

City Council Minutes – August 21, 2017

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of August 21, 2017 at 6:00 p.m. Councilmembers Eric Johnson, Erica Pickett, Brad Adams, Liz Lovelett and Matt Miller were present. Councilmembers Ryan Walters and Bruce McDougall were absent. The assembly joined in the Pledge of Allegiance.

Mr. Johnson moved, seconded by Ms. Pickett, to excuse the absence of Mr. McDougall. The motion carried unanimously by voice vote.

Mr. Walters joined the meeting in progress at approximately 6:02 p.m.

Announcements and Committee Reports

Biggest Loser Energy Conservation Awards Presentation:

Conservation Manager Russ Pittis announced that the City had once again earned the annual maximum \$5,000 solar incentive from PSE for the city hall solar panels. Mr. Pittis introduced contest coordinator Jensen Lovelett to describe the Biggest Loser energy conservation contest and announce the winners. Mr. Lovelett explained the contest, coordinated with the city's competition in the Georgetown University Energy Prize, to provide community members with an incentive to actively reduce energy use. He then announced the winners and presented them with prizes.

Positions 15 through 11: Eugene Kovach, Brian Bingham, John Parker, Tom Decker and Dave Oicles. Positions 10 through 6: Janet Sutton, Beth Meenaghan, Samantha Smith, Vicki Capps and Frank Lane. Positions 1 through 5: Darene Follett (reduced energy use by 13.8%), Leslie Eastwood (reduced by 15.6%), Keith Eyer (reduced by 18%), Lisa Hooper (reduced by 26.4%) and Philip Steffen (reduced by 30.7%). Mr. Lovelett thanked the community and prize sponsors Tesoro, Shell, and Whidbey Island Sun and Wind for successfully reducing energy use in Anacortes.

Public Works Committee: Ms. Lovelett reported that the committee meeting scheduled for earlier in the evening had been cancelled.

Ms. Lovelett reported from the solar eclipse viewing party at Storvik Park earlier in the day. She thanked Anacortes Public Library Public Service Manager Diana Farnsworth for coordinating the NASA grant to provide viewing glasses for hundreds of families who attended.

Public Comment

Merilee Huffman, 806 Commercial Avenue, offered field observations about hazardous conditions at the intersection of 8th Street and Commercial Avenue. Ms. Huffman said that the hanging flower baskets at both corners of that intersection were impeding visibility of the stop signs. She added that the arbor vitae in the large planters on the ground below the stop signs were growing almost as tall as the signs. Ms. Huffman said the solution would be to remove the arbor vitae from the pots, move the planters away from the stop signs, and remove the hanging petunia baskets. Mayor Gere said she would have the Parks staff review the situation the next day.

Consent Agenda

Mr. Walters removed Item 5f, Street Fair Application: Oyster Run 2017, from the Consent Agenda. Ms. Pickett removed Item 5e, Contract Award: Replace Existing WWTP Serial Radio Telemetry System – Phase B (14-009-IDS-004), from the Consent Agenda.

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

- a. Minutes of August 14, 2017
- b. Approval of Claims in the amount of: \$367,436.91
- c. Contract Modification: WWTP Emissions Testing and CEMS Diagnostics (15-032-SEW-003)
- d. Contract Modification: WWTP Outfall Repair Manhole Installation (13-020-SEW-007)

The following vouchers/checks were approved for payment:
EFT numbers: 86087 and 86089 through 86139, total \$215,242.07
Check numbers: 86140 through 86174, total \$43,881.75
Wire transfer numbers: 219617 through 220361, total \$127,493.10

e. Contract Award: Replace Existing WWTP Serial Radio Telemetry System, Phase B (14-009-IDS-004)
Ms. Pickett asked why the City was contracting for radio telemetry when that system was in the process of being replaced by a fiber telemetry system with cell phone back up. Wastewater Treatment Plant Manager Becky Fox explained that the title of the contract was misleading and the contracted work was actually to replace the radios with modems and equipment for the cell phone and fiber system.

f. Street Fair Application: Oyster Run 2017

Mr. Walters complimented staff on producing the agreement with the Oyster Run organization to address the extra law enforcement costs experienced due to the event as well as liability insurance.

Mr. Walters moved, seconded by Ms. Lovelett, to approve Consent Agenda Items 5e and 5f. The motion carried unanimously by voice vote.

OTHER BUSINESS

Municipal Fiber Update and NOANET Network Coordinated Services Support Contract for COS Service Zones Software Implementation and Maintenance

Administrative Services Director Emily Schuh provided an update on the municipal fiber system in Anacortes. Ms. Schuh said the city was at a decision point and needed to gauge community interest in moving forward with a municipal fiber network, create an implementation zone if sufficient interest was demonstrated, and finally figure out what the cost would be. Ms. Schuh referred to her slide presentation included in the packet for the meeting recapping the project phasing: first constructing a fiber-based telemetry system for the utilities, second evaluating broadband demand among business and residential customers, and potentially a third phase to install fiber and high speed internet to business and residential customers. Ms. Schuh presented a municipal fiber model in which the city would be one of multiple retail service providers in addition to owning the fiber network. Ms. Schuh asked Council to authorize the mayor to enter into a contract with NoaNet for initial survey work to determine community interest in municipal fiber, model implementation zones and establish cost estimates. Councilmembers discussed aspects of the business model presented, who would provide customer service to end users, alternative business models, and the level of customer demand necessary to proceed. Mr. Miller and Mr. Walters both asked the total or maximum amount of the contract. Ms. Schuh deferred to NoaNet to address the time-dependent nature of the pricing but advised that the cost could be absorbed without amending the 2017 budget.

Angela Bennink, Outreach and Communications Director for NoaNet, introduced her colleagues Anders Lindehall and Jonas Hakansson on site from Sweden. Ms. Bennink provided additional information about the timeline and deliverables for the proposed contract. Her slide presentation was included in the packet

materials for the meeting. Following her presentation, Ms. Bennink responded to councilmember questions regarding open access, construction sequencing and duration for aerial and in-ground portions of a network, financial viability of PUD fiber providers elsewhere, pricing models, profitability for retail providers, survey sampling, and future services that could be offered by NoaNet if the decision were made to move forward with construction and implementation of a municipal fiber network.

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

Merilee Huffman, 806 Commercial Avenue, cautioned that adding fiber lines to existing power poles can cause the poles to lean and requires coordination with the power company. Ms. Bennink assured that all aerial construction would be permitted with PSE and confirmed that sometimes poles do need to be upgraded or replaced before more lines can be added.

Anthony Young, 2020 27th Place, said that the future of the city depends on small businesses and good data access. He encouraged making the investment to provide infrastructure that would attract residents and businesses to Anacortes over neighboring communities.

Wil Houppermans, 3412 K Avenue, said he loved the idea of a broadband utility and would like to see the system run as a utility, by city employees, paid on the monthly utility bill. He added that such a model would generate a few jobs in the city as well.

Mr. Miller moved, seconded by Ms. Lovelett, to consent to enter into the contract with NoaNet. Vote: Ayes – Walters, Pickett, Adams, Lovelett, Miller and Johnson. Motion carried.

Ordinance 3005: Wave Franchise Agreement

City Attorney Darcy Swetnam responded to councilmember questions from Council's August 7, 2017 discussion of this topic. Ms. Swetnam's slide presentation was added to the packet materials for the meeting. She reviewed potential and allowable charges for franchises, including utility taxes and franchise fees, in city, state and federal law. Ms. Swetnam concluded that neither are allowed for fiber. Mr. Walters concurred that RCW Title 35 prevented the city from charging franchise fees on fiber but asked if RCW Title 36 allowed counties to do so. Ms. Swetnam said she would investigate that question. Ms. Swetnam next summarized Wave's in kind contributions to the city, in lieu of franchise fees. She reported that those were valued at over \$750K since 2006. Ms. Swetnam concluded with a discussion of net neutrality, citing RCW 35.99.040(1) and concluding that neither state nor federal law appear to authorize local governments to regulate the type of services provided based on content or kinds of signals, or allowing regulations on the services or business operations of ISPs, hence the city could not explicitly require net neutrality from Wave.

Mayor Gere invited members of the public to comment on this agenda item. No one present wished to address the Council.

Ms. Lovelett moved, seconded by Mr. Walters, to approve **Ordinance 3005** adopting the Wave franchise agreement. Vote: Ayes – Pickett, Adams, Lovelett, Miller, Johnson and Walters. Motion carried.

There being no further business, at approximately 7:35 p.m. the Anacortes City Council meeting of August 21, 2017 was adjourned.