SUMMARY OF ORDINANCE NO. O19-3243OF THE CITY OF SHELDON, IOWA

Ordinance No. O19-3243 of the City of Sheldon, Iowa, was passed by the City Council of said City on September 4, 2019.  The full title of the Ordinance is as follows:  “AN ORDINANCE GRANTING TO MIDAMERICAN ENERGY COMPANY, ITS SUCCESSORS AND ASSIGNS, THE RIGHT AND NON-EXCLUSIVE FRANCHISE TO ACQUIRE, CONSTRUCT, ERECT, MAINTAIN AND OPERATE IN THE CITY OF SHELDON, IOWA, A **NATURAL GAS SYSTEM** AND TO FURNISH AND SELL **NATURAL GAS** TO THE CITY AND ITS INHABITANTS FOR A PERIOD OF 15 YEARS.”

The following paragraphs  are a summary of the Ordinance:

The Ordinance grants to MidAmerican Energy Company (“Company”) a non-exclusive franchise regarding natural gas within the City of Sheldon, Iowa (“City”).  The franchise is effective for fifteen years, but under certain conditions, can be amended or terminated following the fifth and tenth anniversaries of the effective date of the franchise.  The  franchise can also be terminated at any time upon the occurrence of an uncured, material breach of the franchise.

Pursuant to the ordinance, the Company has the right:

* To construct, maintain, and operate in the City a natural gas distribution system along, under, and upon the public streets, avenues, rights-of–way, and alleys of the City;
* To furnish and sell natural gas to the City and its inhabitants; and
* To exercise, subject to the prior approval of the City, the power of eminent domain.

The Ordinance regulates the Company’s use of, activities in, and restoration obligations regarding public streets and other public places.  The Ordinance also regulates the Company’s duty to relocate its facilities and equipment if and when required by the City.

The Ordinance includes various provisions intended to provide liability protection for the City, including a requirement that the Company maintain certain designated levels of liability insurance and that the Company defend, indemnify, and hold harmless the City from certain claims and other potential costs and damages related to the franchise.

The Ordinance will become effective upon publication of this summary in accordance with Iowa law and written acceptance by the Company, unless a valid petition is timely filed with the City Clerk that requests submission of the Ordinance to the voters of the City.  A full copy of the Ordinance can be inspected at the business office of the City, Monday through Friday, from 7:30 a.m. to 4:30 p.m.; that office is located at 416 9th Street, Sheldon, Iowa.