

CHAPTER 15

FRANCHISES

ARTICLE I – GAS FRANCHISE

15-1-1 **GAS FRANCHISE.** The franchise agreement granting Central Illinois Public Service Company d/b/a AmerenCIPS for the right to construct, operate and maintain a gas utility system in the Village is hereby included as **Appendix “A”**. (Ord. No. 2005-00-05; 06-02-05)

ARTICLE II - ELECTRIC

15-2-1 **AMEREN ILLINOIS ELECTRIC.** The Ameren Illinois electric franchise as approved on **April 5, 2018** by the Village of Palestine is hereby included as **Appendix “B”** in this Chapter. (Ord. No. 2018-0-02; 04-05-18)

APPENDIX "A"

AN ORDINANCE RENEWING AN EXISTING FRANCHISE AND GRANTING FOR A PERIOD OF 20 YEARS TO AMERENCIPS, A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE, RIGHT, PERMISSION AND AUTHORITY TO CONSTRUCT, RECONSTRUCT, EXCAVATE FOR, PLACE, REMOVE, EXTEND, MAINTAIN, AND OPERATE A UTILITY SYSTEM IN THE VILLAGE OF PALESTINE, COUNTY OF CRAWFORD AND STATE OF ILLINOIS.

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF PALESTINE, COUNTY OF CRAWFORD, AND THE STATE OF ILLINOIS, AS FOLLOWS:

SECTION 1. It is the intent of the parties by this Ordinance to extend for an additional term, subject to the terms and conditions here stated, the authorization to AmerenCIPS, its successors and assigns, to construct, operate and maintain a utility system within the Village as originally authorized by Ordinance No. 437 approved on March 1, 1956. The parties acknowledge that by so doing they are continuing an existing relationship authorizing the services of a utility for the provision of gas energy and other purposes within the Village for the benefit of its citizens and residents as well as other consumers of gas energy located within its corporate limits.

SECTION 2. There is hereby given and granted to AmerenCIPS, its successors and assigns (hereinafter referred to as the "Company"), the right, privilege and authority to construct, operate, maintain and/or extend within the corporate limits, as the same now exists or may hereafter be extended, of the Village of Palestine (hereinafter referred to as "Municipality"), a gas utility system for the transmission, distribution and/or sale of gas energy and other purposes (the "System"), together with the right, privilege and authority to lay, erect, construct, install, operate and/or maintain all necessary mains, pipes, valves, equipment and/or other apparatus as may be necessary or convenient for the System, in, upon, along, over, under, through and/or across each and all of the streets, avenues, alleys, bridges, easements, rights of way and/or other public places.

SECTION 3. All mains, pipes, valves and apparatus shall, so far as practicable, be placed underground and shall be so located and laid as not to interfere with any pipes, conduits, sewers, drains, pavements or other public improvements existing at the time of such location and said Company shall forthwith repair any damage caused to such improvements to the satisfaction of the official or officials of said Municipality having charge of the supervision thereof. There shall be no unnecessary obstruction to the streets, avenues, alleys and public places of said Municipality in the laying, installation, operation or maintenance of any of said mains, pipes, valves or apparatus. All facilities of Company in said Municipality shall be installed and maintained in accordance with the applicable rules and regulations of the Illinois Commerce Commission.

SECTION 4. The rates to be charged by the Company for gas service rendered under this Ordinance shall be such as are approved from time to time by the Illinois Commerce Commission of the State of Illinois and/or such other duly constituted governmental authority as shall have jurisdiction thereof. All Rules and Regulations of the Illinois Commerce Commission of the State of Illinois applicable to the rights, privileges and authority granted by this Ordinance, in the event of conflict herewith, shall govern.

SECTION 5. As a further consideration for the rights, privileges and authorities granted by this ordinance, the Company shall, throughout the period in which Company shall exercise the rights, privileges and authority granted by this ordinance furnish to the said Municipality, annually, compensation in the amount of \$3,250.00, payable annually, within 30 days of the anniversary date.

SECTION 6. The rights, privileges and authority hereby granted shall inure to and be vested in Company, its successors and assigns, successively, subject to all of the terms, provisions and conditions herein contained, and each of the obligations hereby imposed upon Company shall devolve and be binding upon its successors and assigns, successively, in the same manner.

SECTION 7. This Ordinance shall confer no right, privilege or authority on Company, its successors or assigns, unless Company shall within ninety (90) days after due notice to the Company of the enactment of this Ordinance, file with the Village Clerk an acceptance of the terms and provisions hereof; provided, however, that if such acceptance be not so filed within said period of ninety (90) days, all rights, privileges, and authority herein granted shall become null and void.

SECTION 8. All rights, privileges and authority given and granted by this Ordinance are granted for a term of 20 years from and after the acceptance of this Ordinance as hereinafter provided (the "Initial Term"), and thereafter on a year-to-year basis (each a "Subsequent Term") unless either the Company or Municipality notifies the other in writing of its desire to terminate this Ordinance at least six (6) months prior to the expiration of the Initial Term or any Subsequent Term.

SECTION 9. The Municipality acknowledges that Company is vested in rights, permissions and authority independent of this Ordinance. Neither acceptance of this Ordinance nor compliance with its provisions shall impair in any way or waive any right, permission or authority which Company may have independent of this Ordinance. In addition, neither use by Company of public property or places as authorized by this Ordinance nor service rendered by Company in said Municipality shall be treated as use solely of the rights, permission and authority provided for by this Ordinance and in no way shall indicate non-use of any right, permission or authority vested in the Company independent of this Ordinance. In the event the Municipality vacates any streets, avenues, alleys, easements, rights of way, bridges or other public places during the term of this Ordinance, Municipality agrees to reserve unto Company the rights, privileges and authority herein given and granted to the Company in upon, under, along, over and across each and all of such vacated premises which are at that time in use by the Company.

SECTION 10. All ordinances and parts of ordinances in conflict with this Ordinance or with any of its provisions are, to the extent of such conflict, hereby repealed.

SECTION 11. This Ordinance shall not relieve Company of the obligation to comply with any ordinance now existing in the Municipality or enacted in the future requiring Company to obtain written permits or other approval from the Municipality prior to commencement of construction of facilities within the streets thereof, except Company shall not be required to obtain permits or other approval from the Municipality for the maintenance, upgrading and repair of its facilities.

SECTION 12. If any provision of this Ordinance, or the application of such provision to particular circumstances, shall be held invalid, the remainder of this Ordinance, or the application of such provision to circumstances other than those as to which it is held invalid, shall not be affected thereby.

SECTION 13. If, at any time, during the term of this contract, Municipality permits another entity or person to provide gas distribution or similar services, and Company reasonably believes the other entity or person is granted more favorable treatment, terms, or conditions, then Company shall notify Municipality of such treatment, terms, or conditions. Upon receipt of such notice, Municipality and Company shall negotiate in good faith to amend this ordinance to provide Company or Municipality such more favorable treatment, terms or conditions on an equivalent basis. Such amendment shall take into consideration all circumstances that distinguish between Company and the entity or person receiving the more favorable or less favorable treatment, terms, or conditions.

SECTION 14. The Company shall be exempt from any special tax, assessment, license, rental or other charge during the term of this Ordinance, on all mains, pipes, valves, equipment and other apparatus placed under

the streets, alleys, avenues, bridges, easements, rights of way or other public places within the corporate limits of Municipality.

SECTION 15. This Ordinance shall take effect, and the rights, privileges and authority hereby granted and renewed shall vest in Company upon its filing of an acceptance with the Village Clerk according to the terms prescribed herein and as provided for in Section 12 and in 35 ILCS 645/5-4. This Ordinance shall be in full force from and after its passage, approval and ten (10) day period of publication in the manner provided by law.

(Ord. No. 2005-00-05; 06-02-05)

APPENDIX "B"

AN ORDINANCE RENEWING AN EXISTING FRANCHISE AND GRANTING FOR A PERIOD OF 10 YEARS TO AMEREN ILLINOIS, A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE, RIGHT, PERMISSION AND AUTHORITY TO CONSTRUCT, RECONSTRUCT, EXCAVATE FOR, PLACE, REMOVE, EXTEND, MAINTAIN, AND OPERATE AN ELECTRIC UTILITY SYSTEM IN THE VILLAGE OF PALESTINE, COUNTY OF CRAWFORD AND STATE OF ILLINOIS.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF PALESTINE, COUNTY OF CRAWFORD, AND THE STATE OF ILLINOIS, AS FOLLOWS:

SECTION 1 – GRANT OF FRANCHISE

1.1 Extension. It is the intent of the parties by this Ordinance to extend for an additional term, subject to the terms and conditions here stated, the authorization to Ameren Illinois, its successors and assigns, to construct, operate and maintain a utility system within the Village as originally authorized by Ordinance No. 2008-0-08 approved on September 4, 2008. The parties acknowledge that by so doing they are continuing an existing relationship authorizing the services of a utility for the provision of electric energy and other purposes within the Village for the benefit of its citizens and residents as well as other consumers of electric energy located within its corporate limits. For purposes of construing the terms, rights and obligations of the parties this authorization is granted pursuant to Section 14 of the Electric Supplier Act, 220 ILCS 30/14, and the Illinois Municipal Code, 65 ILCS 5/1-1-1 et seq.

1.2 Grant of Franchise. There is hereby given and granted to Ameren Illinois, its successors and assigns (hereinafter referred to as the Company), the right, privilege and authority to construct, operate, maintain and/or extend within the corporate limits, as the same now exists or may hereafter be extended, of the Village of Palestine (hereinafter referred to as Municipality), an electric utility system for the transmission, distribution and/or sale of electric energy and other purposes (the System), together with the right, privilege and authority to erect, construct, install, operate and/or maintain all poles, conductors, wires, cables, conduits, equipment and/or other apparatus (collectively Facilities) as may be necessary or convenient for the System, in, upon, along, over, under, through and/or across each and all of the streets, avenues, alleys, bridges, easements, rights of way and/or other public places (collectively Public Thoroughfare).

1.3 Successors and Assigns. The rights, privileges and authority hereby granted shall inure to and be vested in Company, its successors and assigns, successively, subject to all of the terms, provisions and conditions herein contained, and each of the obligations hereby imposed upon Company shall devolve and be binding upon its successors and assigns, successively, in the same manner.

SECTION 2 – TERM

2.1 All rights, privileges and authority given and granted by this Ordinance are granted for a term of **ten (10) years** from and after the acceptance of this Ordinance as hereinafter provided (the Initial Term), and thereafter on a year-to-year basis (each a Subsequent Term) unless either the Company or Municipality notifies the other in writing of its desire to terminate this Ordinance at least **six (6) months** prior to the expiration of the Initial Term or any Subsequent Term.

SECTION 3 – FRANCHISE FEE AND TAX CONSIDERATION

3.1 Franchise Fee. As a further consideration for the rights, privileges and authorities granted by this Ordinance, the Company shall, throughout the period in which Company shall exercise the rights, privileges and authority granted by this Ordinance furnish to the said

Municipality, compensation in the amount of **\$6,830**, payable annually, within **thirty (30) days** of the anniversary date. Municipality may request a revision to the compensation amount after **five (5) years** from the date of passage of this Ordinance if Municipality has a reasonable belief that its population has increased or decreased by **three percent (3%)** or more. Municipality must request the revision at least **sixty (60) days** prior to the next anniversary date. If Company confirms that the number of customers served by the System within Municipality's corporate limits has increased or decreased by **three percent (3%)** or more, the compensation amount will be revised by that percentage for the next and succeeding payments. Municipality may request similar revisions to compensation amounts under these criteria in additional **five (5) year** periods throughout the term of this Ordinance.

3.2 Tax Exemption. The Company shall be exempt from any special tax, assessment, license, rental or other charge during the term of this Ordinance, on all Facilities placed in the Public Thoroughfares within the corporate limits of Municipality.

SECTION 4 – CONSTRUCTION ACTIVITIES

4.1 Construction. All Facilities placed or installed under this Ordinance in the Public Thoroughfare, shall be so placed as not to interfere unnecessarily with travel on such Public Thoroughfare. All Facilities placed or installed under this Ordinance shall be so located as not to injure unnecessarily any pipes, conduits, sewers, drains, pavement or other like public improvements, and said Company shall forthwith repair any damage caused to such improvements to the satisfaction of the official or officials of said Municipality having charge of the supervision thereof and in default thereof said Municipality may repair such damage and charge the cost thereof to, and collect the same from, the Company. All Facilities of Company in said Municipality shall be installed and maintained in accordance with the applicable rules and regulations of the Illinois Commerce Commission.

4.2 Relocation. When any Public Thoroughfare shall be graded, curbed, paved or otherwise changed, or when there is a relocation of such Public Thoroughfare, so as to make the resetting or relocation of any Facilities placed or installed under this Ordinance necessary the Company shall make such resetting or relocation, at the Company's cost and expense as qualified. The work is reasonably necessary for the construction, repair, maintenance, improvement or use of such Public Thoroughfare; is reasonably necessary for the location, construction, replacement, maintenance, improvement or use of other property of the Municipality; or is reasonably necessary for the operations of the Municipality. If the setting or location or resetting or relocation of any Facilities is required for aesthetic purposes, the Municipality shall reimburse the Company for the resetting and/or relocation. The Company, as determined in discretion will not be responsible for the expense of removals, relocations, changes or alterations required by the Municipality for the purpose of assisting either private projects, aesthetic reasons, or a municipal electric utility. Municipality shall provide the Company with a suitable location for the resetting or relocation of such Facilities, and the Company's obligation shall be limited to resetting or relocating the Facilities of the same type and configuration as the displaced Facilities. Company shall make such setting or relocation within a reasonable time after receiving written notice of the need for the same from the authorized representative of the Municipality, and the establishment by the Municipality of the permanent grade at the new location. Except as expressly stated, nothing in this Section requires the Company to bear responsibility for any costs or expenses to relocate its Facilities for any other reason or cause.

4.3 Permit Obligation. This Ordinance shall not relieve Company of the obligation to comply with any ordinance now existing in the Municipality or enacted in the future requiring Company to obtain written permits or other approval from the Municipality prior to commencement of construction of Facilities within the Public Thoroughfares thereof, except Company shall not be required to obtain permits or other approval from the Municipality for the maintenance, upgrading and repair of its constructed Facilities. Company shall provide notice of excavation

hereunder in accordance with the Illinois Underground Utility Damage Prevention Act (220 ILCS 50/1 et seq.)

SECTION 5 – INDEMNITY AND INSURANCE

5.1 Indemnification. The Company shall indemnify and save harmless the Municipality and all contractors, officers, employees and representatives thereof from all claims, demands, causes of action, liability, judgments, costs and expenses or losses for injury or death to persons or damage to property owned by, and Worker's Compensation claims against any parties indemnified herein, arising out of, caused by, or as a result of the Company's construction, erection, maintenance, use or presence of, or removal of any Facilities. The foregoing indemnification shall not apply to the extent any such claim, demand, cause of action, liability, judgment, cost, expense or loss arises out of, is caused by, or results from the negligent or wrongful willful act or omission of the Municipality or any contractor, officer, employee or representative thereof.

5.2 Insurance. Company shall be obligated under this Ordinance to maintain through the Term of this Ordinance, at its sole cost and expense, to maintain the following insurance coverages which shall name Municipality as an additional insured:

(A) **Comprehensive General Liability.** Comprehensive General Liability insurance, including contractual liability with limits of **Two Million Dollars (\$2,000,000)** per occurrence for bodily injury and property damage. Railroad exclusions must be deleted if any work is to be performed within **fifty (50) feet** of an active railroad track.

(B) **Comprehensive Automobile Liability.** Commercial Auto Liability insurance with a limit of liability for bodily injury and property damage of not less than **Two Million Dollars (\$2,000,000)**. Such policy shall include owned and blanket non-owned and hired coverage.

(C) **Workers' Compensation.** Workers' compensation coverage in accordance with statutory limits.

(D) **General Standards for All Insurance.** All commercial insurance policies obtained by the Company to satisfy this obligation must be written by companies customarily used by public utilities for those purposes, including policies issued by a captive insurance company affiliated with the Company. Upon written request, the Company shall provide Municipality with evidence of insurance. The above requirements may be satisfied with primary insurance, excess insurance or a combination of both.

(E) **Self-Insurance.** Company shall have the right to self-insure any or all of the above-required insurance coverage.

SECTION 6 – VEGETATION MANAGEMENT

6.1 In order for Company to render efficient, safe, and continuous services, it will be necessary for Company to conduct vegetation management activities, including the trimming or pruning and cutting down of the trunks and branches of trees and/or vines and shrubs along or over the Public Thoroughfare in said Municipality, and areas dedicated to the Municipality for public utility use, wherever the same are likely to interfere with its equipment; therefore, Company is hereby granted the right to conduct such vegetation management activities so as to enable it to erect, operate and maintain its equipment in a regular and consistent form and manner and to enable it to provide the most efficient, safe, and continuous service that the circumstances will permit; provided, however, that Company shall exercise proper care and discretion in its vegetation management activities. Company shall conduct its vegetation management activities in accordance with applicable law, including without limitation, 220 ILCS 5/8-505.1, and any amendments thereto. Notwithstanding the foregoing, to the extent applicable law may be superseded or modified by an agreement between Municipality and Company, Municipality and Company reserve the right to enter into such an agreement.

SECTION 7 – MISCELLANEOUS PROVISIONS

7.1 Rates. The rates to be charged by the Company for electric service rendered under this Ordinance shall be such as are approved from time to time by the Illinois Commerce Commission of the State of Illinois and/or such other duly constituted governmental authority as shall have jurisdiction thereof. All Rules and Regulations of the Illinois Commerce Commission of the State of Illinois applicable to the rights, privileges and authority granted by this Ordinance, in the event of conflict herewith, shall govern.

7.2 Company Rights Independent of Ordinance. The Municipality acknowledges that Company is vested in rights, permissions and authority independent of this Ordinance. Neither acceptance of this Ordinance nor compliance with its provisions shall impair in any way or waive any right, permission or authority which Company may have independent of this Ordinance. In addition, neither use by Company of public property or places as authorized by this Ordinance nor service rendered by Company in said Municipality shall be treated as use solely of the rights, permission and authority provided for by this Ordinance and in no way shall indicate non-use of any right, permission or authority vested in the Company independent of this Ordinance. In the event the Municipality vacates any Public Thoroughfare during the term of this Ordinance, Municipality agrees to reserve unto Company the rights, privileges and authority herein given and granted to the Company in upon, along, over and across each and all of such vacated premises which are at the time in use by the Company.

7.3 Conflicting Ordinances. All ordinances and parts of ordinances in conflict with this Ordinance or with any of its provisions are, to the extent of such conflict, hereby repealed.

7.4 Severance Clause. If any provision of this Ordinance, or the application of such provision to particular circumstances, shall be held invalid, the remainder of this Ordinance, or the application of such provision to circumstances other than those as to which it is held invalid, shall not be affected thereby.

7.5 Conflicting State Statutes. Any conflict between the Franchise Ordinance and the provisions contained in the Electric Service Customer Choice and Rate Relief Law of 1997 (Public Act 90-561) will be resolved by giving the state statute mandatory priority over any contrary language contained in the Franchise Ordinance.

7.6 Most Favored Nation. If, at any time, during the term of this contract, Municipality permits another entity or person to provide electric distribution or similar services, and Company reasonably believes the other entity or person is granted more favorable treatment, terms, or conditions, then Company shall notify Municipality of such treatment, terms, or conditions. Alternatively, if Municipality reasonably believes the other entity or person grants Municipality more favorable treatment, terms, or conditions, then Municipality shall notify Company of such treatment, terms, or conditions. Upon receipt of such notice, Municipality and Company shall negotiate in good faith to amend this Ordinance to provide Company or Municipality such more favorable treatment, terms or conditions on an equivalent basis. Such amendment shall take into consideration all circumstances that distinguish between Company and the entity or person receiving the more favorable or less favorable treatment, terms, or conditions.

SECTION 8 – GENERAL PROVISIONS

8.1 Notice. Any notice that (a) requires a response or action from the Municipality or the Company within a specific time frame or (b) would trigger a timeline that would affect one or both of the parties' rights under this Ordinance must be made in writing and must be sufficiently given and served on the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

If to Municipality:

Village Clerk
Village of Palestine
301 S Main St
Palestine, IL 62451

If to Company:

Ameren Illinois Company d/b/a Ameren Illinois
President
6 Executive Drive
Collinsville, IL 62234

For other notices regarding the general business between the parties, e-mail messages and facsimiles will be acceptable when addressed to the persons of record specified above.

8.2 Entire Agreement and Interpretation. This Ordinance embodies the entire understanding and agreement of the Municipality and the Company with respect to the subject matter of this Ordinance and the Franchise. This Ordinance supersedes, cancels, repeals, and shall be in lieu of the Previous Agreement.

8.3 Governing Law and Venue. This Ordinance has been approved and executed in the State of Illinois and will be governed in all respects, including validity, interpretation, and effect, and construed in accordance with, the laws of the State of Illinois. Any court action against the Municipality may be filed only in Crawford County, Illinois, in which the Municipality's principal office is located.

8.4 Amendments. No provision of this Ordinance may be amended or otherwise modified, in whole or in part, to be contractually binding on Municipality or Company, except by an instrument in writing duly approved and executed by the Municipality and accepted by the Company.

8.5 No Third-Party Beneficiaries. Nothing in this Ordinance is intended to confer third-party beneficiary status on any person, individual, corporation, or member of the public to enforce the terms of this Ordinance.

8.6 No Waiver of Rights. Nothing in this Ordinance may be construed as a waiver of any rights, substantive or procedural, the Company or the Municipality may have under federal or State of Illinois law unless such waiver is expressly stated in this Ordinance.

SECTION 9 – ACCEPTANCE

9.1 This Ordinance shall confer no right, privilege or authority on Company, its successors or assigns, unless Company shall within **ninety (90) days** after due notice to the Company of the enactment of this Ordinance, file with the Village Clerk an acceptance of the terms and provisions hereof; provided, however, that if such acceptance be not so filed within said period of **ninety (90) days**, all rights, privileges, and authority herein granted shall become null and void.

SECTION 10 – EFFECTIVE DATE

10.1 This Ordinance shall be in full force from and after its passage, approval and **ten (10) day** period of publication in the manner provided by law. This Ordinance shall take effect, and the rights, privileges and authority hereby granted and renewed shall vest in Company upon its filing of an acceptance with the Village Clerk according to the terms prescribed herein and as provided for in 35 ILCS 645/5-4.

(Ord. No. 2018-0-02; 04-05-18)