provisions of this Article. (Ord. 4 §5, 1983; Ord. 7 §1, 2010)

Sec. 5-2-60. Failure to pay or file; penalty.

(a) If any telephone utility subject to this Article fails to pay the taxes as provided herein, the full amount thereof shall be due and collected from each company and the same, together with an addition of ten percent (10%) of the amount of taxes due, shall be and is declared to be a debt due and owing from such utility to the Town.

(b) If any officer, agent or manager of a telephone utility which is subject to the provisions of this Article fails, neglects or refuses to file any statement required by this Article within the time herein prescribed, such officer, agent or manager shall be punished, on conviction thereof, by a fine of not less than twenty-five dollars (\$25.00) nor more than three hundred dollars (\$300.00), provided that each day after such statement becomes delinquent during which said officer, agent or manager so fails, neglects or refuses to file such statement shall be considered a separate offense. (Ord. 4 §6, 1983; Ord. 7 §1, 2010)

ARTICLE 3

Emergency Telephone Service

Sec. 5-3-10. Initial emergency telephone charge.

Pursuant to Section 29-11-101, et seq., C.R.S., all telephone access facilities within the Town shall have imposed upon them an emergency telephone charge in a monthly amount not to exceed seventy cents (\$0.70). The Board of Trustees may, by resolution, raise or lower the emergency telephone charge, but in no event shall such charge exceed seventy cents (\$0.70). (Ord. 2 §2, 1990; Ord. 7 §1, 2010)

Sec. 5-3-20. Collection of emergency telephone charge.

The telephone service suppliers providing the telephone service in the Town are hereby authorized to collect the emergency telephone charge imposed by this Article in accordance with Section 29-11-101, et seq., C.R.S. (Ord. 2 §3, 1990; Ord. 7 §1, 2010)

