

ORDINANCE 501

AN ORDINANCE OF THE CITY OF ROLLA, NORTH DAKOTA GRANTING A NON-EXCLUSIVE FRANCHISE TO OTTER TAIL CORPORATION FOR THE CONSTRUCTION, INSTALLATION, AND MAINTENANCE OF AN ELECTRIC LIGHT AND POWER SYSTEM AND TRANSMISSION LINES WITHIN THE CITY LIMITS.

WHEREAS, the City of Rolla is authorized to grant non-exclusive franchise operations of electric light and power systems and transmission lines within the City rights of way; and

WHEREAS, Otter Tail Power Company, a Minnesota Corporation, has applied for a franchise to construct, install, and maintain an electric light and power system and transmission lines within the boundaries of Rolla; and

WHEREAS, the terms, conditions, and obligations provided herein are needed to protect the safety and welfare of the citizens of Rolla; and provide for electric needs of the community;

NOW, THEREFORE, THE CITY OF ROLLA, NORTH DAKOTA, HEREBY ORDAINS AS FOLLOWS:

Section 1: Purpose.

This Ordinance shall establish a non-exclusive Franchise, which constitutes an agreement between the city of Rolla (hereinafter the “City”) and Otter Tail Power Company (hereinafter the “Operator”). The Operator agrees to construct, install, and maintain an electric light and power system and transmission lines and to operate and maintain the same within and through the City and to transmit electricity to and from other towns or cities for the purpose of light, power and heat and to erect, construct, install and maintain conduits, poles, wires, pipes, and other necessary fixtures and attachments upon and under the streets, alleys, bridges, and public grounds of said City for the purpose of furnishing and selling electricity for light, heat and power and such other purposes for which electricity may be used by the inhabitants of said City pursuant to the terms of the Franchise. The City agrees to grant all necessary rights and privileges to use public rights of way necessary for the electric light and power system and transmission lines. This agreement shall, as of the effective date, supersede all existing franchises previously granted by the City of Rolla to Operator, or any of its predecessors, subsidiaries, or affiliated companies.

Section 2: Length of Franchise.

The length of this Franchise shall be a term of Twenty (20) years from October 3, 2025 through midnight of October 2, 2045.

Section 3: Service Area.

The Operator’s service area shall be the entire incorporated area of the City of Rolla, in its present incorporated form or in any later reorganized, or enlarged, or re-incorporated form.

Section 4: Liability and Indemnification.

Operator shall, at all times, keep in effect the following types of insurance coverage:

- (a) Workforce Liability Insurance upon its employees engaged in any manner in the installation or servicing of its plant and equipment within the City of Rolla, North Dakota.
- (b) Property damage liability insurance to the extent of Two Hundred Fifty Thousand and No/100 (\$250,000.00) Dollars as to each occurrence and Two Hundred Fifty Thousand and No/100 (\$250,000.00) Dollars aggregate, and personal injury insurance to the extent of Five Hundred Thousand and No/100 (\$500,000.00) Dollars as to each occurrence and Five Hundred Thousand and No/100 (\$500,000.00) Dollars aggregate. Excess bodily insurance and property damage of One Million and No/100 (\$1,000,000.00) Dollars each occurrence and One Million and No/100 (\$1,000,000.00) Dollars aggregate. Automobile, bodily injury and property damage liability combined of One Million and No/100 (\$1,000,000.00) Dollars each occurrence. In the alternative, Operator may be self-insured coupled with excess liability coverage so that the limits of liability are not less than those set out in this section.

Operator shall indemnify, protect and save harmless the City from and against losses and physical damage to property and bodily injury or death to persons, occurring on property within the City, by a negligent, grossly negligent or intentional act of Operator, its agents or employees.

Section 5: Technical Standards.

Operator shall use poles, wires, crossarms, equipment and devices to conform with the standards of construction adopted by the National Electrical Safety Code of the United States, Department of Commerce, and all apparatus connected therewith shall be located so as not to obstruct the avenues, streets, and alleys of said City or to endanger persons or property or to hinder or to obstruct the use of said avenues, streets, and alleys for public places by the inhabitants of said City, or public in general, or to interfere with any street, sidewalk, curb, gutter or park improvements that the City may deem proper to make along the lines of said avenues, streets and public places.

Section 6: Operation and Maintenance of System.

- (a) All conduits, poles, wires and pipes installed by virtue of this Ordinance shall be installed in such places and in such manner as not to unnecessarily encroach upon streets, alleys, bridges, or public grounds of said City, and so as not to unnecessarily obstruct the use thereof for the ordinary purpose of travel thereon, and the erection thereof shall be subject to the reasonable supervision and direction of the City Council of the said City. Whenever practicable, all poles shall be set in alleys, and poles now in position upon or along the streets, whenever practicable, shall be removed, and the locations of all of said poles shall be designated by the Mayor under the supervision of the City Council of the said City.
- (b) All poles where set in alleys shall be set at or near the boundary line thereof, and where set in streets shall be located at such distances, as shall be directed by the city,

from the property line of the abutting owner, and shall be placed so as not to interfere with the construction of placing of any waterpipes, sewers, or drains or the flow of water therefrom which have been or may be placed by authority of said City. In the event that said Operator shall make any unnecessary obstruction of said streets, alleys, public grounds or places not designated by the City Council, the City may cause the removal of such obstructions and charge and collect from such Operator the actual cost of such removals.

- (c) During the construction, maintenance or enlargement of any part of said electric light and power system, said Operator shall not unnecessarily impede or block travel in said streets and highways in said city, and shall leave all streets, highways, alleys, sidewalks, curbs, lanes and public places and all grounds disturbed by said construction in good condition upon the completion of said work.
- (d) Whenever the Operator in erecting, constructing and maintaining said lines or poles, shall take up any of the pavements, sidewalks crossings or curbs on any of the avenues, streets and alleys or public places in said City or shall make any excavations thereon; such excavations shall be refilled and the sidewalk, crossing or curb replaced under the direction of the said City and any excavation so made shall be properly lighted at night during the construction. and in case of the failure to do so on the part of the Operator, then the said City may do the same at the expense of the Operator and the Operator agrees to pay said City for the reasonable cost or value of said work, The Operator shall be liable for all loss or damage caused by the negligence of Operator, which may result to persons or property within the said City, caused by it, or its agents, servants, or employees in erecting, operating and maintaining the said electric system within said City, and shall at all times save the City harmless from any and all damages to persons or property in erecting, operating or maintaining said electric system.
- (e) There is granted to the Operator, its successors and assigns, during the term hereof, permission and authority to trim all trees in alleys. streets and public grounds of said City so as to remove all parts of said trees interfering with the proper erection maintenance and operation of poles, cables, wires, masts or other fixtures, or appliances installed or to be installed pursuant to authority hereby granted.
- (f) The Operator shall use due diligence and care, in furnishing electric service as herein provided but shall not be liable for any loss or damage which may arise from failure of the service, either partial or total, but this shall not be construed to exempt said Operator from liability for negligence.
- (g) If at any time the City, acting through its City board, shall deem it reasonably necessary to make any improvements or changes on all or any part of the right of way of the City road, which affect a utility located on City right of way, then and in such event, the Grantee shall within 60 days after written notice from the Mayor or auditor, proceed to alter, change, vacate or remove said utility from the City right of way so as to conform to said City roadway changes and as directed by the City Mayor. To the extent that such work is limited to altering, changing, vacating, or removing utility equipment as reasonably necessary to accommodate roadway changes, the work shall be done without any cost whatsoever to the City and shall be completed within the date specified in said written notice. In the event the utility is reasonably unable to make the requested changes by the date specified in the written notice, City Mayor or Auditor

shall meet with the utility to arrange an alternative date. To the extent that the work is not reasonably necessary to accommodate roadway changes, the work shall be done at the cost of the City.

- (h) The Operator shall obtain a building permit as provided by the City before commencing any major construction upgrade or extension of the System. The City shall impose no permit fee upon the Operator. The city auditor or manager shall have the authority to sign the building permit immediately upon submission and shall not deny the permit. A construction upgrade or extension of the system shall not be deemed “major” if it is the replacement of facilities with similarly sized facilities in the same location, a residential service drop, performance of routine maintenance, storm restoration, or work to restore power.
- (i) Any property of Operator to be abandoned in place shall be abandoned in such a manner as the City may prescribe. Underground property may be abandoned in place. In the event that Operator will no longer be providing service to the City, if the Operator intends to permanently abandon its property within the City, it shall submit to the City an instrument to be approved by the City, transferring to the City the ownership of such property. Said City approvals shall be obtained at a City Council Regular Meeting.

Section 8: Successors or Assigns.

This Franchise shall be binding upon the Operator, its successors, and assigns.

Section 9: Acceptance.

This grant of Franchise and its terms and provisions shall be accepted by Operator by the submission of a written instrument, executed and sworn by a corporate officer of the Operator before a Notary Public, and filed with the City within sixty (60) days after the effective date of this Franchise.

Section 10: Severability.

Each section, subsection or portion of this Ordinance shall be severable if any section, subsection or portion shall be found to be invalid.

Section 11: Miscellaneous Terms.

- (a) This contract shall be subject to any present or future laws of a regulatory nature enacted by the State of North Dakota, or on any amendment or addition to such laws and further shall be subject to the rules and regulations laid down by the Public Service Commission of the State of North Dakota.
- (b) In the event the City should sell or transfer real property which is subject to Grantee's franchise and should it become necessary to remove conduits, poles, wires or pipes installed by virtue of this ordinance the removal shall be done at the expense of the Grantee upon the request of the City.

Section 12: Payment to the City

The City reserves the right during the term hereof to enact and assess a franchise fee such as it deems necessary, upon reasonable advance notice to Operator of not less than sixty (60) days.

Section 13: Rates.

The rates to be charged by the Operator in the said City shall be filed with the Public Service Commission of the State of North Dakota and no increase or decrease in said rates shall be made except in accordance with the rules and regulations of the Public Service Commission.

First Reading : **August 20, 2025**
Second Reading : **September 17, 2025**
Adopted : _____
Effective Date : _____

CITY OF ROLLA, NORTH DAKOTA

By: Kevin Juntunen

Its: Mayor

ATTEST/AUTHENTICATED:

By: City Auditor

ACCEPTANCE

_____, _____ of Otter Tail Corporation, a Minnesota Corporation, does hereby accept the terms and conditions of the above Franchise.

Dated this ____ day of _____, 20__.

Otter Tail Corporation

By: _____

Its: _____

Subscribed and sworn to before me this ____ day of _____, 20__.

(SEAL)

Notary Public

_____ **County, North Dakota**

My Commission Expires: