

ORDINANCE NO 30.

An ordinance authorizing the Tualatin Valley Electric Company, its successors and assigns, to construct, maintain and operate in the Town of Sherwood, a water-works system to supply the inhabitants thereof with water, and granting to said Company a franchise to use the streets, alleys and public places of said Town for said purpose.

The people of the Town of Sherwood do ordain as follows:

SECTION 1. That there be and hereby is granted unto Tualatin Valley Electric Company, its successors and assigns, the right and privilege to construct, maintain and operate for profit a water-works system in the Town of Sherwood, Oregon, and to lay mains and place hydrants in said streets for said purpose, and to maintain them during the life of this franchise, and any and all renewals thereof.

SECTION 2. That said Tualatin Valley Electric Company, its successors and assigns, shall be permitted all reasonable use of the streets, alleys and other public places in said Town for the purpose of laying, maintaining and repairing said water mains and all necessary hydrants for fire protection; but no hydrant belonging to said Town shall be repaired without the consent of the Town Council.

SECTION 3. Water mains, hydrants now in use in said Town in connection with the franchise owned by the Tualatin Valley Electric Company shall be con-

timed to be owned during the life of this franchise, and any and all renewals thereof, by their present owners respectively, and said Tualatin Valley Electric Company, its successors and assigns, shall pay the said Town the sum of \$12.00 per month for the use of the said mains and hydrants owned by said Town, payable at the end of each month, commencing with the date when this franchise becomes effective; and said mains and hydrants shall during the life of this franchise, and any and all renewals thereof, be a part of said water system, and said Tualatin Valley Electric Company, its successors and assigns, shall during all of said times, have the right to use the same as part of said system upon promptly paying for said use the said monthly sum of \$12.00.

SECTION 4. The said Tualatin Valley Electric Company, its successors and assigns, shall in the future lay all necessary water mains and set all necessary hydrants at its own expense, and all water mains now owned by the said Tualatin Valley Electric Company shall remain and be a part of said water system. Before laying any new mains, written notice of the purpose to do so shall be served on the Town Recorder, specifying the place where the same is to be laid, and the Town Council may therefore determine the size of said mains, but shall in no event require a main exceeding six inches in diameter to be laid, and in case said Town Council does not within the period of thirty days notify said Tualatin Valley Electric Company, its successors and assigns, what size pipe to lay, the size thereof shall be determined by said Company, its successors and assigns. All mains hereafter laid shall be laid at least thirty inches below the surface of the street. The said Company, its

successors and assigns, shall at no time be permitted to lay any wooden mains in said Town under this franchise. Whenever requested so to do by any person or corporation desiring to connect with said water mains, it shall be the duty of said Company, its successors and assigns, to lay the necessary connecting pipe from the said main to the property line of said person or corporation at its own expense.

SECTION 5. All mains, hydrants and other property laid and constructed by said Tualatin Valley Electric Company, its successors and assigns, shall remain its property, and the value thereof shall be taken into consideration in paying for said water system in case the said Town shall, under the terms of this franchise, decide to purchase said water system. For the protection of the said Town, the said Company, its successors and assigns, shall from time to time file with the Town Recorder of the Town receipted vouchers for materials used in laying said mains and placing said hydrants, supported by the affidavit of the President of said Company, and in said affidavit the labor expenditures in making said improvements shall likewise be stated by said President under oath.

SECTION 6. Said Tualatin Valley Electric Company, its successors and assigns, shall keep the said mains, hydrants and all other portions of said water system in a reasonable state of repair, including the water mains and hydrants now owned by said Town. Should any water main or hydrant now owned by said Town be so injured by reason of said Company, its successors or assigns, creating a pressure in excess of *eighty-five* pounds upon said main or hydrants, or by the action of frost on said hydrants,

necessary repair for this purpose, and the obligation of said Tualatin Valley Electric Company, its successors and assigns, to keep said tank full is dependent upon the discharge of said Town of its obligation to keep said tank in proper repair. The said Town shall have the privilege of drawing off the water from said tank once a month, and it shall thereupon be the duty of said Company, its successors and assigns, to refill said tank.

SECTION 9. It is hereby agreed between the parties to this franchise that it is exclusive, and that said Town during the life of this franchise, and any and all renewals thereof, will not grant any other water-works franchise to any person or corporation whatsoever, and that said Town itself will not during the life of said franchise, and any and all renewals thereof, own, operate, maintain or construct any water-works system in said Town. And in consideration of the said exclusive right hereby granted, the said Tualatin Valley Electric Company, its successors and assigns, hereby agrees that this franchise is the grant of a public utility, and that the said Tualatin Valley Electric Company, its successors and assigns, in the operation of said water system, shall at all times be under the reasonable and lawful control of the Public Service Commission of the State of Oregon with respect to the matter of rates, the kind of service and all other matters properly within the jurisdiction of the said Public Service Commission.

SECTION 10. This franchise shall continue for the period of ten years from the date the same becomes effective, and in case of renewal thereof, as hereinafter mentioned, said renewal shall be for a further period of ten years, and so with respect to each successive renewal, in case

this franchise is renewed more than once.

SECTION II. The people of the Town of Sherwood, in granting this franchise, expressly reserves to itself, the exclusive right and option, with and by the express consent of the Tualatin Valley Electric Company, to purchase said water system at the end of said ten years, and also at the end of any renewal period of this franchise, upon the following terms and conditions:

To avail itself of this option, said Town must at least six months before the expiration of said ten-year period serve upon the then owner of this franchise written notice of its election to purchase said water system. If the parties are unable to agree within the period of three months thereafter with respect to the compensation to be paid by said Town for said water system, then the said compensation shall be fixed by said Public Service Commission, and for this purpose the parties shall be entitled to a hearing before the said Commission, and its decision regarding said compensation shall be final and binding upon both parties.

In case notice that said Town desires to purchase said water system is not served by the time required by this franchise, or if said notice is so served, then in case the said Town does not complete the said purchase and pay the compensation agreed upon or fixed by said Public Service Commission, as the case may be, then this franchise shall be automatically renewed for another period of ten years, and all of the provisions

of this franchise with respect to the first ten-year period shall, except as herein specifically provided to the contrary, likewise be applicable to the said franchise for a further period of ten years.

SECTION 12. In determining the compensation to be made by the Town in case it decided to purchase said water-works system, the actual cost of reproducing said water system, so far as the same is then owned by the owner of this franchise, shall be considered as the fair basis for fixing the said compensation; it being understood that no compensation shall be made for the franchise itself. In determining said actual cost of reproduction, all depreciation and all other proper elements shall be considered in fixing the amount thereof.

For the purpose of determining such compensation, the value of all tangible property, including water mains, hydrants, well, engines, pumps, and the lot, and all other property necessarily used by the owners of this franchise in operating said water system shall be taken into consideration, but it is understood and agreed that in determining the value of said tangible property, the well in use at the end of each ten-year period shall be valued at the sum of \$500.00.

SECTION 13. It shall be the duty of the Tualatin Valley Electric Company, its successors and assigns, upon request of the Town Council, to extend

its system by laying mains to any district within the corporate limits of the Town of Sherwood, when a reasonable profit from the operation thereof can be shown the said Tualatin Valley Electric Company, its successors and assigns; and such extension, when so ordered, shall be made within a reasonable length of time following such order.

The said Tualatin Valley Electric Company, its successors and assigns, hereby surrenders for cancellation, and consents that said Town shall cancel the water-works franchise now owned by said Tualatin Valley Electric Company, within said Town, and the said franchise and all other water-works franchises that may have heretofore been granted are hereby canceled and annuled.

SECTION 14. It is hereby made the duty of the said Tualatin Valley Electric Company, its successors and assigns, in case of fire to supply all necessary water for the extinguishment of said fire, and shall operate its engines and pumps to the highest efficiency, so far as needed for the said purpose of fire protection. Said Company, its successors and assigns, shall also furnish free of charge to said Town the necessary water to maintain drinking fountains in said Town, provided they are equipped with an automatic arrangement to prevent the flow of water, except when operated by persons drinking from said fountains, and shall also furnish free of charge the necessary water for sprinkling the small parking now in existence in said Town, and any future similar parkings not to exceed in all ten thousand square feet; and for toilet and drinking purposes in the Town Hall of said Town, provided said water is not permitted to run all the time and proper precautions are taken against waste thereof.

But said Company, its successors and assigns, shall be under no obligation to construct or maintain said drinking fountains or facilities for using said water in said Town Hall.

Said Company, its successors and assigns, shall furnish sufficient water free of charge to supply a watering place for horses and stock in said Town, but said Town shall so construct and operate said watering place that the water will not flow continuously therein, but only when needed for use, and no water shall be used at said place except for said drinking purposes aforesaid.

SECTION 15. It shall be the duty of said Tualatin Valley Electric Company, its successors and assigns, whenever it shall have occasion to make excavation in the streets, alleys or public places of said Town in connection with the exercise of its rights under this franchise, to guard said excavation in such a way as to prevent injuries therefrom, and shall as soon as practicable restore the said street, alley or public place to its former condition.

SECTION 16. Should said Town at any time feel that said Company, its successors or assigns, have in any manner violated the provisions of this franchise, it may give said Company, its successors and assigns, written notice to that effect, and if said Company, its successors and assigns, shall fail within thirty days thereafter to satisfy said Town that it has remedied said grievance, said Town may thereupon make written complaint of said matter to the said Public Service Commission, and thereupon a hearing shall be had before said Public Service Commission on due notice to said Company, its successors and assigns, and if said Company, its successors and assigns, shall fail thereafter to comply with the decision



of said Public Service Commission with respect to said matter, within the time fixed by said Commission, then this franchise shall become null and void, and this Company, its successors and assigns, shall thereafter and within such time as shall be allowed by said Public Service Commission, remove all its property from the streets, alleys and public places of said Town, and all its obligations under this franchise shall cease and determine.

This franchise was duly passed by the Town Council of said Town the 7th day of July 1916, and is hereby signed in duplicate by the Mayor of said Town and duly attested by the Recorder thereof; and each of said duplicates is hereby executed by the President and Secretary of said Tualatin Valley Electric Company as evidence of the acceptance thereof by said Company; said President and Secretary being duly authorized to execute this acceptance thereof. Said franchise becomes effective this 7th day of July 1916, the date of the acceptance thereof, and said ten-year period runs from said day. Each duplicate is to be regarded as the original franchise for all purposes.

Approved J. E. Morbaek  
Mayor of the Town of Sherwood.

Attested by:

Roy S. Blodgett  
Town Recorder.

TUALATIN VALLEY ELECTRIC COMPANY.

BY

H. R. Harsh

President