

Next Ord: 1750-12
Next Res: 869-12

VISION STATEMENT

SEDRO-WOOLLEY IS A FRIENDLY CITY THAT IS CHARACTERIZED BY CITY GOVERNMENT AND CITIZENS WORKING TOGETHER TO ACHIEVE A PROSPEROUS, VIBRANT AND SAFE COMMUNITY

MISSION STATEMENT

TO PROVIDE SERVICES AND OPPORTUNITIES WHICH CREATE A COMMUNITY WHERE PEOPLE CHOOSE TO LIVE, WORK AND PLAY

CITY COUNCIL AGENDA

August 22, 2012

7:00 PM

Sedro-Woolley Municipal Building

Council Chambers

325 Metcalf Street

1. Call to Order
2. Pledge of Allegiance
3. Consent CalendarPages 1 - 64

NOTE: Agenda items on the Consent Calendar are considered routine in nature and may be adopted by the council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the regular agenda will consider any item so removed after the Consent Calendar.

- a. Approval of Agenda
- b. Minutes from Previous Meeting
- c. Finance
 - Claim Checks #75031 to #75119 in the amount of \$152,318.87.
 - Payroll Checks #53711 to #53824 in the amount of \$193,780.50.
- d. Guardian Security Contract Renewal
- e. Proposed Interlocal Cooperative Agreement between Skagit County and the City of Sedro-Woolley Re Brickyard Creek Annual Maintenance Work Reimbursement
- f. Proposed Interlocal Agreement between the City of Sedro-Woolley and Skagit Transit Re SR20-Cook Road Realignment and Extension Project
4. Memorial Park Restroom Update
5. Public Comment (Limited to 3-5 minutes)

UNFINISHED BUSINESS

6. Transportation Grant Approval & Match Commitments.....Pages 67 - 70
 - REVISED – FY2010 Safe Routes to Schools
 - NEW – 2012 WSDOT Pedestrian and Bicycle Safety Program, FY2012 Safe Routes to Schools or FY2014 TIB Urban Sidewalk Program
 - NEW – Safe Routes to Schools; WSDOT Pedestrian and Bicycle Safety Program
 - Transportation Improvement Board 2014 Urban Arterial Program Grant; CERB 2012 Community Revitalization Grant Program Phase 1; Freight Mobility Strategic Investment Board 2012 Call for Projects
 - Transportation Improvement Board 2014 Urban Sidewalk Program Grant
 - Transportation Improvement Board 2014 Urban Expanded Preservation Program Grant

NEW BUSINESS

7. Blackrock Franchise (1st reading).....Pages 71 - 112
8. Envision Skagit 2060 Draft ResolutionPages 113 - 124

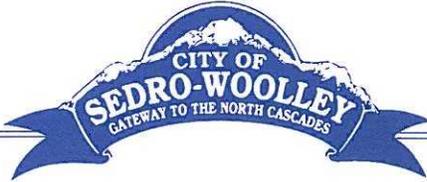
COMMITTEE REPORTS AND REPORTS FROM OFFICERS

EXECUTIVE SESSION

There may be an Executive Session immediately preceding, during or following the meeting.

AUG 22 2012

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 1-3



DATE: August 22, 2012
TO: Mayor Anderson and City Council
FROM: Patsy Nelson, Finance Director
SUBJECT: 1) CALL TO ORDER; 2) PLEDGE OF ALLEGIANCE; 3) CONSENT
CALENDAR

1. CALL TO ORDER - The Mayor will call the August 22, 2012 Regular Meeting to Order. The Finance Director will note those in attendance and those absent.
 - ___ Ward 1 Councilmember Kevin Loy
 - ___ Ward 2 Councilmember Tony Splane
 - ___ Ward 3 Councilmember Thomas Storrs
 - ___ Ward 4 Councilmember Keith Wagoner
 - ___ Ward 5 Councilmember Hugh Galbraith
 - ___ Ward 6 Councilmember Rick Lemley
 - ___ At-Large Councilmember Brett Sandström
2. PLEDGE OF ALLEGIANCE - The Mayor will lead the City Council and citizens in the Pledge of Allegiance to the United States of America.
3. CONSENT CALENDAR - Mayor will ask for Council approval of Consent Calendar items.

AUG 22 2012

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 36

CITY OF SEDRO-WOOLLEY

Regular Meeting of the City Council
August 8, 2012 – 7:00 P.M. –City Hall Council Chambers

ROLL CALL: Present: Mayor Mike Anderson, Councilmembers: Kevin Loy, Tony Splane, Tom Storrs, Keith Wagoner, Hugh Galbraith, Rick Lemley and Brett Sandström. Staff: Recorder Brue, Finance Director Nelson, City Supervisor/Attorney Berg, Engineer Freiberger, Acting Planning Director Coleman, Fire Chief Klinger and Police Chief Wood.

The Meeting was called to order at 7:00 P.M.

Pledge of Allegiance

Consent Calendar

- Minutes from Previous Meeting
- Finance
 - Claim Checks #74938 to #75030 in the amount of \$160,012.47
 - Payroll Checks #53601 to #53710 in the amount of \$263,793.83
- Final Acceptance – Critical Sewer Interceptor Replacement Project – PWTF Loan Number PC08-951-039

Councilmember Storrs moved to approve the consent calendar A through C. Seconded by Councilmember Splane. Motion carried (7-0).

Public Comment

Cookson Beecher – 4028 Simpson Road, addressed the Council regarding a grassroots movement seeking a constitutional amendment to reverse the Citizens United decision handed down by the Supreme Court a couple of years ago. She reported the decision said that Corporations are people and enjoy free speech rights giving corporations the ability for unlimited spending and to contribute money into political campaigns. Beecher reviewed the group's process for signature gathering on signature advisory petitions and steps that need to be completed at the local, state and national levels. She also reported on what has been happening in other cities and counties and passed out an informational pamphlet on the movement to the Mayor and Councilmembers.

NEW BUSINESS

2012 Budget Amendment #3

Finance Director Nelson reviewed the proposed budget amendment #3. She noted she prepares a budget amendment as needed, based on Council actions. Nelson reviewed the changes some of which are due to grant funding received, purchase of mobile Spillman

equipment, changes in personnel, establishment of a code enforcement fund and interfund transfers.

Councilmember Galbraith moved to approve Ordinance No. 1749-12 An Ordinance Amending Ordinance No. 1723-11 entitled, "An Ordinance Adopting the Annual Budget for the City of Sedro-Woolley, Washington, for the Fiscal Year Ending December 31, 2012. Seconded by Councilmember Wagoner. Motion carried (7-0).

World Breastfeeding Week Resolution

Councilmember Sandström introduced a proposed resolution in support of World Breastfeeding Week and to recognize the good works of the La Leche League of Skagit County.

Councilmember Sandström moved to pass Resolution No. 868-12 A Resolution Recognizing UNICEF's World Breastfeeding Week, August 1st through August 7th, Acknowledging the Good Work by La Leche League of Skagit County and Supporting La Leche League of Skagit County's Family Jubilee Held in Sedro-Woolley's Memorial Park on August 18th, 2012 at 2:00 P.M. Seconded by Councilmember Wagoner.

Councilmember Storrs, noted he supports breastfeeding but expressed concern of the resolution being beyond the parlay of the City Council. He believes it represents a point of view and does not believe it to be part of the city avenue that the Council should be doing this. He noted that if the Council is unable to pass a resolution in support of a school bond, they should not be doing this. Councilmember Splane concurred.

Motion carried (5-2, Councilmember Storrs and Splane opposed).

CERB Grant Application Approval

City Supervisor/Attorney reviewed a possible funding opportunity for a CERB Grant Application for help in funding the SR 20 Corridor Freight Mobility and Revitalization Phase 1 – SR20, Cook Road Realignment and Extension Project. He reviewed the upcoming deadline of August 16th for the CERB grant and August 24th for the TIB grant. As part of the requirements the City Council needs to formally approve the application. Berg reviewed the criteria requirements for the project and noted they he and Engineer Freiburger have met with Mark Nysether of Skagit Industrial Park who is on line with the project and will be writing a letter of support.

Discussion ensued regarding impacts on Bingham Park, growth of the scope of the project and a funding shortfall with additional funding needed.

Councilmember Wagoner moved to authorize staff to submit an application to the Community Economic Revitalization Board for a grant to help fund the SR 20 Corridor Freight Mobility and Revitalization Phase 1 – SR20, Cook Road Realignment and Extension Project in an amount not to exceed \$500,000 and commit the required

matching funds in an amount not to exceed \$50,000. Seconded by Councilmember Storrs. Motion carried (7-0).

COMMITTEE REPORTS AND REPORTS FROM OFFICERS

Police Chief Wood – noted things are going well within the department. He then spoke as a Rotary representative on the progress of the Skate Park which is going well. He noted they will be shooting concrete for the bowls tomorrow. Progress on the park can be followed on Facebook – Sedro-Woolley Community Skate Park. Wood also noted the Skate Fest originally planned for August 18th will be postponed. Rotary has submitted an application for a grant for protective gear which will not be awarded until after the original date scheduled.

Councilmember Loy questioned if there would be helmet requirements. Chief Wood noted that it will be recommended but it is difficult to enforce. City Supervisor/Attorney Berg noted the City is working with Canfield and Associates, the city's insurance provider for the proper wording to be placed on the signage.

Fire Chief Klinger – reported on the opportunity to participate with a fire in Mount Vernon and the use of the ladder truck at the fire.

Acting Planning Director Coleman – noted he is working through the transition of a building department without a building inspector.

Councilmember Loy questioned the how the parklets were going. Coleman noted a few snags but overall they have been well received and going well.

Engineer Freiberger – reported that the grass strips along the Highway 20 project have been growing spottily along the median strips. It is believed the wrong grass mix was used. The contractor has been notified and they will be killing the existing grass and will be reseeding once the weather cools off a bit. He also gave a status update on the repaving projects at Nelson, Batey and John Liner and reported the Metcalf street paving is scheduled to begin September 10th. Freiberger stated the drainage ditch mowing contract is scheduled to kick off soon. The interlocal agreement with Skagit County which will reimburse the City for mowing on their portion of the ditch has been finalized and will be brought to Council at the next meeting.

Engineer Freiberger addressed the CERB grant opportunity and reported on two other grants being worked on. Freiberger also addressed a potential program through the Department of Enterprise Services for an energy audit to identify equipment at WWTP for possible upgrading to be paid back by energy savings. He explained the process and steps involved. More information will be presented to Council in the near future.

City Supervisor/Attorney Berg – reported on the recent Jail meeting he attended along with Councilmember Wagoner. He noted the County has hired another architect to join the other team members which includes a financial advisor which is available to the

council to review the financing options. He stated they are still on a multi-track process with some critical questions that remain outstanding. The group is working together to sort out where we are today and to try to come up with a solution for the future. Berg also reported on a meeting of the Sedro Woolley Economic Development leadership group. The group met and have determined there is not a very friendly portal for business considering Sedro Woolley. Steps will be taken to improve the website and links to other areas. He reminded Council that the Swett appeal is on schedule for Monday at Superior Court in Mount Vernon.

Finance Director Nelson – noted she has received the 2013 budget manual and is starting to work on the budget updates and mapping out a schedule.

Councilmember Sandström – reported he had recently sent a letter to the County Commissioners requesting a contribution to the Skate Park. Sandström also reported on some issues with activity at the Memorial Park restrooms and wondering if there might be a solution.

Councilmember Galbraith – questioned the School District policy on closing the Central and Mary Purcell playfields after dark.

Police Chief Wood noted the school district has hired extra security. It is hard for city police to patrol because of the locked gates. Wood noted they have been working with the School District on the issues.

Councilmember Galbraith also questioned the status of the vandalism at Cascade Middle School.

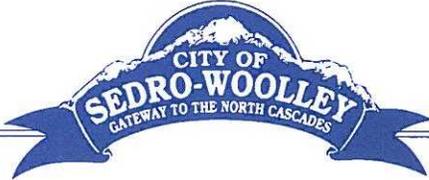
Police Chief Wood stated they are waiting for tips and are questioning individuals as they receive them. The school district also has a reward posted.

Councilmember Lemley moved to adjourn. Seconded by all. Motion carried (7-0).

The meeting adjourned at 7:52 P.M.

AUG 22 2012

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 30



DATE: August 22, 2012
TO: Mayor Anderson and City Council
FROM: Patsy Nelson, Finance Director
SUBJECT: FINANCE - CLAIMS

Attached you will find the Claim Checks register proposed for payment for the period ending August 22, 2012.

Motion to approve Claim Checks #75031 to #75119 in the amount of \$152,318.87.

Motion to approve Payroll Checks #53711 to #53824 in the amount of \$193,780.50.

If you have any comments, questions or concerns, please contact me for information during the working day at 855-1661. This will allow me to look up the invoices that are stored in our office.

CITY OF SEDRO-WOOLLEY
 SORTED TRANSACTION WARRANT REGISTER
 08/22/2012 (Printed 08/15/2012 14:52)

WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
75031	ALLELUJAH BUSINESS SYSTEMS	POSTAGE FIN	19.53
		POSTAGE PD	12.69
		OPERATING SUP - MEMORIAL PARK	10.82
		WARRANT TOTAL	43.04
75032	ALL-PHASE ELECTRIC	OPERATING SUPPLIES SAN	25.36
		WARRANT TOTAL	25.36
75033	ALPINE FIRE & SAFETY	OPERATING SUP - SENIOR CTR PK	72.76
		MT VIEW PS INS REPLACE SWR	175.28
		OPERATING SUPPLIES SAN	67.73
		WARRANT TOTAL	315.77
75034	APEX TOWING	PROFESSIONAL SERVICES PD	221.81
		PROFESSIONAL SERVICES PD	221.81
		WARRANT TOTAL	443.62
75035	ARAMARK UNIFORM SERVICES	MISC-LAUNDRY ST	10.98
		MISC-LAUNDRY ST	5.60
		LAUNDRY SWR	31.59
		LAUNDRY SWR	12.74
		WARRANT TOTAL	60.91
75036	ASSOCIATION OF WA CITIES	RETIRED MEDICAL PD	8,160.11
		WARRANT TOTAL	8,160.11
75037	ASSOC PETROLEUM PRODUCTS	AUTO FUEL CS	56.31
		AUTO FUEL CS	111.08
		AUTO FUEL PD	84.06
		AUTO FUEL PD	1,857.22
		AUTO FUEL/DIESEL FD	989.30
		AUTO FUEL/DIESEL PK	216.86
		AUTO FUEL/DIESEL PK	622.52
		AUTO FUEL/DIESEL CEM	162.35
		AUTO FUEL/DIESEL CEM	93.23
		AUTO FUEL/DIESEL ST	209.32
		AUTO FUEL/DIESEL ST	88.08
		AUTO FUEL/DIESEL ST	441.86
		AUTO FUEL/DIESEL SWR	102.33
		AUTO FUEL/DIESEL SWR	299.09
		AUTO FUEL/DIESEL SAN	44.07
		AUTO FUEL/DIESEL SAN	3,328.35
		AUTO FUEL/DIESEL SAN	7.62
		WARRANT TOTAL	8,713.65
		75038	BARNETT IMPLEMENT CO. INC
SMALL TOOLS & MINOR EQUIP PK	78.01		
WARRANT TOTAL	142.58		
75039	BAY CITY SUPPLY	OPERATING SUP - HAMMER SQ PK	71.95
		SMALL TOOLS & MINOR EQUIP PK	27.05
		WARRANT TOTAL	99.00

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
75040	BIOSCIENCE, INC.	MAINTENANCE OF LINES	SWR	1,150.00
		WARRANT TOTAL		1,150.00
75041	BLUMENTHAL UNIFORM & EQUIP	UNIFORMS/ACCESSORIES	PD	63.78
		WARRANT TOTAL		63.78
75042	BOUWENS, JENNIFER A.	PROF SVC-PROSECUTING ATTY	LGL	2,500.00
		WARRANT TOTAL		2,500.00
75043	BROWN & COLE STORES	OPERATING SUPPLIES	FD	11.12
		WARRANT TOTAL		11.12
75044	CASCADE NATURAL GAS CORP.	PUBLIC UTILITIES	PD	10.60
		PUBLIC UTILITIES	FD	28.43
		UTILITIES-COMMUNITY CTR	PK	10.60
		UTILITIES-SENIOR CENTER	PK	34.37
		UTILITIES-HAMMER SQUARE	PK	13.15
		UTILITIES - SHOP	PK	38.32
		UTILITIES - SHOP	PK	18.24
		PUBLIC UTILITIES-CITY HALL	PK	217.28
		PUBLIC UTILITIES	ST	10.60
		PUBLIC UTILITIES	ST	16.42
		PUBLIC UTILITIES	LIB	11.45
		PUBLIC UTILITIES	SWR	43.69
		PUBLIC UTILITIES	SAN	18.24
		WARRANT TOTAL		471.39
75045	CELLEBRITE USA, INC.	EQUIPMENT		5,084.00
		WARRANT TOTAL		5,084.00
75046	CENTRAL WELDING SUPPLY	OPERATING SUPPLIES	SAN	21.64
		WARRANT TOTAL		21.64
75047	CENVEO	OFFICE/OPERATING SUPPLIES	PD	78.10
		WARRANT TOTAL		78.10
75048	CITIES INSURANCE ASSOC.	INSURANCE	PK	1,000.00
		WARRANT TOTAL		1,000.00
75049	CODE PUBLISHING INC.	CODE BOOK	LGS	100.52
		WARRANT TOTAL		100.52
75050	COLLINS OFFICE SUPPLY, INC	SUPPLIES	ENG	9.73
		OFFICE/OPERATING SUPPLIES	PD	30.16
		WARRANT TOTAL		39.89
75051	CPI PLUMBING & HEATING	REPAIR/MAINT-CITY HALL	PK	717.81
		WARRANT TOTAL		717.81
75052	HSBC BUSINESS SOLUTIONS	OFFICE/OPERATING SUPPLIES	PD	122.21
		WARRANT TOTAL		122.21

CITY OF SEDRO-WOLLEY
 SORTED TRANSACTION WARRANT REGISTER
 08/22/2012 (Printed 08/15/2012 14:52)

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
75053	CRYSTAL SPRINGS	OPERATING SUPPLIES	SWR	28.56
		WARRANT TOTAL		28.56
75054	DATA BASE RECORDS DESTRUCTION LLC	SUPPLIES	JUD	22.39
		SUPPLIES	FIN	22.39
		SUPPLIES/BOOKS	PLN	6.50
		SUPPLIES	ENG	6.51
		OFFICE/OPERATING SUPPLIES	PD	22.39
		OFF/OPER SUPPS & BOOKS	INSP	6.51
		WARRANT TOTAL		86.69
75055	E & E LUMBER	OPERATING SUP - RIVERFRONT	PK	6.81
		OPERATING SUP - CITY HALL	PK	7.12
		OPERATING SUP - MEMORIAL PARK		7.78
		OPERATING SUP - HAMMER SQ	PK	17.20
		REPAIRS/MT-COMMUNITY CTR	PK	14.60
		REPAIR/MT-SENIOR CENTER	PK	3.45
		REPAIR/MT-MEMORIAL PARK	PK	44.12
		REPAIR/MAINT-MUSEUM	PK	6.33
		ENHANCEMENT PROJECT	PK	20.22
		ENHANCEMENT PROJECT	PK	25.60
		ENHANCEMENT PROJECT	PK	263.26
		ENHANCEMENT PROJECT	PK	11.49
		OPERATING SUPPLIES	ST	19.42
		REPAIRS/MAINT-BUILDING	SAN	43.64
		REPAIRS/MAINT-BUILDING	SAN	28.49
		CONTAINERS	SAN	23.04
		OPERATING SUPPLIES	ERR	1.84
		WARRANT TOTAL		544.41
75056	EDGE ANALYTICAL, INC.	PROFESSIONAL SERVICES	SWR	443.00
		WARRANT TOTAL		443.00
75057	ENTERPRISE OFFICE SYSTEMS	SUPPLIES	JUD	154.96
		WARRANT TOTAL		154.96
75058	EMERGENCY MEDICAL PRODUCTS INC	OPERATING SUPPLIES	FD	153.37
		OPERATING SUPPLIES	FD	195.70
		WARRANT TOTAL		349.07
75059	EXTREME SAFETY, INC.	OPERATING SUPPLIES	FD	149.11
		WARRANT TOTAL		149.11
75060	FASTENAL COMPANY	OPERATING SUPPLIES	ST	30.30
		WARRANT TOTAL		30.30
75061	FEDERAL CERTIFIED HEARING	PROFESSIONAL SERVICES	SWR	20.00
		WARRANT TOTAL		20.00
75062	FRONTIER	TELEPHONE	JUD	36.24
		TELEPHONE	EXE	54.36
		TELEPHONE	FIN	54.36

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		TELEPHONE	LGL	24.16
		TELEPHONE	IT	18.12
		TELEPHONE	PLN	18.12
		TELEPHONE	ENG	42.28
		TELEPHONE	PD	181.19
		TELEPHONE	FD	66.44
		TELEPHONE	INSP	18.12
		TELEPHONE	PK	12.08
		TELEPHONE	ST	6.04
		TELEPHONE	LIB	30.20
		TELEPHONE	SWR	48.32
		TELEPHONE	SAN	24.16
		WARRANT TOTAL		634.19
75063	FRONTIER BUILDING SUPPLY	OPERATING SUPPLIES	ST	463.10
		WARRANT TOTAL		463.10
75064	GUARDIAN SECURITY	PROFESSIONAL SERVICES	PD	486.90
		WARRANT TOTAL		486.90
75065	HONEY BUCKET	UTILITIES-PORTABLE TOILETS	PK	75.00
		UTILITIES-PORTABLE TOILETS	PK	75.00
		WARRANT TOTAL		150.00
75066	INGRAM LIBRARY SERVICES	BOOKS, PERIOD, RECORDS	LIB	24.19
		BOOKS, PERIOD, RECORDS	LIB	17.05
		WARRANT TOTAL		41.24
75067	INFRASTRUCTURE TECHNOLOGIES LLC	MAINTENANCE CONTRACTS	SWR	1,500.00
		WARRANT TOTAL		1,500.00
75068	INTERWEST CONSTRUCTION INC.	B & O TAX-SANITATION		.85
		CONST-SR20 WIDENING		804.60
		SEWER SERVICE CHARGES		.01
		GARBAGE/SOLID WASTE FEES		42.36
		INTEREST ON PERSONAL ACCTS		.13
		PENALTIES ON PERSONAL ACCTS		8.38
		WARRANT TOTAL		856.31
75069	KCDA PURCHASING COOPERATIVE	SUPPLIES	FIN	82.54
		OFFICE/OPERATING SUPPLIES	PD	46.25
		OFFICE SUPPLIES	FD	46.24
		OPERATING SUPPLIES	SAN	32.16
		WARRANT TOTAL		207.19
75070	KROESEN'S INC.	UNIFORMS	FD	23.70
		WARRANT TOTAL		23.70
75071	LIBRARY STORE, INC.,	SUPPLIES	LIB	82.66
		WARRANT TOTAL		82.66
75072	MCCANN, WILLIAM R.	INDIGENT DEFEND CONTR	JUD	2,557.50

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		WARRANT TOTAL		2,557.50
75073	MARTIN MARIETTA MATERIALS	REPAIR/MAINT-STREETS	ST	1,243.52
		REPAIR/MAINT-STREETS	ST	667.61
		WARRANT TOTAL		1,911.13
75074	MOTOR TRUCKS, INC.	REPAIRS/MAINT-EQUIP	SAN	562.64
		REPAIRS/MAINT-EQUIP	SAN	3,544.40
		WARRANT TOTAL		4,107.04
75075	MOUNT VERNON CITY LIBRARY	SUPPLIES	LIB	14.00
		WARRANT TOTAL		14.00
75076	NC POWER SYSTEMS CO.	MAINT OF GENERAL EQUIP	SWR	192.19
		WARRANT TOTAL		192.19
75077	NORTH CASCADE FORD	REPAIR & MAINT - AUTO	PD	36.63
		REPAIR & MAINT - AUTO	PD	1,208.61
		REPAIR & MAINT - AUTO	PD	6.82
		REPAIR & MAINT - AUTO	PD	320.96
		REPAIR & MAINT - AUTO	PD	1,081.95
		WARRANT TOTAL		2,654.97
75078	OFFICE DEPOT	MACHINERY & EQUIPMENT	PD	324.57
		WARRANT TOTAL		324.57
75079	OCLC, INC.	CATALOGUE SUBSCRIPTION	LIB	3,137.29
		WARRANT TOTAL		3,137.29
75080	ORCA PACIFIC INC.	OP SUPPLIES-CHEMICALS	SWR	493.18
		WARRANT TOTAL		493.18
75081	OSBORNE, ROBERT	PROFESSIONAL SERVICES	INSP	225.00
		WARRANT TOTAL		225.00
75082	PACIFIC POWER BATTERIES	OPERATING SUPPLIES	SWR	100.87
		SOLID WASTE DISPOSAL	SAN	666.07
		WARRANT TOTAL		766.94
75083	PAT RIMMER TIRE CTR, INC	REPAIRS/MAINT-EQUIP	FD	124.38
		SMALL TOOLS & MINOR EQUIP	PK	15.65
		REPAIRS/MAINT-EQUIP	SAN	33.29
		WARRANT TOTAL		173.32
75084	PARTSMASTER	OPERATING SUPPLIES	SWR	41.76
		OPERATING SUPPLIES	SAN	82.88
		WARRANT TOTAL		124.64
75085	PETTY CASH-DEBRA PETERSON	SUPPLIES	LIB	4.32
		POSTAGE	LIB	45.00
		BOOKS, PERIOD, RECORDS	LIB	23.75
		WARRANT TOTAL		73.07

CITY OF SEDRO-WOOLLEY
 SORTED TRANSACTION WARRANT REGISTER
 08/22/2012 (Printed 08/15/2012 14:52)

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
75086	PITNEY BOWES, INC.	SUPPLIES	FIN	84.73
		WARRANT TOTAL		84.73
75087	PITNEY BOWES	OPERATING RENTALS/LEASES	FIN	47.34
		POSTAGE	PLN	47.33
		POSTAGE	ENG	47.33
		POSTAGE	PD	47.34
		POSTAGE	FD	47.33
		POSTAGE	INSP	47.33
		WARRANT TOTAL		284.00
75088	PLATT	MAINT OF GENERAL EQUIP	SWR	23.97
		WARRANT TOTAL		23.97
75089	PUBLIC UTILITY DIS. NO.1	PUBLIC UTILITIES	PD	18.10
		UTILITIES-RIVERFRONT	PK	283.86
		UTILITIES-TRAIN	PK	18.10
		UTILITIES-HAMMER SQUARE	PK	93.00
		UTILITIES-BINGHAM & MEMORIAL P		124.40
		UTILITIES - OTHER	PK	33.34
		PUBLIC UTILITIES-CITY HALL	PK	189.71
		PUBLIC UTILITIES	CEM	80.90
		PUBLIC UTILITIES	ST	39.62
		PUBLIC UTILITIES	LIB	80.90
		PUBLIC UTILITIES	SWR	199.72
		PUBLIC UTILITIES	SAN	42.76
		WARRANT TOTAL		1,204.41
75090	PUGET SOUND ENERGY	PUBLIC UTILITIES	ST	9,155.12
		WARRANT TOTAL		9,155.12
75091	RENE'S WORLD	SUPPLIES/BOOKS	PLN	12.98
		WARRANT TOTAL		12.98
75092	SCIENTIFIC SUPPLY	OPERATING SUPPLIES	SWR	108.39
		WARRANT TOTAL		108.39
75093	SEDRO-WOOLLEY AUTO PARTS	REPAIR/MAINTENANCE-EQUIP	ST	41.20
		REPAIRS/MAINT-EQUIP	SAN	16.94
		OPERATING SUPPLIES	ERR	3.56
		OPERATING SUPPLIES	ERR	28.66
		WARRANT TOTAL		90.36
75094	SEDRO-WOOLLEY FAMILY	PROFESSIONAL SERVICES	SWR	136.00
		WARRANT TOTAL		136.00
75095	SEDRO-WOOLLEY VETERINARY CARE	SUPPLIES - KENNEL		45.49
		WARRANT TOTAL		45.49
75096	SJOSTROM LAW OFFICE	MISC-FILING FEES/LIEN EXP	SWR	1,637.61
		MISC-FILING FEES/LIEN EXP	SAN	781.01
		OPERATING SUPPLIES	SWTR	100.78

CITY OF SEDRO-WOLLEY
 SORTED TRANSACTION WARRANT REGISTER
 08/22/2012 (Printed 08/15/2012 14:52)

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		WARRANT TOTAL		2,519.40
75097	SKAGIT CO. PUBLIC WORKS	SOLID WASTE DISPOSAL	SAN	49,920.67
		WARRANT TOTAL		49,920.67
75098	SKAGIT FARMERS SUPPLY	REPAIR/MAINTENANCE-LAND	CEM	8.10
		OPERATING SUPPLIES-PROPANE	ST	15.88
		WARRANT TOTAL		23.98
75099	SKAGIT PUBLISHING	LEGAL PUBLICATIONS	LGS	50.00
		WARRANT TOTAL		50.00
75100	ELECTRONIC DISTRIBUTING INC.	MAINT OF PUMPING EQUIP	SWR	10.81
		WARRANT TOTAL		10.81
75101	SPARKLE SHOP LAUNDRIES	UNIFORM CLEANING	PD	78.44
		MISC-LAUNDRY	FD	14.28
		WARRANT TOTAL		92.72
75102	STAPLES BUSINESS ADVANTAGE	SUPPLIES	FIN	18.34
		SUPPLIES	FIN	8.22
		SUPPLIES	FIN	126.86
		WARRANT TOTAL		153.42
75103	STILES & STILES	MUNICIPAL COURT JUDGE	JUD	2,728.00
		WARRANT TOTAL		2,728.00
75104	TRUE VALUE	EMPLOYEE WELLNESS	EXE	15.13
		MACHINERY & EQUIPMENT	PD	26.03
		REPAIR/MAINT-GARAGE	FD	10.81
		OPERATING SUP - RIVERFRONT	PK	36.78
		OPERATING SUP - RV PARK	PK	6.04
		SMALL TOOLS & MINOR EQUIP	PK	10.26
		SMALL TOOLS & MINOR EQUIP	PK	15.98
		SMALL TOOLS & MINOR EQUIP	PK	50.15
		REPAIRS/MT-RIVERFRONT	PK	49.76
		ENHANCEMENT PROJECT	PK	5.49
		ENHANCEMENT PROJECT	PK	49.75
		OPERATING SUPPLIES	SWR	3.56
		OPERATING SUPPLIES	SWR	47.58
		OPERATING SUPPLIES	SWR	27.04
		WARRANT TOTAL		354.36
75105	US BANK -- PURCHASE CARDS	COMMUNICATIONS	EXE	27.00
		SENIOR CRIME WATCH	EXE	20.00
		SUPPLIES	FIN	203.01
		SMALL TOOLS/MINOR EQUIP	IT	54.95
		SUPPLIES/BOOKS	PLN	32.68
		OFFICE/OPERATING SUPPLIES	PD	17.52
		PRINTING/PUBLICATIONS	PD	32.68
		TUITION/REGISTRATION	PD	175.00
		POSTAGE	FD	10.25

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		TRAVEL/MEALS	INSP	14.48
		OPERATING SUPPLIES-PROPANE	ST	32.54
		MISC-TUITION/REGISTRATION	ST	9.01
		SUPPLIES	LIB	127.20
		SUPPLIES	LIB	59.75
		SUPPLIES	LIB	71.21
		SUBSCRIPTIONS	LIB	49.00
		TUITION/REGISTRATION	LIB	80.00
		BOOKS, PERIOD, RECORDS	LIB	15.25
		BOOKS, PERIOD, RECORDS	LIB	66.19
		OPERATING SUPPLIES	SWR	67.25
		MEALS/TRAVEL	SWR	46.23
		MISC-DUES/SUBSCRIPTIONS	SWR	82.00
		MISC-TUITION/REGISTRATION	SWR	300.00
		OPERATING SUPPLIES	SAN	341.89
		WARRANT TOTAL		1,935.09
75106	UTIL UNDERGROUND LOC CTR	OPERATING SUPPLIES	SWR	60.90
		WARRANT TOTAL		60.90
75107	VALLEY AUTO SUPPLY	REPAIRS/MAINT-EQUIP	FD	9.71
		SMALL TOOLS & MINOR EQUIP	PK	125.26
		MAINT OF GENERAL EQUIP	SWR	15.14
		WARRANT TOTAL		150.11
75108	VALLEY VIEW MHC	REPAIRS AND MAINT		460.11
		WARRANT TOTAL		460.11
75109	VOYAGER FLEET SYSTEMS INC.	AUTO FUEL/DIESEL	FD	20.27
		AUTO FUEL/DIESEL	PK	104.37
		AUTO FUEL/DIESEL	ST	52.89
		WARRANT TOTAL		177.53
75110	VISION FORMS, LLC	POSTAGE	SWR	1,523.49
		POSTAGE	SAN	726.59
		OPERATING SUPPLIES	SWTR	93.76
		WARRANT TOTAL		2,343.84
75111	WASHINGTON LIFTRUCK	REPAIRS/MAINT-EQUIP	SAN	368.88
		WARRANT TOTAL		368.88
75112	WA STATE DEPT OF ECOLOGY	DOE DISCHARGE PERMIT	SWR	5,178.60
		WARRANT TOTAL		5,178.60
75113	WA ST DEPT OF PROF LICEN	INTERGOV SVC-GUN PERMITS	PD	108.00
		WARRANT TOTAL		108.00
75114	WA STATE DEPT OF REVENUE	SUPPLIES	LGS	3.60
		EMPLOYEE WELLNESS	EXE	4.75
		SUPPLIES	FIN	6.30
		UNIFORMS/ACCESSORIES	PD	6.68
		OFFICE/OPERATING SUPPLIES	PD	16.73

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		AMMUNITION	PD	232.39
		MACHINERY & EQUIPMENT	PD	82.00
		TAXES AND ASSESSMENTS	PK	132.02
		TAXES AND ASSESSMENTS	CEM	406.38
		SUMMER READ PROGRAM	LIB	14.17
		TAXES AND ASSESSMENTS	LIB	13.07
		BOOKS SKAGIT COUNTY	LIB	4.24
		MAINTENANCE OF LINES	SWR	141.45
		MAINT OF PUMPING EQUIP	SWR	57.74
		TAXES AND ASSESSMENTS	SWR	5,539.15
		TAXES & ASSESSMENTS	SAN	5,882.44
		WARRANT TOTAL		12,543.11
75115	WASTE MANAGEMENT OF SKGT	RECYCLING FEE - HOUSEHOLD	SAN	8,461.39
		WARRANT TOTAL		8,461.39
75116	WESTERN SYSTEMS	CONTAINERS	SAN	365.72
		WARRANT TOTAL		365.72
75117	WEST PAYMENT CTR	WESTLAW SERVICES	LGL	230.14
		WARRANT TOTAL		230.14
75118	WOOD'S LOGGING SUPPLY INC	SMALL TOOLS & MINOR EQUIP	PK	320.38
		OPERATING SUPPLIES	SAN	5.53
		WARRANT TOTAL		325.91
75119	WSAMA	MISC-TUITION/REGISTRATION	LGL	240.00
		WARRANT TOTAL		240.00
		RUN TOTAL		152,318.87

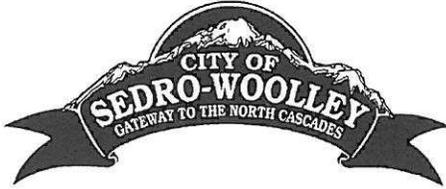
FUND	TITLE	AMOUNT
001	CURRENT EXPENSE FUND	27,538.75
101	PARK FUND	5,468.67
102	CEMETERY FUND	750.96
103	STREET FUND	12,559.11
104	ARTERIAL STREET FUND	804.60
105	LIBRARY FUND	3,970.89
109	SPECIAL INVESTIGATION FUND	5,544.11
111	DOG FUND	45.49
401	SEWER FUND	19,889.22
412	SOLID WASTE FUND	75,518.47
425	STORMWATER	194.54
501	EQUIPMENT REPLACEMENT FUND	34.06
TOTAL		152,318.87

CITY OF SEDRO-WOLLEY
 SORTED TRANSACTION WARRANT REGISTER
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DEPARTMENT	AMOUNT
001 000 000	.85
001 000 011	154.12
001 000 012	5,499.09
001 000 013	121.24
001 000 014	673.62
001 000 015	2,994.30
001 000 017	73.07
001 000 018	167.39
001 000 019	117.61
001 000 020	105.85
001 000 021	15,419.73
001 000 022	1,900.44
001 000 024	311.44
FUND CURRENT EXPENSE FUND	27,538.75
101 000 076	5,468.67
FUND PARK FUND	5,468.67
102 000 036	750.96
FUND CEMETERY FUND	750.96
103 000 042	12,559.11
FUND STREET FUND	12,559.11
104 000 042	804.60
FUND ARTERIAL STREET FUND	804.60
105 000 072	3,970.89
FUND LIBRARY FUND	3,970.89
109 000 021	5,544.11
FUND SPECIAL INVESTIGATION FUND	5,544.11
111 000 021	45.49
FUND DOG FUND	45.49
401 000 000	.01-
401 000 035	19,889.23
FUND SEWER FUND	19,889.22
412 000 000	50.87
412 000 037	75,467.60
FUND SOLID WASTE FUND	75,518.47
425 000 039	194.54
FUND STORMWATER	194.54
501 000 047	34.06
FUND EQUIPMENT REPLACEMENT FUND	34.06
TOTAL	152,318.87

CITY COUNCIL AGENDA
REGULAR MEETING

AUG 22 2012



7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 32

CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-9924
Fax (360) 855-9923

Bill Chambers
IT Director

MEMO TO: City Council
FROM: Bill Chambers
RE: Guardian Security Contract Renewal
DATE: August 22, 2012

ISSUE: Should the Council authorize the Mayor or his designee to renew the Combined System Lease and Monitoring Services Agreement with Guardian Security?

BACKGROUND: As part of a City-wide effort to find ways to cut costs or add value, I met with a Guardian Security representative in July of this year to discuss our City security monitoring system. Guardian can convert all of the wired security systems that they currently monitor for us with wireless systems. This upgrade will provide faster data transmission, more reliable communication and slightly reduce cost to the City.

Security monitoring systems that rely on wired technology can be deactivated intentionally by anyone with a little knowledge and a pair of wire cutters, or unintentionally by a disruption in local telephone service. Wireless monitoring systems are much harder to circumvent. At some sites we will be able to drop wired telephone lines that are used only for security monitoring.

RECOMMENDATION: Motion to authorize the Mayor or his designee to renew the Combined System Lease and Monitoring Services Agreement with Guardian Security for a 5-year term.

PROPOSAL: City of Sedro Woolley / Alarm Upgrade

SITE GENERAL DATA		PANEL MONITORING SPECIFIC DATA				ASSUMED CURRENT MONTHLY COST				GSS PROPOSED MONTHLY COST			MONTHLY		GSS UPGRADE COST		CITY	COMMENTS
SYSTEM	SITE NAME	MAKE	MODEL	LINE-1	LINE-2	\$ FIRE MONITOR	\$ SECURITY MONITOR	DEDICATED LINES	\$ PHONE	\$ TOTAL	GSS UPGRADE ACTIONS	\$ TOTAL	\$ SAVINGS	\$ AES	\$ UPGRADE	\$ TOTAL	\$ COST	
COMBO	Waster Water Treatment	First Alert	168cps	856-5269	NONE	\$30.00	\$0.00	0	\$30.00	\$30.00	Install GSM cell unit	\$35.00	-\$5.00	\$687	\$0	\$687	\$0	856-5269 is shared with the Wastewater Shop FAX line
COMBO	Waste Water Shop	First Alert	168CPS	856-5269	NONE	\$12.00	\$0.00	0	\$30.00	\$12.00	Install GSM cell unit	\$35.00	-\$23.00	\$687	\$0	\$687	\$0	856-5269 is shared with the Wastewater Shop FAX line
FIRE	Fire Station	Cercbrus	Pyrotronics	855-1160	855-0423	\$28.00	\$0.00	1	\$30.00	\$58.00	Install AES radio	\$55.00	\$3.00	\$853	\$0	\$853	\$0	855-1160 is shared with the Police Evidence Room Alarm
FIRE	Fire Station #2	Silent Knight	5207	856-0338	856-0335	\$28.00	\$0.00	1	\$30.00	\$58.00	Install AES radio	\$55.00	\$3.00	\$853	\$0	\$853	\$0	856-0335 is shared with the Fire Station #2 FAX line
FIRE	Community Center	ESL	1500	855-1230	NONE	\$27.00	\$0.00	0	\$30.00	\$27.00	Install AES radio	\$55.00	-\$28.00	\$853	\$0	\$853	\$0	855-1230 is shared with the main Community Center line
COMBO	Library	First Alert	1600c	855-0636	NONE	\$31.50	\$0.00	1	\$30.00	\$61.50	Install AES Fire Radio / Tap	\$55.00	\$6.50	\$853	\$0	\$853	\$0	
COMBO	Senlor Center	Radionoics	2071	855-1056	855-1532	\$27.00	\$22.00	1	\$30.00	\$79.00	Install AES radio	\$55.00	\$24.00	\$853	\$0	\$853	\$0	855-1532 is shared with the secondary voice line
BURG	Police Dept (Evidence Room)	FA168	168	855-1160	NONE	\$0.00	\$12.00	1	\$30.00	\$42.00	Install GSM cell unit	\$35.00	\$7.00	\$687	\$0	\$853	\$0	
BURG	Police Dept (Evidence garage)	FA168	168	855-2167	NONE	\$0.00	\$30.00	1	\$30.00	\$60.00	Install GSM cell unit	\$35.00	\$25.00	\$687	\$0	\$853	\$0	
BURG	Municipal Bldg	First Alert	168	855-1661		\$0.00	\$28.00	0	\$30.00	\$28.00	Install GSM cell unit	\$35.00	-\$7.00	\$687	\$0	\$853	\$0	855-1661 is shared with the main City line
						\$183.50				\$455.50		\$450.00	\$5.50	\$7,700	\$0	\$8,198	\$0	
												ANNUAL SAVINGS =	\$66.00					
												PAYBACK PERIOD (YEARS) =	0.000					

NOTES:

- For GSS non-monitored accounts (NON-GSS in "CS#" Column), monthly rated noted is based upon information provided to Guardian.
- Proposal is based upon a dedicated phone line monthly cost of \$30.00.
- Proposal is based upon GSS paying for applicable permit(s) and AES Radio installation costs.
- GSS shall provide Customer complimentary AES radio installation based upon the customer signing a 5 year monitoring contract.
 - Radio hardware (subscriber unit, antenna, battery, etc) & panel interconnect (raceway, wire, connectors, etc) is loaned to Customer for the effective period of contract.
 - GSS exclusively owns all equipment previously mentioned. Customer must seek prior approval from GSS before performing any work that may impact our equipment.
- GSS shall take no action on FIRE panels and any upgrades necessary to Burg Panels. These are assumed to be adequate & functional "AS IS" & will simply be cutover as appropriate.



1743 First Avenue So. 9435 Provost Road, #204 1501 Kentucky Street
 Seattle, WA 98134 Silverdale, WA 98383 Bellingham, WA 98229

LIFE AND PROPERTY PROTECTION

Job # _____

COMBINED SYSTEM LEASE AND MONITORING SERVICES AGREEMENT

CUSTOMER NAME City of Sedro-Woolley DATE 7-16-12
 BILLING ADDRESS 325 Metcalf st CITY Sedro-Woolley STATE WA ZIP 98284
 EMAIL ADDRESS _____
 INSTALLATION ADDRESS _____ CITY Sedro-Woolley STATE WA ZIP 98284
 OFFICE PHONE NO. _____ SITE PHONE 360-855-1531

1. SYSTEM LEASE – INSTALLATION AND LEASE CHARGES: CUSTOMER hereby leases from Guardian the System described below, agrees to have Guardian provide central station monitoring of the system as set forth below, and to pay installation, lease, monitoring and other charges as follows:
 (a) **Installation Charge.** CUSTOMER agrees upon installation of the System to pay an installation charge of \$ 0.00
 (b) **Quarterly Lease and Monitoring:** CUSTOMER agrees to pay in advance a combined lease/monitoring payment of \$ 195(65/month) per quarter for period of 5 years, with the quarter commencing the first day of the month following the date of installation of the system, unless installation is made on the first day of a month. The first quarterly payment shall be due and payable at the time of installation. Thereafter, payment shall be due and payable on the tenth day of each succeeding quarter. If installation is on a date that is not the first day of month, the quarterly payment shall be pro-rated to the first day of the following month, and that pro-rated amount shall be billed separately to CUSTOMER, with payment to be received by Guardian within ten days of mailing the billing.
 (c) In addition to the charges identified above, at its sole expense, CUSTOMER shall (1) provide a uninterrupted 110v electrical outlet for the operation of the System, (2) pay all related permit fees and costs, (3) pay all applicable taxes, (4) pay all false alarm fees or penalties.

2. DESCRIPTION OF SYSTEM:

A. INSTALLATION & LEASE OF AES RADIO HARDWARE.

B. CUSTOMER PAYS A ONE (1) TIME FEE FOR THE FOLLOWING ITEMS SELECTED WITH AN "X":

GOVERNMENTAL PERMITS _____ SALES TAX ON AES HARDWARE PARTS _____ Permits to be billed separately _____

3. LIQUIDATED DAMAGES: IT IS AGREED BETWEEN CUSTOMER AND GUARDIAN THAT GUARDIAN IS NOT AN INSURER AND THE SYSTEM AND SERVICES ARE NOT INTENDED AS A SUBSTITUTE FOR ADEQUATE INSURANCE. CUSTOMER UNDERSTANDS AND AGREES THAT THE SYSTEM AND THE SERVICES (AND THE TRANSMITTER, IF APPLICABLE) ARE INTENDED ONLY TO PROVIDE WARNING IN CASE OF FIRE, IN OR ABOUT, OR ENTRY INTO THE PREMISES AND NOT TO PREVENT THE SAME AND THAT UNDER NO CIRCUMSTANCES SHALL GUARDIAN BE LIABLE FOR ANY LOSSES, EXCEPT AS PROVIDED HEREIN, and because it is impractical and extremely difficult to fix the actual damages in such event, Guardian's liability hereunder shall be limited to the sum of \$ 250 as liquidated damages, and not as a penalty. GUARDIAN SHALL NOT BE LIABLE FOR ANY OTHER DAMAGES, INCLUDING WITHOUT LIMITATION, DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED PROFITS OR OTHER ECONOMIC LOSS OR PERSONAL INJURY OR DEATH IN CONNECTION WITH OR ARISING OUT OF THE EXISTENCE, FURNISHING, FUNCTIONING OR USE OF THE SYSTEM OR SERVICES OF GUARDIAN. CUSTOMER AGREES TO DEFEND, INDEMNIFY AND SAVE GUARDIAN HARMLESS WITH RESPECT TO ANY INJURY, DAMAGE OR CLAIM TO PERSONS OR PROPERTY, THAT MAY ARISE OUT OF OR RELATE TO THE OPERATION OR MAINTENANCE OF THE SYSTEM OR LACK OF FAILURE THEREOF, OR GUARDIAN'S SERVICES. CUSTOMER HAS READ AND UNDERSTANDS THIS PARAGRAPH AND AGREES TO ITS TERMS. _____ (Customers Initials).

4. AUTOMATIC RENEWAL/TERMINATION/RETURN OF LEASED EQUIPMENT: upon expiration of this agreement at the end of its term identified in paragraph 1 above, this Agreement shall automatically renew for successive periods of one year, except that within the first sixty (60) days of any renewal year, CUSTOMER may terminate this agreement upon 30 days advance written notice to Guardian. In the event of termination upon written notice by CUSTOMER, CUSTOMER agrees to pay all lease/monitoring through the end of the 30 day written notice period and to deliver to Guardian within that 30 day period all leased equipment. Customer shall be liable for and pay any and all excise, sales, use or other taxes which may be imposed upon Guardian or CUSTOMER arising out of this Agreement or its termination.

5. DEFAULT, REMEDIES: Time is of the essence in connection with payments due under this Agreement. In the event the CUSTOMER is in default in the payment of any amounts due under this agreement, Guardian may terminate this agreement forthwith without notice to CUSTOMER and retake possession of the System and/or the transmitter, wherever the same may be located, without any court order or further process of law; retain all amounts previously received from CUSTOMER; sue for and recover all unpaid amounts due hereunder; and pursue and exercise any other remedy available at law or in equity. All remedies are cumulative and may be exercised concurrently or separately. CUSTOMER agrees to pay Guardian all costs and expenses, including all reasonable attorneys' fees, incurred by Guardian in pursuing or exercising any of its rights or remedies at law or in equity. Interest on unpaid amounts shall be charged at the rate of 1 1/2% per month or the highest rate allowed by law, whichever is less. If the monitoring service is deactivated because of CUSTOMER'S failure to timely make payment, and if CUSTOMER desires to have the service reactivated, CUSTOMER agrees to pay in advance Guardian's prevailing reactivation charge.

6. FORCE MAJEURE: Guardian will not be liable for any damages caused by delay in furnishing or failure to furnish equipment or services due to fire, flood, strike, lockout, dispute with workmen, inability to obtain material, war, act of God, or any other cause beyond Guardian's reasonable control.

7. GOVERNING LAW; VENUE: This Agreement shall be construed under and governed by the laws of Washington. The parties hereto submit to the jurisdiction of any federal or state court sitting in Seattle, King County, Washington, in any action or proceeding arising out of or relating to this Agreement.

8. ASSIGNMENT: CUSTOMER shall not assign this Agreement or any part hereof without the prior written consent of Guardian. Guardian shall have the right to assign this Agreement to any other person, firm, or corporation without notice to CUSTOMER, and shall have the further right to subcontract services which it may perform.

9. INCREASE IN TAXES, UTILITY CHARGES OR MONTHLY SERVICES: CUSTOMER acknowledges that all charges set forth herein are based upon existing federal, state and local taxes, fees and utility charges. Guardian shall have the right, at any time, to increase the charges provided herein, to reflect any increases in existing or any additional taxes, fees or charges which hereafter may be imposed on Guardian or its equipment/services by any utility or governmental agency relating to the equipment/services provided under the terms of this Agreement, and CUSTOMER agrees to pay the same.

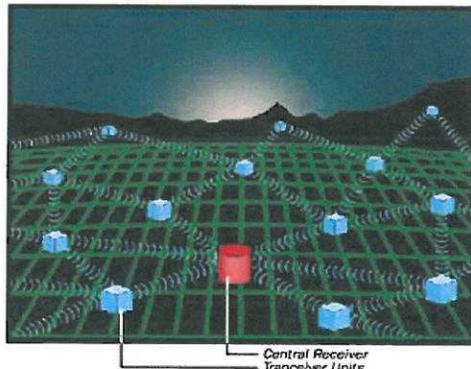
THIS AGREEMENT IS NOT BINDING UNLESS APPROVED IN WRITING BY AN AUTHORIZED REPRESENTATIVE OF GUARDIAN	I HAVE READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT
By: Christopher Moyer	Customer Signature:
_____	By:
Authorized Officer's signature for acceptance	
Title: Account Manager	Title:
Date:	Date:

AES-IntelliNet Mesh Technology

How It Works:

AES-IntelliNet wireless mesh network, as illustrated in Figure 1, utilizes the following principles:

- There is a remote transceiver used to monitor or control a device such as an alarm panel.
- Each transceiver relays its data in distances measured in miles, to the central receiver via radio transmission.
- If the transceiver is too far to reach the central receiver directly, it simply hops the data to the next closest transceiver and that transceiver relays it to the central receiver or to the next closest transceiver to the central receiver.
- The Central Receiver relays the data to alarm automation software for processing.
- If data cannot be relayed via one route, the mesh network automatically selects the next best route from a choice of up to 8 available routes at any given time.
- The network dynamically and automatically adapts to changes in the network caused by weather changes, obstruction changes, the addition or subtraction of other transceivers in the network, etc. so that it is highly redundant and reliable.



Geographically Separated Networks:

Wireless mesh networks operate very well in areas where there is a relative density of remote transceivers to form the network. Such as across a campus, city, region, state or even country. However, there are some applications which have pockets of remote transceivers such as 2 separate cities, which may have great distances (perhaps hundreds of miles between them) which want to benefit from the wireless mesh technology. In this case, where it might not be practical to add a lot of remote transceivers between the cities to bring the two city-wide networks together, there is Internet technology to bridge the gap. AES-MultiNet technology, as illustrated in Figure 2, utilizes the same principles as the single wireless mesh network with the following additional principles:

- When the data reaches the edge of the single wireless mesh network, it is collected at a central concentrator called an IP Link.
- The IP Link receives the wireless data, converts it to TCP/IP and relays it over the Internet to the Central Receiver.
- The Central Receiver relays the data to alarm automation software for processing.

Wireless Mesh Benefits:

The results are that a wireless mesh network provides more reliability, more redundancy and faster signal transmission than any wired or wireless network technology available. Furthermore, since the monitoring transceivers themselves make up the network negating the need for radio towers, the network is self enrolling and managing thus eliminating the need for real radio engineering expertise. There are no monthly fees to a network operator to maintain this network (like the telephone or cellular company) so that means a wireless mesh network offers the lowest alarm subscriber cost possible.

Thank you for your business!

We would like to take this opportunity to thank you for your continuing patronage with us. Guardian Security Systems Inc. has been a leading provider of life & property protection systems within the Puget Sound area since 1976. In addition to fire system inspections we are pleased to be able to provide extinguisher testing and certification, fire and security monitoring, fire sprinkler and pump servicing, kitchen hood and paint booth inspections, emergency generator testing, back flow servicing, exit and emergency light maintenance and now one of the latest innovations in security monitoring, **WIRELESS RADIO MONITORING** via our AES radio network.

Why Wireless Radio Monitoring?

- **FASTER:** Transmission average 4-6 seconds versus 24-36 seconds using telephone lines. Occupants have 120 seconds to escape a fire. Saving seconds saves lives!
- **MORE RELIABLE:** Increased reliability through our radio mesh network which is self-healing and proven military grade technology.
- **LOWER COST:** Phone lines are no longer required to monitor your alarm system when you use an AES Radio Network.

What We Provide:

- No installation or upfront equipment fees required via our leased radio program.
- Includes remote access to view fire/security alarm monitoring activities via the web.
- Radio system maintenance and repair or replacement actions are complimentary for the full term of the agreement and any successive terms.

By switching to AES Radio Monitoring

YOU CAN SAVE BETWEEN \$600 - \$3900!!

**over 5 year contract*

If you have questions or would like to inquire further on switching your system over to AES Radio Monitoring, please call Chris Moyer (360)319-5933. We look forward to serving you!

Faster, more reliable monitoring that saves you money!



Guardian AES Network

The Company

■ Guardian Security Overview

- 31 Years in Business
- Locally Owned
- 100 Plus Employees
- Multiple Locations -Seattle – Bellingham – Silverdale
- Cad Designers on Staff
- Professional Project Management
- Design, Install and Service All Types of Systems
 - Fire – Commercial and Residential Security Alarms – Access Control - Video Security – C/S Monitoring – System Integration



AES-IntelliNet presents



7705i Dual Receiver System



7005i Single Receiver System

AES Corporation & AES-IntelliNet

American Electronic Services

- Founded in 1974 as an Electronic Design House providing services to the US Government
- Developed *IntelliNet* in Response to a request from the US State Department / US Air Force
- The need was for a “Rapidly Deployable Radio Network”
- Initial concept and design was awarded through Sandia Labs



AES Corporation and *AES-IntelliNet*

The design requirements included:

- Sending small data packets long distances quickly
- Easy deployment (personnel with little expertise)
- Store and Forward, Self Adapting and Fault Tolerant
- Federal Government exclusive for 20 years
- Commercially available 1995
- UL Listed in 1997 and 1999

Network Overview

How AES-*IntelliNet* Works

- Licensed FCC Frequency
- Base station and network nodes
- 2 - way communications
- Store and forward algorithm
- Intelligence at the subscriber sites
- Each transceiver will build 8 individual dynamic paths of transmission
- Transceivers automatically enroll into the the networks

Network Features

U.L. Standards

U.L. 827 - Central Station Alarm Service

U.L. 1610 - Central Station Burglar Alarm Units

U.L. 864 - Controls Units for Fire Protective Signaling Systems

U.L. 365 - Police Station Connected Burglar Alarm Systems

U.L. 609 - Local Burglar Alarm Units and Systems & Meets Requirements for Line Security

U.L. 681 - Installation & Classification of Burglar & Holdup Alarm

U.L. 2050 - National Industrial Security systems for the Protection of Classified Material

Product Features - Transceivers

- 7750-F
 - UL Listed & NFPA 72 Compliant
 - Replaces Phone lines
 - 7067 Intellitap (dialer capture)
 - 7768 FireTap (data buss)



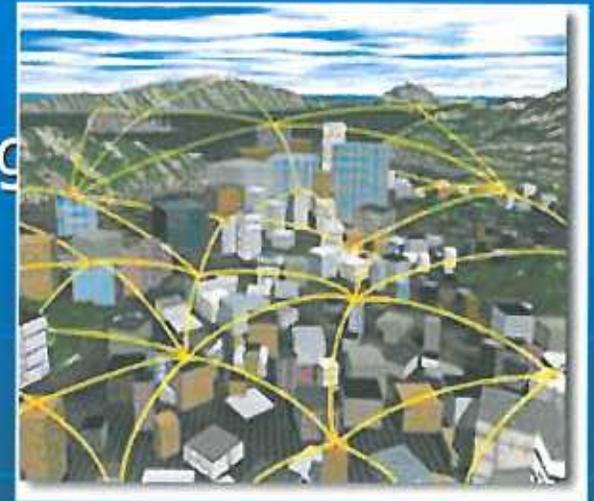
Network Overview

- Why AES-IntelliNet is Better
 - No Towers Needed
 - No Repeaters Needed
 - Creates it's own wireless network of "smart" data communicators
 - Each transceiver is a repeater
 - The network grows providing multiple redundant paths



Network Overview

- How It Works
 - Every radio is a repeater
 - "Store & Forward" Technology
 - Supervised 2 Way
 - Redundant Path
 - Automatic Enrollment
 - Self Routing
 - Self Healing



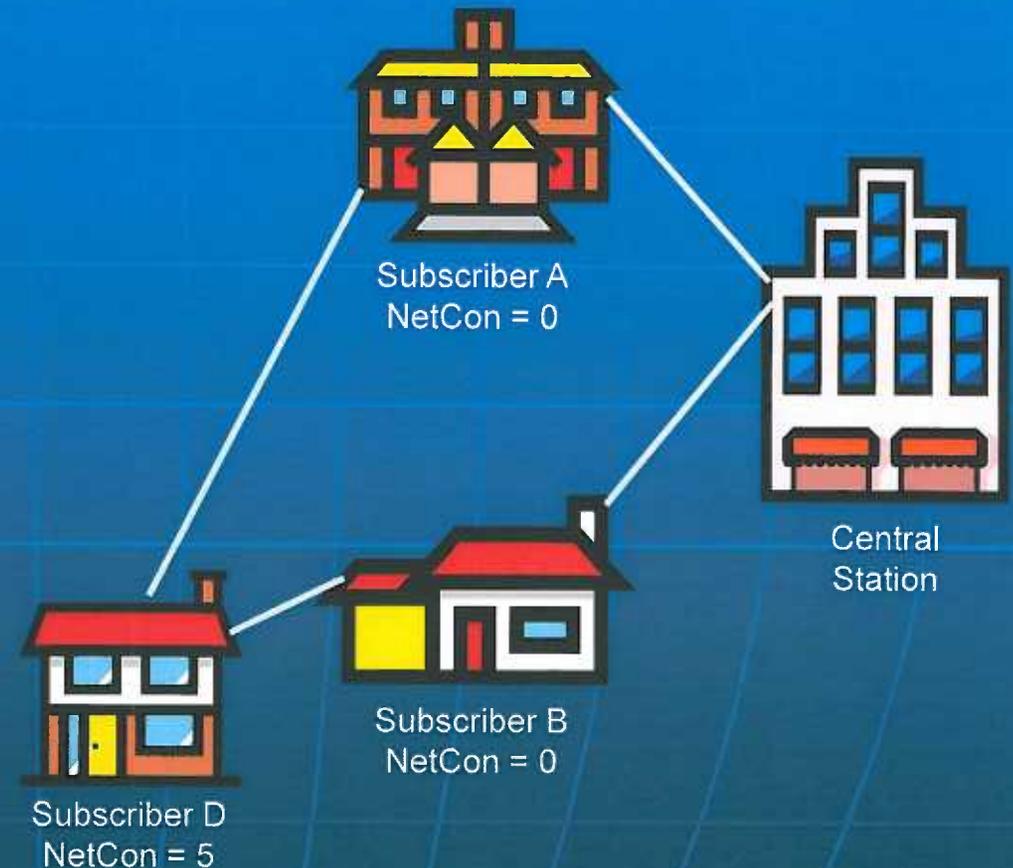
Network Overview

- Pure Radio Network
 - Fastest Form of Alarm Communications
 - 2 Watt Radios
 - Operates at 450MHz – 470MHz
- U.L. Listed in 1997



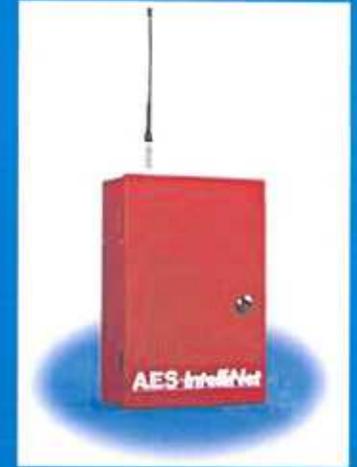
Network Overview

- Subscriber A & B
 - Communicates Directly to the Central Station
- Subscriber D
 - Communicates to A & B



Network Features

- NFPA 72 National Fire Alarm Code
 - Protected Premises Fire Alarm Systems
 - Local Protective Signaling Systems
 - Remote Station Protective Signaling Systems
 - Central Station Protective Signaling Systems
 - Proprietary Protective Signaling Systems



Commercial Fire Without Telephone Lines!

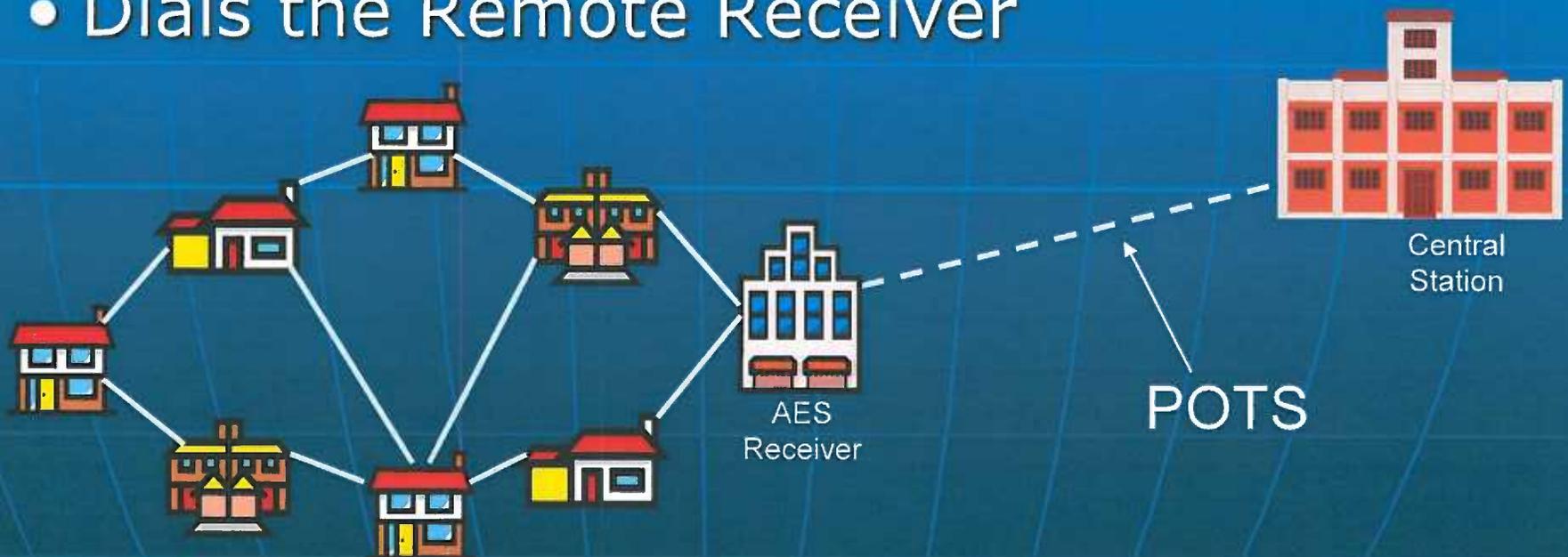
Product Features - Radios

- 7750-F
 - UL and NFPA 72 Listed
 - 7750-F-4X4
 - 4 EOL Supervised Inputs
 - 4 Polarity Reversal Inputs
 - 7750-F-8
 - 8 EOL Supervised Inputs
 - Options
 - 7068 IntelliTap



Product Features – EZ Router

- 7160
 - Connects to AES Receiver
 - Sends Signals to a Remote Site
 - Dials the Remote Receiver

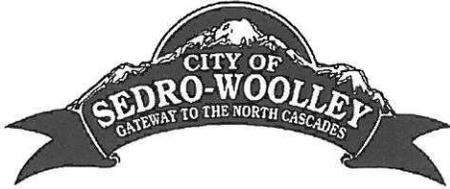


No Phones – No Problem



VERSUS





CITY COUNCIL AGENDA
REGULAR MEETING

AUG 22 2012

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 3e

CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-0771
Fax (360) 855-0733

Mark A. Freiberger, PE
Director of Public Works/City Engineer

MEMO TO: City Council and Mayor Mike Anderson

FROM: Mark A. Freiberger, PE

RE: **Proposed Interlocal Cooperative Agreement between Skagit
County and the City of Sedro-Woolley
Re Brickyard Creek Annual Maintenance Work Reimbursement**

DATE: August 8, 2012 (for Council review August 22, 2012)

ISSUE

Should the city enter into the proposed Interlocal Cooperative Agreement between Skagit County and the City of Sedro-Woolley for purpose of reimbursing the city for annual maintenance activities on county portions of Brickyard Creek?

BACKGROUND/DISCUSSION

See the attached draft Interlocal Cooperative Agreement between Skagit County and the City of Sedro-Woolley, and the attached map of the Sedro-Woolley Sub Flood Control Zone.

The city has issued an on call contract to Industrial Mowing for ditch mowing and clearing for the year 2012. Certain portions of Brickyard Creek remain in the county but are directly contiguous with areas that the city will be maintaining. The proposed Interlocal provides a mechanism for the county to reimburse the city for maintenance of the county portion of the creek under the city's on-call agreement. The work is estimated to be under \$5,000 per year. The Interlocal is for a period of five years.

CONSENT CALENDAR ITEM

Approve the proposed Interlocal Cooperative Agreement between Skagit County and the City of Sedro-Woolley for purpose of reimbursing the city for annual maintenance activities on county portions of Brickyard Creek.

After Recording Return to:

SKAGIT COUNTY BOARD OF COMMISSIONERS
1800 CONTINENTAL PLACE, STE. 100
MOUNT VERNON, WA 98273

INTERLOCAL COOPERATIVE AGREEMENT
BETWEEN
SKAGIT COUNTY
AND
THE CITY OF SEDRO-WOOLLEY

THIS AGREEMENT (the "Agreement") is made and entered into by and between the City of Sedro-Woolley, a Washington municipal corporation ("City") and Skagit County, a political subdivision of the State of Washington ("County") pursuant to the authority granted by Chapter 39.34 RCW, INTERLOCAL COOPERATION ACT. The City and the County may be individually referred to herein as a "party", and may be collectively referred to herein as the "parties."

WHEREAS, Interlocal Cooperative Agreement #C20120252, executed on June 11, 2012, formally established that it is the responsibility of the City for the use, operation, and maintenance of the Brickyard Creek corridor (as located within the City of Sedro-Woolley municipal limits) by performing mowing, brush removal, debris removal, cleaning, and any other applicable work on an annual basis as deemed appropriate by the City (in accordance with the terms of said interlocal agreement); and

WHEREAS, the majority of the Brickyard Creek corridor lies within City limits; and

WHEREAS, certain portions of the Brickyard Creek corridor are located outside of City limits, and are within the area assessed by the County Drainage Utility; and

WHEREAS, the parties recognize the mutual benefit of working jointly to fulfill common stormwater conveyance needs through the maintenance of the Brickyard Creek corridor.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein, and pursuant to provisions of Chapter 39.34 RCW, **THE PARTIES HERETO DO HEREBY AGREE** as follows:

1. **PURPOSE:** The County and City shall be involved in the annual maintenance of the portions of the Brickyard Creek corridor as located outside of the City limits pursuant to the terms of this Agreement.

2. RESPONSIBILITIES: The parties to this Agreement mutually agree as follows:

2.1 The City shall perform the maintenance activities on the Brickyard Creek corridor, including portions of the corridor located outside of City limits, and the County shall reimburse the City for certain work performed by the City on the portions of the corridor located outside of City limits with Drainage Utility Funds in the total amount not to exceed Five Thousand Dollars (\$5,000) annually, pursuant to the terms of this Agreement. The County and the City will mutually agree on the scope of maintenance work to be performed on the Brickyard Creek corridor outside of the city limits on an annual basis prior to the start of the work. The parties agree that the County is not responsible for the maintenance work performed by the City pursuant to this Agreement.

3. TERM OF AGREEMENT: The term of this Agreement shall commence upon mutual execution through December 31, 2016, unless sooner terminated pursuant to the terms herein.

4. MANNER OF FINANCING: Funds in the maximum amount not to exceed Five Thousand Dollars (\$5,000) per year shall be paid by the County to the City as reimbursement for completed Brickyard Creek corridor maintenance for portions of the corridor located outside of City limits ("work"), in accordance with the terms of this Agreement. The City will perform work, provide materials, equipment rental and contracted activities for work on the County' facilities as noted herein, to be reimbursed by the County to the City at the actual cost incurred by the City for said work, materials, and equipment rentals, and, in addition thereto, nine percent (9%) of the total cost shall be added for overhead costs for accounting, billing, and administrative services, provided that the City shall submit to the County a certified statement of the costs, including adequate supporting documentation of such work completed by the City, and within thirty (30) days thereafter, the County shall pay to the City the amount of said statement. Unless expressly provided to the contrary herein, the County is not obligated to perform or provide any additional funds or financing, or provide any other services, duties, or responsibilities pursuant to the terms of this Agreement.

5. ADMINISTRATION: The following individuals are designated as representatives of the respective parties. The representatives shall be responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the party making the change shall notify the other party.

5.1 The County's representative shall be:
Public Works Director, or his designee
Skagit County Public Works
1800 Continental Place
Mount Vernon, WA 98273

5.2 City's representative shall be:
Public Works Director, or his designee
City of Sedro-Woolley
325 Metcalf Street
Sedro-Woolley, WA 98284

6. TREATMENT OF ASSETS AND PROPERTY: No fixed assets or personal or real property will be jointly or cooperatively held or used pursuant to this Agreement.

7. INDEMNIFICATION: Except as is otherwise set forth per the terms of this Agreement, each party agrees to be responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of their officials, officers, agents, or employees to the fullest extent required by law, and further agrees to save, indemnify, defend, and hold the other party harmless from any such liability. It is further provided that no liability shall attach to either the County or the City by reason of entering into this contract except as expressly provided herein.

8. NO PARTNERSHIP OR JOINT VENTURE: No partnership and/or joint venture exists between the City and the County, and no partnership and/or joint venture is created by and between the City and the County by virtue of this Agreement. No agent, employee, contractor, subcontractor, consultant, volunteer, and/or other representative of the parties shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the other party.

9. DEFAULT: Failure of the parties to comply with the terms of this Agreement shall constitute default. The parties shall have all remedies for the enforcement of this Agreement as provided by law.

10. VENUE AND CHOICE OF LAW: In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Skagit. This agreement shall be governed by the laws of the State of Washington.

11. CAPTIONS & COUNTERPARTS: The captions in this agreement are for convenience and reference only and do not define, limit, or describe the scope or intent of this Agreement. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one Agreement.

12. NEUTRAL AUTHORSHIP: 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 represent and warrant that they have fully read this Agreement, that they understand its meaning and effect, and that they enter into this Agreement with full knowledge of its terms. The parties have entered into this Agreement without duress or undue influence.

13. TERMINATION: Any party hereto may terminate this Agreement upon sixty (60) days notice in writing either personally delivered or mailed postage-prepaid by certified mail, return receipt requested, to the party's last known address for the purposes of giving notice under this paragraph. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

14. CHANGES, MODIFICATIONS, AMENDMENTS AND WAIVERS: The Agreement may be changed, modified, amended or waived only by written agreement executed by the parties hereto. Waiver or breach of any term or condition of this Agreement shall not be considered a waiver of any prior or subsequent breach.

15. SEVERABILITY: In the event any term or condition of this Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this end the terms and conditions of this Agreement are declared severable.

16. USE OF DOCUMENTS AND MATERIALS PRODUCED: Both the County and the City shall have the right to use and distribute any and all documents, writings, programs, data, public records or other materials prepared by any party (and/or any party's contractors, consultants, and/or subcontractors), in connection with performance of this Agreement.

17. NO THIRD PARTY BENEFICIARIES: This Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but not limited to, members of the general public, residents and/or property owners located at or within the vicinity of the Brickyard Creek corridor, or any agent, contractor, subcontractor, consultant, employee, volunteer, or other representative of either party.

18. COMPLIANCE WITH LAWS, PERMITS, & GRANTS: The parties to this Agreement shall comply with all applicable federal, state, and local laws, rules, and regulations in carrying out the terms and conditions of this Agreement. As necessary, the City (at the City's own expense and liability) shall obtain and comply with all necessary permits and approvals from all applicable jurisdictions prior to commencing any maintenance work, and the City shall be solely and separately responsible and liable for compliance with all terms and conditions of any permit(s) and/or grant(s) obtained or procured by the City.

19. STATUS OF AGREEMENT: This Agreement is in addition to, and is not intended to replace, substitute, modify, or otherwise amend any other agreements by and between the parties. Any other agreements by and between the parties shall continue in full force and effect.

20. ENTIRE AGREEMENT: This Agreement contains all the terms and conditions agreed upon by the parties. All items incorporated herein by reference are attached. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

APPROVED:

CITY OF SEDRO-WOOLLEY
INTERLOCAL AGREEMENT
Page 4 of 6

SKAGIT COUNTY, WASHINGTON

Mike Anderson, Mayor
(Date _____)

Mailing Address:
325 Metcalf Street
Sedro-Woolley, WA 98284

Attest by:

Patsy Nelson, Finance Director

Approved as to Form:

Eron M. Berg
City Attorney

DATED this ____ day of _____, 2012.

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Kenneth A. Dahlstedt, Chairman

Sharon D. Dillon, Commissioner

Attest:

Ron Wesen, Commissioner

Clerk of the Board

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

Recommended:

County Administrator

Department Head

Approved as to form:

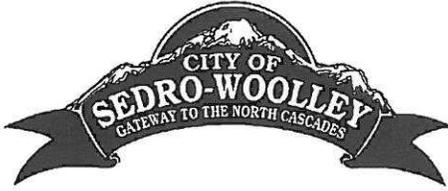
Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Approved as to budget:

Budget & Finance Director



CITY COUNCIL AGENDA
REGULAR MEETING

AUG 22 2012

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO.

CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-0771
Fax (360) 855-0733

Mark A. Freiberger, PE
Director of Public Works/City Engineer

MEMO TO: City Council and Mayor Mike Anderson
FROM: Mark A. Freiberger, PE
RE: **Proposed Interlocal Agreement between the City of Sedro-Woolley and Skagit Transit Re SR20-Cook Road Realignment and Extension Project**
DATE: August 13, 2012 (for Council review August 22, 2012)

ISSUE

Should the city enter into the proposed Interlocal Agreement between the City of Sedro-Woolley and Skagit Transit for purpose of reimbursing the city for design phase services for design of a Transit Facility in conjunction with the SR20-Cook Road Realignment and Extension Project?

BACKGROUND/DISCUSSION

Skagit Transit has requested that the city provide facilities for a bus transit station in conjunction with the construction of Edward R. Murrow Street as part of the SR20/Cook Road Realignment and Extension Project. The attached Interlocal agreement allows for reimbursement of the city for design phase services for the added facilities. Exhibit A of the ILA shows our consultant's estimate for the design work, plus a 5% administrative fee, totaling \$11,782.

Addition of the transit facilities will add an intermodal component to the project, which strengthens the project from the anticipated funding agencies perspective.

If the project is funded by TIB, the construction work will be funded 85% by the grant with the local match to be provided by Skagit Transit. An amendment to the ILA will be required for the construction work.

MOTION

Approve the proposed Interlocal Agreement between the City of Sedro-Woolley and Skagit Transit for purpose of reimbursing the city for design phase services for design of a Transit Facility in conjunction with the SR20-Cook Road Realignment and Extension Project.

INTERLOCAL AGREEMENT BETWEEN THE CITY OF SEDRO-WOOLLEY AND SKAGIT TRANSIT

THIS AGREEMENT is made and entered into this ____ day of _____ 2012, by and between the City of Sedro-Woolley, a Washington Municipal Corporation, herein referred to as “City,” and the Skagit Transit System, hereinafter referred to as “Skagit Transit”.

WHEREAS, the City is in the process of designing and constructing the **SR20, Cook Road Realignment and Extension Project** hereinafter referred to as “Project”; and

WHEREAS, Skagit Transit desires a Transit Transfer Station hereinafter referred to as “Transfer Station” to be located within the Project limits; and

WHEREAS, the City and Skagit Transit believe the Project will be completed most efficiently and cost effectively if the City undertakes and conducts the preliminary design of a Transfer Station as part of the City’s Project; and

WHEREAS, the City and Skagit Transit are each independently authorized by law to conduct such activity; and,

WHEREAS, RCW 39.34.080 authorizes a public agency to contract with another public agency to perform any governmental service, activity, or undertaking which each public agency is authorized to perform, provided that such contract shall be authorized by the governing body of each party to the contract; and,

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities, including an agency of state government, on a basis of mutual advantage; and,

WHEREAS, the City and Skagit Transit believe it is in each parties best interest that the City undertake the preliminary design of the Transfer Station as part of the City’s Project with the engineering and design work for the Transfer Station to be paid by Skagit Transit to the City; and,

WHEREAS, it is necessary for the City and Skagit Transit to enter into an agreement setting forth the terms, conditions, and requirements for the City to undertake the preliminary design for the Transfer Station.

NOW, THEREFORE, in consideration for the terms and conditions contained herein and in the documents incorporated herein, the parties agree as follows:

1. STATEMENT OF WORK

1.1 The City will undertake and conduct for Skagit Transit the preliminary engineering and design work for the new Transfer Station facility that would be part of the City’s Project that would include widening a portion of the new road approximately 12 feet wide by approximately 170 feet long plus acceleration and deceleration tapers for a bus pullout area, allowing parking for up to four buses, including drainage, grading, base, asphalt paving, pedestrian crossing markings, curb, 8 foot sidewalk, two bus shelter foundations and illumination. The preliminary engineering and design work to be performed by the City is more particularly described in Exhibit A attached hereto and incorporated herein.

1.2 All preliminary engineering and design work including all engineering drawings, maps and construction specifications prepared for or by the City specifically for the Transfer Station upon payment for the work performed by the City shall become the property of Skagit Transit.

1.3 This Agreement is for the preliminary engineering and design work for the Transfer Station only and this Agreement does not include or involve the construction or installation of the Transfer Station or any portion thereof, which shall be by separate agreement mutually approved by the Skagit Transit and the City.

2. COMPENSATION

The City will undertake and cause to be performed the preliminary engineering and design work for the Transfer Station and Skagit Transit agrees to pay the City for City's actual cost in having the preliminary engineering and design work performed (City's actual costs shall not include City employees' time) plus 5% City Administration fee for a maximum amount to be paid by Skagit Transit to the City for the preliminary engineering and design work not to exceed Eleven Thousand Seven Hundred Eighty Two and 00/100 Dollars (\$11,782.00) without further authorization by Skagit Transit. Requests by Skagit Transit for any other services by the City shall be negotiated as a mutually agreed amendment to this Agreement prior to the City providing the service. Upon reaching the maximum compensation, the City will have no further responsibility or obligation regarding the provision of services under this Agreement unless it is amended to authorize additional compensation.

3. PAYMENT PROCEDURE

The City shall submit invoices to Skagit Transit on a monthly basis. Payment shall be made by warrant or account transfer by Skagit Transit to the City within thirty (30) days of receipt of the invoice. Details of payment process shall be determined by Skagit Transit and the City's respective financial offices.

4. INDEPENDENT CAPACITY

The officials, employees or agents of Skagit Transit and the City who are engaged in the performance of this Agreement shall continue to be officials, employees or agents of that party and shall not be considered for any purpose to be officials, employees or agents of the other party.

5. LEGAL RELATIONS

Neither Skagit Transit nor the City shall be liable for damage or claims which arise from or relate to the performance or non-performance of this Agreement by any other party. Skagit Transit and the City shall be responsible only for the negligent acts and omissions of its own officers, employees, and agents, and no party shall be considered the agent of the other.

6. ASSIGNMENT

Skagit Transit understands that the City may contract for services to be provided under this Agreement and amendments thereto; however, neither Skagit Transit nor the City shall assign or convey its interests or obligations under this Agreement without the written consent of the other. There are no third-party beneficiaries of this Agreement.

7. DISPUTES

It is expected that any conflicts arising out of the implementation of this Agreement will be resolved at the staff level. In the event that issues cannot be resolved by staff in a timely fashion, Skagit Transit and the City agree to elevate the dispute through equivalent management levels of each party, and if necessary to the Executive Director and City Supervisor.

In the event that a dispute cannot be resolved in the manner described above, they shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, contract terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on Skagit Transit and the City hereto.

8. AMENDMENT

This Agreement shall be amended only by written mutual consent of Skagit Transit and the City. Amendments to this Agreement may be initiated by Skagit Transit or the City and will become final after agreement by Skagit Transit and the City and appropriate signatories are attached.

9. TERMINATION

This Agreement is effective from the date of signature by Skagit Transit and the City and remains in effect until modified by written mutual consent or terminated. Either party may terminate this Agreement upon thirty (30) days written notification to the other party. If this Agreement is so terminated, Skagit Transit shall be responsible to the City for performance rendered or costs incurred or contracted for in accordance with the terms of this Agreement prior to the effective date of termination, including the cost of any work contracted for by the City or the cost to the City to terminate the contract for said work, but in no event shall the cost to Skagit Transit (including any costs incurred by the City to terminate the City's contract) exceed Eleven Thousand Seven Hundred Eighty Two and 00/100 Dollars (\$11,782.00) as set forth in Section 2 above.

10. PROJECT MANAGEMENT

The Project Manager shall be the persons listed below. The Project Manager for each party shall be responsible for and shall be the contact person for all notices and communications regarding the work to be performed under this Agreement.

Dale O'Brien
Executive Director
Skagit Transit
600 County Shop Lane
Burlington, WA 98233
(360) 757-8801
dobrien@skagittransit.org

Mark A. Freiberger, PE
Director of Public Works
City of Sedro-Woolley
325 Metcalf Street

Sedro-Woolley, WA 98284
(360) 855-9933
mfreiberger@ci.sedro-woolley.wa.us

11. GOVERNANCE

This Agreement is entered into and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable state or federal rule, regulation or statute, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable state and federal constitution statutes and rules;
- Statement of work; and
- Any other provisions of the Agreement, including materials incorporated by reference.

12. WAIVER

A failure by either Skagit Transit or the City to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in writing signed by an authorized representative of the party and attached to the original Agreement.

13. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of the Agreement, and to this end the provisions of this Agreement are declared to be severable.

14. ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

15. ADDITIONAL PROVISIONS

This Agreement does not create any separate legal entity, create any joint organization, establish any common budget, nor authorize the joint acquisition of any personal or real property.

DATED this ____ day of _____, 2012.

CITY OF SEDRO-WOOLLEY

Mayor

ATTEST:

APPROVED AS TO FORM:

Finance Director

City Attorney

SKAGIT TRANSIT SYSTEM

Dale S. O'Brien, Executive Director

APPROVED AS TO FORM:

Skagit Transit Attorney

EXHIBIT A

Attached to the Interlocal Agreement between the City of Sedro-Woolley and Skagit Transit

1.1 SCOPE OF WORK

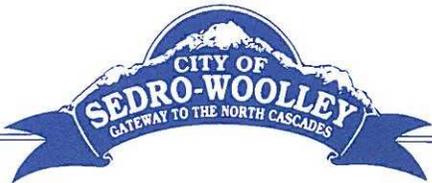
The City will undertake and conduct for Skagit Transit the preliminary engineering and design work for the new Transfer Station facility that would be part of the City's Project that would include widening a portion of the new road approximately 12 feet wide by approximately 170 feet long plus acceleration and deceleration tapers for a bus pullout area, allowing parking for up to four buses, including drainage, grading, base, asphalt paving, pedestrian crossing markings, curb, 8 foot sidewalk, two bus shelter foundations and illumination.

1.2 DELIVERABLES

1.0 Project Coordination, Management and Quality Control	
Project Management	
Design Meetings with Consultant and Skagit Transit (up to two meetings)	
SUBTOTAL	\$1,953
2.0 70% Plans, Specifications and Estimate (PS&E)	
Contract Specifications	
Preliminary construction cost estimate	
Bus stop plan details/sidewalk connection (2 sheets)	
SUBTOTAL	\$4,615
3.0 90% Plans, Specifications and Estimate (PS&E)	
Contract Specifications	
Preliminary construction cost estimate	
Bus stop plan details/sidewalk connection (2 sheets)	
SUBTOTAL	\$2,668
4.0 Final Contract Documents (100% Compliant)	
Modify 90% PS&E per City/Skagit Transit/WSDOT comments	
Final Design of Project Elements	
Final Contract Specifications	
Final Construction Cost Estimate	
SUBTOTAL	\$1,985
SUBTOTAL CONSULTANT EXPENSE	\$11,221
5% ADMINISTRATIVE FEE	\$ 561
TOTAL	\$11,782

AUG 22 2012

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 5

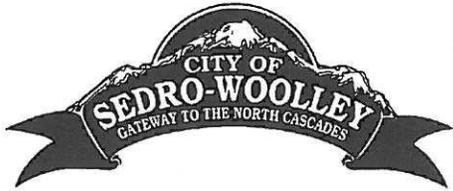


SUBJECT: PUBLIC COMMENT

Name:
Address:
Narrative:

CITY COUNCIL AGENDA
REGULAR MEETING

AUG 22 2012



CITY OF SEDRO-WOOLLEY
7:00 P.M. COUNCIL CHAMBERS Sedro-Woolley Municipal Building
AGENDA NO. 6 325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-9933
Fax (360) 855-0733

Mark A. Freiberger
Director of Public Works/City Engineer

MEMO TO: City Council
FROM: Mark Freiberger
RE: Transportation Grant Approval & Match Commitments
DATE: August 15, 2012 (Council session August 22, 2012)

ISSUE: Should the Council authorize staff to apply for or commit to the following grants, along with commitment of the suggested GMA Impact Fee or other funds noted below as local match?

1. **REVISED – FY2010 Safe Routes to Schools – submitted May 3, 2010; revised May 4, 2012**
Administered by WSDOT, \$3.0 million available (2012 Supplemental Budget added \$2.5 million), must be obligated by 5/1/2013.
Project Name: **SR9 Pedestrian/Bicycle Safety Improvements Project – Phase 1 –SR9 west side, Lucas Drive to Park Cottage Place**
Revised 8/22/2012 – Estimate \$495,000, with \$400,000 from SRTS and up to \$90,000 from GMA Impact Fee Funds
2. **NEW – 2012 WSDOT Pedestrian and Bicycle Safety Program (submitted 6/30/12), FY2012 Safe Routes to Schools (submitted 5/4/2012) or FY2014 TIB Urban Sidewalk Program (due 8/24/12)**
Administered by WSDOT PBP, \$8.0 million available, announce 12/2012
Administered by WSDOT SRTS, est. \$5,00,000 available, announce 12/2012
Administered by TIB USP \$3,500,000 available state wide, \$800,000 West; Region, announce 11/2012, minimum 20% local match; average grant \$200,000
Project Name: **SR9 Pedestrian/Bicycle Safety Improvements Project – Phase 2 –SR9 east side, McGarigle Road to Summer Meadows**
Estimate \$315,000, with \$250,000 from TIB USP or WSDOT Pedestrian and Bicycle Safety Program and **up to \$65,000 local from GMA Impact Fee Funds**
3. **NEW - Safe Routes to Schools (submitted May 4, 2012); WSDOT Pedestrian and Bicycle Safety Program (submitted 6/30/2012)**
Administered by WSDOT PBP, \$8.0 million available, announce 12/2012
Project Name: **John Liner Road, Reed to Township Pedestrian/Bicycle Safety Improvements Project**
Estimate \$414,000, with \$356,000 from WSDOT PBP and **up to \$58,000 local from GMA Impact Fee Funds**
Estimate \$444,000, with \$386,000 from SRTS, \$40,000 in kind local and SWSD match and **up to \$58,000 local from GMA Impact Fee Funds**

4. **Transportation Improvement Board 2014 Urban Arterial Program Grant – due August 24, 2012; CERB 2012 Community Revitalization Grant Program Phase 1, due August 16, 2012; Freight Mobility Strategic Investment Board 2012 Call for Projects due September 6, 2012**
Administered by TIB, \$60,000,000 available state wide, \$5.7 M Northwest Region, minimum 10% local match; average grant size \$1-3 million
Administered by CERB, \$2,910,000 available state wide, \$500,000 max grant; announce 9/26/12 Phase 2 process, final selection 12/4/2012
Administered by FMSIB, Total available dependent on Legislative action
Project Name: **SR20/Cook Road Realignment and Extension Project**
Estimate: \$6,452,000 with \$3,500,000 from TIB, \$625,000 from STPR, \$500,000 submitted from CERB, \$775,000 from FMSIB, \$580,000 from WSDOT, \$29,000 from Skagit Transit, \$169,000 from SeaLand Corporation, \$109,000 from City ROW donations and **\$165,000 from GMA Impact Fees or the Account 104 Unrestricted Arterial Street Fund, and right of way donation of Parcel P77392 (total parcel valued at \$103,000) and a partial right of way donation from Parcel P77385 (Bingham Park southeast corner, 462 square feet, approx. \$6,500 value).**

5. **Transportation Improvement Board 2014 Urban Sidewalk Program Grant – due August 24, 2012**
Administered by TIB, \$3,500,000 available state wide, \$800,000 West Region, minimum 20% local match; average grant size is \$200,000, announce 11/2012
Project Name: **3rd Street, Talcott to State Sidewalk Replacement Project**
Estimate: \$149,400 with \$118,000 from TIB, and **\$31,400 from Account 103 Sidewalk Repair (REET) funds**

6. **Transportation Improvement Board 2014 Urban Expanded Preservation Program Grant – due August 24, 2012**
Administered by TIB, \$3,000,000 available state wide, 10% local match; average grant size is \$150,000-200,000, announce 11/2012
Project Name: **3rd Street, Sterling to State Overlay Project**
Estimate: \$467,000 with \$420,000 from TIB, and **\$47,000 from Account 103 Contracted Overlay (REET) Funds (\$75,000 generally available)**

BACKGROUND: City Staff continue to search for grant opportunities that fit City projects and needs. This memo details six opportunities involving seven potential projects that could improve infrastructure and quality of life in Sedro-Woolley. Each grant project is described below in greater detail.

1 & 2. **2011 SR9 Pedestrian/Bicycle Safety Improvements Project.** This is an extension of the sidewalk improvements constructed in 2009 on the east side of SR9 from Evans to Lucas (**Phase 1**) and on the west side of SR9 at McGarigle (**Phase 2**). These phases will result in connecting significant pedestrian generating areas (Sapp Road, Park Cottage Estates and Summer Meadows) to the existing bicycle and pedestrian system, greatly enhancing safety and mobility. Future phases would extend the east side SR9 sidewalks north from Park Cottage to the new Fire Station 2 site, and from Summer Meadows north to the north city limits along the east side of SR9. We previously applied for Phases 1 and 2 as one project \$881,000 project under the 2010 Safe Routes to Schools (\$400,000 applied) program, the TIB Urban Sidewalk Program (\$230,000 applied), and Enhancement Program through SCOG (\$64,000 applied). The project was ranked as a SRTS contingency project in 2010. TIB funds were originally awarded, but the request was rescinded when the

SRTS funds became unavailable. SCOG Enhancement funding was not awarded. The original council approved local match was \$75,000 from GMA Impact Fee Funds.

In May of 2012, Legislature provided additional funding for the SRTS program as part of the 2012 Supplemental Budget. Staff was approached by SRTS to determine if the project could be phased and a portion completed if SRTS funding was available. We responded that we could, based on a Phase 1 project totaling \$495,000, with \$400,000 from SRTS, \$5,000 in-kind from Sedro-Woolley School District, and a local match of \$90,000 from GMA Impact Fee funds. We have received the grant offer as reflected in Item 1 above.

We have also applied for both SRTS and WSDOT Pedestrian and Bicycle Safety Improvements funds for Phase 2, and plan to also submit to TIB for Urban Sidewalk funds. The total Phase 2 project is estimated at \$351,000, with \$51,000 local match from GMA Impact Fee Funds for either the SRTS or PBS grants or \$65,000 for the TIB USP grant with the higher match requirement. The total increase for both phases from the original allocation of \$75,000 is \$66,000 to \$80,000 in GMA Impact Fee funds. The Cascade Middle School project has provided sufficient funds for the original and increased amounts, as noted in the analysis below. These grant revisions and opportunities have been reported by staff to council on a number of occasions. This memo will formalize approval of the local match fund increase.

3. John Liner Road, Reed to Township Pedestrian/Bicycle Safety Improvements Project.

This project will extend a 10' shared use path from Township to Reed Street, linking with the path and walks on McGarigle and SR9 and walks on Reed Street. We have applied for SRTS and WSDOT Pedestrian and Bicycle Safety Program funding for this project. The estimated project total is \$414,000, with \$356,000 grant and \$58,000 local match from the GMA Impact Fee fund. Cascade Middle School expansion impact fees will provide funding for the match as noted in the analysis.

4. SR20/Cook Road Realignment and Extension Project. This is the same project for which we have previously sought ARRA Tiger funding, Federal Appropriations Request sponsored by Representative Larsen's office, and FY2013 TIB Urban Arterial funding. Our 2010 TIB request, while unfunded, was ranked 3rd for our region, with the top ranked project being the Skagit County Anderson-LaVenture Road Project (funded and under construction). We are preparing a FY2014 TIB UAP application for this project, as well as a 2012 CERB Community Revitalization Grant Program Phase 1 application due August 16, and a 2012 Freight Mobility Strategic Investment Board application due September 6. We anticipate approximately \$3.5 million from TIB, with \$500,000 from CERB and \$580,000 from FMSIB to round out the project. Council has previously approved \$165,000 in GMA Impact Fee funds for this project. This total may change as the project progresses. By this memorandum, council also approves the right of way donation, consisting of the former bakery property purchased in 2008 for \$103,000, and an anticipated donation from Bingham Park estimated at \$6,000.

5. 3rd Street, Sterling to State Sidewalk Replacement Project. This project would replace badly deteriorated sidewalks on both sides of 3rd Avenue in the vicinity of the High School. We plan to apply for TIB Urban Sidewalk funds for this project. The SR9 Phase 1 project is higher priority, and will probably rank higher. The estimated project total is \$149,400 with \$118,000 from TIB and \$31,400 proposed from the Account 104 REET Sidewalk Repair and Maintenance line item to be budgeted for 2013. We normally budget \$25,000 for this line item; this will be a \$6,400 increase for 2013.

6. 3rd Street, Sterling to State Overlay Project. This project would provide a badly needed overlay to 3rd Avenue in the vicinity of the High School. We plan to apply for TIB Expanded Preservation funds for this project. The estimated project total is \$400,000 with \$360,000 from TIB and \$40,000 proposed from the Account 104 REET Overlay line item to be budgeted for 2013. We normally budget \$75,000 total for this line item, which would leave \$35,000 for other local access overlay work.

ANALYSIS: We do not expect that all of these grant opportunities would be funded, but here is the potential impact on the GMA Impact Fee fund if all were funded. The GMA Impact Fee fund does not include any deposits for 2010.

Here is an estimate of GMA Impact Fee fund balance aging, based on the possibility of successful grant applications as noted above for the various projects planned for 2012-2013:

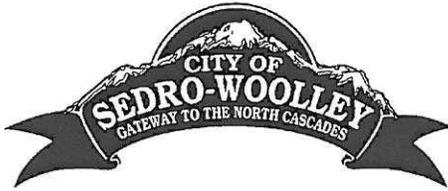
	REVENUE	EXPENSE	BALANCE
GMA Impact Fee Fund balance at 12/31/2011			38,234
GMA Impact Fees collected thru 5/1/2012	14,000		52,234
Est Cascade Middle School GMA Impact Fee	210,288		262,522
Add Unrestricted Arterial Street Fund	136,500		399,022
SR20 Project Widening Additional Expense		51,302	347,720
Less SR20/Cook Road Realignment Project PE		165,000	182,720
Less SR9, Lucas to Park Cottage Bike/Ped Phases 1		90,000	92,720
Less SR9, McGarigle to Summer Meadows Phase 2		65,000	27,720
Less John Liner Road Bike/Ped		58,000	(30,280)

Assuming that all of the proposed grant projects are funded, we are slightly overextended. However, we do not anticipate all of the projects being funded. We also can anticipate some additional revenue will come in over the course of 2012-2013. If however by some chance they are all funded, we would need to prioritize or refuse some of the funds if other sources do not become available.

RECOMMENDATION:

Motion to authorize staff to apply for or confirm the grants identified in this memo and to commit the local match dollars identified in this memo.

CITY COUNCIL AGENDA
REGULAR MEETING



AUG 22 2012

CITY OF SEDRO-WOOLLEY

Sedro-Woolley Municipal Building

325 Metcalf Street

Sedro-Woolley, WA 98284

Phone (360) 855-9922

Fax (360) 855-9923

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 7

Eron M. Berg
City Supervisor/City Attorney

MEMO TO: City Council
FROM: Eron Berg
RE: Blackrock Franchise Agreement
DATE: August 22, 2012

ISSUE: Should the Council approve the attached Franchise Agreement with Blackrock?

BACKGROUND: The City's current franchise with Blackrock expired in 2006. We have been engaged in negotiations over the new agreement since that time. There are a number of changes between the agreements (both the old and the draft new agreement are attached for your review) and a summary of some of the more significant changes follows:

	<u>Proposed Agreement</u>	<u>Current Agreement</u>
1. Term:	10 years	5 years
2. Franchise Fee:	5% (cable only)	n/a
3. EG Channel:	\$.33/subscriber/month	n/a
4. Insurance:	\$2,000,000.00 coverage	same
5. Dark fiber	one pair for city intranet	same

There are a number of other changes between the agreements including more detail on public works projects and coordination, and the addition of cable services in addition to the open video services. Blackrock has been a great company to work with for the city and for businesses and industries within and around the city. This franchise allows them to continue to provide services and to potentially expand into the provisioning of cable services in the future.

RECOMMENDATION: First Reading only. Any comments or concerns?

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF SEDRO-WOOLLEY GRANTING
A NON-EXCLUSIVE FRANCHISE TO BLACK ROCK CABLE, INC.
FOR THE CONSTRUCTION AND OPERATION OF AN
OPEN-VIDEO SYSTEM WITHIN THE CITY OF SEDRO-WOOLLEY**

WHEREAS, Black Rock Cable, Inc. (hereinafter referred to as “Black Rock” or “Franchisee”) has a franchise with the City of Sedro-Woolley under Ordinance No. 1401-01 to operate on Open Video System (“Franchise”);

The Franchise term ended on January 26, 2006 but Black Rock has been allowed to continue to operate under the Franchise in the City of Sedro-Woolley with the City’s knowledge and consent. Black Rock has complied with the Franchise terms and the City has and continues to grant all necessary operational permits requested by Black Rock.

The City of Sedro-Woolley and Black Rock agree that the Franchise shall be renewed on the terms and conditions herein and Franchisee shall be allowed in the City of Sedro-Woolley (hereinafter referred to as "City") to construct, maintain and operate an Open-Video System within the City; and

WHEREAS, pursuant to RCW 35A.47.040, the City is authorized to grant one or more non-exclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for railroads and other routes and facilities for public conveyances, for poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for the transmission and distribution of electrical energy, signals and other methods of communication; and

WHEREAS, upon completion of informal negotiations with the Franchisee and having analyzed the financial, legal, and technical ability of the Franchisee, the City has determined that it is in the best interests of the City to renew this non-exclusive franchise to the Franchisee; and

WHEREAS, the City has afforded the public adequate notice and opportunity for comment, and now desires to renew this Franchise with Franchisee for the construction, maintenance and operation of an Open-Video System as provided herein;

NOW THEREFORE, the City Council of the City of Sedro-Woolley does ordain as follows:

This Franchise Agreement (“Franchise”) is between the City of Sedro-Woolley (“City”) and Black Rock Cable, Inc. (“Franchisee”) and shall be governed by the terms of the Franchise as set forth herein.

SECTION 1. DEFINITIONS

1.1 "Act" means the Cable Communications Policy Act of 1984 as modified by the Cable Television and Consumer Protection Act of 1992 and the Telecommunications Act of 1996.

1.2 "Access Channel" or "Public Educational or Government Access (PEG) Channel" means any channel or portion of a channel utilized for programming, whether by Franchisee or in cooperation with, by or through the City, where any resident of the City or any non-commercial organization whose members reside in the City may be a programmer, either without charge or in a non-profit manner, on a non-discriminatory basis. The term "programming" as used in this Section shall include video, voice, and data transmission.

1.3 "Affiliate" means any entity, corporate or individual, having ownership of 5% or more of the equity ownership, (either voting, control or value) of either entity. In addition, any entity having actual working control, in whatever manner exercised, will also be deemed an affiliate. Both the entity owned or controlled, and the entity owning or controlling, shall be considered affiliates of each other.

1.4 "Basic Cable Service" means any tier of service, in the event that Franchisee begins provision of such, provided to subscribers of Franchisee's System that would include, but is not specifically limited to, the retransmission of local broadcast television signals and the cablecasting of public, educational, or governmental access channels through Franchisee's System. Nothing in this definition shall be deemed to limit the rights of Franchisee or the City with respect to the regulation of rates and charges as permitted by applicable law.

1.5 "Cable Service" means (1) the one-way transmission to subscribers of (a) video programming, or (b) other programming services, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.6 "Cable System" means any facilities consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the Service Area. The phrase "Cable System" shall also include Open Video System, OVS system and OVS.

1.7 "City" shall mean the City of Sedro-Woolley of the State of Washington and all the territory within its present and future boundaries and including any area over which the City exercises jurisdiction.

1.8 "Facilities" means any facilities, including dark fiber, installed by Franchisee under this Agreement.

1.9 "Franchise" means the non-exclusive right or authority to construct, operate and maintain an OVS within the City by way of City owned Rights of Way, easements or other publicly owned properties and includes references to this "Ordinance".

1.10 "Franchisee" shall mean Black Rock Cable, Inc. DBA Black Rock Cable, a Washington corporation, its agents and assignees.

1.11 "Franchise Fee" means consideration paid by the Franchisee for the privilege granted under this Franchise for the use of streets and Rights of Way and the privilege to construct and/or operate an OVS in the City. Franchise fee does not include any tax, fee or assessment of general applicability, fees associated with construction permit approval, capital costs which are required by the Franchisee for Public, Educational or Governmental Access facilities (including, without limitation the support required in Sections 5.5 herein), requirements or charges incidental to the awarding or enforcing of the Franchise, or any fee required by federal, state or local law.

1.12 "Gross Revenues" means any and all gross revenues derived directly or indirectly by the Franchisee and/or its Affiliates from the operation of its Dark Fiber, Cable or OVS system within the City, "Gross Revenues" shall not include any tax, fee or assessment of general applicability collected by the Franchisee from Subscribers as a pass-through to a government agency. Gross revenue shall not include amounts which cannot be collected and are identified as bad debt: provided, that amounts previously identified as bad debt which are eventually collected shall be reported for the period in which that occurs. Notwithstanding any other provision herein, the Franchisee shall be obliged to pay in full any applicable City utility tax and any agreed upon reimbursements to the City set forth in this agreement without credit against Franchise Fees. For the purpose of this Section, the 12-month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year, unless otherwise agreed to in writing by the City and Franchisee. Gross Revenues shall include Cable Modem Type Services (and related equipment, installations, service calls and the like) if the FCC, Federal legislation or the courts permit local governments to effectively include revenues from Cable Modem Type Services in Cable Gross Revenues for the purpose of computing cable Franchise Fees. Nothing in this definition shall be deemed to limit the rights of Franchisee or the City with respect to the regulation of rates and charges as permitted by applicable law.

1.13 "Open Video System", or "System," shall have the meaning specified for "Open Video System" in 47 C.F.R. 76.1500(a) and also includes the provision of Dark Fiber (as defined herein) services. It excludes cable service as defined herein. Unless otherwise specified, the foregoing terms shall, in this document, refer to the open_video system/fiber optic transmission system constructed and operated (whether transmissions are generated by Franchisee or its subscribers) in the City of Sedro-Woolley under this Franchise. "Dark Fiber" is optical fiber infrastructure installed and maintained by Franchisee, which does not transmit light pulses for the transmission of information, but which is capable of such transmission upon installation of optronic equipment by either Franchisee or its subscriber.

1.14 "Person" means any individual, corporation, partnership, association, joint venture or organization of any kind and the lawful trustee, successor, assignee, transferee or personal representative thereof.

1.15 "Right of Way" means land previously acquired or dedicated to the public or the City or hereafter acquired or dedicated to the public or the City and maintained under public authority or by others, including but not limited to public streets, roads, highways, avenues, lanes, alleys, bridges, sidewalks, easements and similar public property located within the City.

1.16 "Service Area" means the present boundaries of the City and shall include any modifications thereto by annexation or other legal means.

1.17 "Standard Installation" means an arterial installation 125 feet from the nearest tap to the Subscriber's terminal.

1.18 "Street" shall mean the surface of and the space above and below the Right of Way of any public street, road, highway, freeway, easement, lane, path, alley, court, sidewalk, parkway, or driveway now or hereafter existing as such within all incorporated areas of the City of Sedro-Woolley.

1.19 "Subscriber" means any person who legally receives any one or more of the services provided by the Open Video System.

1.20 "Video Programming" means programming provided by, or generally considered comparable to, programming provided by a television broadcast station. (see 47 U.S.C. Sec. 522(20)).

1.21 "Wireless Services" shall mean any extension or other part of the System that employs through air transmission and the use of transmitters, relays and repeaters, or similar transmission technology.

SECTION 2. GRANT

2.1 Grant of a Non-Exclusive Franchise.

2.1.1 The City hereby grants to the Franchisee a NON-EXCLUSIVE authorization to make reasonable and lawful use of the City's Right of Way within the City to construct, maintain and operate therein an Open-Video System ("OVS"), as that term is defined above, subject to the terms and conditions of this agreement.

2.1.2 The Franchisee is granted the right to operate its OVS using the City Right of Way in compliance with all lawfully enacted City Codes, ordinances, standards, procedures and regulations, provided that in the event of conflict, the provisions of this Franchise shall control. The express provisions of this Franchise are a contract between the parties, except that the City may unilaterally alter the terms and conditions through

the lawful exercise of its police powers upon reasonable notice to Franchisee. In accepting this Franchise, the Franchisee acknowledges that its rights hereunder are subject to the police power of the City to adopt and enforce, from time to time and in the manner it deems reasonable, general ordinances necessary for the safety, health and welfare of the public. Franchisee agrees to comply with all applicable laws that are now or may in the future be enacted by the City pursuant to such police power.

2.1.3 No rights shall pass to the Franchisee by implication.

2.1.4 This Franchise only conveys limited rights and interests as to those Rights of Way in which the City has an actual interest. It is not a warranty of title or interest, nor does it provide the Franchisee with any representation as to any location of a City Right of Way or the nature of the City's interest in any Right of Way. No right to install any facility, infrastructure, wires, lines, cables, or other equipment, on any City property other than a Right of Way, or upon private property without the owner's consent, or upon any public or privately owned utility poles or conduits is granted herein.

2.1.5 Nothing herein is a bar to the imposition of any lawful condition with respect to the Franchisee's delivery of any other type of service, nor does this Franchise relieve the Franchisee from obtaining authorization from the City for providing any other such services.

2.1.6 This Franchise shall not be construed as to deprive the City of any rights or privileges which it now has or may hereafter have to regulate the use and control of the Rights of Way, and public property.

2.1.7 The City specifically reserves the right to grant, at any time, such additional franchises for other similar systems as it deems appropriate provided, however, such additional grants shall not operate to materially modify, revoke, or terminate any rights previously granted to Franchisee. The grant of any additional franchise shall not of itself be deemed to constitute a modification, revocation, or termination of rights previously granted to Franchisee

2.1.8 Subject to Section 2.1.7, and only to the extent permitted by law, the City agrees to grant additional franchises upon terms and conditions which, in its sole discretion, it in good faith believes will enhance OVS service and not grant an unfair competitive advantage to one franchisee over another.

2.1.9 This Franchise does not establish any priority for the use of the Rights of Way by Black Rock Cable or by any present or future franchisees or other permit holders. In the event of any dispute as to the priority of use of the Rights of Way, the first priority shall be to the public generally, the second priority to the City in the performance of its various functions, and thereafter, as between franchisees and other permit holders, as determined by the City in the exercise of its powers, including the police power and other powers reserved to and conferred on it by the State of Washington.

2.2 Term of Franchise.

The Franchise granted pursuant to this Ordinance shall expire at midnight, July 1, 2022.

2.3 Non-Exclusive.

This Franchise shall be non-exclusive, and subject to all prior rights, interests, easements or licenses granted by the City or its predecessors to any Person to use any property, Right of Way, easement, right interest, or license. The City may at any time grant authorization to use the Right of Way for any purpose not incompatible with the Franchisee's authority under this Franchise and for such additional franchises for other cable companies and/or cable systems as the City deems appropriate.

2.4 Effect of Acceptance.

By accepting this Franchise, the Franchisee acknowledges and accepts the City's legal right to issue and enforce the Franchise; accepts and agrees to comply with each and every provision of this Franchise; and agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law.

Section 3. GENERAL RIGHT OF WAY USE AND CONSTRUCTION

3.1 Use of Streets.

Franchisee shall not erect, install, construct, repair, replace or maintain its Cable System in such a fashion as to unduly burden the present or future use of the Rights of Way. If the City in its reasonable judgment determines that any portion of the Cable System is an undue burden, Franchisee at its expense shall modify its Cable System or take such other actions as the City may determine are in the public interest to remove or alleviate the burden, and Franchisee shall do so within the time period established by the City. Franchisee may, subject to the terms of this Franchise, erect, install, construct, repair, replace, reconstruct and retain in, on, over, under, upon, across and along the streets or Rights of Way within the City such lines, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of an Open Video System within the City. The City shall have the right to inspect all work performed by the Franchisee in, on or above City streets or Rights of Way, whether during the performance of such work or after completion so long as such inspection does not disrupt Franchisee's system operation. To the extent that the City is required to perform any inspections, maintenance or repairs to City streets, Rights of Way or other City property due to Franchisee's use thereof, the City shall be entitled to recover the costs and expenses incurred therefor from the Franchisee and such costs and expenses shall be payable on demand. In the event that the City incurs any costs or expenses for planning, designing, installing, repairing or altering any City facilities that would not have occurred but for Franchisee's exercise of the rights granted under this Franchise agreement, the City may

bill Franchisee for reimbursement of such costs and expenses and such shall be immediately due and payable to the City.

3.2 Construction or Alteration.

Franchisee shall in all cases comply with all lawful City laws, resolutions and regulations regarding the acquisition of permits and/or such other items as may be reasonably required in order to construct, alter or maintain the Open Video System.

3.3 Non-Interference.

Franchisee shall exert its best efforts to construct and maintain an Open Video System so as not to interfere with other use of streets. Franchisee shall, where possible, in the case of above ground lines, make use of existing poles and other facilities available to Franchisee. When residents receiving underground service or who will be receiving underground service will be affected by proposed construction or alteration, Franchisee shall provide at least two weeks' advance notice of the same to such affected residents.

3.4 Consistency with Designated Use.

Notwithstanding any other provision of this Franchise, no street or Right of Way shall be used by the Franchisee if the City, in its sole opinion, determines that such use is inconsistent with the terms, conditions or provisions by which such street or Right of Way was created or dedicated, or presently used under City, State or local laws.

3.5 Undergrounding.

Franchisee shall place underground all of its transmission lines, which are located or are to be located above or within the streets of the City in the following cases:

- (a) All other existing utilities are required to be placed underground by statute, resolution, policy or other regulation;
- (b) Franchisee is unable to get pole clearance;
- (c) Underground easements are obtained from developers of new residential areas; or
- (d) Utilities are overhead but residents prefer underground (service provided at cost).

3.5.1 If an ordinance is passed creating a local improvement district which involves placing underground certain utilities including Franchisee's facilities which are then located overhead, Franchisee shall participate in such underground project and shall remove poles, cables and overhead wires within such district if requested to do so and place facilities underground.

3.5.2 If those areas and portions of the City where the transmission or distribution facilities of both the public utility providing telephone service and those of the utility providing electric service are underground or hereafter may be placed underground, then the Franchisee shall likewise construct, operate and maintain all of its transmission and distribution facilities underground. Amplifiers and connectors in Franchisee's transmission and distribution lines may be in appropriate housing upon or above the surface of the ground in locations approved by the City. Upon sufficient notice, work shall be done at the same time as other facilities that are placed underground and all work shall be done consistent with City regulations and to minimize impact on streets and neighborhoods.

3.5.3 Franchisee shall use conduit or its functional equivalent to the greatest extent possible for under-grounding, except for drops from pedestals to subscribers' homes and for cable on other private property where the owner requests that conduit not be used. Cable and conduit shall be utilized which meets the highest industry standards for electronic performance and resistance to interference or damage from environmental factors. Franchisee shall use, in conjunction with other utility companies or providers, common trenches for underground construction wherever available.

3.6 Maintenance and Restoration.

(a) Restoration. In case of disturbance of any street, public way, paved area or public improvement, Franchisee shall, at its own cost and expense and in accordance with the requirements of local law, including the City's Public Works Standards, restore such street, public way, paved area or public improvement to substantially the same condition as existed before the work involving such disturbance took place. All requirements of this Section pertaining to public property shall also apply to the restoration of private easements and other private property. Franchisee shall perform all restoration work promptly. If Franchisee fails, neglects or refuses to make restorations as required under this Section, then the City may do such work or cause it to be done, and Franchisee shall pay the cost thereof to the City. If Franchisee causes any damage to private property in the process of restoring facilities, Franchisee shall repair such damage.

(b) Maintenance. Franchisee shall maintain all above ground improvements that it places on City Right of Way pursuant to this Franchise. In order to avoid interference with the City's ability to maintain the Right of Way, Franchisee shall provide a clear zone of five feet on all sides of such improvements. If Franchisee fails to comply with this provision, and by its failure, property is damaged, then Franchisee shall be responsible for all damages caused thereby.

(c) Disputes. In any dispute over the adequacy of restoration or maintenance relative to this Section, final determination shall be the prerogative of the City of Sedro-Woolley Department of Public Works.

3.7 Relocation.

3.7.1 City Property. If during the term of the Franchise the City or any government entity elects or requires a third party to alter, repair, realign, abandon, improve, vacate, reroute or change the grade of any street, public way or other public property; or to construct, maintain or repair any public improvement; or to replace, repair install, maintain, or otherwise alter any cable, wire conduit, pipe, line, pole, wire-holding structure, or other facility, including a facility used for the provision of utility or other services or transportation of drainage, sewage or other liquids, Franchisee shall, upon request, except as otherwise hereinafter provided, at its sole expense remove or relocate as necessary its poles, wires, cables, underground conduits, vaults, pedestals, manholes and any other facilities which it has installed.

3.7.2 Utilities and Other Franchisees. If during the term of the Franchise another entity which holds a franchise or any utility requests Franchisee to remove or relocate such facilities to accommodate the construction, maintenance or repair of the requesting party's facilities, or their more efficient use, or to "make ready" the requesting party's facilities for use by others, or because Franchisee is using a facility which the requesting party has a right or duty to remove, Franchisee shall do so. The companies involved may decide among themselves who is to bear the cost of removal or relocation, provided that the City shall not be liable for such costs.

3.7.3 Notice to remove or relocate. Any utility, other franchisee, or City request to Franchisee to remove or relocate its facilities shall give Franchisee no less than fifteen (15) days' advance written notice to Franchisee advising Franchisee of the date or dates removal or relocation is to be undertaken; provided, that no advance written notice shall be required in emergencies or in cases where public health and safety or property is endangered.

3.7.4 Failure by Franchisee to remove or relocate. If Franchisee fails, neglects or refuses to remove or relocate its facilities as directed by the City; or in emergencies or where public health and safety or property is endangered, the City may do such work or cause it to be done, and the cost thereof to the City shall be paid by Franchisee. If Franchisee fails, neglects or refuses to remove or relocate its facilities as directed by another franchisee or utility, that franchisee or utility may do such work or cause it to be done, and if Franchisee would have been liable for the cost of performing such work, the cost thereof to the party performing the work or having the work performed shall be paid by Franchisee.

3.7.5 If in the sole opinion of the City Public Works Director, damage to the public Right of Way resulting from damage or disturbance during the construction, operation or maintenance of the OVS requires immediate repair, the City may commence such repairs after the expiration of notice to remove or relocate pursuant to Section 3.7.3 and the failure of Franchisee prior to the commencement of the repairs at the cost of the Franchisee. In such event, the City will endeavor to notify the Franchisee of the immediate repairs needed. The Franchisee shall pay to the City the City's costs, including administrative costs related to such repairs within thirty (30) days of the date of the

written notice of the costs that is delivered to the Franchisee. If the Franchisee fails to comply with the time frames herein, this Franchise shall terminate without further action required.

3.7.6 Procedure for removal of cable. Franchisee shall not remove any underground cable or conduit which requires trenching or other opening of the streets along the extension of cable to be removed, except as hereinafter provided. Franchisee may remove any underground cable from the streets which has been installed in such a manner that it can be removed without trenching or other opening of the streets along the extension of cable to be removed. Subject to applicable law, Franchisee shall remove, at its sole cost and expense, any underground cable or conduit by trenching or opening of the streets along the extension thereof or otherwise which is ordered to be removed by the City based upon a determination, in the sole discretion of the City, that removal is required in order to eliminate or prevent a hazardous condition. Underground cable and conduit in the streets that is not removed shall be deemed abandoned and title thereto shall vest in the City at no cost to the City.

3.8 Movement of Buildings.

Franchisee shall, on the request of any person holding a building moving permit issued by the City, temporarily raise or lower its wires to permit the moving of such building. Franchisee shall be entitled to ten (10) business days; notice to arrange the raising or lowering of the wires. Franchisee may charge a reasonable fee no greater than its actual costs incurred in raising or lowering its wires, for this service to the person or entity holding a building permit and may request that the costs be paid in advance.

3.9 City Right to Inspect and Cost recovery.

The City shall have the right to inspect all work performed by Franchisee in, on or above City streets or Right of Way, whether during the performance of such work or after completion so long as such inspection does not disrupt Franchisee's system operation. To the extent that the City is required to perform any inspections, maintenance or repairs to City streets, Right of Way or other City property due to Franchisee's use thereof, the City shall be entitled to recover the costs and expenses incurred therefore from Franchisee and such costs and expenses shall be payable on demand. In the event that the City incurs any costs or expenses for planning, designing, installing, repairing or altering any City facilities that would not have occurred but for Franchisee's exercise of the rights granted under this Franchise agreement, the City may bill Franchisee for reimbursement of such costs and expenses and such shall be immediately due and payable to the City. Any such recovery of City costs or reimbursements of such costs shall not be an off-set or credit against Gross Revenues or the Franchise Fee to be paid to the City by the Franchisee.

3.10 Construction Standards.

All work authorized or required hereunder shall be done in a safe, thorough and workmanlike manner. All installations of equipment shall be durable and installed in

accordance with sound professional engineering practices. Prior to commencement of construction or any work being performed in any Right of Way, all of such work shall be conducted pursuant to engineering plans submitted by the Franchisee to the City for review and approval, which may be conditional approval, by the City of Sedro-Woolley Public Works Department. Franchisee will take prompt corrective action if it or the City finds that any facilities or equipment on its Cable System are not operating as expected, or if it or the City finds that facilities and equipment do not comply with the requirements of this Franchise or applicable law, the Sedro-Woolley Municipal Code or any permit requirements.

Any erection of poles, antennae, wires, cables, and other installations, upon the poles of the Franchisee or upon the poles of others, shall be done only in accordance with a plan or maps first to be submitted and approved by the City or other person designated by the City, and shall be subject to any separate pole attachment agreement as required by the City Public Works Department. Said pole attachment agreement shall be subject to a separate approval, which may be denied by the City as provided for in any City adopted policies or regulations. Antenna supporting structures (towers) shall be designed for the proper loading as specified by the Electronics Industries Association (EIA), as those specifications may be amended from time to time. Antenna supporting structures (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, and local codes or regulations. Any repair work or replacement work shall be done under the supervision of the City and only after permission from the City is received.

3.11 Notice of Construction.

The City may establish requirements for advance notification to residents adjacent to the proposed construction areas to be provided by the Franchisee.

3.12 Safety Requirements.

The Franchisee shall, at all times, employ professional care and shall install and maintain and use commonly accepted methods for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public. All structures and all lines, equipment and connection in, over, under, and upon the streets, sidewalks, alleys and public ways or places of the Franchise area, wherever situated or located, shall at all times be kept and maintained in a safe condition. Franchisee shall comply with all federal, State, and City safety requirements, rules, regulations, laws and practices, and employ all necessary devices as required by applicable law during the construction, operation, maintenance, upgrade, repair or removal of its Cable System. By way of illustration and not limitation, Franchisee shall also comply with the National Electric Code, National Electrical Safety Code, FCC regulations, and Occupational Safety and Health Administration (OSHA) Standards.

If an unsafe condition is found to exist, the City agrees to give Franchisee notice of such condition and afford Franchisee a reasonable opportunity to repair the same. If Franchisee fails to start to make the necessary repairs and alterations, within the time frame specified in Section 7 herein, then the City may make such repairs or contract for them to be made. All costs, including administrative costs, incurred by the City in repairing any unsafe conditions shall be borne by Franchisee. The Franchisee shall pay to the City all of the City's costs, including administrative costs, incurred as a result of circumstances herein within thirty (30) days of the date of the written notice of the costs that is delivered to the Franchisee. Any such recovery of City costs or reimbursements of such costs shall not be an off-set or credit against Gross Revenues or the Franchise Fee to be paid to the City by the Franchisee. If the Franchisee fails to comply with the time frames herein, this Franchise shall terminate without further action required.

3.13 Permits Required for Construction.

Prior to doing any work in the City, Franchisee shall apply for, and obtain, appropriate permits from the City. As part of the permitting process, the City may impose such conditions and regulations as are necessary for the purpose of protecting any Rights of Way, the proper restoration of Rights of Way and structures, the protection of the public, and the continuity of pedestrian or vehicular traffic, or as may be required by law, ordinance, codes or regulations. Such conditions may also include requiring the provision of a construction schedule and maps showing the location of the facilities to be installed in the Right of Way. Franchisee shall pay all applicable fees for the requisite City permits, reviews and/or approvals required of or received by Franchisee. In the event that emergency repairs are necessary, Franchisee shall immediately notify the City of the need for such repairs. Franchisee shall apply for appropriate permits within two (2) working days after discovery of the emergency. During emergencies, the City may move Franchisee's facilities without prior notice.

3.14 Tree Trimming.

In cases of emergency, the Franchisee shall notify the City of its intent to trim trees or other natural growth necessary to access and maintain its Cable System immediately upon determining that such an emergency exists and prior to engaging in such activity. Upon receipt of such notice, the City may inspect such circumstance prior to the removal of the emergency condition. In non-emergency conditions, Franchisee may, at its own expense, trim trees or other natural growth overhanging any of its installed OVS Facilities to prevent branches from coming in contact with the Franchisee's wires, cables, or other equipment upon twenty (20) day notice of the actual trees and other natural growth that is intended to be affected in non-emergency situations, and upon approval of the City Public Works Department, which shall not be unreasonably withheld. Nothing herein grants the Franchisee any authority to act on behalf of the City or to enter upon any private property, or to trim any tree or natural growth not owned by the City. The Franchisee shall be solely responsible and liable for any damage to any third parties trees or natural growth, and in addition to the terms and conditions of Section 7, the Franchisee shall indemnify, defend and hold harmless the City from claims of any nature arising any

act or negligence of the Franchisee with regard to tree and or natural growth trimming, damage and/or removal. Franchisee shall reasonably compensate the City or the property owner for any damage caused by such trimming, damage or removal.

3.15 Temporary Disconnection.

The City may direct the Franchisee to temporarily disconnect, relocate, or bypass any equipment of the Franchisee in order to complete street construction or modification, install and remove underground utilities, or for other reasons of public safety and efficient operation of the City. Such removal, relocation or other requirement shall be at the sole expense of the Franchisee.

3.16 Access to Open Trenches.

The Franchisee shall be entitled to reasonable access to open utility trenches, provided that such access does not interfere with the City's placement of utilities or increase the cost to the City thereby. The Franchisee shall pay to the City the actual cost to the City resulting from providing the Franchisee access to an open trench, including without limitation the pro rata share of the costs of access to an open trench and any costs associated with the delay of the completion of a public works project.

Further, the City agrees as follows: to exercise reasonable efforts to include the Franchisee in any platting process within the City, to exercise reasonable efforts to include as a condition of issuing a permit for open trenching to any utility or developer that (a) the utility or developer give the Franchisee at least ten (10) days advance written notice of the availability of the open trench and (b) that the utility or developer provide the Franchisee with reasonable access to the open trench. Any such recovery of City costs or reimbursements of such costs shall not be an off-set or credit against Gross Revenues or the Franchise Fee to be paid to the City by the Franchisee. The City's non-compliance with this Section shall not be a breach or default by the City of this Franchise.

3.17 Reservation of Rights.

Nothing in this ordinance shall limit, waive, release or terminate any rights or interests of the City in its property and/or Right of Way, including but not limited to the City retaining all right to sewer, plank, pave, grade, alter, repair, vacate, and improve and/or work upon, under, or above any public Rights of Way, and, further the City shall retain its right to grant Franchise rights or similar rights to others, and the City shall not be liable for damage resulting to the Franchisee by reason of or as a result of the performance of such work or by the exercise of such rights by the City.

SECTION 4. FRANCHISE COMPENSATION / FINANCIAL CONTROLS

4.1 Franchise Compensation

As compensation for the use of the City's Rights of Way, the Franchisee shall provide at no costs to the City one single mode fiber optic connection between each municipal

location to be used for purposes of a City intranet system subject to the conditions in Section 4.2.

4.2 Conditions for Provision of fiber optic connection.

The following terms and conditions shall apply to the provision of a fiber optic connection by Franchisee to the City:

- (a). Franchisee will have the total authority to determine the routing of the fiber optic lines necessary to provide the fiber optic connection provided pursuant to Section 4.1
- (b). At City's request if Franchisee's fiber optic facilities run within one half of a mile of a City building Franchisee will provide, at no cost to City, a pole line extension to such City building and the City will provide conduit, at its expense from the last pole to such building.
- (d.) The City may use the fiber optic facilities provided by Franchisee pursuant to this Franchise for municipal purpose only and cannot resell or transfer any of them or any portion of bandwidth contained therein; provided nothing shall prohibit City from using such fiber optic facilities to send or receive any signals or data for City internal purpose.

4.3 Taxes and Assessments.

4.3.1 Franchisee and City specifically agree that in the event Franchisee begins providing Cable Services within the City, Franchisee shall be subject to taxes of general applicability including the City utility tax and that it will pay said tax as a cable provider pursuant to said utility tax ordinance and any applicable successor ordinance. Said utility tax payment shall be made by Franchisee without credit or offset against any Gross Revenues or Franchise Fee payments or other payments made to City. Franchisee does not waive the right to contest the applicability of the City utility tax should the nature of the Franchisee's business operations change, or if a change in applicable state or federal law occurs.

4.3.3 Franchise Fee for Cable Services. The Grantee shall pay to the City a franchise fee in an amount equal to five percent (5%) of annual Gross Revenues received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Grantee shall not be compelled to pay any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. The payment of franchise fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each calendar quarter. Each franchise fee payment shall be accompanied by a report prepared by a representative of the Grantee showing the basis for the computation of the Franchise Fees paid during that period.

4.3.2 Nothing stated herein shall limit Franchisee's obligation to pay lawful and applicable local, state or federal taxes.

4.4 Payment on Termination.

If this Franchise terminates for any reason, the Franchisee shall file with the City within one hundred and twenty (120) calendar days of the date of termination, a financial statement, certified by an independent certified public accountant, showing the Gross Revenues received by the Franchisee since the end of the previous fiscal year. Within forty-five (45) days of the filing of such certified statement with the City, the Franchisee shall pay any unpaid amounts as indicated.

4.5 Discounted Rates.

If Franchisee's Subscribers are offered what is, in effect, a discount if they obtain both Cable Service and some other, non-cable goods or service, then for Cable Gross Revenue computation purposes, the discount shall be applied proportionately to cable and non-cable goods and services, in accordance with the following example:

4.5.1 Assume a Subscriber's charge for a given month for Cable Service alone would be \$40, for local telephone service alone would be \$30, and for long-distance service alone would be \$30, for a total of \$100. In fact the three services are offered in effect at a combined rate where the Subscriber receives what amounts to a twenty percent (20%) discount from the rates that would apply to a service if purchased individually. The discount (here, \$20) for Franchise Fee computation purposes would be applied pro rata so that for such purposes Cable Gross Revenues would be deemed to be \$32 (\$40 less 20% of \$40). The result would be the same if the Subscriber received a \$20 discount for telephone service on the condition that he or she also subscribes for Cable Service at standard rates.

4.5.2 The existence and amount of a discount shall be determined on the basis of the sum of the lowest generally available stand alone rates for each of the goods and services which are offered at the combined rate.

4.6 Franchisee shall pay the City's cost of newspaper publication, mailing or other form of public notice associated with adoption of this Franchise, and to reimburse the City for actual attorney's fees and costs in connection herewith. It is agreed such costs hereunder shall not be a deduction, off-set or credit allowed against Gross Revenues.

SECTION 5. SERVICE EXTENSION; CUSTOMER SERVICE AND PROGRAMMING THESE APPLY ONLY IF FRANCHISEE BEGINS TO PROVIDE CABLE SERVICE

5.1 Required Extensions of the Cable System.

General Service Obligation. The Grantee shall make Cable Service available to every residential dwelling unit within the Franchise Area where the minimum density is at least sixty (60) dwelling units per underground trench mile. Subject to the density requirement, Grantee shall offer Cable Service at standard installation rates to all new homes or previously unserved homes located within one-hundred twenty five (125) aerial feet of the Grantee's aerial distribution cable, or within sixty (60) underground trench feet of either aerial or underground distribution facilities.

The Grantee may elect to provide Cable Service to areas not meeting the above density and distance standards. The Grantee may impose an additional charge in excess of its regular installation charge for any service installation requiring a drop in or line extension in excess of the above standards. Any such additional charge shall be the fully allocated cost of the installation that exceeds the standards set forth above.

5.3 Cable Service to Public Buildings.

In the event Franchisee begins providing Cable Service within the City, the Franchisee, upon request, shall provide without charge, a Standard Installation and one outlet of Basic Cable to those administrative buildings owned and occupied by the City, fire station(s), police station(s), libraries, visitor information centers, and accredited K-12 public school(s) that are passed by its Cable System. The Cable Service provided shall not be used for commercial purposes. As to any portion of the Cable system extended to any administrative buildings owned and occupied by the City, the City shall take reasonable precautions to prevent any use of the Franchisee's Cable System in any manner that results in the inappropriate use thereof or any loss or damage to the Cable System. The City shall hold the Franchisee harmless from any and all liability or claims arising out of the provision and use of Cable Service by the City required by this Section, except for those claims or liability arising out of the acts, omission and/or negligence of the Franchisee. The Franchisee shall not be required to provide an outlet to such buildings where a non-Standard Installation is required, unless the City or building owner/occupant agrees to pay the incremental cost of any necessary Cable System extension and/or non-Standard Installation. If additional outlets of Basic Cable are provided to such buildings, the building owner/occupant shall pay the usual installation and service fees associated therewith.

5.4 Emergency Use.

If the Franchisee provides an Emergency Alert System ("EAS"), then the City shall permit only appropriately trained and authorized Persons to operate the EAS equipment and shall take reasonable precautions to prevent any use of the Franchisee's Cable System in any manner that results in inappropriate use thereof, or any loss or damage to the Cable System. Except to the extent expressly prohibited by law, the City shall hold the Franchisee, its employees, officers and assigns harmless from any claims arising out of use of the EAS, including, but not limited to, reasonable attorneys' fees and costs.

5.5 Public, Education and Government (PEG) Access Channels.

In the event Franchisee begins providing Cable Services within the City, the Franchisee shall provide, upon one-hundred twenty (120) days prior written notice from the City, one (1) PEG channel for non-commercial local government programming and one (1) PEG channel for non-commercial education programming pursuant to the provisions of the Cable Act, Section 611 (47 USC §531), to be promoted and administered by the City or its designee.

5.6 Capital Contribution.

In the event Franchisee begins providing Cable Services within the City, in support of PEG Access, Franchisee shall, upon ninety (90) days written request from the City, begin to collect and pay to the City an amount equal to \$0.31 per month per Residential Subscriber for Access capital (the "Capital Contribution") for a period of three (3) years. Subsequent to the three year Capital Contribution period, the City shall evaluate the use of its PEG channels and determine whether additional Capital Contributions are necessary to support the PEG channels. If the City determines that additional Capital Contributions are required to support PEG needs, the City shall submit its written request to Franchisee. Such request shall include supporting documentation relative to the need of the additional Capital Contributions. If necessary to meet community needs, the City may request the collection and payment of Capital Contributions in any amount up to a maximum of \$0.50 per month per Residential Subscriber for any period of time not to exceed the term of the Franchise

Each payment shall be due and payable on the same schedule as Franchise Fees and shall be itemized on Subscriber's monthly bills in accordance with applicable law. The City shall have discretion to allocate the Capital Contribution for Access equipment and facilities in accordance with applicable law. Upon the delivery of a written request prior to the end of a fiscal year, the City shall develop and provide a report to the Franchisee on the use of the Capital Contribution for the prior fiscal year. The costs of the preparation of such report shall be paid for by the Franchisee. Said report shall be prepared if the request is properly made within one hundred twenty (120) days of the close of the City's fiscal year.

5.7 Rates and Charges.

In the event Franchisee begins providing Cable Services within the City, the City may regulate rates for the provision of Basic Cable and equipment, except as expressly prohibited by federal or state law.

5.8 Customer Service.

The Franchisee shall meet or exceed Federal Communication Commission ("FCC") customer service standards (47 CFR §76.309) as such standards exist on the effective date of the Franchise.

5.9 Low Income Senior/Disabled Subscriber Discount.

In the event Franchisee begins providing Cable Services within the City, the Franchisee may offer a discount of thirty percent (30%) from its published rate-card rate to Subscribers for Basic Cable service who are aged sixty-five (65) or older, and/or disabled, provided that such person(s) are the legal owner or lessee/tenant of their residence and that their combined disposable income from all sources does not exceed the Housing and Urban Development low income standards for the Seattle-Everett area for the current and preceding calendar year. The City shall be responsible for certifying to the Franchisee that discount applicants conform to the specified criteria.

5.10 Obscenity.

In the event Franchisee begins providing Cable Services within the City, the Franchisee shall not transmit, or permit to be transmitted over any channel subject to control, any programming which is determined by the Sedro-Woolley City Council following a public hearing to be obscene under, or violates any provision of, applicable law relating to obscenity, and which is not protected by the Constitution of the United States. Franchisee shall comply with all relevant provisions of federal law relating to obscenity.

5.11 Parental Control Device.

In the event Franchisee begins providing Cable Services within the City, upon request by any Subscriber, Franchisee shall make available a parental control or lockout device, traps or filters to enable a Subscriber to control access to both the audio and video portions of any or all channels. Franchisee shall thereafter inform its Subscribers of the availability of the lockout device at the time of their initial subscription and with each billing or invoice sent to the subscriber, and in separate periodic advisory notices. Any device offered shall be at a rate, if any, in compliance with applicable law.

5.12 Cable Bill Inserts.

In the event Franchisee begins providing Cable Services within the City, the Franchisee shall use reasonable efforts to accommodate the City's requests for the placement of City or community messages approved by the City on billing statements for Cable Service, at no cost to the City.

5.13 Customers' Right of Privacy.

The Franchisee will be bound by all of the provisions of Sections of the Act related to customer privacy.

SECTION 6. FRANCHISE RENEWAL, EXTENSION AND TRANSFER

6.1 Transfer of Franchise.

Neither the Grantee nor any other Person may transfer the Cable System or the Franchise without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. No change in control of the Grantee, defined as an acquisition of 50% or greater ownership interest in Grantee, shall take place without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. No consent shall be required, however, for (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or in the Cable System in order to secure indebtedness, or (ii) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation. Within thirty (30) days of receiving a request for consent, the City shall, in accordance with FCC rules and regulations, notify the Grantee in writing of the additional information, if any, it requires to determine the legal, financial and technical qualifications of the transferee or new controlling party. If the City has not taken action on the Grantee's request for consent within one hundred twenty (120) days after receiving such request, consent shall be deemed given.

6.2 Other Contracts or Agreements.

Franchisee, its affiliates, or its owners, shareholders, employees or directors shall not enter into nor allow to be entered into any contract or agreement with unaffiliated parties for management services or any other services relating to the provision of services on the OVS. Franchisee further agrees that all carriage fees charged to any program provider shall be at fair market values for the capacity leased.

6.3 Franchise Renewal.

The City and the Franchisee agree that any proceedings undertaken by the City that relate to the renewal of the Franchisee's Franchise shall be governed by and comply with applicable federal, state and local laws, ordinances, and regulations or as otherwise agreed to by the parties.

SECTION 7. VIOLATIONS; ENFORCEMENT

7.1 Enforcement.

7.1.1 Notice of Violation. In the event that the City believes that the Franchisee has not complied with any terms of the Franchise, the City, at its sole election may informally discuss the matter with Franchisee, or issue a notice of violation as provided for in this Section 7. If discussions do not lead to resolution of the problem or if the City elects not to informally discuss the matter with the Franchisee, the City shall notify the Franchisee in writing of the alleged non-compliance.

7.1.2 Franchisee's Right to Cure or Respond. The Franchisee shall have thirty (30) days from receipt of the notice described in Section 7.1.1 to (i) respond to the City, contesting the assertion of non-compliance and request a meeting as provided in section 7.2.1 or (ii) cure such default, or (iii) in the event that, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the City of the steps being taken and the projected date that they will be completed.

7.2 Franchisee Contests Non-compliance.

7.2.1 If the Franchise timely notifies the City that it contests the assertion of non-compliance with the Franchise and requests a meeting with the City pursuant to section 7.1.2 (i), the Mayor shall hold a meeting within fourteen (14) days with the Franchisee, provided that said timeframe may be extended at the sole discretion of the Mayor.

7.2.2 If after such meeting, the Mayor believes that the Franchisee is in breach, violation or non-compliance with the Franchise, then the Mayor shall notify the Franchisee of his/her decision in writing.

7.2.3 The Franchisee may request a public hearing before the City Council as to whether or not a violation, breach or non-compliance with the Franchise has occurred. Said request must be made in writing, stating with specificity the reasons why the Franchisee believes that the alleged non-compliance has not occurred, and delivered to the City Clerk within fourteen (14) days of receipt of the Mayor's decision. The City Clerk shall cause the public hearing to be held at the next available City Council meeting, provided that the Franchisee shall be provided at least ten (10) calendar days notice of such hearing.

7.2.4 At the City Council public hearing, the Franchisee shall have the burden of proof that a violation, breach or non-compliance with the Franchise has not occurred, and must demonstrate that a preponderance of evidence supports the conclusion that there is not a violation or breach of the Franchise or that such violation or breach was timely cured as required in this Franchise.

7.2.5 During such public hearing, the opportunity to cross examine witnesses shall be in the sole discretion of the Mayor. In the event of cross examination of witnesses, the Mayor may delegate or assign the City Attorney to chair the public hearing.

7.2.7 In the event that the City Council upholds the revocation of the Franchise, then the City Council shall immediately pass an ordinance declaring the Franchise revoked and terminated, any security or bonds shall be forfeited to the City, and said revocation ordinance shall include findings of fact and conclusions derived from those facts which support the decision of the City Council.

7.2.8 The City Council may adopt the findings and conclusions of the Mayor.

7.2.9 The Franchisee shall be bound by the decision of the City Council, unless an appeal is filed to a court of competent jurisdiction within thirty (30) days of the date of the Council's decision.

7.1.10 Failure to timely cure. If the Franchisee fails to timely cure the non-compliance, then in addition to any other remedy at law or equity, or provided for in this Franchise, the City may revoke the Franchise. Said revocation shall be immediately after the delivery of a written notice of revocation executed by the Mayor stating the grounds of the violation, breach or non-compliance with the Franchise.

7.3 Removal.

7.3.1 If the Franchise has been terminated, canceled, or has expired, and Franchisee has not exercised its rights, if any, to contest the termination, the City may give Franchisee notice to remove its Open Video System from the City's streets and public places or it may, in the City's sole discretion, allow Franchisee to abandon the system in place if the Franchisee requests in writing to abandon its Cable System in place. Within ten (10) days of receiving the City's notice, in the event that the City requires removal of the Open Video System, the Franchisee agrees to commence removal of its system and to proceed diligently with such removal. Work shall be completely done one hundred-eighty (180) days from notice to complete such work. Prior to the commencement of such work, the Franchisee shall submit to the City a performance bond in the amount of one hundred fifty percent (150%) of the estimated cost of removal and the restoration required by this Franchise.

7.3.2 If the Franchisee fails to remove any of its property as provided herein, the City may elect to cause such removal and may recover its reasonable costs and expenses from Franchisee, including its attorney's fees and costs incurred in recovering such costs and expenses.

7.3.3 If any Franchise is terminated by the City by reason of the Franchisee's non-compliance with this Ordinance or with federal or state regulations, then that part of the system under such Franchise located in the streets and public property, may, at the election of the City, become the property of the City at a cost consistent with the provisions of the Act.

7.4 Effective Abandonment.

Any property of the Franchisee remaining in place ninety (90) days after the termination or expiration of the Franchise may be considered permanently abandoned. Upon abandonment of the property of the Franchisee in place the property shall become that of the City, and the Franchisee shall submit to the City Clerk an instrument in writing, to be approved by the City Attorney, transferring to the City the ownership of such property.

7.5 Discontinued Services.

In the event that the use of any part of the Open Video System, excluding residential drops, is discontinued for any reason for a continuous period of six (6) months, the City may give notice to Franchisee of the City's intent that such unused part be promptly removed by Franchisee. Upon receipt of such notice by the City, Franchisee may seek reconsideration of the City's decision pursuant to the procedures authorized in the Act.

SECTION 8. FINANCIAL AND INSURANCE REQUIREMENTS

8.1 Indemnity and Hold Harmless.

The Franchisee shall indemnify, defend and hold the City harmless from any and all liabilities, fees, costs and damages, whether to person or property, or expense of any type or nature which may occur to the City including without limitation reasonable attorneys' fees, experts' fees and other costs, by reason of the construction, operation, maintenance, repair and alterations of Franchisee's facilities. In any case in which suit or action is instituted against the City by reason of damages or injury caused in whole or in part by an act or omission of Franchisee, the City shall cause written notice thereof to be given to the Franchisee and Franchisee thereupon shall have the duty to appear and defend in any such suit or action, without cost or expense to the City. No privilege or exemption shall be granted or conferred upon Franchisee by any Franchise except those specifically prescribed therein, and any use of any street shall be subordinate to any prior lawful occupancy of the street or any subsequent improvement or installation therein.

8.2 Insurance.

Throughout the term of this Franchise, the Grantee shall, at its own cost and expense, maintain Comprehensive General Liability Insurance and provide the City certificates of insurance designating the City as additional insured and demonstrating that the Grantee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of Two Million Dollars (\$2,000,000.00) for bodily injury or death to any one person, and Two Million Dollars (\$2,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and Two Million Dollars (\$2,000,000.00) for property damage resulting from any one accident. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the City. The Grantee shall provide workers' compensation coverage in accordance with applicable law. The Grantee shall indemnify and hold harmless the City from any workers compensation claims to which the Grantee may become subject during the term of this Franchise

8.3 Bonds.

Except as expressly provided herein, Franchisee shall not be required to obtain or maintain bonds or other surety as a condition of being awarded the Franchise or

continuing its existence. The parties acknowledge and agree that the City may, at its sole discretion, require a corporate surety bond to secure any proposed construction, operation or maintenance plans regarding the OVS. Except as may be otherwise provided herein or as may be required in any City ordinance, the City agrees that in no event shall it require a bond or other related surety in an aggregate amount of greater than Ten Thousand and no/100 Dollars (\$10,000.00), unless the construction estimate for the restoration or repair of any work to be performed by the Franchisee in a City Right of Way is greater than Seven Thousand Five Hundred and no/100 Dollars (\$7,500.00) as determined by the City Public Works Director. In such case, the City may require a bond or other surety for the repair and restoration of such work at one hundred fifty percent (150%) of the estimate of the cost of such work, including engineering and design as determined by the City Public Works Director. In the event that one is required in the future, the City agrees to give Franchisee at least sixty (60) days prior written notice stating the reason for the requirement.

SECTION 9. MISCELLANEOUS TERMS

9.1 Confirmation of Consistency with Federal Provisions.

The Franchisee forever agrees and acknowledges that this Franchise is consistent with the Act, and all FCC or other federal legislation and/or regulations. The Franchisee agrees that it shall not undertake any action to seek to establish that any portion of this Franchise is inconsistent with the Act, and all FCC or other federal legislation and/or regulations. If any portion of this Franchise is deemed to be inconsistent with any rule or regulation hereinafter adopted by the FCC or other federal legislation, then to the extent of the inconsistency, the rule or regulation of the FCC or other federal legislation shall control for so long, but only for so long, as such rule or regulation shall remain in effect, and the remaining provisions of this Franchise shall not thereby be affected. If that legislation, rule or regulation allows existing franchises to not be affected, then there shall be no effect to this franchise. If federal law changes, whether through legislative or rule-making action or court or administrative interpretation during the term of this Franchise, then Franchise shall be considered modified to include the same terms and conditions to which the existing cable franchisee is subject.

9.2 Right of City to Purchase.

The City reserves the right to purchase the existing System under provisions of the Act, or in the event of a judicial or foreclosure sale.

9.3 Force Majeure.

In the event that the Franchisee's or City's performance of any of the terms, conditions, obligations or requirements of this Ordinance is prevented or impaired due to any cause(s) beyond its reasonable control or not reasonably foreseeable, such inability to

perform shall be deemed to be excused and no penalties or sanctions shall be imposed as a result thereof.

9.4 Severability.

Each section, subsection, or other portion of this Ordinance shall be severable and the invalidity of any section, subsection, or other portion shall not invalidate the remainder.

9.5 Community Programming.

In the event Franchisee begins providing Cable Services within the City, the community programming requirements for the Franchisee shall be governed by FCC regulations, 47 CFR 76.1505. Under these regulations, the Franchisee is required to provide the same channel capacity as the incumbent cable operator and is required to interconnect to the incumbent cable operator or elsewhere to receive the PEG programming.

9.6 Notice.

Any notice or information required or permitted to be given to the parties under this Franchise may be sent to the following addresses unless otherwise specified:

CITY OF SEDRO-WOOLLEY:

City of Sedro-Woolley
City Clerk
325 Metcalf Street
Sedro-Woolley, WA 98284

FRANCHISEE:

Black Rock Cable, Inc.
Attn: Bob Warshawer
1512 Fairview St.
Bellingham, WA 98229

Notice shall be deemed given upon receipt in the case of personal delivery, three (3) days after deposit in the United States Mail in the case of regular mail, or the next day in the case of overnight delivery.

9.7 Entire Franchise.

This Franchise and its acceptance constitutes the entire terms between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon approval and acceptance of this Franchise. Any amendment to this Franchise shall only occur by mutual written agreement of the parties and amendment of this Ordinance.

Franchise Acceptance. Black Rock Cable shall execute and return to the City three original Franchise agreements. The executed agreements shall be returned to the City accompanied by performance bonds, security funds, and evidence of insurance, all as provided in this Franchise agreement. In the event Black Rock fails to accept this

Franchise agreement, or fails to provide the required documents, this Franchise shall be null and void.

Effective Date. This Ordinance shall be effective upon execution by the Mayor following City Council approval, which shall be the date below ; provided, however, that if Black Rock Cable does not accept this Franchise and comply with all conditions for such acceptance set forth herein prior to the effective date, this Ordinance shall be null and void.

9.8 Reserved Rights.

The City reserves all rights and powers under its police powers and powers conferred by federal, state or local law. In particular the City reserves the right to alter, amend, or repeal its municipal code and cable ordinance as it determines shall be conducive to the health, safety and welfare of the public, or otherwise in the public interest. The City agrees that by accepting this Franchise, Black Rock Cable has not waived its right to object to the application to it of actions by the City pursuant to its reserved rights or police powers.

PASSED by the City Council of the City of Sedro-Woolley this _____ day of _____, 2012. Signed by the Mayor on this _____ day of _____, 2012.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

FRANCHISEE ACCEPTANCE

Franchisee expressly acknowledges that on accepting this Franchise it did so relying on its own investigation and understanding of the power and authority to grant this Franchise.

ACCEPTED this ____ day of _____, _____, subject to applicable federal, state and local law.

Black Rock Cable, Inc.

Signature:

Name: Bob Warshawer_

Title: President

COPY

ORDINANCE NO. 1401-01

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY WASHINGTON, GRANTING UNTO BLACK ROCK CABLE, INC., THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE FOR FIVE (5) YEARS TO CONSTRUCT, MAINTAIN AND OPERATE AN OPEN VIDEO SYSTEM FOR THE DISTRIBUTION OF TELEVISION AND OTHER ELECTRONIC SIGNALS WITHIN ALL CITY RIGHTS-OF-WAYS.

THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. PURPOSE.

This Franchise shall constitute an agreement between the City of Sedro-Woolley (hereinafter the "City") and Black Rock Cable, Inc. (hereinafter the "Operator"). The Operator promises to construct, maintain, and operate an Open Video System as defined by 47 USC Section 653 and applicable CFR sections, for distribution of Open Video Service pursuant to the terms of this Franchise and any generally applicable City ordinances as now existing or hereafter amended or enacted. The City agrees to grant the Operator all necessary rights and privileges to use Public Rights-of-Way necessary for a Cable Television System, subject to such generally applicable rules and regulations for use of Public Right of Way as are adopted by the City from time to time. This agreement shall, as of its effective date, supersede and replace all existing Franchises previously granted by the City of Sedro-Woolley to the Operator or any of its predecessors, subsidiaries or affiliated companies.

SECTION 2: GRANT

The City hereby grants to the Operator a nonexclusive Franchise which authorizes the Operator to construct and operate an Open Video System, including transmitting and receiving all other signals, data, digital, voice and audio-visual, over a Cable System, unless covered by a separate franchise or similar authority in, along, among, upon, across, above, over, under, or in any manner connected with Public Ways within the Service Area and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Open Video System. Nothing in this Franchise shall be construed to prohibit the Operator from offering any service over its Open Video System that is not prohibited by federal or state law, provided, that the Operator shall comply with all applicable ordinances, statutes and regulations for services outside the scope of this franchise, and shall obtain additional franchise agreements from the City if so required by the City or applicable law.

This Franchise and all rights and privileges granted under the Franchise are subject to, and the Operator must exercise all rights in accordance with, applicable local, state and federal law,

including the Ordinance No. 1335-99, the Cable Communications Ordinance, as amended over the Franchise term, to the same extent as any cable service provider or cable system operator, except to the extent prohibited, pre-empted, or superceded by state or federal law (including 47 USC Section 653(c)(1)), as set forth below, unless voluntarily and expressly agreed to in this franchise agreement. However, this Franchise is a contract, subject only to the City's exercise of its police and other powers and applicable law. This Franchise does not confer rights or immunities upon the Grantee other than as expressly provided herein. In the case of any conflict between the express terms of this Franchise Agreement and the express terms of the Cable Communications Ordinance, this Franchise Agreement shall govern; *provided* that, in cases of conflict between this Franchise Agreement and any ordinance of general application (including the Cable Communications Ordinance) enacted pursuant to the City's police power, the ordinance of general application shall govern unless in conflict with an express provision of this Franchise. The Operator does not waive its right to challenge the lawfulness of a particular enactment, including on the grounds that a particular action is an unconstitutional impairment of contractual rights as defined in this agreement.

For purpose of this Franchise, "Open Video System" is defined by 47 USC Section 653, and is a facility consisting of a set of transmission paths and associated signal generation, reception and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, provided that the FCC has certified that such system complies with the FCC rules, Part 76, for Open Video Systems.

If any portion of this Franchise or Ordinance No. 1335-99, the Cable Communications Ordinance, should be inconsistent with any preemptive law, rule or regulation now or hereinafter adopted by the FCC or other preemptive federal legislation, then, to the extent of the inconsistency, the federal law, rule, or regulation shall control for so long, but only for so long, as such shall remain in effect, and the remaining provision of this Franchise and the Cable Communications Ordinance shall not thereby be affected. If the law, rule or regulation allows existing franchises to not be affected, then there shall be no affect on this franchise. If federal law changes, whether through legislative or rule making action or court or administrative interpretation during the term of this Franchise, then the Franchise shall be considered modified to include the same terms and conditions of Ordinance 1337-99, the TCI franchise, which are presently preempted by federal law.

SECTION 3: LENGTH OF FRANCHISE.

The length of this Franchise shall be for a term of five (5) years commencing on the effective date of this ordinance.

SECTION 4; SERVICE AREA.

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

SECTION 5: FRANCHISE FEE AND UTILITY TAX.

The City may impose a franchise fee and/or a utility tax in accordance with state and federal law as now existing or as hereafter amended. A franchisee fee and utility tax shall comply with the terms of any applicable statute, law, or regulation governing a utility tax, or governing a franchise fee for use of the public streets, right of way, or property interest.

(The present fee shall be paid on a quarterly basis and equal to a percentage of Gross Revenues as defined in section 7.12.030 of the Sedro-Woolley Municipal Code.) Prior to implementation of any new franchise fees the Operator may request, and will be granted, a public hearing by the City Council to discuss the benefits of said franchise fee to the citizens of Sedro-Woolley. Upon a finding of the City Council that such implementation of said franchise fee is reasonably required to meet community needs, taking into consideration the cost to the citizens, the City Council may require the implementation of such franchise fee in accordance with the provisions of this agreement.

(a) Late Payment. Any quarterly franchise fee not paid by the Operator within thirty (30) days of the end of a quarter shall bear interest at the rate of twelve percent (12%) per annum or whatever maximum amount is allowed under state law, whichever is greater, from the due date until paid.

(b) Financial Reports. Each franchise fee payment shall be accompanied by a financial report on a form provided by the City, and approved by the Operator, showing the basis for the Operator's computation and separately indicating revenues received by the Operator within the City from Basic Cable Service, pay service and other applicable sources or revenue, and such other information directly related to confirming the amount of the Operator's Gross Revenues as may be reasonably requested by the City.

(c) Audit by City. The City shall have the right, upon reasonable notice or no less than two working days, to inspect the books and records of the operator during normal business hours, for the purpose of ascertaining the actual gross revenues collected by the Operator. In the event that such audit discloses a discrepancy of more than ten percent (10%) between the financial report submitted by the Operator with a quarterly payment and the actual gross revenues collected by the Operator, the Operator agrees to pay to the City the costs of such audit. In the event that such audit results in a determination that additional franchise fees are due the City, the Operator further agrees to pay interest as required for late payment on such additional franchise fees computed from the date on which such additional franchise fees were due and payable. The period of limitation for recovery of any franchise fee payable hereunder shall be three (3) years from the date on which payment from the Operator is due. Unless within three (3) years from and after such payment due date the City initiates action for recovery of such franchise fee in a court of competent jurisdiction, such recovery shall be barred and the City shall be stopped from asserting any claims whatsoever against the Operator relating any such alleged deficiencies.

(d) Non-waiver. Acceptance of any franchise fee payment by the City shall not be construed as an agreement by the City that the franchise fee paid is in fact the correct amount,

nor shall acceptance of payment by the City construed as a release or waiver of any claim the City may have for further or additional sums payable under the provisions of this ordinance.

(e) Taxes. Nothing in this section shall limit the Operator's obligation to any applicable local, state, or federal taxes, nor limit the right of the City to impose any tax authorized by law.

SECTION 6: FUTURE PROVISIONS.

The City and the Operator acknowledge that the former should be provided with a Cable System that has the same general capabilities, capacity, and charges for service, as those provided other cities having approximately the same Subscriber base as the addition served by the Operator in the Whatcom-Skagit-Island county area of the State of Washington.

Subject to the limitations of Section 2 above, the City may, at its discretion, request that the operator provide such interactive services as addressability, security, computer interaction, banking, shopping, voice and data transmission. If Operator agrees to provide some or all of the requested service within the City, they shall be provided within twenty-four (24) months of any of the following occurrences:

Provision by the Operator of any of the same services identified above to a preponderance of a Cable System:

- (a) Within any adjacent community, or;
- (b) Within Forty percent (40%) of the municipalities in Whatcom, Skagit, and Island Counties.

SECTION 7: PUBLIC, EDUCATIONAL, AND GOVERNMENT ACCESS CHANNELS.

Pursuant to FCC rules, 47 CFR 1505, the open video system operator must satisfy the same public, educational and governmental access obligations as the local cable operator by providing the same amount of channel capacity for public, educational and governmental access.

Pursuant to FCC rules, 47 CFR 1505, the local cable operator is required to permit the open video system operator to connect with its public, educational and governmental access channel feeds. The open video system operator and the cable operator may decide how to accomplish this connection, taking into consideration the exact physical and technical circumstances of the cable and open video systems involved. If the cable and open video system operator cannot agree on how to accomplish the connection, the local franchising authority may decide. The local franchising authority may require that the connection occur on government property or on public rights of way.

The costs of connection to the cable operator's public, educational and governmental access channel feed shall be borne by the open video system operator.

Contributions to Public, Educational and Government (“PEG”) access will not be considered in lieu of a franchise fee or other obligations to the City.

SECTION 8: GOVERNMENT ACCESS EQUIPMENT

The Operator shall provide at no cost to the City single mode (one pair) fiber optic connectivity to the City, under the following terms and conditions, as the City shall elect, in the alternative:

Alternative 1: In the event the Operator routes fiber optic lines in the corporate limits of the City, the City may elect to be served, for the term of the franchise, a connection between a single location inside the City to a single location within Skagit County pursuant to a written agreement between the City and all other government subdivisions through which the lines pass authorizing the use of said lines, or waiving objection to the use of appropriate right-of-ways by said subdivisions.

Alternative 2: In the event the Operator routes fiber optic lines in the corporate limits of the City, and provides any customer with any type of service inside the corporate limits of the City, the City may elect to have the operator install and provide, for the term of the franchise, a connection between buildings owned by the City for purposes of a City intranet system.

General Conditions:

The following terms and conditions apply to both of the Alternatives above: Operator will have total authority to determine routing of fiber lines except, wherever Operator’s fiber is routed, if that routing comes within ½ mile of a building or facility that the City requests connection, the Operator will provide, at no cost, a pole line extension of the fiber line to the point where the routing must proceed underground; provided, if the Operator’s fiber line is more that ½ mile from a location that the City desires a connection, the City may provide or pay for the necessary additional line to meet the Operator at a point that is ½ mile from the Operators existing fiber line.

The City will provide conduit from the last pole to the building or facility and the Operator will provide the fiber. The Operator will provide at no charge, one pair (two fibers), for each connection requested. Four additional fibers (two pair) will be provided at a pro-rata portion of actual capital and operating cost of the fiber line connection between the two locations.

It is understood between the City and the Operator that the City can choose only one of the alternatives describe above. The Operator is obliged to provide at only one of the alternatives described above.

The City may use the fiber for municipal purposes only and cannot resell or transfer the dark fiber or any portion of bandwidth; provided, nothing shall prohibit the City to use the fiber to send or receive any signals or data for City purposes.

SECTION 9: EMERGENCY OVERRIDE.

In accordance with and at the time required by the provisions of FCC Regulations Part 11, subpart D, Section 11.51(h)(1), and as such provisions may from time to time be amended, the Grantee shall install, if it has not already done so, and maintain an Emergency Alert System (EAS) for use in transmitting Emergency Act Notifications (EAN) and Emergency Act Terminations (EAT) in local and state-wide situations as may be designated to be an emergency by the Local Primary (LP), the State Primary (SP) and/or the State Emergency Operations Center (SEOC), as those authorities are identified and defined within FCC Reg. Section 11.51.

Subject to Federal and State laws and regional planning authorities, control of these emergency override facilities shall be the responsibility of the City. The City shall hold a Franchisee, its agents, employees, officers, and assigns harmless from any claims arising out of the emergency use of its transmitting facilities by the City. The City, at its option, may elect to share this service with adjoining communities.

SECTION 10. INDEMNITY.

By acceptance of this franchise and the rights and privileges thereby granted, the Franchisee covenants and agrees with the City for itself, its successors and assigns, to at all times, defend, indemnify and hold harmless the City, its officer, officials, employees and duly authorized agents from any and all claims, actions, suits, liability, loss, cost, expense or damages of every kind or description which may accrue to or be suffered by any person or persons or property, and to appear and defend at its own cost and expense, any action instituted or begun against the City for damages by reason of any act(s) or omission(s) of the Franchisee, its successors or assigns, exercising any privilege conferred by this Franchise; provided, however, that in the event any such claim, action, suit or demand be presented to or filed with the City or any court having jurisdiction, the City shall notify Franchisee thereof, and the Franchisee shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand, or to defend the claim at its sole cost and expense, by attorneys of its own decision; providing that the Franchisee shall not be liable for acts and omissions caused by the sole negligence of the City.

SECTION 11. INSURANCE.

So long as the Franchisee shall possess any right or privilege granted pursuant to this franchise, and before the commencement of any work thereunder, the Franchisee shall deliver to the City Clerk, a certificate of insurance showing that it has procured and is maintaining at all times a policy of public liability insurance, subject to the approval of the City Attorney naming the City as an additional insured, protecting the City against claims for injuries or death to Persons or damage to property which may arise from or in connection with the performance of the Franchise by the Franchisee, its agents, representatives, employees or subcontractors.

The policy of insurance shall evidence policy limits as follows:

A. Automobile liability insurance with limits no less than Two Million Dollars (\$2,000,000.00) combined single limit per accident for bodily injury and property damage; and

B. Commercial general liability insurance written on an occurrence basis with limits no less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence and Two Million dollars (\$2,000,000.00) aggregate for Personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU); and employer's liability.

These limits are listed in 1999 dollars and shall be adjusted on the five year anniversary(ies) of this Franchise for inflation, at the request of the City.

Any payment of deductible or self insured retention shall be the sole responsibility of a Franchisee. Subject to the indemnification provision of Section 10 herein, the Franchisee's insurance shall be primary insurance as respects the City, and the City shall be given thirty (30) days prior written notice of any cancellation, suspension or material change in coverage.

SECTION 12: CITY'S RIGHT TO MAKE IMPROVEMENTS.

Nothing in this ordinance shall be construed to prevent the City or any local improvement district from sewerage, paving, grading, altering or otherwise improving or re-improving any of the streets of the City, including the installation of City-owned utilities, and the City shall not be liable for any damages resulting to a franchisee by reason of the performance of such work or by exercise of such rights by the City. This ordinance shall not be construed so as to deprive the City of any rights or privileges which it now has, or which may hereafter be conferred upon it to regulate and control the use of the Streets.

A franchisee shall, at its sole cost and expense, protect, support, temporarily disconnect, relocate or remove from any Street, right-of-way or any other public place, any of its installations when so required by the City for reasons of traffic conditions or public safety, street vacations, dedications of new rights-of-ways and the establishment and improvement thereof, freeway construction, change or establishment of street grade, or the construction of any public improvement or structure by any governmental agency acting in a governmental capacity.

The City will make its best effort and attempt to design or redesign Streets, avenues, alleys, public places or ways, and other City utilities to minimize the impact thereof on a Franchisee's existing facilities, including the need to require a Franchisee's existing facilities, including the need to require a Franchisee's facilities to be relocated. Provided, however, the City shall make the final determination on the need for relocation of a Franchisee's facilities.

Whenever the City determines that any of the above circumstances necessitate the relocation of a Franchisee's then existing facilities, the City shall provide a Franchisee with at least sixty (60) days written notice unless an emergency exists requiring such relocation, which shall be completed by a Franchisee at no cost and within the time frame set by the City. Upon the

Franchisee's failure to complete relocation to its installations and facilities so directed, the City may remove same at a Franchisee's expense.

SECTION 13: PERMITS REQUIRED, TERMS OF USE AND OCCUPANCY OF STREETS

The terms and conditions of a Franchisee's use and occupancy of public Streets and public rights-of-way in the City shall be as follows:

A. Safety Requirements. A Franchisee, in accordance with applicable national, State, and Local safety requirements shall, at all times, employ ordinary care and shall install and maintain and use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injury, or nuisance to the public.

All structures and all lines, equipment and connections in, over, under, and upon the Streets, sidewalks, alleys, and Public Ways or places of a Franchise area, wherever situated or located, shall at all times be kept and maintained in a safe, suitable condition, and in good order and repair.

The City reserves the general right to see that the system of a Franchisee is constructed and maintained in a safe condition. If a violation of the National Electrical Safety code or other applicable regulation is found to exist by the City, the City will, after discussions with a Franchisee, establish a reasonable time for a Franchisee to make necessary repairs. If the repairs are not made within the established time frame, the City may make the repairs itself or have them made and collect all reasonable costs thereof from a Franchisee.

B. Construction Notification. Upon application for each construction permit, should such a permit be required, a Franchisee will submit to the City its plan for advance notification for the proposed construction project. In the event that an emergency situation arises which precluded such advance notification, a Franchisee shall subsequently inform the City of the nature of the extraordinary event and the action taken.

C. Undergrounding. In any area of the City in which telephone, electric power wires and cable have been placed underground, a Franchisee shall not be permitted to erect poles or to run or suspend wires, cables or other conductors thereon, but shall lay such wires, cables or conductors underground in such manner as is required by the City. If an ordinance is passed creating a local improvement district which involves placing underground certain utilities including that of a Franchisee which are then located overhead, a Franchisee shall participate in such underground project and shall remove poles, cables and wires from the surface of the Streets within such district and shall place the same underground in conformity with the requirements of the City's Public Works Director. Nothing contained in this ordinance shall prohibit the Franchisee from including its cost in any local improvement district if allowed under applicable law.

D. Pole Installation and Attachment - Joint Use. All poles, cables, wires, antennae, conduits or appurtenances shall be constructed and erected in a neat, workmanlike manner and shall be of such height and occupy such position as the City's Director of Public Works shall approve. A

Franchisee erecting or maintaining poles shall allow anyone constructing under the authority of this Ordinance and the City, joint use of its poles upon payment of a reasonable proportion of the cost of such poles installed and shall obey any order issued by the City's Director of Public Works relative to the joint use of poles.

E. Building Moving. Whenever a Person shall have obtained permission from the City to use any Street for the purpose of moving any building, Franchisee, upon seven (7) days written notice from the City and payment in full by the permittee desiring to move the building, shall raise or remove any of the Franchisee's wires which may obstruct the removal of such building; provided, that the moving of such building shall be done in accordance with regulations and general ordinances of the City. Where more than one Street is available for the moving of such building, the building shall be moved on such Street as shall cause the least interference, which path of least interference shall be determined by the City's Director of Public Works.

F. Relocation of Facilities. A Franchisee shall, unless an emergency arises, upon thirty (30) days notice, at its own cost and expense, move any underground, surface or overhead construction which interferes with any local improvement district work or with any construction for public purposes authorized or ordered by the City, all as provided in Section 7.12.190.

G. Abandonment of Facilities. A Franchisee accepting a Franchise under the terms of this Ordinance for the installation of ducts, utility tunnels, vaults, manholes, poles, wires or any other appurtenance, shall remove such installation when it is no longer required or used and the City's Director of the Public Works Department orders the removal thereof.

H. Tree Trimming. Upon approval of the City's Director of Public Works, a Franchisee shall have the authority to trim overhanging trees upon Streets, Public Ways and public places in the Franchise Area so as to prevent the branches of such trees from coming into contact with a Franchisee's wires and cables, and if necessary, to clear a microwave path. A Franchisee shall be responsible for debris removal from such activities. At the option of the City, and with advance written notice of a Franchisee, such debris removal may be done by the City or under its supervision and direction, with reasonable costs to be borne by a Franchisee.

I. Dangerous Condition, Authority of City to Abate. Whenever a Franchisee's construction, installation or excavation of facilities authorized by this Ordinance has caused or contributed to a condition that appears to substantially impair the lateral support of the adjoining Street or public places, Streets, utilities or City property, or endangers the public, the City's Public Works director may direct a Franchisee, at the Franchisee's own expense, to take actions to protect the public, adjacent public places, City property or Street utilities; and such action may include compliance within a prescribed time.

In the event that a Franchisee fails or refuses to promptly take the actions directed by the City, or fails to fully comply with such directions, or if emergency conditions exist which require immediate action, the City may enter upon the property and take such actions as are necessary to protect the public, the adjacent Streets or Street utilities to maintain the lateral support thereof, or other actions regarded as necessary safety precautions; and a Franchisee shall be liable to the City for the costs thereof.

J. Restoration of Streets. After construction, installation, maintenance or repair of the facilities authorized by this Ordinance or any permit obtained by virtue of a Franchise granted under this Ordinance, a Franchisee shall leave all Streets, avenues, highways or public places in as good and safe condition in all respects as they were before the commencement of such work by a Franchisee. The City's Public Works Director shall have final approval of the condition of such Streets and public places after completion of construction.

K. City Fees. Franchisee shall pay all fees and assessments of general applicability imposed by the City for permits, licenses, inspections and other construction activities as provided by applicable law.

SECTION 14: PENALTIES.

The City may, following a hearing of the City Council, apply any of the following penalties in connection with delays in system performance. The City shall, prior to any hearing which may result in the imposition of fines, provide the Operator a reasonable opportunity to correct alleged violations by notifying the Operator in writing within thirty (30) days of the City's discovery of the alleged violation, stating the nature of the alleged non-compliance. If, following such hearing, it is determined by the City Council that the Operator has failed to comply with the obligations set forth in the Franchise, monetary penalties will be imposed as set forth below for each day beyond thirty (30) days that the Operator has not fulfilled the requirements(s) of Sections 7, 8, and 9: \$200.00 per day not to exceed a total of \$50,000.

In addition, the term of the Franchise shall be reduced at City's option by each day that the Operator is out of compliance in any of the above respects.

Termination of the Franchise pursuant to the procedure outlined in the City's cable communications ordinance, as now existing or hereafter amended or enacted (provided such procedure provides notice and an opportunity for a fair hearing consistent with due process,) may be imposed for any violation of one or more of the above listed items. The Operator and the City agree that any of the above described violations, unless excused, would constitute failure to comply with a material provision of the Franchise.

No penalty shall be imposed without a hearing before the Council or its designated representative(s). No penalty, bond, forfeiture, or termination shall be imposed for delays where such delays are the result of causes beyond the control and/or without fault or negligence of the Operator. The Operator shall be entitled to an extension of time of construction is suspended or delayed by the City, or where unusual weather, acts of God (e.g. earthquakes, floods, etc.), extraordinary acts of third parties, or other circumstances which are beyond the control of the Operator, delay progress provided that the Operator has not, through its own actions or inactions, substantially contributed to the delay. The amount of time allowed will be determined by the City and the Operator.

The extensions of time in any case shall not be less than the extent of the actual non-contributory delay experienced by the Operator. If payment of any of these penalties is delinquent by three

(3) months or more, the City may require partial or total forfeiture of performance bonds or other surety.

SECTION 15: INDEPENDENT CONTRACTOR.

This Franchise shall not be construed to provide that the Operator is the agent or legal representative of the City for any purpose whatsoever. The Operator is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the city or to bind the City in any manner or thing whatsoever.

SECTION 16: INCORPORATION OF CITY'S CABLE COMMUNICATIONS AND PUBLIC RIGHT OF WAY USE ORDINANCES.

The parties acknowledge that the City of Sedro-Woolley is contemplating enacting ordinances of general applicability to cover telecommunications, cable communications, and use of public right-of-way by franchisees. Provided, that said ordinances and amendments shall be substantially applicable to similar situated franchisees and licensees, the terms of any such ordinances, whether now existing, or hereafter enacted or amended, shall apply to the Franchisee and this Franchise, unless prohibited by State or Federal law, and shall be incorporated herein by reference.

SECTION 17: ENTIRE AGREEMENT.

This Franchise, and exhibits that are attached hereto and incorporated herein by reference, represents all of the covenants, promises, agreements, and conditions, both oral and written, between the parties. However, the City reserves the right to waive any of these sections without affecting the applicability of other sections not so specifically waived. Waiver of any Franchise requirement or Ordinance sections by the City shall be in writing in order to be effective.

SECTION 18: SUCCESSORS OR ASSIGNS.

This Franchise Agreement, including all appendices and the City's Cable Communications Ordinance No. 1335-99 as now existing or hereinafter amended, shall bind the Operator, its heirs, successors, transferees and assigns.

SECTION 19: ACCEPTANCE.

This grant of Franchise and its terms and provisions shall be accepted by the Operator by the submission of a written instrument, executed and sworn to by a corporate officer of the Operator before a Notary Public, and filed with the City Clerk within sixty (60) days after the effective date of this Franchise, and by payment of \$ 843.00 to the City Clerk, towards the City's cost for legal consultation directly related to this franchise agreement, within 60 days after the effective date of this Franchise. Such instrument shall evidence the unconditional acceptance of this Franchise and the promise to comply with and abide by all its provisions, terms and conditions.

SECTION 20: NOTICE.

Written notices shall be deemed to have been duly served if delivered in Person to the individual or entity for whom it was intended, or if delivered at or sent by registered or certified United States mail to the last business address known to the party who gives the notice. All notices and requests shall be addressed to the City of Sedro-Woolley and the Operator as follows:

CITY: City Clerk
City of Sedro-Woolley
720 Murdock Street
Sedro-Woolley WA 98284

OPERATOR: General Manager
Black Rock Cable, Inc.
2544 Mt. Baker Hwy
Bellingham, WA 98226

SECTION 21: SEVERABILITY.

The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance, or in invalidity of its application to any Person or circumstance shall not affect the validity of the remainder of the ordinance, or the validity of its application to other Persons or circumstances.

SECTION 22: EFFECTIVE DATE.

This Ordinance shall take effect thirty (30) days from and after its passage and publication, provided, however, the Franchise granted by this Ordinance shall not become effective until the Operator files written acceptance thereof.

Passed and approved this 24 day of JANUARY, 2001.

CITY OF SEDRO-WOOLLEY:

ATTEST:

By Sharon Deillon
Mayor

Eric K. Stensdal
City Clerk / Treasurer

APPROVED AT TO FORM:

MM Hay
City Attorney

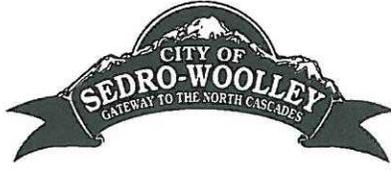
STATE OF WASHINGTON)
COUNTY OF Skagit) SS.

Personally appeared before me John Kehres of Black Rock Cable, Inc., known to be the individual described herein and who executed the foregoing agreement, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 12th day of February, 2001.



Christine A. Salsena
Notary Public in and for the State of Washington
Residing at: Skagit Co.
My Commission Expires: 7/23/01
Print Name: Christine A. Salsena



CITY COUNCIL AGENDA
REGULAR MEETING

AUG 22 2012

7:00 P.M. COUNCIL CHAMBERS
AGENDA NO. 8

Building and Planning Departments
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-0771
Fax (360) 855-0733

MEMO:

To: City Council
Mayor Anderson

From: John Coleman, AICP
Acting Planning Director 

Date: August 22, 2012

Subject: Envision Skagit 2060 Draft Resolution

ISSUE

Does the City Council support the resolution regarding Envision Skagit 2060 proposed by the Skagit Council of Governments (SCOG)?

PROJECT DESCRIPTION/HISTORY

SCOG, acting as lead on the Envision Skagit 2060 project, has created a draft resolution regarding the Envision project. The resolution reflects the progress of the Envision project thus far and outlines the actions that SCOG will and will not pursue as part of the project.

The resolution includes a Regional Planning Work Program that addresses items that the SCOG Board has identified as priorities for continued regional attention through SCOG. These priorities were identified as a result of discussions and recommendations made as part of the Envision Skagit process. Many of the general actions or goals will require identification of more specific task and timelines.

SCOG has requested input on the resolution from each of the jurisdictions involved in the Envision project, including the Sedro-Woolley City Council. The Council may:

1. support the draft *SCOG Resolution on the Envision Skagit 2060 Process and Recommendations*;
2. support the draft resolution with amendments; or
3. not support the draft resolution

ATTACHMENTS

Exhibit A – *SCOG Resolution on the Envision Skagit 2060 Process and Recommendations*

RECOMMENDED ACTION

Provide direction to staff.

Exhibit A

To City Council Memo Dated August 22, 2012

SCOG Resolution on the Envision Skagit 2060 Process and Recommendations

SCOG Resolution on the Envision Skagit 2060 Process and Recommendations

Whereas, Envision Skagit 2060 is a visioning and planning process to identify long-term opportunities and challenges facing residents and communities in Skagit County over the next 50 years; and

Whereas, Envision Skagit 2060 was initiated by Skagit County in 2009 with the assistance of numerous local partner organizations and is funded with two federal grants and local in-kind contributions from participating individuals and organizations; and

Whereas, the Skagit County GMA Steering Committee, which consists of the three Skagit County Commissioners and the Mayors of Anacortes, Burlington, LaConner, Mount Vernon, and Sedro-Woolley, unanimously supported participation in the Envision Skagit 2060 process on February 26, 2009, and later unanimously supported appointment of the 12-member Envision Skagit Citizen Committee; and

Whereas, the Envision Skagit Citizen Committee worked between September 2010 and June 2011 to develop its recommendations, completing its work on schedule; and

Whereas, the Envision Skagit Citizen Committee engaged in an extensive information gathering and public outreach process during that time, meeting with dozens of local elected officials and business and community leaders, making site visits throughout the county, and sponsoring nearly a dozen community visioning sessions and open houses in communities throughout the county; and

Whereas, the committee's final recommendations were released in October of 2011 as the "Envision Skagit Citizen Committee's Final Report and Recommendations"; and

Whereas, on April 26 and May 31, 2012, elected officials from Skagit Council of Governments jurisdictions met together in two "Conversations on Regional Collaboration" to discuss and consider the Envision Skagit Citizen Committee's recommendations and related issues raised through the Envision Skagit process; and

Whereas, members of the public had opportunities to comment at both of those meetings and also at a public open house held on April 25, 2012, and comments from the open house were shared with the elected officials from SCOG jurisdictions; and

Whereas, participation by local jurisdictions in the Envision Skagit process is voluntary and cooperative. No jurisdiction is required to implement the Envision Skagit Citizen Committee's recommendations. The Conversations on Regional Collaboration were designed to encourage Skagit County jurisdictions to discuss regional challenges and opportunities and identify areas where it makes sense for them to work together at a regional (countywide) level;

Whereas, elected officials who participated in the Conversations on Regional Collaboration expressed varying opinions on many of the Envision Skagit Citizen Committee's specific recommendations. However, they also expressed general agreement that the Skagit Council of Governments is the logical forum to continue the discussion of significant long-range regional planning issues begun by the Envision Skagit 2060 process.

Now, Therefore Be it Resolved as Follows:

The Skagit Council of Governments agrees to pursue the following actions resulting from the Envision Skagit process:

1. SCOG is the logical body to continue the conversation about long-term, regional opportunities and challenges requiring interjurisdictional cooperation, coordination, or collaboration that was begun by Envision Skagit 2060.
2. The SCOG Board is interested in establishing the Skagit Alliance as a citizens' advisory committee to SCOG.
3. There are a number of steps SCOG can and should take to encourage local and regional (countywide) economic development. These include developing a more detailed inventory of available industrial lands; prioritizing and promoting development of those existing lands; and identifying the most logical place(s) in Skagit County to locate industrial developments not suitable for or able to be located in cities or towns.
4. SCOG member jurisdictions should explore opportunities for sharing and consolidating government services where doing so can maintain or improve service to the public while also reducing costs. This should include identifying potential opportunities for utilization of state services, including software and technical assistance.
5. SCOG member jurisdictions recognize and seek to maintain the unique quality of life and natural beauty we enjoy in Skagit County. This includes the rural and agricultural landscape; abundant and accessible natural amenities including saltwater beaches and bays, the Skagit River, and the surrounding mountains; and a heritage of farming, forestry, and fishing which remains important to our economy and communities to this day. These features not only enhance our local quality of life, they also provide this area with a strong competitive advantage in economic development and business recruitment.
6. SCOG's work on the above items will be advanced through a *Regional Planning Work Program*, to be drafted by planners for SCOG member jurisdictions for consideration and eventual adoption by the SCOG Board.
7. Developing a *Regional Planning Work Program* is very timely for SCOG. The cities, towns and county are required by the state to update their comprehensive plans by 2016. As in previous years, major comprehensive plan updates require cooperation and coordination among the county, cities and towns on issues including: regional population and employment projections and allocations, and regional policies related to economic development, transportation, affordable housing, and protection of natural resource lands and open spaces. All of these have been topics of significant discussion through the Envision Skagit process.

Now, Therefore Be it Further Resolved as Follows:

The Skagit Council of Governments **does not** intend to include in its work program any further work on the following issues or recommendations from the Envision Skagit process:

1. Encouraging the merger of the cities of Burlington and Mount Vernon.
2. Developing countywide planning policies to authorize the creation of Fully Contained Communities (FCCs).
3. Modifying the population growth targets in the Countywide Planning Policies from the current target of 80% urban to 20% rural (or "80/20"), to the 90/10 ratio recommended by the Envision Skagit Citizen Committee.
4. Moderately increase densities in the Alger and Conway Hill rural villages.

Approved by a majority of Skagit Council of Government Board's voting members this ____ of _____, 2012.

Skagit Council of Governments:

Ramon Hayes, Town of La Conner
Chair

James Mastin
Interim Executive Director

Skagit Council of Governments

Regional Planning Work Program

Discussion Draft: July 26, 2012

Developing a Regional Planning Work Program now is very timely for SCOG as the cities, towns and county, in coordination with the ports and the PUD, face a state requirement to update their comprehensive plans by 2016. As in previous years, these major comprehensive plan updates will require cooperation and coordination among the county, cities and towns on issues including: countywide and jurisdiction-specific population and employment projections and allocations, and regional policies related to economic development, transportation, affordable housing, and protection of natural resource lands and open spaces. All of these have been topics of significant discussion through the Envision Skagit process.

This Regional Planning Work Program addresses items that the SCOG Board has identified as priorities for continued regional attention through SCOG as a result of SCOG's recent discussions of the Envision Skagit process and recommendations. Many of the general actions or goals will require identification of more specific task and timelines.

Items not included in the work program at this time may be added in the future based on action by the SCOG Board.

A. Skagit Alliance (Advisory Committee to SCOG)

1. SCOG is the logical body to continue the conversation about long-term, regional opportunities and challenges that was begun by Envision Skagit 2060.
2. SCOG will continue to engage the public on these issues and provide a periodic forum for regional discussions involving elected officials and citizens.
3. The SCOG Board is interested in recognizing the Skagit Alliance as a citizens' advisory committee to SCOG.
4. One of the tasks of the new SCOG executive director, working with the Board, will be to clarify details about the Skagit Alliance, including the process and criteria for selecting and appointing members, and its specific role and function, including its relationship to the SCOG Board. That process should be deliberate, systematic and criteria-based, rather than a political process.

B. Regional Economic Development

The Skagit Council of Governments has historically played a role in regional economic development through development of and updates to the Skagit County Comprehensive Economic Development Strategy or "CEDS" (formerly known as the Overall Economic Development Plan or OEDP). The CEDS, last updated in 2003, "is intended to serve as a

comprehensive statement of plans for countywide economic growth and development.” (2003 CEDS, p. i)

SCOG members, including the cities, towns, tribes, county and ports, all share the following significant roles in economic development:

1. Making land available for economic development through comprehensive plan land use designations and zoning;
2. Setting the terms and conditions for development through development regulations; and
3. Helping to plan for and finance the infrastructure that facilitates development. (This is also true of the Skagit PUD.)

These same entities are also involved, to varying degrees, in marketing and recruitment for economic development along with the Economic Development Association of Skagit County (EDASC), local chambers of commerce, and other local organizations.

Private landowners and business owners ultimately make the decisions to start, expand, or locate businesses in Skagit County and its local jurisdictions.

Elected officials participating in the recent Envision Skagit-sponsored “Conversations on Regional Collaboration” identified some of the following benefits of strengthening the local economy, in individual jurisdictions and in Skagit County as a whole:

1. To reduce the need for local residents to commute significant distances to work.
2. To provide higher-wage jobs adequate to support workers and their families and enable them to obtain affordable local housing.
3. To provide employment opportunities for Skagit County’s young people so they have the option to settle in the community where they grew up.
4. To diversify the local tax base, helping jurisdictions provide services and relieving tax pressures on individual property owners and taxpayers.

Elected officials identified the following specific actions that SCOG could take to strengthen the local economy in individual jurisdictions and in Skagit County as a whole. These actions could be advanced through an update to the CEDS or through more narrowly focused economic development plans or studies:

- 1. Develop a more detailed and up-to-date inventory of existing industrial lands in the county and its local jurisdictions.**

The 2003 CEDS notes that the last detailed inventory of industrial land was conducted in 1996. (2003 CEDS, p. 30) The following policy is found on p. 50:

“In cooperation with local jurisdictions, Skagit County shall maintain a minimum five year inventory of ready-to-build industrial sites at all times through the duration of the Comprehensive Plan. Sites for industrial use shall be designated at locations that can be readily accessed, served with utilities, and free of major environmental constraints that preclude a timely permit process and development as consistent with applicable laws.” (2003 CEDS, p. 50)

The CEDS also notes: "The Skagit County 2002 GMI Report states that the 'County should work with the Economic Development Association of Skagit County to conduct a bi-annual inventory...as a means to begin monitoring and track[ing] availability of key economic development parcels.'" (2003 CEDS, p. 32)

The Port of Skagit County has begun a process to create an updated inventory of industrial-zoned land. That is a task that SCOG could assist with or, with the Port's support, assume management of including ongoing data collection and regular updates.

Likely partners: SCOG (including all of its member jurisdictions); EDASC; Chambers of Commerce.

2. Protect existing industrial lands from incompatible development and promote and encourage economic development on those existing lands.

Local elected officials do not want a focus on countywide economic development to detract from or compete with their local efforts. The countywide approach should help market existing industrial land by providing adequate data so that the merits of each location are easily determined by a user, with access online.

Likely partners: SCOG; EDASC; Chambers of Commerce.

3. Identify opportunities where Skagit County and its local jurisdictions can compete for industrial businesses including the acreage and infrastructure needs of such businesses.

Such industries might require parcels larger than any currently available within cities or towns. They might also have impacts that would not be suitable or desirable for location within cities or towns. Some elected officials expressed an interest in establishing an acreage threshold to distinguish industries that should be the focus of countywide economic development efforts versus businesses and industries whose needs could be accommodated in cities and towns and on tribal lands.

Likely partners: SCOG; EDASC; Chambers of Commerce; Washington Department of Commerce.

4. Identify what types of industries are most desirable and compatible with Skagit County and what their particular needs are in terms of acreage, infrastructure, suppliers, workforce, etc.

There is already significant discussion of desirable and compatible industries for Skagit County's economic development efforts as a whole, in the 2003 CEDS. During the Conversations on Regional Collaboration, some local jurisdictions (e.g. Mount Vernon and Port of Skagit County) said they were involved in discussions among their constituents to identify desired or priority industries for their particular jurisdictions' economic development efforts. Others appeared less comfortable with the idea of identifying preferred businesses or industries.

Likely partners: SCOG; EDASC; Chambers of Commerce; Skagit Valley College and other technical and vocational education providers; Washington Department of Commerce.

5. **Identify a preferred location or locations within the County for larger-scale industrial development and designate those lands to meet current and future industrial development needs.**

Likely partners: SCOG; EDASC; Chambers of Commerce.

6. **Identify what role SCOG can and should play in marketing industrial lands and recruiting industrial development, in relation to ongoing activities by the ports, EDASC, chambers of commerce, and individual jurisdictions (cities, towns, tribes, county).**

Likely partners: SCOG; EDASC; Chambers of Commerce; Washington Department of Commerce.

C. Consolidation of government services

SCOG member jurisdictions should explore opportunities for sharing and consolidating government services where doing so can maintain or improve service to the public while also reducing costs. This should include identifying potential opportunities for utilization of state services, including software and technical assistance.

D. Actions in preparation for 2016 Comprehensive Plan Updates

Following are actions that SCOG may want to undertake, to help its member jurisdictions prepare for the state-required update to the comprehensive plans, which are due by December 31, 2016. These are actions that SCOG typically has undertaken or supported previous state-required comprehensive plan update cycles.

1. Coordinate discussion among SCOG member jurisdictions on updated population and employment growth targets for the 2016 – 2036 planning period, leading to adoption of updated targets by the SCOG Board (or GMA Steering Committee?).
2. Coordinate discussion among SCOG member jurisdictions on updated population and employment allocations for the 2016 – 2036 planning period, leading to adoption of updated allocations by the SCOG Board (or GMASC). These population and employment allocations establish specific planning and UGA sizing goals for individual jurisdictions.
3. Coordinate discussion among SCOG member jurisdictions about any desired revisions or updates to the Comprehensive Economic Development Strategy (CEDS), last updated in 2003. Updates or revisions may be warranted based on the Regional Economic Development component of this work plan (item B).
 - a. The 2003 CEDS (and the most recent population and employment projections/targets, adopted that same year) includes a projection for a continuing decline in the ratio of local employment to population in Skagit County and its local jurisdictions, meaning that the percentage of out-commuters will

continue to rise, above the current estimated 47%. This is something that SCOG may want to revisit at this time through an update to the CEDS.

DRAFT