



Anacortes City Council
Municipal Building Council Chambers
904 6th Street

September 9, 2019
6:00 p.m.

PRELIMINARY AGENDA

[Packet Materials](#) / [Watch Meeting](#)

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Announcements and Committee Reports**
 - a. Oath of Office: Police Officer Evan Mowrer
 - b. Oath of Office: Firefighter/Paramedic John Siedler
 - c. Proclamation: National Senior Center Month (Presentation)
4. **Public Comment**
5. **Consent Agenda (Action)**
 - a. Minutes of September 3, 2019
 - b. Approval of Claims in the amount of: \$836,161.19
 - c. Contract Modification: City Hall Remodel Project - Demolition & Construction
#19-054-FAC-004
 - d. Telecommunications Franchise Agreement with Skagit County #19-150-FBR-001
6. **Public Hearings**
7. **Other Business**
 - a. * Municipal Fiber Update (Discussion)
8. **Adjournment**

Per Resolution 2044, citizens wishing to comment on items not on the agenda may do so under the Public Comment portion of the agenda. Citizens wishing to comment on agenda items indicated with an asterisk () may do so as those items are considered by Council during the course of the meeting. Citizens wishing to speak will please sign in at the back of the Council Chambers prior to the start of the meeting. The Mayor may limit comments to those who have signed in, and may limit the time allotted to each speaker to facilitate the orderly progress of the meeting.*

The City of Anacortes encourages people with disabilities to participate in public meetings.
For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning September 16, 2019

Subjects listed below have been tentatively suggested for consideration by the Anacortes City Council on the dates indicated. Items may be added to, removed from or rearranged on this list. Routine business such as approval of minutes and vouchers are not included. The complete Preliminary Agenda for each meeting is published at 3:00 on the Wednesday prior to the meeting. Published Agendas are subject to change and may be updated following the posting period. For additional information on agenda topics, please contact the City Clerk's office at 360-299-1960 to be directed to the sponsoring staff member.

September 16, 2019

- Contract Award: WTP Electrical Switchgear Maintenance #19-145-WTR-001 (Consent)
- Interlocal 281 with Port of Anacortes: Mutual Assistance on Minor Projects (Consent)
- Interlocal 285 with Port of Anacortes: Blanket Temporary Laydown Space Agreement (Consent)
- Combined Sewer Overflow (CSO) Reduction Study (Discussion/Possible Action)

September 23, 2019

- Ordinance ____: Adopting New AMC Chapter 8.10 Regarding City Parks and the Anacortes Community Forest Lands (Discussion)

October 7, 2019

October 14, 2019

- Mid Biennial Budget Review (Discussion)

October 21, 2019

- Mid Biennial Budget Review (Discussion)

October 28, 2019

November 4, 2019

- Public Hearing: Mid Biennial Budget Review (Discussion)

November 12, 2019

- Ordinance ____: 2019/2020 Budget Mid-biennial Review and Modification (Discussion/Possible Action)
- Resolution ____: Setting the City's Year 2020 Property Tax Regular Levy Increase (Action)

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Planning, Monday, Sep 9, 2019, 5:00 PM, CANCELLED
- Skagit County Law & Justice Council, Wednesday, Sep 11, 2019, 8:15 AM, Mount Vernon
- Finance, Wednesday, Sep 11, 2019, 5:00 PM, Main Conference Room, City Hall
- Personnel, Friday, Sep 13, 2019, 9:00 AM, Main Conference Room, City Hall
- Public Works, Monday, Sep 16, 2019, 5:00 PM, Main Conference Room, City Hall
- Planning, Monday, Sep 23, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Sep 25, 2019, 5:00 PM, Main Conference Room, City Hall



OATH OF OFFICE

City of Anacortes)
County of Skagit) SS
State of Washington)

I, Evan Mowrer, being first duly sworn, on oath, depose and say:

That I am the person named in the foregoing certificate; that I will support the Constitution and laws of the United States of America, the Constitution and laws of the State of Washington, the ordinances of the City of Anacortes, and faithfully and impartially perform my duties as Police Officer to the best of my ability, so help me God.

Evan Mowrer
Evan Mowrer

Subscribed and sworn to before me this 9th day of September, 2019.

John Small
John Small, Chief

Laurie Gere
Laurie Gere, Mayor
f2h



Oath of Office Firefighter-Paramedic



I, John Siedler, as a Firefighter-Paramedic for the Anacortes Fire Department, do hereby declare, that I will support the Constitution & Laws of the United States, the Constitution & Laws of the State of Washington, and the Ordinances of the City of Anacortes;

I swear I will protect, safeguard and preserve life, health and property against fire and other perils;

I will uphold the standards of my profession, continually striving to achieve the objectives and ideals the fire service instills;

I will never allow my personal feelings, nor danger to self, deter me from my responsibilities as a First Responder and guardian of the community;

I will, at all times, respect the property and rights of all;

I recognize the badge of my office as a symbol of public faith and trust, and I will remain true to the ethics of the Fire Service. I will constantly strive to achieve the objectives and ideals that the Fire Service instills.

As a member of the Anacortes Fire Department, I accept this self-imposed and self-enforced obligation as my responsibility and make these promises so solemnly, freely, and upon my honor, so help me God.


John Siedler, Firefighter-Paramedic

Subscribed and Sworn to Me this 9th Day of September, 2019:


for Laurie Gere, Mayor


Attest: Steven D. Hoglund, Clerk

Age happy ...
healthy ...
& worry-free!



**Aging
Mastery
Program®**

National Council on Aging

For baby boomers
and seniors



Wednesdays, Sept 11-Nov 13
5 to 6:30 pm

at the Anacortes Senior Activity Center
1701 22nd Street, Anacortes — (360) 293-7473

Cost: \$60 Scholarships are available

Sign up beginning July 1

Go to anacortesparksandrecreation.sportsiteslabs.com
to register. For assistance with registration or for more
information, call Sally or Lea at (360) 293-7473.

The Aging Mastery Program
combines classes with expert
speakers, group discussions
and goal setting to help you
gain new skills to make small
meaningful changes in your life.

Topics include:

- Navigating longer life
- Exercise and you
- Sleep
- Healthy eating and hydration
- Financial fitness
- Advance planning
- Healthy relationships
- Medication management
- Community engagement
- Falls prevention

FALL PREVENTION

WEEK

September 23-27

at the

Anacortes Senior Activity Center

FEATURING

Safe Walking to Prevent Falls — Andy Arvidson — Mon, Sept 23, 1 pm

Balance Assessments — by appointment — Tues, Sept 24, 10:30 am -12:30 pm

Mindfulness for Fall Prevention — Joe Arellano — Tues, Sept 24, 1:30 pm

Fitness for Fall Prevention — Jennifer Eddleman — Wed, Sept 25, 2:30 pm

Build Better Balance with T'ai Chi Chih — Joan Roulac — Thurs, Sept 26, 10 am

Door prize drawings every day!

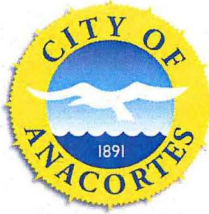
Also valuable printed information on:

- ♦ home safety
- ♦ medication management
- ♦ physical fitness
- ♦ mindfulness
- ♦ and more...

**For balance assessment appointments
and for more information, contact the
Anacortes Senior Activity Center
1701 22nd Street — 360.293.7473**



**Thanks to Soroptimist International of
Anacortes and Island Hospital for their support**



PROCLAMATION

WHEREAS, older Americans are significant members of our society, investing their wisdom and experience to help enrich and better the lives of younger generations; and

WHEREAS, the Anacortes Senior Activity Center has acted as a catalyst for mobilizing the creativity, energy, vitality and commitment of the older residents of Anacortes, Washington; and

WHEREAS, through the wide array of services, programs and activities, senior centers empower older citizens of Anacortes, Washington, to contribute to their own health and well-being and the health and well-being of their fellow citizens of all ages; and

WHEREAS, the Senior Activity Center in Anacortes, Washington affirms the dignity, self-worth and independence of older persons by facilitating their decisions and actions; and enabling their continued contributions to the community through the sharing of their experiences, skills and knowledge.

NOW, THEREFORE BE IT RESOLVED, that Mayor Laurie Gere of the City of Anacortes declares the month of September 2019, to be

NATIONAL SENIOR CENTER MONTH

in the City of Anacortes, to recognize the special contributions of Senior Activity Center participants and the special efforts of the staff and volunteers who work every day to enhance the well-being of the older citizens of our community.

Signed this 3rd day of September, 2019.

Laurie Gere, Mayor



Our mission is to maintain and improve the quality of life reflecting community expectations through a focus on public participation and employees-mayor-council teamwork.



Anacortes City Council

**Municipal Building Council Chambers
904 Sixth Street**

**September 9, 2019
6:00 p.m.**

PUBLIC COMMENT SIGN IN SHEET

Per Resolution 2044, citizens wishing to comment on items not on the agenda may do so under the Public Comment portion of the agenda. Citizens wishing to comment on agenda items indicated with an asterisk (*) may do so as those items are considered by Council during the course of the meeting. Citizens wishing to speak will please sign in at the back of the Council Chambers prior to the start of the meeting. The Mayor may limit comments to those who have signed in and may limit the time allotted to each speaker to facilitate the orderly progress of the meeting. These rules are intended to promote an orderly system of holding a public hearing or meeting, to give every person who wishes to speak an opportunity to be heard, and to ensure that no individual is embarrassed by exercising his or her right to free speech.

Please print your name legibly so we can recognize you correctly in the minutes. Thank you!

Name	Topic
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Continue on back of sheet as needed

City Council Minutes – September 3, 2019

Mayor Laurie Gere called to order the Anacortes City Council meeting of September 3, 2019 at 6:00 p.m. Councilmembers Eric Johnson, Anthony Young, Brad Adams, Carolyn Moulton, Bruce McDougall and Matt Miller were present. Councilmember Ryan Walters was absent.

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Port/City Liaison Committee: Mr. Miller reported from the committee meeting earlier in the day. Topics discussed included the 30% design for the Port's north basin redevelopment plan and ongoing investigation of parking concerns there, Lavle, and high demand for the laydown area behind the Olsen Building. Mr. Johnson added that clean-up of Quiet Cove was also discussed. Mr. Young elaborated on the north basin redevelopment process. Mayor Gere added that the committee had also discussed the grant from Skagit County to construct restrooms at the Depot Plaza. She said the grant had been awarded based on the economic development value of the Anacortes Farmers Market.

Mr. McDougall moved, seconded by Mr. Young, to excuse the absence of Mr. Walters. The motion carried unanimously by voice vote.

Public Works Committee: Ms. Moulton reported from the committee meeting earlier in the evening. Topics discussed included ongoing investigation of costs and benefits of acquiring the South Fidalgo water system; Ms. Moulton indicated that a memorandum of understanding with the PUD would likely come before Council for consideration. The committee also discussed acquisition of property for the water treatment plant and the Edwards Way roundabout which would begin construction in the fall using state funding and impact fees.

Mr. Young asked how the transfer of water rights to farmers by Skagit PUD would factor into the city's potential acquisition of the South Fidalgo water system from the PUD. City Attorney Darcy Swetnam clarified that the PUD's recent emergency transfer to Diking Districts 15 and 22 affected direct withdrawals from the Skagit River and that the operation of the South Fidalgo water system did not affect any jurisdiction's water right, only which agency would be responsible for delivering the piped water to the customers.

Appointments to the Forest Advisory Board and the Museum Advisory Board:

Mayor Gere requested Council confirmation of her appointment of JoAnn York-Gilmore to a position on the Forest Advisory Board expiring November 30, 2022. Mr. Young moved, seconded by Mr. Johnson, to confirm the appointment. Vote: Ayes – Young, Adams, Moulton, McDougall, Miller and Johnson. Motion carried.

Mayor Gere advised Council of her appointment of Dana Webb to fill a mid-term vacancy on the Museum Advisory Board to complete a term expiring December 31, 2021.

Mr. Miller encouraged members of the public to consider applying for an open position on the Planning Commission. Mayor Gere advised that her staff were working to make applying for volunteer positions even easier for the public.

Public Comment

Bob Barry, 1914 22nd Street, recalled the introduction of track changes technology for document revisions, lauded the value of that technology for the public and decision makers, and highly recommended that a track changes version of the Forest Lands Comprehensive Plan be included when that document came back to Council

for consideration in the near future. Mr. Barry said he really felt sorry for the Planning Commission which considered the document at its March 27, 2019 meeting without benefit of a track changes version.

Kathleen Lorence-Flanagan, 2005 10th Street, applauded Anacortes for posting information on a new website for the Guemes Channel Trail (GCT) and noted the daunting volume of information posted. Ms. Lorence-Flanagan described sections of the website that she felt were missing detail and specifically called for documents reflecting opposition to the trail to be included on the site. Ms. Lorence-Flanagan submitted a written copy of her comments with more specific examples; her comments were added to the packet materials for the meeting.

Brian Wetcher, 814 26th Street, expressed concern with how the city was moving forward on agreement with Skagit PUD for management of the South Fidalgo water system. Mr. Wetcher said he felt it was a good plan for the city to take over management of that system but that he was very concerned that such a change not encourage density infill by new water systems and new water system developments that wouldn't be acceptable under current Skagit County development standards for south Fidalgo Island. He said he would not want to see significant expansion of developments in rural south Fidalgo once water was readily available from the Anacortes water utility.

Liz Lovelett, 2111 23rd Street, alerted Council and the audience to the Keep Washington Working law in Washington State to create sanctuary status for workers in the state whether documented or not. Senator Lovelett urged elected leaders to take public stands against hate speech and tactics that intimidate people of color in the community.

Consent Agenda

Mr. Johnson moved, seconded by Mr. Adams, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of August 26, 2019
- b. Approval of Claims in the amount of: \$368,809.68
- c. Contract Modification: City Hall Remodel Project - Demolition & Construction #19-054-FAC-004
- d. Contract Award: Anacortes Public Library Roof Replacement #19-110-FAC-001

The following vouchers/checks were approved for payment:

EFT numbers: 94421 through 94465, total \$93,621.48

Check numbers: 94466 through 94507, total \$114,781.04

Wire transfer numbers: 255027 through 255298, total \$824.81

OTHER BUSINESS

Sewer Rate Structure Update by FCS Group

Public Works Director Fred Buckenmeyer introduced Gordon Wilson from FCS Group, the consultant that helped develop the city's water and sewer rates. Mr. Wilson presented the results of the firm's analysis of the rate structure following up on its presentation to City Council on November 26, 2018. His slide presentation was included in the packet materials for the meeting. Mr. Wilson indicated that FCS would write up a technical memo summarizing its findings and recommendations based on Council feedback following the presentation.

Mr. Wilson presented a Cost-of-Service Analysis to address equitable distribution of rates among customer classes; recommendations on implementing a monthly fixed charge for small meters, restructuring rates into two classes for single family and non-single family (including duplexes), removing the tiers from the Average Winter Water User (AWWU) calculation, and phasing in a cost-of-service shift; and an analysis recommending adjustments to both water and sewer General Facilities Charges (GFCs).

Mr. Wilson responded to councilmember questions about the impact of rate changes on Council's goal of encouraging affordable housing and multifamily housing. Mr. Wilson said his firm could analyze the impact of creating a third customer class to separate multifamily from commercial customers if Council so directed.

Mayor Gere invited members of the audience to comment on this agenda item.

Ward MacKenzie, 1302 7th Street, said he owned both a single family and a non-single family property. He said he just wanted to see people pay for what they get and pay an equitable amount. He said the analysis made sense to him assuming the data was correct.

Councilmembers generally supported implementing the recommended cost-of-service shift but were surprised by the magnitude of the recommended water GFC revision. Mayor Gere indicated that discussion of this topic would continue.

At approximately 7:35 p.m. Mayor Gere called a brief recess. At 7:44 p.m. the mayor called the meeting back to order.

Challenges and Options to Address Homelessness

City Attorney Darcy Swetnam shared a slide presentation summarizing information gathered by a number of city departments on the topic of homelessness. She introduced the topic by noting the one page fact sheet that had been distributed to Council prior to the meeting and made available for the public. Both Ms. Swetnam's slides and the fact sheet were added to the packet materials for the meeting. Ms. Swetnam reported on current legal issues affecting the response of cities to homelessness; how the police, library, parks and other departments were encountering and responding to homeless individuals; resources available in Anacortes and Skagit County to help homeless individuals and families; steps other local jurisdictions were taking to address homelessness; and potential avenues for Anacortes to explore. She noted that the Salvation Army would not be providing a cold weather shelter for the 2019-2020 season as it had for several years prior.

Councilmembers shared ideas for addressing the problem and expressed some support for establishing a social worker position or helping to fund such a position in conjunction with another agency. Mr. Johnson reported on a number of active programs being pursued in Olympia and suggested an actual or virtual visit to learn more about those programs. Several councilmembers suggested establishing a team or task force to address the topic. Mayor Gere encouraged councilmembers to consider short term response as well, particularly a means of addressing the anticipated lack of a cold weather shelter with winter just around the corner. She said she would be meeting with the new director of the local Salvation Army to continue exploration of options. Mayor Gere encouraged each councilmember to investigate more options and potential partners before continuing the discussion in the near future.

Mayor Gere invited members of the audience to comment on this agenda item.

Brian Wetcher, 814 26th Street, urged against adding a park ranger to address homeless individuals camping in the ACFL and urged instead expanding the existing police in the woods presence. Mr. Wetcher suggested a number a specific options including working with the Samish and Swinomish to make sites at their campgrounds available to the homeless, particularly during their low volume winter season; establishing a shelter in the former Snelson Anvil warehouse near the skatepark or at the old modular Teamsters warehouse or some available space in new warehouse areas along Texas; and setting up a fund to accept donations from the public to support vouchers.

Ward MacKenzie cautioned against overgeneralizing the term "homeless" and distinguished between different reasons for being homeless which might best be addressed by different types of services. Mr. MacKenzie urged

focusing on solutions, not ameliorative care, and holding people accountable while helping them to get back on track. He also warned against providing services that would draw homeless people from other areas to Anacortes and suggested that services be provided to those with a nexus to Anacortes.

There being no further business, at approximately 8:52 p.m. the Anacortes City Council meeting of September 3, 2019 was adjourned.

The following claims against the City of Anacortes have been preaudited and certified by the Clerk-Treasurer as ready for City Council approval at the September 9, 2019 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
254559	4/8/2019	27263	DAHL ELECTRIC, INC	FILTER SCM ELECTRICAL INSTALLATION	\$ 8,092.54	dwtp
255370	5/10/2019	0157971	GEOENGINEERS, INC.	FIDALGO BAY ROAD REPAIRS - ENGINEERING	\$ 494.05	pw1
255422	6/20/2019	1191506	SIGNATURE FORMS, INC	#10 WINDOW ENVELOPES	\$ 604.05	finance
254855	7/31/2019	3092126803	LEXISNEXIS	ON-LINE LEGAL RESEARCH CONTRACT JULY	\$ 325.01	legal
255306	8/12/2019	051194563	HONEY BUCKET	PORTABLE TOILET RENTAL MT. ERIE PARK	\$ 119.50	parks1
254988	8/14/2019	Civil Service Conf	FOSTER PEPPER PLLC	CIVIL SERVICE REGISTRATION	\$ 220.00	hr
255342	8/14/2019	Civil Service	FOSTER PEPPER PLLC	REGISTRATION, CIVIL SERVICE CONFERENCE - VANESSA BRONSEMA	\$ 220.00	hr
255417	8/15/2019	1107630888	FERRELLGAS, LP	6410 SUNSET AVE - WASH. PARK	\$ 127.04	parks1
255525	8/19/2019	101412	ASSOCIATION OF WASHINGTON	SUPPLEMENTAL LIFE INSURANCE, BRONSEMA & HANNA	\$ 34.20	hr
255426	8/20/2019	158406	INFOSEND, INC.	CCR INSERTION FEE	\$ 98.73	dwtp
255468	8/20/2019	9836502113	VERIZON WIRELESS	SCADA COMMUNICATION 7/21-8/20/29	\$ 1,099.08	dwwtp
255339	8/20/2019	097840280	XEROX CORPORATION	CLRCUBE XNE-099723 6/30-7/30/19	\$ 287.25	finance
255134	8/21/2019	638 000 0000 0	CASCADE NATURAL GAS CORP.	411 HILLCREST DR #B, 7/19-8/20/19	\$ 13.00	parks1
255135	8/21/2019	538 000 0000 1	CASCADE NATURAL GAS CORP.	411 HILLCREST DR., 7/19-8/20/19	\$ 20.44	parks1
255136	8/21/2019	917 600 0000 9	CASCADE NATURAL GAS CORP.	1915 13TH ST., 7/19-8/20/19	\$ 15.98	parks1
255309	8/21/2019	56903	CEDAR CREEK LUMBER	LUMBER = SHIP BENCHES	\$ 234.36	parks1
255144	8/21/2019	1225533	FOSTER PEPPER PLLC	WATER TREATMENT PLANT MATTER NO. 96	\$ 1,961.00	legal
255145	8/21/2019	1225534	FOSTER PEPPER PLLC	CLEAN WATER ACT CITIZEN SUIT MATTER	\$ 18,104.80	legal
255436	8/21/2019	11601998	HACH COMPANY	FLUORIDE REAGENT, SAMPLE CELLS	\$ 401.53	dwtp
255377	8/21/2019	10166	PACIFIC NORTHWEST FIREWOOD	FIREWOOD/RESALE ITEM FOR WASH. PARK	\$ 1,275.00	parks1
255473	8/21/2019	185134	SCOTT RICHARDS INSURANCE, INC	UPDATED STREET SWEEPERS	\$ 250.00	finance
255371	8/21/2019	37219643	WASTEQUIP MANUFACTURING CO LLC	2019 WASTE CONTAINERS	\$ 10,725.06	pw1
255295	8/22/2019	11427	HOW IT WORKS, INC	ATOWN MAGAZINE SUMMER 2019 ISSUE	\$ 14,234.27	executive
255307	8/23/2019	10193915	HALL, BETHANY	REFUND CANCELLED CAMPING RESERVATION	\$ 43.00	parks1
255435	8/23/2019	WP005484	POLLARD WATER	DECHLOR TABS X 2	\$ 358.71	dwtp
255133	8/23/2019	10208496	WOOD, BRIANNA	CANCELLATION OF SITE B16 - 8/31 & 6/01	\$ 27.00	parks1
255303	8/24/2019	98350	LAKESIDE INDUSTRIES, INC.	WA CLASS G ASPHALT- WATER DEPT	\$ 978.13	wdist
255304	8/24/2019	98591	LAKESIDE INDUSTRIES, INC.	GRAVEL - GCT REPAIRS	\$ 696.08	parks1
255493	8/26/2019	00549-MAY19	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 68.00	court
255495	8/26/2019	00447-MAY19	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 93.50	court
255497	8/26/2019	00240-MAY19	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 17.00	court

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255498	8/26/2019	00408-MAY19	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 42.50	court
255499	8/26/2019	00548-MAY19	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 51.00	court
255500	8/26/2019	00560-MAY19	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 25.50	court
255492	8/26/2019	758746	CASCADE COLUMBIA DISTRIBUTION	FLUORIDE - 1 PALLET	\$ 1,980.00	dwtpt
255430	8/26/2019	92719263	CHEMTRADE CHEMICALS US LLC	ALUMINUM SULFATE	\$ 4,892.81	dwtpt
255485	8/26/2019	16983	ENTERPRISE OFFICE SYSTEMS INC	OFFICE SUPPLIES	\$ 10.50	publib
255434	8/26/2019	WABUR214350	FASTENAL COMPANY	BREEZE KIT - CLAMPS	\$ 40.61	dwtpt
255475	8/26/2019	013541496	GALLS, LLC.	UNIFORM BOOTS; OFC HATCHER (WRONG SIZE WILL BE RETURNING)	\$ 266.32	apd
255338	8/26/2019	165154	OASYS INC	YELLOW INK CARTRIDGE	\$ 179.30	pw1
255297	8/27/2019	K961627	CORE & MAIN LP	FORD FTSC-2641-8 TAP SLEEVE	\$ 1,207.09	wdist
255299	8/27/2019	19-32017	EDGE ANALYTICAL, INC	WATER SAMPLE FROM DAKOTA AVE & OAKES AVE	\$ 15.00	wdist
255489	8/27/2019	19-32324	EDGE ANALYTICAL, INC	TCR ANALYSIS BOOSTERS	\$ 165.00	dwtpt
255490	8/27/2019	19-32229	EDGE ANALYTICAL, INC	BACT ANALYSIS FINISHED	\$ 15.00	dwtpt
255491	8/27/2019	19-31174	EDGE ANALYTICAL, INC	BACT ANALYSIS RAW	\$ 49.00	dwtpt
255484	8/27/2019	17029	ENTERPRISE OFFICE SYSTEMS INC	OFFICE SUPPLIES	\$ 18.46	publib
255440	8/27/2019	WAANA118856	FASTENAL COMPANY	ADAPTERS AND PLUGS	\$ 45.98	dwwtpt
255375	8/27/2019	0015474-IN	STOPSTICK, LTD	STOP STICK RACK KIT - NEW OFFICER	\$ 569.59	apd
255305	8/27/2019	191163	T-SHIRTS BY DESIGN	COUNTY SOCCER T-SHRTS	\$ 684.81	parks1
255372	8/27/2019	331 0477800	UNIFIRST CORPORATION	WATER DEPT LAUNDRY	\$ 59.39	wdist
255494	8/27/2019	114-9033816	UNITED SITE SERVICES, INC	INTAKE STATION PORTI-POTTI	\$ 22.98	dwtpt
255374	8/28/2019	3797	ANACORTES TOWING, LLC	TOWING; APD CASE 19-A06234	\$ 163.05	apd
255308	8/28/2019	10163303	BUCKLEY, TOM	REFUND CANCELLED CAMPING RESERVATION	\$ 11.00	parks1
255378	8/28/2019	19-27389	EDGE ANALYTICAL, INC	VARIOUS COMPLIANCE TESTING	\$ 6,141.00	dwtpt
255424	8/28/2019	360-293-3725-0501135	FRONTIER COMMUNICATIONS	DEPOT PHONE - 8/28-9/27/19	\$ 62.74	parks1
255425	8/28/2019	360-293-6427-0218975	FRONTIER COMMUNICATIONS	CITY HALL 911 8/28-9/27/19	\$ 79.74	finance
255437	8/28/2019	360-299-0813-1017915	FRONTIER COMMUNICATIONS	WWTP PHONE BILL 8/28-9/27/19	\$ 315.40	dwwtpt
255478	8/28/2019	360-588-9248-0619005	FRONTIER COMMUNICATIONS	APD BACKUP LINE 8/28-9/27/19	\$ 208.87	apd
255479	8/28/2019	360-299-6615-0615165	FRONTIER COMMUNICATIONS	APD 911 LINE 8/28-9/27/19	\$ 72.92	apd
255480	8/28/2019	360-293-4900-0912865	FRONTIER COMMUNICATIONS	APD BAC LINE (8/28/19-9/27/19)	\$ 85.58	apd
255481	8/28/2019	360-588-1422-0822015	FRONTIER COMMUNICATIONS	APD BUSINESS LINE 8/28-9/27/19	\$ 304.23	apd
255487	8/28/2019	360-299-2484-0726025	FRONTIER COMMUNICATIONS	LIBRARY PHONE 8/28-9/27/19	\$ 56.97	publib

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255522	8/28/2019	360-299-3674-0214175	FRONTIER COMMUNICATIONS	OPS BACK UP LINE 08/28- 09/27/2019	\$ 71.93	dshop
255344	8/28/2019	812-5286	GCR TIRES & SERVICES	SERVICE TO VEH #513 & #514	\$ 124.30	dshop
255345	8/28/2019	812-5287	GCR TIRES & SERVICES	WHEEL SWITCH- VEH #511	\$ 32.61	dshop
255433	8/28/2019	654694	HASA, INC	SODIUM HYPOCHLORITE	\$ 4,124.93	dwtpt
255340	8/28/2019	Pay App 1	LAKESIDE INDUSTRIES, INC.	2019 ASPHALT OVERLAY	\$ 702,474.93	pw1
255376	8/28/2019	ReimbPruiett	PRUIETT, CHAD	TRAINING PER DIEM REIMBURSEMENT; PRUIETT - CIT INTERNATIONAL CONF	\$ 125.00	apd
255486	8/28/2019	1297087	SURETY PEST CONTROL	LIBRARY PEST CONTROL 8-28-2019	\$ 66.31	publib
255467	8/28/2019	0044132-IN	TMG SERVICES, INC	KIT FOR DEOX 2000	\$ 1,022.77	dwwtpt
255373	8/29/2019	1991393415	ARAMARK	APD NYLON MATS CLEANED	\$ 16.31	apd
255423	8/29/2019	1991393421	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	\$ 63.79	finance
255431	8/29/2019	1991393422	ARAMARK	OPS: MAT CLEANING 08/29/19	\$ 34.96	dshop
255369	8/29/2019	10162128	CARDOZA, TAIYA	REFUND - CAMPING SITE A1- 8/30-9/2/2019	\$ 83.00	parks1
255427	8/29/2019	248 984 6277 5	CASCADE NATURAL GAS CORP.	WTP 8/1-8/28/19	\$ 107.55	dwtpt
255488	8/29/2019	19-32619	EDGE ANALYTICAL, INC	WATER SAMPLE	\$ 15.00	wdist
255526	8/29/2019	1639239577	SMILES DENTAL GROUP	DENTAL SERVICES, LEOFF1 RETIREE	\$ 482.00	hr
255418	8/29/2019	114-9047589	UNITED SITE SERVICES, INC	22ND ST. & K AVENUE - TENNIS COURTS	\$ 82.73	parks1
255542	8/29/2019	114-9047589	UNITED SITE SERVICES, INC	PORTABLE TOILET FOR ISLAND VIEW TENNIS	\$ 82.73	parks1
255432	8/29/2019	024R243990	WESTERN TRUCK CENTER	MAINTENANCE & REPAIR- VEH #512	\$ 3,743.35	dshop
255483	8/30/2019	3800	ANACORTES TOWING, LLC	TOWING; APD CASE 19-A06310	\$ 163.05	apd
255419	8/30/2019	10168975	BROWN, WENDY	REFUND - SITE C2 8/29-9/01	\$ 83.00	parks1
255420	8/30/2019	10203422	CUTSHALL, VICKI	REFUND - CAMPING CANCELLATION SITE B13 9/12	\$ 7.00	parks1
255296	8/30/2019	INV68099	KNOWBE4, INC.	CYBER SECURITY AWARENESS TRAINING PROGRAM	\$ 3,791.89	infosys
255421	8/30/2019	10214644	MERRILL, KATHRYN	REFUND- CANCELLED YOUTH SOCCER - MERRILL	\$ 38.00	parks1
255523	8/30/2019	10210626	NAVIA BENEFIT SOLUTIONS, INC	AUGUST, FLEXIBLE SPENDING PARTICIPANT FEES	\$ 124.50	hr
255429	8/30/2019	001-444598	PISTON SERVICE OF ANACORTES	BATTERIES- VEH #041	\$ 4.89	dshop
255521	8/30/2019	001-444576	PISTON SERVICE OF ANACORTES	BRAKE CLEANER- SHOP	\$ 78.00	dshop
255428	8/30/2019	10164492	SMITH, JAMES	CANCELLATION - CAMPING 9/5,6,7	\$ 61.00	parks1
255501	8/30/2019	3-20 MAY19	STUM, MELANIE	PUB DEF CONFL	\$ 102.00	court
255502	8/30/2019	3-29 MAY19	STUM, MELANIE	PUB DEF CONFL	\$ 51.00	court
255503	8/30/2019	3-24 MAY19	STUM, MELANIE	PUB DEF CONFL	\$ 170.00	court
255504	8/30/2019	3-19 MAY19	STUM, MELANIE	PUB DEF CONFL	\$ 204.00	court
255505	8/30/2019	3-18 MAY19	STUM, MELANIE	PUB DEF CONFL	\$ 59.50	court
255506	8/30/2019	3-15 MAY19	STUM, MELANIE	PUB DEF CONFL	\$ 212.50	court
255507	8/30/2019	3-05 MAY19	STUM, MELANIE	PUB DEF CONFL	\$ 136.00	court

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255508	8/30/2019	3-20 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 59.50	court
255509	8/30/2019	3-29 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 42.50	court
255510	8/30/2019	3-24 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 102.00	court
255511	8/30/2019	3-26 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 51.00	court
255512	8/30/2019	3-18 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 25.50	court
255513	8/30/2019	3-17 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 127.50	court
255514	8/30/2019	3-14 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 144.50	court
255515	8/30/2019	3-05 JUN19	STUM, MELANIE	PUB DEF CONFL	\$ 25.50	court
255516	8/30/2019	3-20 JUL19	STUM, MELANIE	PUB DEF CONFL	\$ 42.50	court
255517	8/30/2019	3-29 JUL19	STUM, MELANIE	PUB DEF CONFL	\$ 68.00	court
255518	8/30/2019	3-18 JUL19	STUM, MELANIE	PUB DEF CONFL	\$ 93.50	court
255519	8/30/2019	3-17 JUL19	STUM, MELANIE	PUB DEF CONFL	\$ 59.50	court
255520	8/30/2019	3-14 JUL19	STUM, MELANIE	PUB DEF CONFL	\$ 51.00	court
255438	8/30/2019	Pay App 6	TRINITY CONTRACTORS, INC	2019 ASPHALT OVERLAY - UTILITY AND PEDESTRIAN IMPROVEMENTS	\$ 34,730.50	pw1
255496	8/30/2019	996196	USA BLUE BOOK	DRAIN SEAL	\$ 308.98	dwtp
255527	8/31/2019	2110	ORCA INFORMATION, INC	EMPLOYMENT BACKGROUND CHECKS	\$ 78.00	hr
255541	8/31/2019	114-9058172	UNITED SITE SERVICES, INC	PORTABLE TOILET FOR ISLAND VIEW	\$ 87.73	parks1
255469	9/1/2019	3610	NW CLEANERS	LTAC HEART OF A RESTROOM CLEANING	\$ 550.00	plan
255528	9/1/2019	8292	PORT OF ANACORTES	MOORAGE - QUARTERLY - SPACE QD-01A	\$ 66.80	parks1
255530	9/1/2019	989	PORT OF ANACORTES	DOCK RENTAL - QD-25	\$ 33.95	parks1
255531	9/1/2019	987	PORT OF ANACORTES	DOCK RENTAL - QD-20	\$ 34.97	parks1
255532	9/1/2019	986	PORT OF ANACORTES	DOCK RENTAL - QD-22	\$ 34.97	parks1
255533	9/1/2019	985	PORT OF ANACORTES	DOCK RENTAL - QD-21	\$ 34.97	parks1
255534	9/1/2019	984	PORT OF ANACORTES	DOCK RENTAL - QD24	\$ 34.97	parks1
255537	9/1/2019	983	PORT OF ANACORTES	DOCK RENTAL - QD-19	\$ 34.97	parks1
255538	9/1/2019	530	PORT OF ANACORTES	DOCK RENTAL QD-13 QD-23 & QD-27	\$ 104.91	parks1
255439	9/1/2019	5057474085	RICOH USA, INC	S/N C86152062 HR COPIES 8/1-8/31/19	\$ 16.41	finance
255470	9/1/2019	5057474086	RICOH USA, INC	S/N C86150637 CARNEGIE 6/1-8/31/19	\$ 100.30	museum
255471	9/1/2019	5057475036	RICOH USA, INC	S/N C86111493 COURT 6/1-8/31/19	\$ 68.56	finance
255476	9/1/2019	5057474459	RICOH USA, INC	S/N C86138600 APD HALLWAY 6/1-8/31/19	\$ 31.44	apd
255477	9/1/2019	5057475008	RICOH USA, INC	S/N C86138599 APD FRONT OFFICE COPIES 8/1-8/31/19	\$ 25.08	apd
255482	9/2/2019	09022019	FIDALGO CLEANING	APD CLEANING & SUPPLIES	\$ 700.00	apd
255546	9/3/2019	LTAC 9/3/19	FIDALGO ISLAND ROTARY	LTAC SHIPWRECK DAY REIMBURSEMENT	\$ 1,000.00	plan
255543	9/4/2019	PRAHT-092019-2544	MUNICIPAL RESEARCH &	YATES - MRSC COMMUNICATIONS WEBINAR	\$ 35.00	legal
255544	9/4/2019	CCR-092019-2545	MUNICIPAL RESEARCH &	YATES - MRSC PUBIC RECORDS WEBINAR	\$ 35.00	legal

Total

\$836,161.19



City Council Contract Agenda Bill

Meeting Date: 9/9/2018 **Agenda Item:** 5c

Subject: Contract Modification – City Hall Remodel Project – Demolition and Construction 19-054-FAC-004

Staff Contact: Fred Buckenmeyer

Approved for Submittal to Council by:
Darcy Swetnam, City Attorney

Action Type: Contract Modification

Summary Statement: City staff seeks Council consent to issue a contract modification to Quantum Construction, Inc. in the amount of \$12,944.27, increasing the total contract price to \$51,680.27. During construction the Contractor was directed by the City to furnish and install an acrylic curved reception window as well as paint all walls effected by the work.

Background:

1. **Reason for Contract Change:** During construction the Contractor was directed by the City to furnish and install an acrylic curved reception window as well as paint all walls effected by the work. Several attempts were made to arrange for city crews to perform the painting portion of the work, but with time constraints it was beneficial to direct the Contractor to perform the work.
2. **History:** The City is in the process of building a municipal fiber network which required new personnel. In order for the new Municipal Fiber Department to have adequate office space it was necessary to remodel the Finance Department.
3. **Key Terms:** increase of \$12,944.27, completion date is extended to 9/30/19.
4. **Competitive Bidding:** In accordance with competitive bid requirements set forth under RCW 35.23.352 the project cost is under the competitive requirements for a multiple craft project and thus the Project Manager evaluated contractors and chose to contract with Quantum Construction, Inc.

Previous Council/Committee Action: N/A

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign a contract modification with Quantum Construction, Inc., under Contract 19-054-FAC-004, in the amount of \$12,944.27, increasing the total contract price to \$51,680.27.

Alternative Actions: N/A

Attachments: Contract 19-054-FAC-004 Modification 01

Consultant	Quantum Construction, Inc.
Original Agreement Amount	\$38,736.00
Current Agreement Amount	\$38,736.00
Change Per this Modification	\$12,944.27
Total After Modification	\$51,680.27
All Mods % of Total Contract Amount	33.41%
Earmarked Funds	\$1,050,000.00
BARS #	001.260.532.10.41
Paid on Contract as of 9/4/19	\$30,189.31
Budget Amendment Required?	No
Start Date	Notice to Proceed
End Date	9/30/19



**Contract Number 19-054-FAC-004
MODIFICATION 01**

Date September 10, 2019
Page 1 of 1 Pages

Project Title City Hall Remodel Project – Demolition and Construction
Prime Contractor Quantum Construction, Inc.

BACKGROUND

This modification is issued in accordance with Article 16, Changes/Additional Work. During construction the Contractor was directed by the City to furnish and install an acrylic curved reception window as well as paint all walls effected by the work. The Contract price will increase from \$38,736.00 by \$12,944.27 to \$51,680.27 to provide an equitable price adjustment in consideration of changes in Work as described below under Article 1.

Accordingly, the following changes are incorporated under this contract:

Article 1. Scope of Work, insert the following second paragraph:

“The work as described above is hereby amended per Modification 01. The Contractor shall furnish and install an acrylic curved reception window with open pass thru per the drawings. The acrylic will be installed with aluminum extrusions on each side, and the bottom will be siliconed directly to the countertop. The Contractor shall furnish and install paint wall finishes throughout the remodeled financial office, and associated walls effected by the work. Work includes the following:

- Apply two coats eggshell finish Acrylic latex. Benjamin Moore Ultra Spec 500.
- Prep and finish three new doors and frames.
- Prep, stain and finish reception counter

Article 2. Contract Price, the first sentence is revise to read:

“The Contractor will do the scope of work above for a total of **Fifty-One Thousand Six Hundred Eighty Dollars and Twenty-Seven Cents (\$51,680.27)**, which includes \$ 4,136.32 in 8.7% sales tax.

Article 4. Time of Completion, is revise to read:

“The Contractor shall complete the work by September 30, 2019.”

All other terms of the contract remain unchanged.

CITY OF ANACORTES

QUANTUM CONSTRUCTION, INC.

By _____
Laurie Gere, Mayor

By _____
Signature

Date _____

Date _____

Original Agreement Amount	<u>\$38,736.00</u>	Original Contract Completion Date	<u>8/31/19</u>
Current Agreement Amount	<u>\$38,736.00</u>	Current Contract Completion Date	<u>8/31/19</u>
Change Per this Modification	<u>\$12,944.27</u>	Net Change	<u>30 Days</u>
Total After Modification	<u>\$51,680.27</u>	Contract Completion Date After Change	<u>9/30/19</u>



City Council Agenda Bill

Meeting Date: 9/9/2019

Agenda Item: 5d

Subject: Telecommunications Franchise

Staff Contact: Darcy Swetnam

Approved for Submittal to Council by	
x	Laurie Gere, Mayor
x	Steve Hoglund, Finance Director
x	Darcy Swetnam, City Attorney

Action Type	
	Ordinance No.
	Code Revision?
	Resolution No.
x	Contract
	Public Hearing
	Staff Report

Summary Statement: A telecommunications franchise to allow City to run fiber in County right-of-way.

Background: The parties have negotiated the attached franchise agreement, which allows the City to use County right-of-way to run fiber to support the municipal broadband initiative.

Budget Impact	
Amount Budgeted	
Budget Account (BARS)	
Proposed Expenditure	
Budget Amendment Required?	
Revenue Source	

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: N/A

Competing Viewpoints Considered: N/A

Recommended Motion: I move we authorize the Mayor to execute the attached Telecommunications Franchise Agreement.

Alternative Actions: N/A

Attachments (listed in order presented): Proposed Telecommunications Franchise Agreement

TELECOMMUNICATIONS FRANCHISE AGREEMENT

This Telecommunications Franchise Agreement (“Agreement” or “Franchise”) is entered into in this ____ day of _____, 2019, by and between Skagit County, a political subdivision of the State of Washington hereinafter (the “County”) and the City of Anacortes, a Washington municipal corporation (herein “Grantee”). The County and Grantee may be individually referred to herein as “party”, and may be collectively referred to herein as the “parties.”

WHEREAS, Grantee has applied to the County for a non-exclusive franchise for the right of entry, use, and occupation of the public Rights-of-Way, as defined herein, expressly to construct operate, and maintain its facilities (Grantee Facilities, as defined herein) in those Rights-of-Way for purposes of offering and providing Network Services (including Telecommunications Service), as defined herein; and

WHEREAS, the 1934 Communications Act, as amended by the 1996 Telecommunications Act (“Telecommunications Act”) relating to telecommunications providers, recognizes and provides local government authority to manage the public rights of way and to require fair and reasonable compensation on a competitively neutral and nondiscriminatory basis; and

WHEREAS, the County is authorized by applicable law (including, but not limited to [RCW 36.55](#)) to grant one or more nonexclusive franchises for the construction, operation, and maintenance of telecommunications and similar facilities in the County.

WHEREAS, this franchise Agreement does not include, and is not a substitute for any other permit, agreement, or other authorization required by the County, including without limitation, permits required in connection with construction activities in public ways which must be administratively approved by the County after review of specific plans; and

WHEREAS, the Grantee operates a regional water system, which includes ownership of water lines and appurtenances throughout the County, including the Grantee’s service area and service areas of other regional customers. The Grantee currently owns water system infrastructure that, in part, lies within the Franchise Area, subject to the terms of a separate water utility system franchise agreement by and between the parties, dated October 5, 2010 (Skagit County Contract # C20100470), and said water utility system franchise agreement does not allow for the placement of fiber infrastructure by the Grantee (except for limited telemetry purposes); and

WHEREAS, the parties acknowledge that the Grantee is developing a municipal fiber system, which shall be used to provide essential services like medical services, basic utility services, and other key public amenities, using critical fiber infrastructure, including fiber in

Grantee's water lines and aerial fiber lines, located partially within the Franchise Area, as defined below; and

WHEREAS, following proper notice, the Skagit County Board of Commissioners held a public hearing on Grantee's request for a franchise, at which time representatives of Grantee and interested citizens were heard in a full public proceeding affording opportunity for comment by any and all persons desiring to be heard; and

WHEREAS, from information presented at such public hearing, and from facts and circumstances developed or discovered through independent study and investigation, the Skagit County Board of Commissioners now deems it appropriate and in the best interest of the County that a franchise be granted to Grantee.

NOW, THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the County and Grantee hereby agree as follows:

Section 1. Grant of Franchise - Right to Use Rights-of-Way in Franchise Area.

A. Pursuant to the laws of the State of Washington including, but not limited to, RCW 36.55, and subject to the terms and conditions stated herein, County hereby grants Grantee a franchise as set forth in this Agreement (herein the "Agreement" or "Franchise"), including without limitation general permission to enter, use and occupy the Rights-of-Way (as defined herein) within the Franchise Area (as defined herein).

B. Subject to the terms and conditions stated herein, Grantee is authorized to construct operate, and maintain Grantee Facilities, as defined herein, in the Rights-of-Way within the Franchise Area for the provision of Network Services within the Franchise Area. Grantee must install Grantee Facilities in a manner that minimizes interference with the use of the Rights-of-Way by others (including others that may be installing communications facilities). Grantee, through this Agreement, is granted the right to operate Grantee Facilities for purposes of providing Network Services using the County's Rights-of-Way within the Franchise Area in compliance with all applicable laws, rules, and regulations. The Grantee specifically agrees to comply with the provisions of County ordinances and all applicable County permits.

C. This Franchise does not authorize the use of the Franchise Area for any facilities or services other than for Grantee Facilities to be used to provide Network Services, and it extends no rights or privilege relative to any facilities or services of any type on private property within the County or outside of the Franchise Area.

D. This Franchise is non-exclusive and does not prohibit County from entering into other agreements, including other franchises, impacting the Franchise Area.

E. Except as explicitly set forth herein, this Franchise does not waive any rights that County has or may hereafter acquire with respect to the Franchise Area or any other County roads, Rights-of-Way, property, or any portions thereof. This Franchise shall be subject to the power of eminent domain, and in any proceeding under eminent domain, Grantee acknowledges its use of the Franchise Area shall have no value.

F. County reserves the right to change, regrade, relocate, abandon, or vacate any Right-of-Way within the Franchise Area.

G. Grantee agrees that its use of Franchise Area shall at all times be subordinated to and subject to County and the public's need for municipal infrastructure, travel, and access to the Franchise Area, except as may be otherwise required by law.

H. This Agreement does not alter, amend, or supersede the terms of the separate water utility system franchise agreement executed by and between the parties, dated October 5, 2010 (C20100470).

I. No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Agreement will not include or be a substitute for:

(1) Any other authorization required for the privilege of transacting and carrying on a business within the County that may be required by laws of the County;

(2) Any agreement or authorization required by the County for Rights-of-Way users in connection with operations on or in Rights-of-Way or public property including, by way of example and not limitation, applicable permits; or

(3) Any agreements for occupying any other property of the County or private entities to which access is not specifically granted by this Agreement including, without limitation, agreements for placing devices on poles, in conduits or in or on other structures.

J. This Agreement is intended to convey limited rights and interests only as to those Rights-of-Ways in which the County has an actual interest. It is not a warranty of title or interest in any Rights-of-Way; it does not provide the Grantee with any interest in any particular location within the Rights-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.

K. Grantee acknowledges that the physical condition of the Rights-of-Way is provided by the County in an "as is" condition. Grantee agrees that the County has never made any representations, implied or express warranties or guarantees as to the suitability, security or safety of Grantee's location of Grantee Facilities in public property or Rights-of-Way or possible hazards or dangers arising from other uses of the Rights-of-Way or other public property by the County or the general public.

Section 2. Notices.

A. Written notices to the parties shall be sent by certified mail to the following addresses, unless a different address shall be designated in writing and delivered to the other party. Each party shall maintain and file with the other an address for the delivery of notices and communications by mail. All notices and communications shall be sent to such respective address(es), and such shall be effective upon the date of mailing. At the effective date of this Agreement:

County: Skagit County
Attn: County Engineer
1800 Continental Place
Mount Vernon, WA 98273

With a copy to: Skagit County Prosecuting Attorneys' Office
Attn: Civil Division
605 South Third Street
Mount Vernon, WA 98273

Grantee: City of Anacortes
Attn: Public Works Director
P.O. Box 547
City Hall Municipal Building
904 6th Street
Anacortes, WA 98221

B. Any changes to the Grantee's contact information shall be sent to the County Engineer, with copies to the Skagit County Prosecuting Attorney's Office (Civil Division), referencing the title of this Agreement.

C. The Grantee's voice numbers shall be staffed at least during normal business hours, Pacific time zone.

Section 3. Term of Franchise.

A. The term of this Agreement shall be from the date of mutual execution (as specified in Section 5), and shall continue for ten (10) years thereafter, unless sooner terminated pursuant to the terms herein. The term of this Agreement may be extended for an additional ten (10) years upon mutual agreement of County and Grantee, by duly executed subsequent written amendment to this Agreement, and upon satisfaction of all procedures required by law.

Section 4. Definitions.

For the purpose of this Franchise the following terms, phrases, words, and their derivations will have the meanings given herein. Words not defined will have the meaning ascribed to those words in the Skagit County Code, or in the federal Communications Act of 1934 as amended, unless inconsistent herewith:

“Affiliate” means any Person who owns or controls, is owned by or controlled by, or is under common ownership or control with Grantee. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this Franchise, Grantee shall be responsible and liable for the actions and/or omissions of any Affiliate(s) of Grantee, and Grantee shall ensure compliance with all terms of this Franchise by Grantee’s Affiliates.

“Emergency” means a condition of imminent danger to the health, safety and welfare of persons or property located within County including, without limitation, damage to persons or property from natural or other phenomena such as storms, earthquakes, riots, acts of terrorism or wars.

“Franchise Area” means the County’s “Right-of-Way” within the jurisdictional boundaries of the County as now or hereafter constituted lying outside of any incorporated town or city, excluding all County recreational non-motorized trail right-of-way, and also excluding any County road right-of-way located on Indian Land as defined and provided by [25 CFR § 169](#), et seq., as may be served by Grantee as specified in this Franchise.

“Grantee Facilities” means, collectively, any and all facilities, equipment, or property installed, controlled, and/or owned by Grantee or Grantee’s Affiliates necessary or convenient for the provision of any Network Services offered by Grantee, including without limitation fiber optic communications facilities, telecommunications facilities, other cables (including, without limitation, coaxial and fiber optic), wire, radio, optical, electromagnetic or other similar types of equipment and related appurtenances including without limitation such conductors, ducts, conduits, vaults, manholes, amplifiers, pedestals, attachments and other property and equipment for purposes of Grantee providing Network Services.

“Information Service” has the same meaning as “Information service” as defined under [47 U.S.C. § 153\(24\)](#), as may be subsequently amended.

“Network Services” means the services provided by Grantee using Grantee Facilities pursuant to the terms of this Franchise, including without limitation Information Service, Telecommunications Service, Network Telephone Service, and Network Infrastructure Services, as defined herein, but not cable service as defined under [47 U.S.C. § 522](#).

"Network Telephone Service" has the same meaning as "Network telephone service" as defined under [RCW 82.16.010](#): the providing by any person of access to a telephone network, telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" includes the provision of transmission to and from the site of an internet provider via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" does not include the providing of competitive telephone service, the providing of cable service, the providing of broadcast services by radio or television stations, nor the provision of internet access as defined in [RCW 82.04.297](#), including the reception of dial-in connection, provided at the site of the internet service provider.

"Network Infrastructure Services" means dark fiber services provided by Grantee using Grantee Facilities in the Franchise Area.

"Person" means any individual, sole proprietorship, partnership, association, corporation or other form of organization authorized to do business in the State of Washington, and includes any natural person.

"Right-of-Way," pluralized "Rights-of-Way" means any County street, road, sidewalk, alley or other public County right of way under the jurisdiction and control of the County which has been acquired, established, dedicated or devoted to such purposes, but excluding all County recreational non-motorized trail right-of-way, and also excluding any County road right-of-way located on Indian Land as defined and provided by [25 CFR § 169](#)., et seq.

"Public Works Project" means any capital improvement, maintenance, and/or repair within the Franchise Area that is undertaken by the County (and/or by the County's contractors) and is funded by the County (either directly with its own funds or with other monies obtained by the County). For the avoidance of doubt, the term "Public Works Project" shall include any such capital improvement, maintenance, and/or repair undertaken by the County which requires the relocation of Grantee Facilities within the Franchise Area, even if such capital improvement, maintenance, and/or repair entails, in part, related work performed for a Third Party municipality or government under a valid interlocal agreement between the County and such Third Party municipality or government. The term "Public Works Project" shall not include, without limitation, any improvements, maintenance and/or repairs made or undertaken by or for the direct benefit of private (i.e. non-governmental) Third Party entities.

"State" means the State of Washington.

"Telecommunications Service" has the same meaning as "Telecommunications service" as defined under [47 U.S.C. § 153\(53\)](#), as may be subsequently amended.

"Third Party" means any person, party, or entity other than the County and Grantee.

Section 5. Acceptance of Franchise.

A. This Franchise, and any rights granted hereunder, shall not become effective for any purpose unless and until Grantee files with the Clerk of the Skagit County Board of Commissioners the duly executed Statement of Acceptance, attached hereto below (the “Franchise Acceptance”). The Franchise Acceptance shall be filed prior to or within thirty (30) days of execution of this Agreement by the Skagit County Board of Commissioners. The date that the Franchise Acceptance is filed with the Clerk of the Skagit County Board of Commissioners shall be the effective date of this Franchise.

B. Should Grantee fail to file the duly executed Franchise Acceptance with the Clerk of the Skagit County Board of Commissioners prior to or within thirty (30) days of execution of this Agreement by the Skagit County Board of Commissioners this Franchise will automatically terminate and shall be null and void.

Section 6. Construction and Maintenance.

A. Subject to applicable laws and this Agreement, Grantee shall perform all construction and maintenance necessary for the operation of Grantee Facilities in the Franchise Area. All work performed on Grantee Facilities shall, regardless of who performs the work (i.e., the Grantee, the Grantee’s agents and/or contractors, etc.), be and remain Grantee’s responsibility. Grantee shall apply for, and obtain, all permits necessary for construction and maintenance of Grantee Facilities and for excavating and laying any of Grantee Facilities within the Rights-of-Way. Grantee shall pay all applicable non-discriminatory fees upon issuance of the requisite permits by the County to Grantee.

B. Prior to beginning any construction, Grantee shall provide the County with a construction schedule for work in the Rights-of-Way. As a condition of any permit so issued, the County may impose such non-discriminatory conditions and regulations as are necessary for the purpose of protecting any structures in such Rights-of-Way, restoration of such Rights-of-Way and structures, protection of the public and the continuity of pedestrian or vehicular traffic.

C. In the event that Emergency repairs are necessary, Grantee shall immediately notify the County of the need for such repairs. Grantee may initiate such Emergency repairs and shall apply for appropriate permits within one (1) business day after discovery of the Emergency.

D. Whenever Grantee disturbs the surface of any Rights-of-Way for any purpose, Grantee shall promptly restore the Rights-of-Way to a condition reasonably comparable to the condition of the Rights-of-Way immediately prior to such disturbance, normal wear and tear excepted. When any opening is made by Grantee in a hard surface pavement in any Rights-of-Way, Grantee shall promptly refill the opening and restore the surface as required by the applicable permit.

E. If the Grantee fails to promptly restore the Rights-of-Way, the County may, after providing reasonable notice to Grantee, refill or repave any opening made by Grantee in the Rights-of-Way, and the reasonable expense thereof shall be paid by Grantee. The County may, after providing written notice of not less than ten (10) business days (or sooner if required by the public health, safety or welfare) to Grantee, repair any work done by Grantee that, in the determination of the County, does not conform to applicable County road standards and specifications. The reasonable cost thereof, including the costs of inspection and supervision, shall be paid by Grantee. All excavations made by Grantee in Rights-of-Way shall be properly safeguarded for the prevention of accidents. All of Grantee's work under this Agreement shall be done in compliance with all applicable rules, regulations and ordinances of the County.

F. Grantee Facilities shall be constructed and maintained in such a manner as not to interfere with sewers, storm water facilities, water pipes or any other property of the County, or with any other pipes, wires, conduits, pedestals, structures or other facilities that may have been laid in Rights-of-Way by, or under, the County's authority. The parties acknowledge that the Grantee may be installing Grantee Facilities within Grantee owned water lines and appurtenances thereto in accordance with this Agreement; provided, that the parties recognize and agree that this Agreement does not alter, amend, or supersede the terms of the separate water utility system franchise agreement executed by and between the parties, dated October 5, 2010 (C20100470).

G. Grantee shall provide and use any equipment necessary to control and carry Grantee's signals so as to prevent damage to the County's property or property belonging to any other Person. Grantee, at its own expense, shall repair, renew, change and improve Grantee Facilities to keep Grantee Facilities in good repair and a safe condition.

H. The Grantee Facilities shall be located, erected and maintained so as not to endanger or interfere with the lives of Persons, or to unnecessarily hinder or obstruct the free use of Rights-of-Way or other public property.

J. All work authorized and required hereunder shall be done by Grantee in a safe, thorough and workmanlike manner. The Grantee must comply with all federal, State and local safety requirements, rules, regulations, laws and practices, and use all necessary devices as required by applicable law during construction, operation and repair of Grantee Facilities. All installations of Grantee Facilities equipment shall be durable and installed in accordance with good engineering practices and of sufficient height to comply with all federal, State and local regulations, ordinances and laws.

K. On notice from the County that any work is being conducted by Grantee contrary to the provisions of this Agreement, or in an unsafe or dangerous manner, or in violation of the terms of any applicable permit, law, regulation, ordinance or standard, the work may immediately be stopped by the County. The stop work order shall:

- (A) Be in writing;
- (B) Be sent to Grantee by mail at the address given herein;
- (C) Indicate with reasonable particularity the nature of the alleged violation or unsafe condition; and
- (D) Establish conditions under which work may be resumed. The County shall reasonably cooperate with Grantee in resuming such work.

L. Grantee's contractors and subcontractors shall be licensed and bonded in accordance with local ordinances, regulations and requirements. Work by Grantee's contractors and subcontractors shall be subject to the same restrictions, limitations and conditions as if the work were performed by Grantee. Grantee shall be responsible for all work performed by its contractors and subcontractors and others performing work on Grantee's behalf, and shall ensure that all such work is performed in compliance with this Agreement and other applicable law, and shall be jointly and severally liable for all damages caused by them. It is Grantee's responsibility to ensure that contractors, subcontractors or other Persons performing work on Grantee's behalf are familiar with the requirements of this Agreement and other applicable laws governing the work performed by them.

M. Grantee and the County shall each exercise all reasonable efforts to coordinate any construction work that either may undertake within the Franchise Area so as to promote the orderly and expeditious performance and completion of such work as a whole. Such efforts shall include, at a minimum, reasonable and diligent efforts to keep the other party and utilities within the Franchise Area informed of its intent to undertake such construction work. Grantee and the County shall further exercise reasonable efforts to minimize any delay or hindrance to any construction work undertaken by themselves or others within the Franchise Area.

Section 7. Grantee Information.

A. Grantee agrees to supply, at no cost to County, any information reasonably requested by the County to coordinate municipal functions with Grantee's activities and fulfill any municipal obligations under State law. Said information shall include, at a minimum (but is not limited to), as-built drawings of Grantee Facilities, installation inventory, and maps and plans showing the location of existing or planned facilities within County. Said information may be requested either in hard copy and/or electronic format, if reasonably possible in a format compatible with County's database system, as now or hereinafter existing, including County's geographic information Service (GIS) data base. Grantee shall use its commercially reasonable efforts to keep the County informed of its long-range plans for coordination with County's long-range plans.

B. Upon the County's written request, Grantee shall provide to the County copies of any plans prepared by Grantee for initial installation, improvements, relocations and conversions to its Grantee Facilities within the Franchise Area; provided, however, any such plans so submitted shall be for informational purposes only and shall not obligate Grantee to undertake any specific improvements within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.

C. Upon the County's written request, Grantee shall provide to the County copies of available drawings in use by Grantee showing the location of Grantee Facilities at specific locations within the Franchise Area. As to any such drawings so provided, Grantee does not warrant the accuracy thereof and, to the extent the locations of facilities are shown, such facilities are shown in their approximate location.

D. Subject to the provisions of this Agreement and applicable law, the County shall have access to, and the right to inspect, any books and records of Grantee and its Affiliates that are reasonably related to the enforcement of the provisions of this Agreement. Such review shall be at the Grantee's local office in Skagit County during normal business hours and on a non-disruptive basis following written notice of not less than ten (10) business days. Such notice shall specifically reference the Section or subsection of the Agreement that is under review so that the Grantee may organize the necessary books and records for easy access by the County. Grantee shall not deny the County access to any of Grantee's records on the basis that Grantee's records are under the control of any Affiliate. The County may, in writing, request copies of any such records or books, and Grantee shall provide such copies within thirty (30) days of the receipt of such request. One copy of all reports and records required under this or any other subsection shall be furnished to the County at the sole expense of Grantee. If the requested books and records are too voluminous, or for security reasons cannot be copied or removed, then Grantee may request, in writing within ten (10) days of receipt of such request, that the County inspect them at Grantee's local offices in Skagit County. If any books or records of Grantee are not kept in a local office and not made available in copies to the County upon written request as set forth above, and if the County reasonably determines that an examination of such records is necessary for the enforcement of this Agreement, then all reasonable County travel expenses incurred in making such examination shall be paid by Grantee.

E. It shall be Grantee's responsibility to mark all proprietary documents as "Confidential" as may be allowed under [RCW 42.56](#). If possible, the County shall reasonably attempt to provide Grantee with up to thirty (30) days written notice when a third party requests access to documents to which Grantee reasonably asserts are "confidential" or exempt from disclosure per RCW 42.56, or any other provision of Washington law that exempts documents from disclosure pursuant to the Public Records Act (RCW 42.56). Upon receiving such written notice, Grantee may then seek a protective order, and if Grantee does not do so within thirty (30) days, then the County may release the documents.

F. Grantee expressly acknowledges and agrees that all and/or parts of any and all documents, materials, drawings, data, mapping and other information received by the County

from Grantee may be subject to public disclosure, pursuant to State law (including, RCW 42.56). While the County may take reasonable steps to attempt to prevent the disclosure of documents, materials, drawings, information, and/or materials that the County believes to be confidential, the County cannot and does not represent and/or guarantee that any specific documents, materials, drawings and/or information will not be released, even if the release of such documents, materials, drawings and/or information may be (or may arguably be) exempt or otherwise preventable by law, and Grantee hereby releases and holds the County harmless from any damages incurred by Grantee resulting from the release or disclosure of any documents, materials, drawings and/or information.

Section 8. Location and Relocation of Grantee Facilities.

A. Whenever the County causes the construction of any Public Works Project within the Franchise Area and such construction necessitates the relocation of Grantee's facilities from their existing location within the Franchise Area, such relocation shall be accomplished by Grantee at no cost, expense, or liability to the County, and within timeframes specified by the County. The County will treat all similarly situated providers in a comparable manner. Such alternate location for relocation of Grantee's facilities shall be determined and approved by the County, such approval not to be unreasonably withheld, delayed or conditioned, and, if necessary, shall be obtained and provided by Grantee, at no cost to the County. To the maximum extent provided by law, Grantee is responsible and liable for the timely performance of any reasonable request by the County for the relocation of any and all facilities located within the Franchise Area (to facilitate any Public Works Project) unless a delay in this performance is caused by the acts or omissions of the County, and Grantee further agrees (to the maximum extent permitted by law) to be liable and responsible for costs, expenses, and/or damages suffered by the County directly arising from and/or directly related to any delay caused by Grantee in such a relocation of the Facilities within the Franchise Area pursuant to the terms of this subsection.

B. In the event an Emergency posing a threat to public safety or welfare requires the relocation of Grantee's facilities within the Franchise Area, the County shall give Grantee notice of the Emergency as soon as reasonably practicable. Upon receipt of such notice from the County, Grantee shall endeavor to respond as soon as reasonably practicable to relocate the affected facilities.

C. Whenever any third party requires and requests the relocation of Grantee's facilities to accommodate work of such third party within the Franchise Area, Grantee shall have the right as a condition of any such relocation to require payment in advance by the third party to Grantee, at a time and upon terms acceptable to Grantee, for any and all costs and expenses incurred by Grantee in the relocation of Grantee's facilities.

D. Any condition or requirement imposed by the County upon any third party (including, but not limited to, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits obtained pursuant to any zoning, land use, construction or other development regulation) which requires the relocation of Grantee's facilities within the

Franchise Area shall be a condition or requirement causing relocation of Grantee's facilities to occur subject to the provisions of subsection (C) above; provided, however, in the event the County reasonably determines and notifies Grantee that the primary purpose of imposing such condition or requirement upon such third party is to cause or facilitate the construction of a Public Works Project to be undertaken within a segment of the Franchise Area on the County's behalf, then Grantee shall otherwise relocate its facilities within such segment of the Franchise Area in accordance with this Agreement, and such relocation shall be accomplished by Grantee at no cost or expense to the County.

E. As to any relocation of Grantee's facilities whereby the cost and expense thereof is to be borne by Grantee in accordance with this Agreement, Grantee may, after receipt of written notice requesting such relocation, submit in writing to the County alternatives to relocation of its facilities. Upon the County's receipt from Grantee of such written alternatives, the County shall timely evaluate such alternatives and shall advise Grantee in writing (at the County's reasonable option and discretion) if one or more of such alternatives are suitable to accommodate the work which would otherwise necessitate relocation of Grantee's facilities. In the event the County reasonably determines that such alternatives are not appropriate, Grantee shall relocate its facilities as otherwise provided in this Agreement.

F. Nothing in this subsection shall require Grantee to bear any cost or expense in connection with the relocation of any facilities under benefit of private easement or other rights not arising under this Agreement, nor shall anything in this subsection require the County to bear any such cost or expense. Nothing in this subsection shall be construed to be a waiver of any right of either Grantee or the County to contest any claim or assertion by the other of responsibility to pay such cost or expense.

G. All survey monuments which are disturbed or displaced by Grantee in its performance of any work under this Agreement shall be referenced and restored by Grantee, as per [WAC 332-120](#), as from time to time amended, and all pertinent federal, State, and local laws. Grantee agrees that should any of its actions under this Franchise materially impair or damage any County property, survey monument, or property owned by a third-party, Grantee will restore, at its own cost and expense, said property to a safe condition. Such repair work shall be performed and completed to the reasonable satisfaction of the County.

H. Upon the County's reasonable written request, in connection with the design of any Public Works Project, Grantee shall verify the location of its underground facilities within the Franchise Area by excavating (e.g., potholing) at no expense to the County, and within timeframes specified by the County. In the event Grantee performs such excavation, Grantee's restoration of the disturbed area shall be substantially to the same condition as existed immediately prior to the excavation.

I. Nothing in this subsection is intended (or shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of Grantee Facilities. Grantee shall identify, mark, and otherwise locate

any and all underground Grantee Facilities located within the Franchise Area in accordance with and subject to [RCW 19.122](#) (commonly known as the “call before you dig” law), and/or any other such subsequent and/or successor legislation. Grantee agrees (to the maximum extent permitted by law) to be liable and responsible for any and all costs, expenses, and/or damages suffered by the County directly arising from any delay associated with Grantee’s failure to locate underground Grantee Facilities within the Franchise Area within the timeframes specified by RCW 19.122 (and/or any other subsequent and/or successor legislation), and/or otherwise pursuant to the terms of this subsection.

J. The parties acknowledge that the Grantee may be installing Grantee Facilities within Grantee owned water lines and appurtenances thereto in accordance with this Agreement; provided, that the parties recognize and agree that this Agreement does not alter, amend, or supersede the terms of the separate water utility system franchise agreement executed by and between the parties, dated October 5, 2010 (C20100470).

Section 9. Abandonment or Removal of Grantee Facilities.

In the event Grantee permanently ceases use of any of Grantee Facilities within the Franchise Area, Grantee shall within one hundred eighty (180) days (or within such additional time as is agreed to in writing between the parties after such permanent cessation of use), remove such Grantee Facilities at the sole cost and expense of Grantee; provided that with the express written consent of the County, Grantee may leave such Grantee Facilities in place subject to the conditions set forth in this Section. Any such facilities to be left in place shall be made inert by disconnecting such Grantee Facilities, all in compliance with applicable laws, regulations and industry standards. The County’s consent shall not relieve Grantee of the obligation and/or costs to subsequently remove or alter such Grantee Facilities in the event the County reasonably determines that such removal or alteration is necessary or advisable for the health and safety of the public, in which case Grantee shall perform such work at no cost to the County. The obligations contained in this Section shall survive the expiration, revocation, or termination of this Agreement.

Section 10. Undergrounding and Excavations.

A. The parties agree that this Franchise does not limit County’s authority under federal law, State law, or local ordinance, to require the undergrounding of utilities. Undergrounding of Grantee Facilities may include placement of Grantee Facilities within water lines owned by Grantee located within the Franchise Area, subject to the terms of this Agreement and applicable law, and subject to approval by the County.

B. Whenever County requires the undergrounding of aerial utilities in the Franchise Area, Grantee shall underground Grantee Facilities in the manner specified by the County Engineer at no expense or liability to County. Where other utilities are present and involved in the undergrounding project, Grantee shall be required to pay only its fair share of common costs borne by all utilities, in addition to the costs specifically attributable to the undergrounding of

Grantee Facilities. Common costs shall include necessary costs for common trenching and utility vaults. Fair share shall be determined in comparison to the total number and size of all other utility facilities being undergrounded. The Grantee shall participate with other providers in joint trench projects to relocate its overhead facilities underground and remove its overhead facilities in areas where utilities are being converted to underground facilities.

C. If, at any time or from time to time, either Grantee or the County shall cause excavations to be made within the Franchise Area, the party causing such excavation to be made shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation, provided that: (1) such joint use shall not unreasonably delay the work of the party causing the excavation to be made; and (2) such joint use shall be arranged and accomplished on terms and conditions reasonably satisfactory to both parties.

D. To the extent it is technically and economically feasible, Grantee shall joint trench or share bores or cuts and work with other providers (such as, but not limited to, cable, gas and electric companies), licensees, permittees and franchisees so as to reduce the number of Right-of-Way cuts within the County.

Section 11. Indemnification and Hold Harmless.

A. Grantee shall indemnify, defend and hold the County, its appointed and elected officials, agents, officers, employees, and volunteers harmless from and against any and all claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees, on account of injury, harm, death or damage to persons or property which is caused by, in whole, or in part, and then only to the extent of the negligent acts or omissions of, Grantee or its agents, servants, employees, contractors, or subcontractors, in the exercise of the rights granted to Grantee by this Agreement. Provided, however, such indemnification shall not extend to that portion of any claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees caused by the sole negligence of the County, its appointed and elected officials, agents, officers, employees, and volunteers. In the case of contributory negligence of both parties, the Grantee's indemnification obligation shall remain for its percentage portion of the contributory negligence, and the County shall be responsible for its percentage portion of the contributory negligence.

B. Grantee shall indemnify, defend and hold the County, its appointed and elected officials, agents, officers, employees, and volunteers harmless from and against any and all claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees, on account of violation of any environmental laws directly resulting from the use, operation, or maintenance of Grantee Facilities, or from any release of hazardous substances on or from Grantee Facilities. This indemnity includes, but is not limited to: (a) liability for a governmental agency's costs of removal or remedial action for hazardous substances; (b) damages to natural resources caused by hazardous substances, including the reasonable costs of assessing such damages; (c) liability for any other person's costs of responding to hazardous

substances; and (d) liability for any costs of investigation, abatement, correction, cleanup, fines, penalties, or other damages arising under any environmental laws.

C. It is further specifically and expressly understood that, solely to the extent required to enforce the indemnification provided herein, Grantee waives its immunity under RCW Title 51; provided, however, the foregoing waiver shall not in any way preclude Grantee from raising such immunity as a defense against any claim brought against Grantee by any of its employees. This waiver has been mutually negotiated by the parties.

D. In the event any matter (for which the County intends to assert its rights under this subsection) is presented to or filed with the County, the County shall promptly notify Grantee thereof, and Grantee shall have the right, at its election and at its sole costs and expense, to settle and compromise such matter as it pertains to Grantee's responsibility to indemnify, defend and hold harmless the County, its appointed and elected officials, agents, officers, employees, and volunteers. In the event any suit or action is started against the County based upon any such matter, the County shall likewise promptly notify Grantee thereof, and Grantee shall have the right, at its election and at its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election, as it pertains to Grantee's responsibility to indemnify, defend and hold harmless the County, its appointed and elected officials, agents, officers, employees, and volunteers.

E. Acceptance by the County of any work performed by Grantee under this Agreement shall not be grounds for avoidance of this Section.

F. Grantee shall at its own cost, expense, and liability, comply with all applicable laws, statutes, rules, and regulations concerning a release of Hazardous Substances by Grantee directly arising from or directly relating to Grantee Facilities. "Hazardous Substances" shall mean any material or substance which causes environmental pollution or contamination (and associated liability and clean-up costs related thereto) as defined under applicable state and federal laws, rules, and regulations, specifically including, but not necessarily limited to, pollutants or substances now or hereafter defined as "hazardous waste", "hazardous substances", "hazardous materials", "pollutants", "contaminates", or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986 (PL 99-499); the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 15 U.S.C. Section 2601, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 1601, et seq.; the Clean Water Act, 33 U.S.C. Section 1251, et seq.; the Washington State Environmental Policy Act, RCW 90.48.010, et seq.; the Water Pollution Control Act, RCW 90.48.010, et seq.; the Hazardous Waste Management Statute, RCW 90.105, et seq.; the Toxic Substance Control Act, RCW 70.105C, et seq.; and the Model Toxics Control Act, RCW 70.105C, et seq.; and in the rules or regulations adopted and guidelines promulgated pursuant to said laws. Grantee shall be solely and separately liable and responsible for the containment, remediation and/or clean-up of any release of Hazardous Substances caused by Grantee directly arising from or directly relating to

Grantee Facilities. Grantee shall indemnify, defend and hold the County harmless from any fines, suits, procedures, claims, costs, damages, expenses, and actions of any kind arising out of or in any way connected with any release(s) of Hazardous Substances caused by Grantee directly arising from or directly relating to Grantee Facilities. This indemnity includes, but is not limited to: (a) liability for a governmental agency's costs of removal or remedial action for Hazardous Substances; (b) damages to natural resources caused by Hazardous Substances, including the reasonable costs of assessing such damages; (c) liability for the County's costs of responding to Hazardous Substances; and (d) liability for any costs of investigation, abatement, mitigation, correction, remediation, cleanup, fines, penalties, or other damages arising under any environmental laws.

G. The County specifically does not, by any provision of this Agreement, waive any right, immunity, limitation or protection otherwise available to the County, its elected officials, officers, boards, commissions, agents or employees under federal, State, or local law.

Section 12. Insurance.

A. Grantee shall procure and maintain for the duration of this Agreement, insurance, membership in a self-insured municipal risk pool or provide self-insurance, against all claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to Grantee, its agents, representatives or employees. Grantee shall provide evidence of its coverage with a self-insured municipal risk pool that names the County, its officers, elected officials, agents, employees, representatives, engineers, consultants and volunteers as additional insureds, to the County prior to the commencement of any work or installation of any Grantee Facilities pursuant to this Agreement. Such evidence of coverage and/or insurance certificate shall evidence the following minimum coverages. All required insurance shall be obtained from a self-insured municipal risk pool and/or insurance companies rated "A-" or better in "A.M. Best's Insurance Guide," or an equivalent rating by similar rating agencies, and shall be from insurers authorized to transact business in the State. In no event shall the limits of any insurance policies be construed as limiting the liability of Grantee.

(1) Comprehensive general/excess liability insurance including coverage for premises - operations, explosions and collapse hazard, underground hazard and products completed hazard, with limits not less than:

- (a) \$3,000,000 (three million dollars) per occurrence and in the aggregate for bodily injury or death to each person;
- (b) \$3,000,000 (three million dollars) for property damage resulting from any one accident; and
- (c) \$3,000,000 (three million dollars) for general liability

(2) Automobile liability for owned, non-owned and hired vehicles with a limit of \$1,000,000 (one million dollars) for each person and \$1,000,000 (one million dollars) for each accident;

(3) Worker's compensation within statutory limits and employer's liability insurance with limits of not less than \$2,000,000 (two million dollars);

If coverage is purchased on a "claims made" basis, then Grantee shall warrant continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of termination of this Agreement, and/or conversion from a "claims made" form to an "occurrence" coverage form. The required liability limits may be met under a primary or an excess policy, or any combination thereof.

(B) Any deductibles or self-insured retentions must be declared to the County, if requested by the County. Payment of deductibles and self-insured retentions shall be the sole responsibility of Grantee. The insurance certificate required by this subsection shall contain a clause stating that coverage shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(C) Grantee's insurance shall be primary insurance with respect to the County, its officers, officials, employees, agents, consultants, and volunteers. Any insurance maintained by the County, its officers, officials, employees, consultants, agents, and volunteers shall be in excess of Grantee's insurance and shall not contribute with it. Upon request by the County, a Certificate of Insurance (in a form acceptable to the County) shall be provided by Grantee.

(D) In addition to the coverage requirements set forth in this subsection, the certificate of insurance shall provide that:

"The above described policies will not be canceled before the expiration date thereof, without the issuing company giving sixty (60) days written notice to the certificate holder."

In the event of said cancellation or intent not to renew, Grantee shall obtain and furnish to the County evidence of replacement insurance policies meeting the requirements of this subsection by the cancellation date.

Section 13. Security for Performance.

A. Prior to commencing any work in the Franchise Area, the County may require Grantee (at Grantee's expense) to post appropriate bond(s) in a form and amount satisfactory to the County (as may be reasonably determined by the County) to ensure satisfactory restoration of the Franchise Area following the completion of Grantee's work therein. In lieu of separate bonds for routine individual projects involving work in the Franchise Area, Grantee may instead

satisfy the County's bond requirements (at the discretion of the County) by posting a single on-going performance bond in the amount of fifty thousand dollars (\$50,000) to ensure satisfactory restoration of the Franchise Area following the completion of Grantee's work therein, and such bond shall be in effect and ongoing for the term of this Agreement. Any bond(s) that may be required by the County shall be in a form reasonably acceptable to the County's Risk Manager.

Section 14. Vacation of Rights of Way.

A. If any Rights-of-Way or portion thereof used by Grantee are vacated by the County during the term of this Agreement, unless the County specifically reserves to Grantee an easement (for the right to continue use of portion[s] of vacated Rights-of-Way), Grantee shall, without delay or expense to the County, remove Grantee Facilities from such Rights-of-Way and restore, repair or reconstruct the Rights-of-Way where such removal has occurred. In the event of failure, neglect or refusal of Grantee to restore, repair or reconstruct such Rights-of-Way after sixty (60) days written notice from the County, the County may do such work or cause it to be done, and the County's reasonable costs thereof shall be paid by Grantee within thirty (30) days of receipt of an invoice and documentation.

B. Prior to incorporation of any of the County roads and/or Rights-of-Way by any city or town, the County may (but shall not be required to) grant to Grantee an easement sufficient in size for the existing Facilities contained in the incorporated road and/or Right-of-Way.

Section 15. Construction and Use of Poles and Towers.

A. Grantee shall attach Grantee Facilities to existing poles to the extent reasonably possible when the installation of Grantee Facilities above-ground is permitted. In the event Grantee cannot obtain the necessary poles pursuant to a pole attachment agreement, and only in such event, then, subject to obtaining the County's prior written consent (such consent not to be unreasonably withheld), it shall be lawful for Grantee to make all necessary excavations in the County's road right-of-way for the purpose of placing, erecting, maintaining, repairing and removing poles needed for the maintenance or extension of Grantee Facilities. The County shall not be responsible or liable for the unavailability of any utility poles and/or structures owned by the County and/or third parties. The County shall have the right to require Grantee to change the location of any pole within Rights-of-Way when, in the reasonable opinion of the County, the public health, safety or welfare requires such change, and the expense thereof shall be paid by Grantee.

B. Antenna supporting structures ("Towers") shall be designed for proper loading as applicable industry standards may require (as may be amended from time to time). Towers shall be painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration and all other applicable federal, State or local codes or regulations.

Section 16. Vegetation Management.

A. As between the parties, Grantee shall be responsible and/or liable for the maintenance of vegetation that may affect or impair Grantee Facilities within the Franchise Area. Trees within the Franchise Area which unreasonably interfere with facilities may be trimmed or removed. Grantee shall otherwise coordinate its routine vegetation management activities with the County and may trim vegetation in close proximity to its facilities within the Franchise Area in compliance with all federal and State laws and all applicable County ordinances, regulations, resolutions, policies and rules. Trimming and removal of vegetation within the Franchise Area shall be performed by Grantee using industry standards and practices.

B. At the written request of the County, Grantee shall, in coordination with County staff, identify vegetation species appropriate for location in proximity to Grantee's facilities and shall cooperatively act with the County to promote the use of such identified species in proximity to the facilities.

C. Nothing in this Agreement shall impair the County's ability to perform vegetation management activities within the Franchise Area, as the County may determine to be useful or necessary to serve and protect the public interest and welfare; provided that nothing in this Agreement shall create or impose any duty or obligation on the part of the County to perform any vegetation management activities within the Franchise Area.

Section 17. Inspection of Facilities.

A. The County may inspect any of Grantee Facilities and equipment located in the Rights-of-Way or on other public property at any reasonable time during business hours upon at least twenty-four (24) hours notice, or, in case of an Emergency, upon demand without prior notice. If an unsafe condition is found to exist, the County, in addition to taking any other action permitted under applicable law, may order Grantee to make the necessary repairs and alterations specified therein and correct the unsafe condition within the time specified by the County. The County has the right to correct, inspect, administer and repair the unsafe condition if Grantee fails to do so within the time specified and to charge Grantee for the County's cost incurred therefor. In such event, the County shall not be liable for any damage to any portion of Grantee Facilities.

B. The parties acknowledge that the Grantee may be installing Grantee Facilities within Grantee owned water lines and appurtenances thereto in accordance with this Agreement; provided, that the parties recognize and agree that this Agreement does not alter, amend, or supersede the terms of the separate water utility system franchise agreement executed by and between the parties, dated October 5, 2010 (C20100470).

Section 18. Successors and Assignees.

A. Except to an Affiliate of Grantee, this Agreement and the Grantee Facilities shall not be assigned, transferred, sold, or disposed of, in whole or in part, by voluntary sale, sale and leaseback, merger, consolidation, exchange of stock, by provision of a management agreement, or otherwise, or by forced or involuntary sale, without the prior written consent of the County and then only under such conditions as the County may prescribe consistent with state and federal law. All the provisions, conditions, regulations and requirements herein contained shall be binding upon the successors, assigns of, and independent contractors of Grantee, and all rights and privileges, as well as all obligations and liabilities of Grantee shall inure to its successors, assignees and contractors equally as if they were specifically mentioned herein wherever Grantee is mentioned.

B. This Franchise shall not be leased, assigned or otherwise alienated, except to an Affiliate of Grantee, without the express consent of County by resolution of the Board of Commissioners, which approval shall not be unreasonably withheld.

C. Grantee and any proposed assignee or transferee shall provide and certify the following to County not less than one hundred and twenty (120) days prior to the proposed date of transfer: (a) complete information setting forth the nature, term and conditions of the proposed assignment or transfer; (b) all information required by County of an applicant for a Franchise with respect to the proposed assignee or transferee; and, (c) a transfer application fee which shall be set by County, plus any other costs actually and reasonably incurred by County in processing, and investigating the proposed assignment or transfer. A transferee, new controlling party and the Grantee requesting a transfer of this Agreement shall be responsible for a transfer application fee in an amount of one thousand five hundred dollars (\$1,500).

D. Prior to County's consideration of a request by Grantee to consent to a Franchise assignment or transfer, the proposed assignee or transferee shall file with County a written promise to unconditionally accept all terms of this Franchise, effective upon such transfer or assignment of this Franchise. County is under no obligation to undertake any investigation of the transferor's state of compliance and failure of County to insist on full compliance prior to transfer does not waive any right to insist on full compliance thereafter. The County may request any information it deems reasonable to evaluate the financial, technical and legal qualifications of the proposed transferee or new controlling party. Grantee, the proposed transferee and new controlling party shall provide the information requested by the County in a timely manner.

E. The approval of a sale, transfer or change in control in one instance shall not render unnecessary approval of any subsequent sale, transfer or change in control. Approval of a sale, transfer or change in control by the County does not constitute a waiver or release by the County of its rights under this Agreement or applicable law.

Section 19. Dispute Resolution.

A. The parties recognize that cooperation and communication are essential to resolving issues quickly and efficiently. If any dispute arises in regard to the material terms or

conditions of this Agreement, then the parties shall meet and engage in good faith discussions with the objective of settling the dispute within ten (10) business days after either party requests such a meeting. If the parties cannot resolve the dispute within such ten (10) business day period, the parties will, upon the written request of either party and written notice to the other party of the disputed material term of the Agreement, seek to resolve the dispute in accordance with the following dispute resolution process:

Level One – A representative from Grantee and the County Engineer shall meet to discuss and attempt to resolve the dispute in a timely manner. If these representatives cannot resolve the dispute within ten (10) business days after referral of the dispute to Level One, either party may by written notice to the other party refer the dispute to Level Two.

Level Two – In the event either party properly refers the dispute to Level Two, a new Grantee representative and a new County representative shall meet to discuss and attempt to resolve the dispute in a timely manner. If these representatives cannot resolve the dispute within ten (10) business days after referral of the dispute to Level Two, either party may by written notice to the other party refer the dispute to Level Three.

Level Three – In the event either party properly refers the dispute to Level Three, the parties shall refer the dispute to mediation using a mediator mutually agreeable to the parties. If mediation does not resolve the dispute within ten (10) business days after referral of the dispute to Level Three, either party may by written notice to the other party refer the dispute to Level Four.

Level Four – In the event either party properly refers the dispute to Level Four or the dispute is not resolved at Level Three within ten (10) business days after referral of that dispute to Level Three, either party may seek resolution of the dispute through litigation or other judicial proceedings in Skagit County Superior Court.

B. Nothing in this Section 19 (or any other provision of this Agreement) shall be deemed to otherwise bar the right of the County or Grantee to seek or obtain judicial relief from a violation of any term or provision of this Agreement via the commencement of litigation or other judicial proceedings or request injunctive or other equitable relief necessary to prevent irreparable harm, but in such event the parties may (except as may be prohibited by judicial order) nevertheless continue to follow the procedures set forth in Section 19. Further, the dispute resolution timeframes specified within this Section 19 shall not alter or impair Grantee's duty to relocate Facilities within the Franchise Area pursuant to the terms of Section 8 of this Agreement, and shall not alter or impair Grantee's duty to locate underground Facilities within the Franchise Area pursuant to the terms of Section 8 or Section 10 of this Agreement. Neither the existence of other remedies identified in this Agreement (including the Dispute Resolution procedures provided within this Section 19) nor the exercise thereof shall be deemed to bar or otherwise limit the right of the County or Grantee to recover monetary damages for such violations by the other party, or to seek and obtain judicial enforcement of the other party's

obligations by means of specific performance, injunctive relief or mandate, or any other remedy at law or in equity.

Section 20. Enforcement and Remedies.

A. Subject to the dispute resolution provisions of this Agreement, if Grantee shall fail to comply with a material provision of this Agreement, the County may serve upon Grantee a written order to so comply within thirty (30) days from the date such order is received by Grantee. If Grantee is not in compliance with this Agreement after expiration of said thirty (30) day period, the County may, by resolution of the Board of Commissioners, declare an immediate forfeiture of this Agreement.

B. The County and Grantee shall, as may be reasonably practicable, continue to perform their respective obligations under this Agreement while a dispute is pending.

C. Should County determine that Grantee is acting beyond the scope of permission granted herein for Grantee Facilities and Network Services, County reserves the right to cancel this Franchise and require Grantee to apply for, obtain, and comply with all applicable County permits, franchises, or other County permissions for such actions, and if Grantee's actions are not allowed under applicable federal and state or County laws, to compel Grantee to cease such actions.

Section 21. Compliance with Laws and Regulations.

A. This Franchise is subject to, and Grantee shall comply with all applicable federal and state and/or County laws, regulations and policies (including all applicable elements of County's comprehensive plan), in conformance with federal laws and regulations, affecting performance under this Franchise. Furthermore, notwithstanding any other terms hereof to the contrary, Grantee shall be subject to the police power of County to adopt and enforce general ordinances necessary to protect the safety and welfare of the general public in relation to the rights granted in the Franchise Area.

B. County reserves the right at any time to amend this Franchise to conform to any hereafter enacted, amended, or adopted federal or state statute or regulation relating to the public health, safety, and welfare, or relating to roadway regulation, or a County Ordinance enacted pursuant to such federal or state statute or regulation upon providing Grantee with thirty (30) days written notice of its action setting forth the full text of the amendment and identifying the statute, regulation, or ordinance requiring the amendment. Said amendment shall become automatically effective upon expiration of the notice period unless, before expiration of that period, Grantee makes a written call for negotiations over the terms of the amendment. If the parties do not reach agreement as to the terms of the amendment within thirty (30) days of the call for negotiations, the dispute shall be addressed by the parties following the procedures as provided per the terms of this Agreement, including Section 19.

Section 22. Consideration.

A. As consideration for this Franchise, Grantee contractually agrees to pay the County franchise fees in the reasonable amount of six percent (6%) on gross revenues derived from Grantee's provision of leasing dark fiber to Third Party businesses or other Third Party customers and for Network Telephone Service, Telecommunications Service, and Network Infrastructure Services utilizing the Grantee Facilities in the Franchise Area, net of bad debt or other uncollectable amounts. The parties intend that this franchise fee obligation be construed to cover and include all of Grantee's gross revenues from services that are derived from Grantee Facilities in the County except for Information Services and cable service.

B. Grantee's franchise fee payments to the County shall be computed quarterly for the preceding calendar quarter ending March 31, June 30, September 30 and December 31. Each quarterly payment shall be due and payable no later than forty-five (45) days after said dates. Payments shall be made to the Clerk of the Board of County Commissioners at 1800 Continental Place, Mount Vernon, WA 98273, unless otherwise specified by the County in writing.

C. No acceptance of any payment shall be construed as an accord by the County that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the County may have for further or additional sums payable or for the performance of any other obligation of Grantee.

D. Each payment shall be accompanied by a written report to the County verified by an authorized representative of Grantee, containing an accurate statement in summarized form, as well as in reasonable detail, of Grantee's gross revenues and the computation of the payment amount. Grantee shall, no later than sixty (60) days after the end of each calendar year, furnish to the County a statement of gross revenues and all payments, deductions and computations for the year just ended. Such statement shall be reviewed and approved by an authorized representative of Grantee prior to submission to the County.

E. During the term of this Agreement, and for a period of one (1) year thereafter, the County may retain (on a non-contingent fee basis) an independent auditor to review and audit Grantee's relevant records to confirm the performance of payment obligations under this Agreement upon thirty (30) days prior written notice. Each party shall provide a list of two (2) auditors, one of whom thereafter must be mutually agreed to by the parties. Such audit shall: (a) be subject to Grantee's reasonable security and confidentiality requirements; (b) occur no more than once per year and not during the first or last three (3) weeks of a calendar quarter; and (c) transpire during Grantee's normal business hours. If the audit shows an underpayment to the County for any period of time, then Grantee shall, within thirty (30) days after completion of such audit, pay such underpaid amounts to the County. If the audit shows an overpayment to the County for any period of time, then the County shall, within thirty (30) days after completion of such audit, pay such overpaid amounts to Grantee. Any underpayment or overpayment will also include interest at the maximum allowed rate provided under State law, calculated from the

date of the underpayment or overpayment. All expenses associated with such audit shall be paid by the County unless the audit reveals an underpayment of more than ten percent (10%) in payments required hereunder in which case Grantee shall reimburse the County for the reasonable costs of such audit, not to exceed Five Thousand Dollars (\$5,000).

F. Any claim arising as a result of such an audit against Grantee must be made in writing within sixty (60) days of the County's completion of the audit. All information reviewed by the County or its auditor pursuant to any audit shall be deemed to be "Confidential Information" subject to the terms of Section 7. herein and shall be treated as such by the County in accordance with applicable law.

G. No more than once per year, Grantee agrees to meet with a representative of the County upon written request to review Grantee's methodology of record-keeping, financial reporting, the computing of franchise fee obligations and other procedures, the understanding of which the County deems necessary for reviewing reports and records that are relevant to the enforcement of this Agreement.

H. In the event any payment is not received within forty-five (45) days from the end of the calendar quarter, Grantee shall pay, in addition to the payment or sum due, interest on the amount due at the maximum allowed rate as provided under State law from the date the payment was due until the date the County receives the payment.

I. If this Agreement terminates for any reason, the Grantee shall file with the County, within sixty (60) calendar days of the date of the termination, a financial statement showing the gross revenues received by the Grantee since the end of the previous fiscal year. Within thirty (30) days of the filing of the certified statement with the County, Grantee shall pay any unpaid amounts as indicated. If the Grantee fails to satisfy its remaining financial obligations as required in this Agreement, the County may do so by utilizing the funds available in any security provided by the Grantee.

Section 23. Severability and Neutral Authorship.

If any portion of this Franchise is deemed invalid, the remaining portions shall remain in effect. Each of the terms and provisions of this Agreement have been reviewed and negotiated, and represents the combined work product of the parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Agreement and have either done so, or have voluntarily chosen not to do so. The parties each represent that they are duly authorized to execute this Agreement. Whenever this Franchise sets forth a time for any act to be performed, such time shall be deemed to be of the essence, and any failure to perform within the allotted time may be considered a material violation of this Franchise.

Section 24. Titles.

The section titles used herein are for reference only and should not be used for the purpose of interpreting this Franchise.

Section 25. Attorneys' Fees.

If any action or suit arises in connection with this Agreement, excluding subsequent franchise renewal proceedings, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees, consultants' fees, costs and expenses in connection therewith, in addition to such other relief as the court may deem proper.

Section 26. Authority to Amend.

Subject to applicable law, this Agreement may be amended at any time by duly executed subsequent written agreement between the parties.

Section 27. Governing Law and Venue.

This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Washington, exclusive of its choice of law provisions, and applicable Federal laws, rules, and regulations (including the Telecommunications Act). Venue for any judicial dispute between the County and Grantee arising under or out of this Agreement shall be in Skagit County Superior Court in Mount Vernon, Washington.

Section 28. No Joint Venture or Third Party Beneficiaries.

Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in any manner which would indicate any such relationship with the other. Nothing in this Franchise shall be construed to create or confer any right or remedy upon any person(s) other than the County and Grantee. No action may be commenced or prosecuted against any party by any Third Party claiming as a Third Party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any Third Party to either party.

Section 29. Non-Waiver.

The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the right hereafter to enforce the same. The waiver by either party of any breach of any provision hereof shall not be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

Section 30. Actions of the County or Grantee.

In any action by the County or Grantee mandated or permitted under the provisions hereof, it shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

Section 31. Force Majeure

If either party is delayed from performing an obligation hereunder because of strikes, lockouts, labor troubles, the inability to procure materials, power failure, riots, insurrection, storms, hurricanes, floods, earthquakes or other natural disasters or acts of God, terrorism, war or other reason which is not the fault of or is beyond the reasonable control of the party delayed, then performance of the obligation will be excused for the period of the delay. The occurrence of a force majeure event shall not alter or impair any of the provisions concerning Grantee's insurance requirements as provided in this Agreement.

Section 32. Entire Agreement.

This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof.

DATED this ____ day of _____, 2019.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

Lisa Janicki, Chair

Ron Wesen, Commissioner

Kenneth A. Dahlstedt, Commissioner

Attest:

Clerk of the Board

For contracts under \$5,000:
Authorization per Resolution R20030146

County Administrator

Recommended:

Department Head

Approved as to form:

Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Approved as to budget:

Budget & Finance Director

STATEMENT OF ACCEPTANCE

The City of Anacortes, a Washington municipal corporation ("Grantee"), for itself, its successors and assigns, hereby accepts and agrees to be bound by all lawful terms, conditions and provisions of the Agreement attached hereto and incorporated herein by this reference.

CITY OF ANACORTES, a Washington municipal corporation.

By: _____

Laurie Gere, Mayor

Date: _____, 2019

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

On this ____ day of _____, 2019, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Laurie Gere, as the Mayor of the City of Anacortes, a Washington municipal corporation, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that she is duly authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date hereinabove set forth.

Signature

NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires: _____

City of Anacortes' Municipal Fiber Network

September 2019



SEPTEMBER 2019 UPDATE

An aerial photograph of a coastal town, likely Victoria, British Columbia. The image shows a dense residential area with many houses and streets. To the right, there is a large marina filled with numerous boats and yachts. In the background, there are blue mountains and a body of water. The text "SEPTEMBER 2019 UPDATE" is overlaid in large, white, serif capital letters.

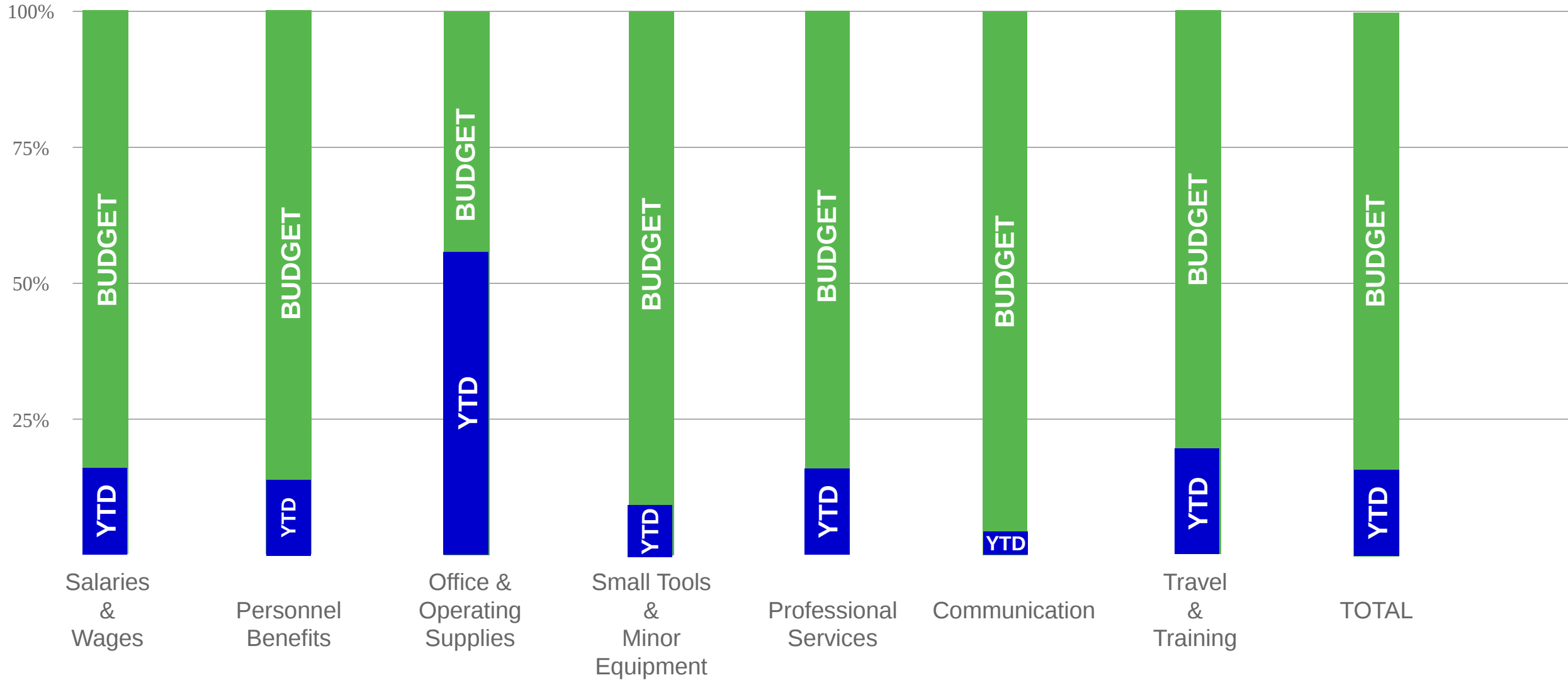
Agenda

- **Customer Sign-ups Update**
- **Financial Update**
- **Outside Plant Update**
- **Active Network Update**
- **Personnel Update**
- **Miscellaneous**

FINANCIAL UPDATE

Expenditures

Through August 31, 2019 (67% of budget year)



FINANCIAL UPDATE

Expenditures

Through August 31, 2019 (67% of budget year)

<u>Account</u>		<u>Budget</u>	<u>August</u>	<u>YTD</u>	<u>YTD % of Budget</u>
001.260.532.10.10	Salaries & Wages	320,275	12,825	48,412	15.12%
001.260.532.10.20	Personnel Benefits	138,409	4,595	17,111	12.36%
001.260.532.10.31	Office & Operating Supplies	50,000	1,555	29,193	58.39%
001.260.532.10.35	Small Tools & Minor Equipment	50,000	0	3,703	7.41%
001.260.532.10.41	Professional Services	980,000	38,117	142,536	14.54%
001.260.532.10.42	Communication	10,000	37	312	3.12%
001.260.532.10.43	Travel & Training	<u>10,000</u>	<u>27</u>	<u>1,924</u>	<u>19.24%</u>
Total Expenditures		<u>1,558,684</u>	<u>57,156</u>	<u>243,191</u>	<u>15.60%</u>

FINANCIAL UPDATE

BARS 001.260.532.10.41 Professional Services Through August 31, 2019

<u>ITEM</u>	<u>AMOUNT</u>	<u>ITEM</u>	<u>AMOUNT</u>
CBD construction.....	66,294.11	Upstream Internet fees.....	3,887.81
Fiber & Finance office remodel.....	33,968.68	Regulatory.....	1,050.00
IPv4 addresses.....	20,480.00	Engineering consultant.....	1,016.35
NoaNet support.....	11,066.12	Network operations.....	<u>54.40</u>
Backbone construction.....	4,718.88	TOTAL.....	<u>142,536.35</u>

FINANCIAL UPDATE

Net Cashflow Through August 31, 2019

	Current <u>Period</u>	Year <u>to Date</u>	From Project <u>Start</u>
Revenues	0	0	0
Expenditures	<u>57,156</u>	<u>243,191</u>	<u>268,935</u>
Net Cashflow in (out)	(<u>57,156</u>)	(<u>243,191</u>)	(<u>268,935</u>)

FINANCIAL UPDATE

Pro Forma Financial Statements

Complements & confirms existing business model

Monthly for 2019 & 2020, Quarterly for 2021 – 2023

Captures detailed operating & capital expenses

	End <u>2019</u>	End <u>2020</u>	End <u>2021</u>	End <u>2022</u>	End <u>2023</u>
Cumulative customers					
Residential	80	415	1,315	2,015	2,715
Business	77	96	96	108	120
Total General Fund cash used	\$666k	\$1,729k	\$5,522k	\$8,769k	\$11,657k

Operationally cashflow positive by Q2 2021

ECONOMIC DEVELOPMENT

Stop Leakage – Inject New Dollars

Internet service charges leave Anacortes' micro-economy



Internet service charges recirculate 3 – 5 times in Anacortes' micro-economy



OUTSIDE PLANT STATUS

Through Early September 2019

	<u>Engineered</u>	<u>Material Ordered</u>	<u>Material On-hand</u>	<u>Deployed</u>
PILOT, CBD				
Library to MST	√	√	√	√
MST to Customer				
PILOT, Old Town				
Library to MST	√			
MST to Customer				
PILOT, M Avenue				
Library to MST	√			
MST to Customer				
AD HOC CUSTOMERS				
Anacortes Public Library	√	√	√	√
Barrett Financial	√	√	√	

FIRST CUSTOMER

Anacortes Public Library

	Municipal Fiber <u>Network</u>	Comcast <u>Business-class</u>
Download	853 Mbps	80 Mbps
Upload	963 Mbps	24 Mbps

SPEEDTEST



PING

DOWNLOAD

UPLOAD

4

778.45

1003.91

ms

Mbps

Mbps



 [fdcservers.net >](#)
Seattle, WA

 Wave G

SPEEDTEST





 [Comcast >](#)
Seattle, WA

 Comcast Business

SPEEDTEST



PING

5

ms

DOWNLOAD

853.07

Mbps

UPLOAD

963.71

Mbps



949.77
Mbps



fdcservers.net
Seattle, WA

0:00:28



Wave G

SPEEDTEST



PING

14

ms

DOWNLOAD

80.30

Mbps

UPLOAD

23.77

Mbps



23.69
Mbps



Comcast
Seattle, WA

:



Comcast Business



ACTIVE NETWORK STATUS

Through Early September 2019

	<u>Specified</u>	<u>Ordered</u>	<u>Deployed</u>	<u>Configured</u>
GPON Optical Line Terminal	√	√	√	
Core Layer 3 Router	√	√	√	<i>in-process</i>
Core Layer 2 Switches	√	√	√	<i>in-process</i>
Customer Premise Equipment				
Residential Internet	√			
Business class Internet	<i>in-process</i>			
Dedicated Internet Access				
Ethernet circuits				

PERSONNEL UPDATE

Through Early September 2019

BUSINESS ASSISTANT

Started work August 12

OSP COORDINATOR

Interviewed candidates, have made provisional offer

Start work September 17

NETWORK TECHNICIAN

Position posted September 4, closes September 18

Will interview late September

Start work mid to late-October

MISCELLANEOUS

Through Early September 2019

CITY LIBRARY NOW ONLINE

1 Gbps as of September 3

Ad hoc technical solution

Will run usage reports & adjust bandwidth to match usage

CUSTOMER PREMISE INSTALLATION

Have identified a proven solution – InvisiLight®

OFS – major fiber optic supplier

Used in 100,000s of premises worldwide (including Sandy, OR)

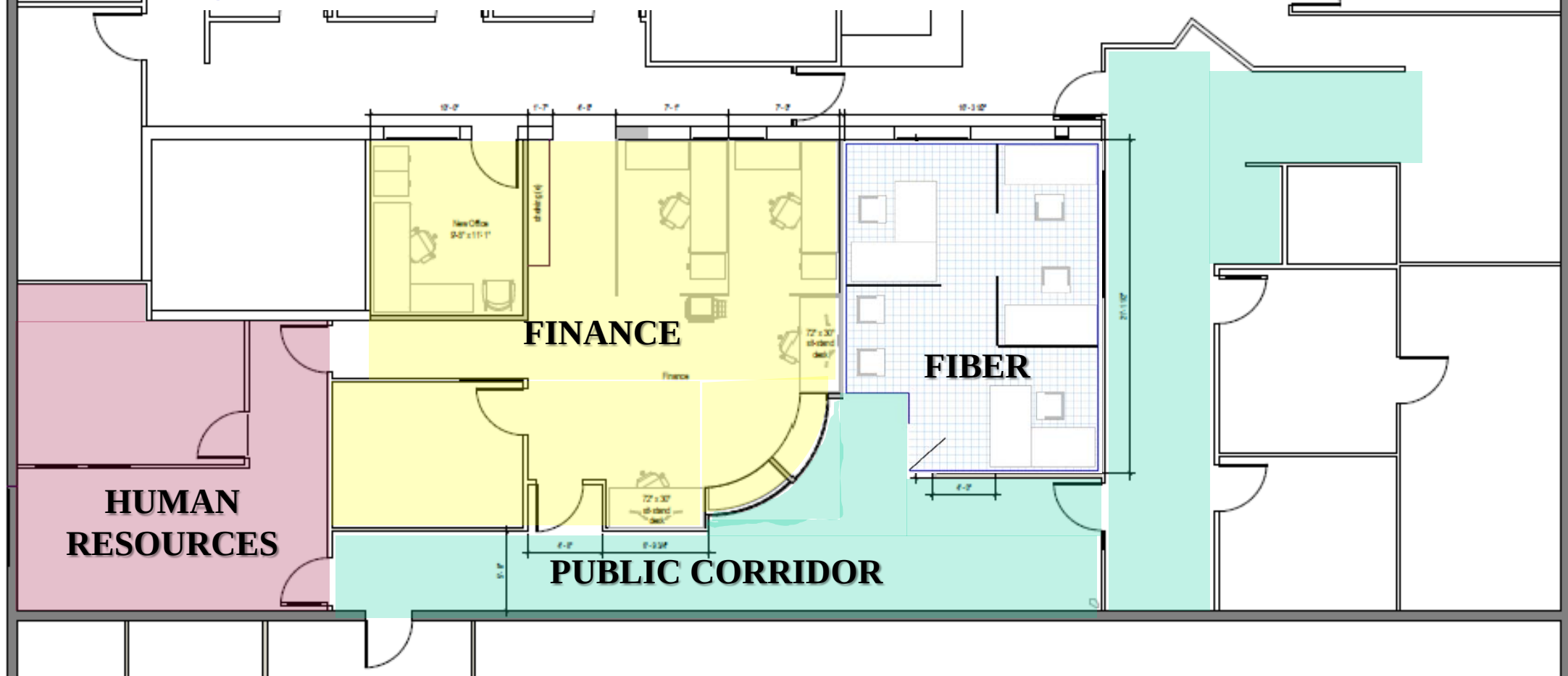
Typical house takes 45 minutes

SERVERS

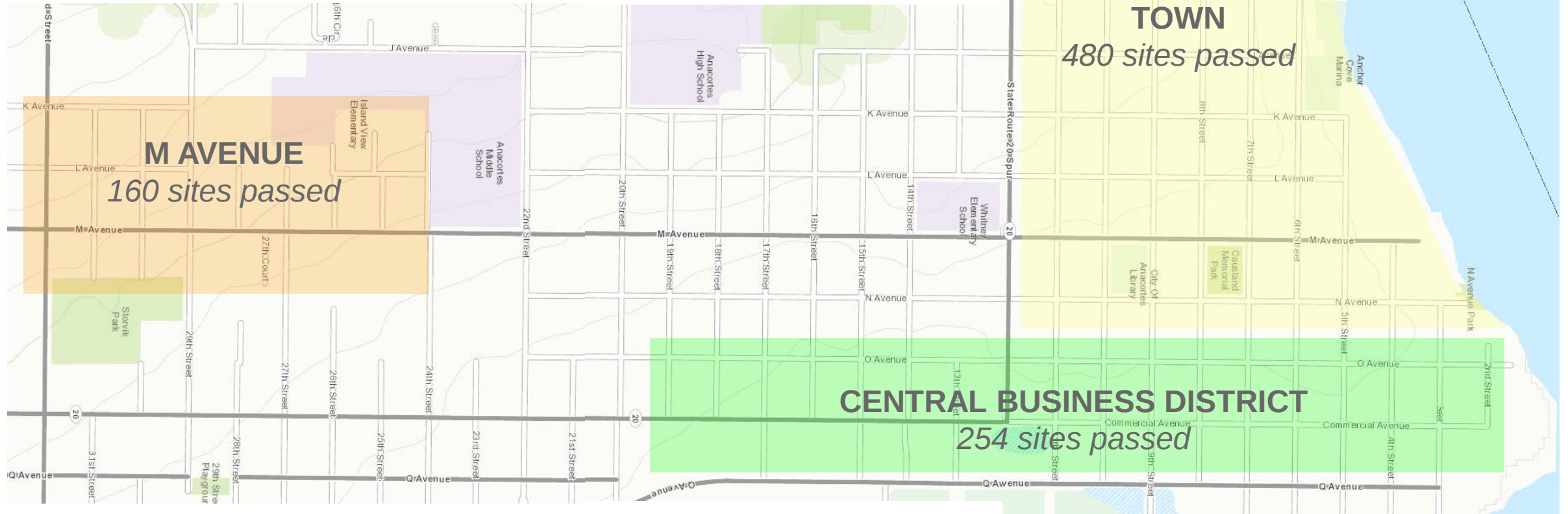
IT saved \$10,000

Currently being configured

*Fiber space anticipated to be ready
by mid- to late-September*



PILOT AREAS



CENTRAL BUSINESS DISTRICT

Marketing First, A Postcard

Powered by:
the CITY OF ANACORTES

**MUNICIPAL
FIBER
NETWORK**



RELIABLE

Fiber optic technology offers a more dependable medium than traditional copper cabling and our network hardware is set up to remove complexity, providing a connection you can rely on



**AFFORDABLE HIGH
BANDWIDTH**

We know you're going to love our pricing on two service options that will blow your hair back with broadband speeds up to 100 Mbps and 1 Gbps



LOCALLY RUN

Operated by your city, the Municipal Fiber Network stakes its reputation on its ability to respond to your needs quickly and is proud to serve and be part of A-Town



ANACORTES' LOCAL FIBER OPTIC

BUSINESS INTERNET IS COMING SOON

BUSINESS SERVICE OPTIONS	CONTACT US
100 Mbps: \$89/Month 1 Gbps: \$149/Month No Long Term Commitment	Phone: (360) 588-8361 Email: broadband@cityofanacortes.org

CENTRAL BUSINESS DISTRICT

Marketing

General Info

Dear Anacortes Business

BUSINESS CLASS FIBER INTERNET IS HERE!

The City of Anacortes is excited to announce the arrival of the Municipal Fiber Network to the central business district. We've been working tirelessly to bring the future of internet technology to your business and to provide **network reliability, affordable high bandwidth, and excellent local service** to all of Anacortes, and we're starting with you.

Over the next few weeks, we will begin taking orders for businesses within the central business district, with installations to follow by early October. Now's the time to prepare to make the switch and never look back. We're sure you'll experience a new level of productivity with the blazing speeds of the Anacortes Municipal Fiber Network.

VOIP BUSINESS PHONE ALTERNATIVE SERVICES

Interested in our fiber Internet but concerned about losing your bundled business phone service? We've thought of that, and put together a list of available Voice over Internet Protocol (VoIP) services. Look them up to find out which is best for your businesses needs. Ask about porting your old number in so you never miss a call.

Grasshopper	Nextiva
Vonage	Jive
RingCentral	8X8
Ooma	Mighty Call
1-VoIP	VoIPLY

BUSINESS SERVICE PLANS

100 Mbps	\$89/Month
1 Gbps	\$149/Month
One Time Installation Fee: \$100	
Managed WIFI Router + \$10/Month	

OUR PROMISES

NETWORK RELIABILITY

AFFORDABLE HIGH BANDWIDTH

EXCELLENT LOCAL SERVICE



ANACORTES
WASHINGTON

MUNICIPAL
FIBER
NETWORK

Ordering Info

Dear
Anacortes Business,

We're Now Taking Orders!

Anacortes is bringing the future of Internet technology to your business' front door. Our municipal fiber optic Internet service is rolling out now, and you're in our priority service area. **Order service now** and become one of our first installations in **early October!**

Cut the copper cord and join your city's own Internet service. Our fiber optic network harnesses the speed of light to provide you with faster Internet and better service at a lower price. Make the call that will make your business future-proof with the City of Anacortes Municipal Fiber Network. We are an easy to work with, no nonsense Internet Service Provider, and we're here to help your business thrive locally and across the globe.



ANACORTES
WASHINGTON

MUNICIPAL
FIBER
NETWORK

MUNICIPAL FIBER NETWORK

ORDER/CONTACT INFO

Visit: www.anacorteswa.gov/984/Anacortes-Municipal-Fiber/order

Call: (360) 588-8361

Email: broadband@cityofanacortes.org

BUSINESS SERVICE PLANS

100 Mbps	\$89/Month
1 Gbps	\$149/Month
One Time Installation Fee: \$100	

OUR PROMISES

Network Reliability

Affordable High Bandwidth

Excellent Local Service

How To Unbundle



MUNICIPAL FIBER NETWORK



VIDEO & VOICE ALTERNATIVES

UNBUNDLE YOURSELF!

Many cable and internet providers "bundle" services together to make it a little more difficult for you to free yourself from their grasp. We focus all our energy on providing the best internet service for the lowest price, but we understand that you may need help in order to unbundle. That's why we've done some research on alternatives.



VIDEO SERVICES

Finding the right video provider is often the most daunting part of unbundling. Thankfully, the demand for cable replacement has led to an explosion of streaming services that provide on-demand only service and/or live television. Start your search to find the service or combination of services that meet your video entertainment needs below.

ON-DEMAND ONLY SERVICE	LIVE TELEVISION SERVICE
NETFLIX	YOUTUBE TV
HULU	HULU LIVE
PRIME VIDEO	SLING TV
HBO NOW	PHILO
DISNEY+	FUBOTV



STREAMING DEVICES

Once you cut the cable, you'll likely need to connect your TV to the internet to access your new streaming service(s). Using a streaming device will connect any TV with an HDMI port to the internet, and allow you to stream away. You just have a choice from a simple and affordable HDMI stick/dongle or a fancier set top device. Take a look at these options:

SET-TOP DEVICE	STREAMING STICK
APPLE TV	AMAZON FIRE STICK
AMAZON FIRE TV CUBE	GOOGLE CHROMECAST
ROKU ULTRA SET TOP	ROKU STREAMING STICK



VOICE SERVICES

If you have a need to keep your landline, you may want to join the millions of people switching to Voice Over Internet Protocol or VoIP. This utilizes your internet connection to provide a voice service to your home or business phone. This service is very affordable, has many options for providers, and often boasts extra features and functions you wouldn't get with a traditional phone service.

VOIP PROVIDERS

OOMA	GRASSHOPPER	1-VOIP
NEXTIVA	MITEL	VOIPLY
VONAGE	MIGHTY CALL	VOIPOL
RINGCENTRAL	JIVE	8X8
8X8	PHONE POWER	PANTERRA



VOIP VS LANDLINE

VoIP phone services are generally more affordable than traditional landline providers, and come with unlimited domestic calling standard instead of pay-per-minute plans. This is because they utilize your internet connection, rather than the old copper infrastructure of phone-specific wiring. These services also often come with advanced features not available through the old guard like call recording, call groups, and voicemail to email to name a few. VoIP has 911 access, and with a solid internet connection, provides excellent audio performance and reliability.

LANDLINE ADVANTAGES

WORKS IN POWER
OUTAGE

VOIP ADVANTAGES

MORE AFFORDABLE
MORE FEATURES
UNLIMITED DOMESTIC

OLD TOWN & M AVENUE

Marketing First, A Postcard

Powered by:
the CITY OF ANACORTES

MUNICIPAL
FIBER
NETWORK





RELIABLE

Fiber optic technology offers a more dependable medium than traditional copper cabling and our network hardware is set up to remove complexity, providing a connection you can rely on



AFFORDABLE HIGH BANDWIDTH

We know you're going to love our pricing on two service options that will blow your hair back with broadband speeds up to 100 Mbps and 1 Gbps



LOCALLY RUN

Operated by your city, the Municipal Fiber Network stakes its reputation on its ability to respond to your needs quickly and is proud to serve and be part of A-Town



ANACORTES' LOCAL RESIDENTIAL

FIBER INTERNET IS COMING SOON

RESIDENTIAL SERVICE OPTIONS	CONTACT US
100 Mbps: \$39/Month 1 Gbps: \$69/Month \$100 Installation Fee	Phone: (360) 588-8361 Email: broadband@cityofanacortes.org

CONGRESSMAN RICK LARSEN

September 4 Visit



IMAGINE ANACORTES IN 2050 ...CONTEST



WHAT WILL LIFE IN ANACORTES LOOK LIKE IN
THE YEAR 2050?

1) CREATE

CREATE AN ORIGINAL DIGITAL IMAGE DEPICTING YOUR VISION
OF ANACORTES IN THE FUTURE (YEAR 2050)

2) SUBMIT

SUBMIT DIGITALLY BY SEPTEMBER 29, 2019 VIA EMAIL TO
ANACORTES2050@CITYOFANACORTES.ORG OR
BY THUMB DRIVE AT THE FIBER DEPARTMENT
IN CITY HALL

3) VOTE LIVE

VOTE FOR YOUR FAVORITE FUTUREScape LIVE AT
THE ANACORTES MUNICIPAL FIBER GALA AND
LIBRARY GRAND RE-OPENING

FOR RULES AND SUBMISSION DETAILS VISIT
WWW.ANACORTESWA.GOV/1102/ANACORTES-2050-CONTEST

OCTOBER, 3 2019 @ 4-7PM
ANACORTES PUBLIC LIBRARY
1220 10TH ST. ANACORTES, WA 98221

Municipal Fiber Gala & Library Grand Re-opening

October 3
4-7 pm

The screenshot shows the City of Anacortes website with a header featuring the city logo and navigation links: ANACORTES WASHINGTON, GOVERNMENT, DEPARTMENTS, RESIDENTS, VISITORS, BUSINESS. A search bar is visible on the right. The main content area is titled "Home > News Flash" and "Front Page". It features a news item dated "Posted on: September 9, 2019" with the headline "What will life in Anacortes look like in the year 2050?". The article lists the contest steps: 1) CREATE, 2) SUBMIT, and 3) VOTE LIVE. It includes submission details: "Submit your image digitally at: <https://www.anacorteswa.gov/1102/Anacortes-2050-Contest>, by email to Anacortes2050@cityofanacortes.org, or in person at City Hall on a thumb drive by September 29, 2019." It also mentions the voting event: "Vote for your favorite futurescape live at the Anacortes Municipal Fiber Gala and Library Grand Re-opening on October 3rd from 4PM-7PM." A small thumbnail of the contest poster is shown on the right. Social media icons for Facebook, Twitter, and Email are at the bottom.



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning September 16, 2019

Subjects listed below have been tentatively suggested for consideration by the Anacortes City Council on the dates indicated. Items may be added to, removed from or rearranged on this list. Routine business such as approval of minutes and vouchers are not included. The complete Preliminary Agenda for each meeting is published at 3:00 on the Wednesday prior to the meeting. Published Agendas are subject to change and may be updated following the posting period. For additional information on agenda topics, please contact the City Clerk's office at 360-299-1960 to be directed to the sponsoring staff member.

September 16, 2019

- Contract Award: WTP Electrical Switchgear Maintenance #19-145-WTR-001 (Consent)
- Interlocal 281 with Port of Anacortes: Mutual Assistance on Minor Projects (Consent)
- Interlocal 285 with Port of Anacortes: Blanket Temporary Laydown Space Agreement (Consent)
- Combined Sewer Overflow (CSO) Reduction Study (Discussion/Possible Action)

September 23, 2019

- Ordinance ____: Adopting New AMC Chapter 8.10 Regarding City Parks and the Anacortes Community Forest Lands (Discussion)

October 7, 2019

October 14, 2019

- Mid Biennial Budget Review (Discussion)

October 21, 2019

- Mid Biennial Budget Review (Discussion)

October 28, 2019

November 4, 2019

- Public Hearing: Mid Biennial Budget Review (Discussion)

November 12, 2019

- Ordinance ____: 2019/2020 Budget Mid-biennial Review and Modification (Discussion/Possible Action)
- Resolution ____: Setting the City's Year 2020 Property Tax Regular Levy Increase (Action)

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Planning, Monday, Sep 9, 2019, 5:00 PM, CANCELLED
- Skagit County Law & Justice Council, Wednesday, Sep 11, 2019, 8:15 AM, Mount Vernon
- Finance, Wednesday, Sep 11, 2019, 5:00 PM, Main Conference Room, City Hall
- Personnel, Friday, Sep 13, 2019, 9:00 AM, Main Conference Room, City Hall
- Public Works, Monday, Sep 16, 2019, 5:00 PM, Main Conference Room, City Hall
- Planning, Monday, Sep 23, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Sep 25, 2019, 5:00 PM, Main Conference Room, City Hall
