

ORDINANCE 16-031

AN ORDINANCE OF THE CITY OF CAMAS GRANTING ASTOUND BROADBAND, LLC DBA WAVE A NON-EXCLUSIVE FRANCHISE FOR THE TRANSMISSION OF TELECOMMUNICATIONS IN, THROUGH, OVER AND UNDER THE RIGHTS-OF-WAY OF THE CITY OF CAMAS.

WHEREAS, Astound Broadband, LLC, a Washington limited liability company (“Grantee”) has requested that the City grant it the right to install, operate and maintain a fiber optic-based telecommunications system within the public Rights-of-Way of the City; and

WHEREAS, the City Council finds it desirable for the welfare of the City and its residents that such a non-exclusive franchise be granted to Grantee; and

WHEREAS, the City Council has the authority under state law to grant franchises for the use of its Rights-of-Way; and

WHEREAS, the City is willing to grant the rights requested by Grantee subject to certain terms and conditions.

NOW, THEREFORE, The City Council of the City of Camas does ordain as follows:

Section 1. Definitions. Where used in this Ordinance and the franchise granted hereby (the "Franchise") these terms have the following meanings:

A. “Affiliate” means an entity which owns or controls, is owned or controlled by, or is under common ownership with Grantee.

B. "City” means the City of Camas, a municipal corporation of the State of Washington.

C. “Emergency Situation” means an emergency involving likely loss of life or substantial property damage as determined by City in good faith.

D. “Facilities” means Grantee’s fiber optic cable system constructed and operated within the City’s Rights-of-Way, and shall include all cables, wires, conduits, ducts, pedestals and any associated converter, equipment or other facilities within the City’s Rights-of-Way, designed and constructed for the purpose of providing Telecommunications Service not prohibited by this Ordinance.

E. “Franchise” shall mean the initial authorization or renewal thereof, granted by the City, through this Ordinance, or a subsequently adopted Ordinance, which authorizes construction and operation of the Grantee’s Facilities for the purpose of offering Telecommunications Service not prohibited by this Ordinance.

F. "Franchise Area" means the present municipal boundaries of the City, and shall include any additions thereto by annexation or other legal means.

G. "Person" means an individual, partnership, association, joint stock company, trust, corporation, limited liability company or governmental entity.

H. "Rights-of-Way" means the surface and the space above and below streets, roadways, highways, avenues, courts, lanes, alleys, sidewalks, rights of way and similar public areas within the City.

I. "Telecommunications Service" means any telecommunications service, telecommunications capacity, or dark fiber, provided by the Grantee using its Facilities, either directly or as a carrier for its Affiliates, or any other Person engaged in Telecommunications Services, including, but not limited to, the transmission of voice, data or other electronic information, facsimile reproduction, burglar alarm monitoring, meter reading and home shopping, or other subsequently developed technology that carries a signal over fiber optic cable. Telecommunications Service shall also include non-switched, dedicated and private line, high capacity fiber optic transmission services to firms, businesses or institutions within the City and other lawful services not prohibited by this Ordinance. However, Telecommunications Service shall not include the provision of "cable services," as defined by 47 U.S.C. §522, as amended, for which a separate franchise would be required.

Section 2. Franchise Area and Authority Granted.

A. Facilities within Franchise Area. The City does hereby grant to Grantee the right, privilege, authority and franchise to construct, support, attach, connect and stretch Facilities between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along and across Rights-of-Way in the Franchise Area for purposes of telecommunications service as defined in RCW 82.04.065.

B. Permission Required to Enter onto Other City Property. Nothing contained in this Ordinance is to be construed as granting permission to Grantee to go upon any other public place other than Rights-of-Way within the Franchise Area. Permission to go upon any other property owned or controlled by the City must be sought on a case by case basis from the City.

C. Compliance with WUTC Regulations. At all times during the term of the Franchise, Grantee shall fully comply with all applicable regulations of the Washington Utilities and Transportation Commission.

Section 3. Construction and Maintenance.

A. Grantee's Facilities shall be located, relocated and maintained within the Rights-of-Way in accordance with Camas Municipal Code ("CMC") Chapter 5.45, and so as not to interfere with the free and safe passage of pedestrian and vehicular traffic and ingress or egress to or from the abutting property and in accordance with the laws of the State of Washington. Whenever it is necessary for Grantee, in the exercise of its rights under the Franchise, to make any excavation in

the Rights-of-Way, Grantee shall obtain prior approval from the City of Camas Public Works Department, pay the applicable permit fees, and obtain any necessary permits for the excavation work pursuant to CMC Chapter 5.45, Article VIII. Upon completion of such excavation, Grantee shall restore the surface of the Rights-of-Way to the specifications established within the CMC Chapter 5.45, Article VIII. Upon completion of such excavation Grantee shall restore the surface of the Rights-of-Way to the specifications established within the CMC. If Grantee should fail to leave any portion of the excavation in a condition that meets the City's specifications per the CMC, the City may, on five (5) days' notice to Grantee, which notice shall not be required in case of an Emergency Situation, cause all work necessary to restore the excavation to a safe condition. Grantee shall pay to the City the reasonable cost of such work; which shall include, among other things, the City's overhead in obtaining completion of said work (provided that in no event shall such overhead exceed 5% of the total costs, fees and expenses of third parties).

B. Any surface or subsurface failure occurring during the term of this Agreement caused by any excavation by Grantee shall be repaired to the City's specifications, within thirty (30) days, or, upon five (5) days written notice to Grantee, the City may order all work necessary to restore the damaged area to a safe and acceptable condition and Grantee shall pay the reasonable costs of such work to the City, including City overhead (provided that in no event shall such overhead exceed 5% of the total costs, fees and expenses of third parties).

CONSTRUCTION AND MAINTENANCE

All work done by Grantee in connection with the construction, operation, and maintenance of said fiber optic network shall be performed to the satisfaction and subject to the supervision of the city public works director or other duly constituted representative of the City.

Grantee shall not cause any permanent injury to the streets of the City or to the City's utilities located therein, nor shall Grantee in any manner unreasonably disturb or interfere with any water, gas, or sewer lines or other conduits now or hereafter laid by the City or any authorized company or corporation in said streets.

Except as to emergency repairs, Grantee shall, prior to installing, repairing, or relocating any pipe, main, conduit, or service line, file with the Public Works Department, or such other person designated by the City, plans and specifications thereof showing the work to be done, the location and nature of the installation to be made, repaired or maintained, and a schedule showing the time of beginning and completion, and shall secure the approval of the City before proceeding with any such work, and shall obtain all necessary permits and pay all applicable fees prior to proceeding with such work. Any subsequent changes in the plans, specifications, or schedules shall require the approval of the City.

REPAIR

The Grantee shall, at its own cost and expense, promptly repair all streets and other public places in any way disturbed by the Grantee, its agents, employees, or contractors, and shall restore the same to as good a condition as the same were prior to doing any work therein. Whenever Grantee's construction, maintenance, and repair of the fiber optic require trenching in the improved roadway,

Grantee shall design and install a 0.12 foot depth asphalt pavement overlay over the entire travel lane and turn lanes impacted where Grantee has cut trenches into the improved roadway.

C. In the event of an Emergency Situation, Grantee may commence such emergency and repair work as required under the circumstances, provided that Grantee shall notify the City Public Works Director in writing as promptly as possible before such repair or emergency work commences, or as soon thereafter as possible, if advanced notice is not reasonably possible. The City may act, at any time, without prior written notice in the case of an Emergency Situation, but shall notify Grantee in writing as promptly as possible under the circumstances.

D. Grantee agrees that if any of its actions under the Franchise materially impair or damage any City property, survey monument, or property owned by a third-party, Grantee will restore, at its own cost and expense, the impaired or damaged property to the same condition as existed prior to such action. Such repair work shall be performed and completed to the reasonable satisfaction of the Public Works Director.

Section 4. Location and Relocation of Facilities.

RELOCATION

Nothing on this Ordinance shall be deemed or construed to limit the power of the proper authorities of the City of Camas to prosecute and maintain public or local improvements. Whenever in the prosecution or maintenance of such improvements it becomes necessary to remove, readjust, relocate, or change the location of Grantee's fiber optic cable and appurtenances thereto, the same shall be done by and at the sole expense of the Grantee. Grantee shall remove, readjust, relocate, or change location of Grantee's fiber optic cable within 90 days of written notification from the City unless otherwise agreed to by City. In the event Grantee fails to do so, then City may, at Grantee's sole expense, have the fiber optic cable relocated by City's contractor. In such event, Grantee shall pay the cost of relocation within 30 days of submission of an invoice by City. This Section shall only apply if applied in a non-discriminatory manner and it is necessary for all fiber optic cable and appurtenances to be moved in the same location.

A. Grantee shall place any new Facilities underground where all adjacent existing telecommunications and cable facilities are located underground. Any new Facilities to be located above-ground shall be placed on existing utility poles. No new utility poles shall be installed in connection with placement of new above-ground Facilities.

B. Grantee recognizes the need for the City to maintain adequate width for installation and maintenance of sanitary sewer, water and storm drainage utilities owned by the City and other public utility providers. Thus, the City reserves the right to maintain clear zones within the public right-of-way for installation and maintenance of said utilities. The clear zones for each Right-of-Way segment shall be noted and conditioned with the issuance of each Right-of-Way permit. If adequate clear zones are unable to be achieved on a particular Right-of-Way, Grantee shall locate in an alternate Right-of-Way, obtain easements from private property owners, or propose alternate construction methods which maintain and/or enhance the existing clear zones.

C. In the event that the City orders the Grantee to relocate its Facilities for a project which is primarily for private benefit, the private party or parties causing the need for such project shall reimburse the Grantee for the cost of relocation in the same proportion as their contribution to the total cost of the project.

D. In the event of an unforeseen Emergency Situation that creates a threat to public safety, health or welfare, the City may require the Grantee to relocate its Facilities at its own expense, any other portion of this Section notwithstanding.

Section 5. Indemnification.

A. Grantee shall indemnify, defend and hold the City, its agents, officers, employees, volunteers and assigns harmless from and against any and all third party claims, demands, liability, loss, cost, damage or expense of any nature whatsoever, including all costs and reasonable attorney's fees, made against them on account of injury, sickness, death or damage to persons or property which is caused by or arises out of, in whole or in part, the willful, tortious or negligent acts, failures and/or omissions of Grantee or its agents, servants, employees, contractors, subcontractors or assigns in the construction, operation or maintenance of its Facilities or in exercising the rights granted Grantee in the Franchise; *provided, however*, such indemnification shall not extend to injury or damage caused by the sole negligence or willful misconduct of the City, its agents, officers, employees, volunteers or assigns.

B. In the event any such claim or demand be presented to or filed with the City, the City shall promptly notify Grantee thereof (and in any event prior to the date that Grantee's rights to defend such claim or demand would be prejudiced), and Grantee shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand, provided further, that in the event any suit or action be begun against the City based upon any such claim or demand, the it shall likewise promptly notify Grantee thereof, and Grantee shall have the right, at its election and its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election.

Section 6. Default.

A. If Grantee shall fail to comply with any of the provisions of the Franchise, unless otherwise provided in the Franchise, the City will serve upon Grantee a written order to comply within thirty (30) days from the date such order is received by Grantee. If Grantee is not in compliance with the Franchise after expiration of the thirty (30) day period, the City may act to remedy the violation and may charge the reasonable costs and expenses of such action to Grantee. The City may act without the thirty (30) day notice in case of an Emergency Situation. If any failure to comply with the Franchise by Grantee cannot be corrected with due diligence within said thirty (30) day period, then the time within which Grantee may so comply shall be extended for such time as may be reasonably necessary and so long as Grantee works promptly and diligently to effect such compliance. During such a period, if Grantee is not in compliance with the Franchise, and is not proceeding with due diligence in accordance with this section to correct such failure to comply, then the City may in addition, by ordinance and following written notice to

Grantee, declare an immediate forfeiture of the Franchise and all of Grantee's rights and obligations thereunder.

B. In addition to other remedies provided in this Franchise or otherwise available at law, if Grantee is not in compliance with requirements of the Franchise, and if a good faith dispute does not exist concerning such compliance, the City may place a moratorium on issuance of pending Grantee Right-of-Way use permits until compliance is achieved.

Section 7. Nonexclusive Franchise. The Franchise granted by this Ordinance is not and shall not be deemed to be an exclusive franchise. The Franchise granted by this Ordinance shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area. The Franchise granted by this Ordinance shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

Section 8. Franchise Term/Fee.

A. Unless earlier terminated by Grantee upon notice to the City, the Franchise is and shall remain in full force and effect for a period of fifteen (15) years from and after the effective date of this Ordinance, provided that the term may be extended for an additional five (5) years upon the agreement of Grantee and the City; and provided further, however, that Grantee shall have no rights under the Franchise nor shall Grantee be bound by the terms and conditions of the Franchise unless Grantee shall, within thirty (30) days after the effective date of this Ordinance, file with the City its written acceptance of the Franchise, in a form acceptable to the City Attorney.

B. If the City and Grantee fail to formally renew the Franchise prior to the expiration of its term or any extension thereof, the Franchise shall automatically continue in full force and effect until renewed or until either party gives written notice at least one hundred eighty (180) days in advance of intent not to renew the Franchise.

C. Fee: As compensation for the Franchise granted by this Ordinance, Grantee shall pay to the City a one-time franchise fee of \$ 2,500. Said franchise fee shall be payable within thirty (30) days of adoption of this Ordinance by the City. In addition, Grantee shall reimburse the City for the cost of publication of this Ordinance.

Section 9. Compliance with Codes and Regulations.

A. The rights, privileges and authority herein granted are subject to and governed by this Ordinance, the applicable laws of the State of Washington and the applicable laws of the United States, and all other applicable ordinances and codes of the City of Camas, as they now exist or may hereafter be amended, including but not limited to the provisions of CMC Chapter 5.45. Nothing in this ordinance limits the City's lawful power to exercise its police power to protect the safety and welfare of the general public. Any location, relocation, erection or excavation by Grantee shall be performed by Grantee in accordance with applicable federal, state and city rules and regulations, including the City's Public Works Policies and Standard Plans, and any required permits, licenses or posted fees, and applicable safety standards then in effect.

B. In the event that any territory served by Grantee is annexed to the City after the effective date of the Franchise, such territory shall be governed by the terms and conditions contained herein upon the effective date of such annexation.

C. The City acknowledges that Washington law currently limits the tax the City may impose on Grantee's activities hereunder to 6% of revenue derived from the provision of network telephone service (i.e., "telephone business" as defined in RCW 82.16.010) and that the federal Internet Tax Freedom Act prohibits the imposition of a tax or other fee on revenue derived by Grantee from Grantee's provision of Internet access services. Grantee agrees that if federal or Washington law is changed, Grantee, following not less than ninety (90) days written notice from the City, will negotiate in good faith with the City to amend the Franchise to expand the revenue base on which such tax is applied.

Section 10. Undergrounding. New Facilities shall be installed underground pursuant to Section 4 of the Franchise. Grantee acknowledges the City's policy of undergrounding of Facilities within the Franchise Area. Grantee will cooperate with the City in the undergrounding of Grantee's existing Facilities within the Franchise Area. If during the term of the Franchise, the City shall direct Grantee to underground Facilities within any Franchise Area, such undergrounding shall be at no cost to the City except as may be provided in RCW Chapter 35.99. Grantee shall comply with all federal, state, and City regulations on undergrounding. If the City undertakes any street improvement which would otherwise require relocation of Grantee's above-ground Facilities, the City may, by written notice to Grantee, direct that Grantee convert any such Facilities to underground Facilities.

Section 11. Record of Installations and Service.

A. With respect to excavations by Grantee and the City within the Franchise Area, Grantee and the City shall each comply with its respective obligations pursuant to RCW Chapter 19.122 and any other applicable state or federal law.

B. Upon written request of the City, Grantee shall provide the City with the most recent update available of any plan of potential improvements to its Facilities within the Franchise Area; provided, however, any such plan so submitted shall be for informational purposes within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.

C. As-built drawings and maps of the precise location of any Facilities placed by Grantee in any Rights-of-Way shall be made available by Grantee to the City within ten (10) working days of the City's written request. These plans and maps shall be provided at no cost to the City and shall include hard copies and/or digital copies in a format commonly used in the telecommunications industry.

Section 12. Shared Use of Excavations and Trenches.

A. If either the City or Grantee shall at any time after installation of the Facilities plan to make excavations in the area covered by the Franchise and as described in this Section, the party planning such excavation shall afford the other, upon receipt of written request to do so, an opportunity to share such an excavation, *provided that*: (1) such joint use shall not unreasonably delay the work of the party causing the excavation to be made or unreasonably increase its costs; (2) such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties. In addition, pursuant to RCW 35.99.070, the City may request that Grantee install additional conduit, ducts and related access structures for the City pursuant to contract, under which Grantee shall recover its incremental costs of providing such facilities to the City.

B. The City reserves the right to not allow open trenching for five years following a street overlay or improvement project. Grantee shall be given written notice at least ninety (90) days prior to the commencement of the project. Required trenching due to an emergency will not be subject to five (5) year street trenching moratoriums, but should still follow repair requirements of Section 3.

C. The City reserves the right to require Grantee to joint trench with other franchisees if both entities are anticipating trenching within the same franchise area and provided that the terms of this Section are met.

Section 13. Insurance.

A. Grantee shall procure and maintain for the duration of the Franchise, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of work under the Franchise by Grantee, its agents, representatives or employees in the amounts and types set forth below.

1. Commercial General Liability insurance with limits no less than \$5,000,000 combined single limit for bodily injury (including death) and property damage, including premises operation, products and completed operations and explosion, collapse and underground coverage extensions;

2. Automobile liability for owned, non-owned and hired vehicles with a combined single limit of \$3,000,000 for each accident for bodily injury and property damage; and

3. Worker's compensation within statutory limits and employer's liability insurance with limits of not less than \$1,000,000 for each accident/disease/policy limit or as required by law.

B. Grantee's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance or insurance pool coverage maintained by the City shall be in excess of Grantee's insurance and shall not contribute with it.

C. Grantee shall furnish the City with certificates of the foregoing insurance coverage or a copy of amendatory endorsements, including but not necessarily limited to the additional insured endorsement.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Grantee's maintenance of insurance as required by the Franchise shall not be construed to limit the liability of Grantee to the coverage provided by such insurance, or otherwise limit City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

F. Failure to Maintain Insurance. Failure on the part of the Applicant to maintain the insurance as required shall constitute a material breach of the permit or agreement, upon which the City may, after giving ten business days' notice to the Grantee to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

G. Notice of Cancellation. The Grantee shall provide the City with written notice of any policy cancellation, within ten business days of its receipt of such notice.

Section 14. Assignment.

A. This franchise and the rights herein granted may be assigned only with the consent of the City, which the City may not unreasonably withhold, condition, or delay, but no such assignment shall be of any force or effect until a copy thereof, certified as such by the proper officials of the Grantee, shall have been filed in the office of the City Clerk, nor until the City Council of the City shall have consented to such assignment. Any such successor or assignee of the Grantee must file with the City Clerk written acceptance of the rights and privileges conferred hereby and such successor's or assignee's agreement to fully comply with and abide by and be bound by the terms of this ordinance and all the requirements hereof, and to faithfully and timely keep and perform each and every term, covenant, agreement, obligation, and condition required of or imposed upon the Grantee hereunder.

B. Notwithstanding the foregoing, Grantee, without the consent of, but upon commercially reasonable notice to the City, may assign this agreement in whole or in part to: (a) an Affiliate (as defined in this Ordinance); or (b) a lender for security purposes only.

C. Grantee may lease the Facilities or any portion thereof to another or provide capacity or bandwidth in its Facilities to another, *provided that*: Grantee at all times retains exclusive control over such Facilities and remains responsible for locating, servicing, repairing, relocating or removing its Facilities pursuant to the terms and conditions of the Franchise.

Section 15. Abandonment and Removal of Facilities. Upon the expiration, termination, or revocation of the rights granted under the Franchise, the Grantee shall remove all of its Facilities from the Rights-of-Way of the City within ninety (90) days of receiving notice from the City's Public Works Director; *provided however*, that the City may permit the Grantee's improvements

to be abandoned in place in such a manner as the City may prescribe. Upon permanent abandonment, and Grantee’s agreement to transfer ownership of the Facilities to the City, the Grantee shall submit to the City a proposal and instruments for transferring ownership to the City. Any such Facilities which are not permitted to be abandoned in place which are not removed within ninety (90) days of receipt of said notice shall automatically become the property of the City; *provided however*, that nothing contained within this Section shall prevent the City from compelling the Grantee to remove any such Facilities through judicial action when the City has not permitted the Grantee to abandon said Facilities in place.

Section 16. Miscellaneous.

A. If any term, provision, condition or portion of this Ordinance shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Ordinance which shall continue in full force and effect. The headings of sections and paragraphs of this Ordinance are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the provisions of such sections of paragraphs.

B. Grantee shall pay for the City's reasonable administrative costs in drafting and processing this Ordinance and all work related thereto, which payment shall not exceed \$3,000. Grantee shall further be subject to all published permit fees associated with activities and the provisions of any such permit, approval, license, agreement of other document, the provisions of the Franchise shall control.

C. Failure of the City to declare any breach or default under this Franchise or any delay in taking action shall not waive such breach or default, but the City shall have the right to declare any such breach or default at any time. Failure of the City to declare one breach or default does not act as a waiver of the City’s right to declare another breach or default.

D. Notwithstanding anything to the contrary herein, any determination by the City with respect to matters contained in this Ordinance and matters related to the Franchise shall be made in accordance with applicable federal law, including without limitation any applicable rules and regulations promulgated by the Federal Communications Commission, applicable state law and in a reasonable and non-discriminatory manner.

Section 17. 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:

<p>City: Public Works Director City of Camas 616 NE 4th Avenue Camas, WA 98607</p>	<p>Grantee: Astound Broadband, LLC 401 Parkplace Center, Suite 500 Kirkland, WA 98033 Attn: Steve Weed, CEO and Byron Springer, EVP</p>
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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.

Section 18. Effective date. This Ordinance, being in compliance with RCW 35A.47.040, shall be in force and effect five (5) days from and after its passage, approval and publication, but only if the Grantee has accepted the terms and conditions thereof.

Passed by majority vote of the Camas City Council in open meeting this _____ day of _____, 2016.

Signed in authentication thereof this _____ day of _____, 2016.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney