

# City of Kenmore, Washington

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City of Kenmore - 18120 68th Avenue NE - P.O. Box 82607, Kenmore WA 98028  
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## **City of Kenmore City Council Regular Meeting Agenda 7:00 p.m., Monday, January 28, 2013 Kenmore City Hall, Council Chambers 18120 68th Ave. NE, Kenmore, WA 98028**

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are also available on our website at [www.kenmorewa.gov](http://www.kenmorewa.gov).

### **I. CALL TO ORDER**

### **II. ROLL CALL**

### **III. FLAG SALUTE**

### **IV. AGENDA APPROVAL**

### **V. PROCLAMATION**

- A. National Kids to Parks Day Proclamation - May 18, 2013

### **VI. CITIZEN COMMENTS**

This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

### **VII. CONSENT AGENDA**

- A. Approval of City Council Regular and Special Meeting Minutes for the following dates: July 23, 2012; September 10, 2012; September 24, 2012; October 8, 2012; October 15, 2012; October 22, 2012; October 29, 2012; November 5, 2012; November 13, 2012; November 19, 2012; November 26, 2012; December 3, 2012; and January 14, 2013
- B. Approval of Check Nos. 27122 - 27244 in the Amount of \$477,860.87 and Electronically Transferred Payroll Funds Totaling \$58,177.26 for the Period Ending January 18, 2013
- C. Kenmore Navigation Channel Sediment Sampling - Contract No. 12-C1030 Amendment No. 2 with Anchor QEA - Nancy Ousley, Assistant City Manager

**VII. CONSENT AGENDA**

- D. SR 522 West A & B Plans, Specifications, & Estimate - Contract No. 13-C1103 with H.W. Lochner - Kris Overleese, Engineering & Environmental Services Director

**VIII. BUSINESS AGENDA**

- A. Graffiti Control Procedures Report - Jennifer Gordon, Public Works Operations Manager
- B. Frontier Communications Service Area Status & Franchise - Nancy Ousley, Assistant City Manager

**IX. STAFF REPORT**

- A. Citizen Survey - Rob Karlinsey, City Manager

**X. COUNCILMEMBER COMMENTS/REPORTS**

**XI. ADJOURNMENT**

**Upcoming Meetings:**

Monday, February 11, 2013 City Council Regular Meeting 7:00 p.m.

Monday, February 25, 2013 City Council Regular Meeting TBA



## **City of Kenmore, Washington Proclamation**

**WHEREAS**, Saturday, May 18<sup>th</sup>, 2013 is the third National Kids to Parks Day organized and launched by the National Park Trust; and

**WHEREAS**, National Kids to Parks Day empowers kids and encourages families to get outdoors and visit America's parks; and

**WHEREAS**, it is important to introduce a new generation to our nation's parks because of the decline in park attendance over the last decades; and

**WHEREAS**, we should encourage children to lead more active lifestyles to combat the issues of childhood obesity, diabetes mellitus, hypertension and hypercholesterolemia; and

**WHEREAS**, National Kids to Parks Day is open to all children and adults across the country to encourage a large and diverse group of participants; and

**WHEREAS**, National Kids to Parks Day will broaden children's appreciation for nature and the outdoors; and

**WHEREAS**, the City of Kenmore, has been recognized by the national nonprofit organization KaBOOM! as a Playful City USA community; and

**WHEREAS**, the City of Kenmore features spectacular local and state parks and the Burke-Gilman Trail,

**NOW, THEREFORE**, I, David Baker, Mayor of the City of Kenmore, Washington, on behalf of the City Council, am pleased to proclaim May 18, 2013 to be

### **"National Kids to Parks Day"**

in the City of Kenmore, and I urge residents of Kenmore to make time on May 18<sup>th</sup> to take the children in their lives to a neighborhood, state or national park.

**IN WITNESS WHEREOF**, signed this 28th day of January, 2013.

*Signed:* \_\_\_\_\_  
David Baker, Mayor

*Attested:* \_\_\_\_\_  
Patty Safrin, City Clerk

**City of Kenmore, Washington**  
**City Council Special & Regular Meeting**  
**Minutes**  
**July 23, 2012**

**DRAFT**

**CALL TO ORDER** – Mayor Baker called the regular meeting to order at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith and Laurie Sperry

**Councilmembers excused:** Councilmembers Milton Curtis, Allan Van Ness, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Mayor Baker led the flag salute.

**AGENDA APPROVAL**

**Councilmember Sperry moved to amend the agenda to Add a Business Item C to Consider an Interim Ordinance to Establish a Moratorium on Medical Cannabis Collective Gardens. The motion passed.**

**It was Council consensus to approve the agenda as amended.**

**CITIZEN COMMENTS**

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state his concerns regarding Swamp Creek and surface water management. He also stated that he is glad that the City is working on the problem with the lights at 61<sup>st</sup> Avenue and SR 522.

Wayne Fu, 18228 60<sup>th</sup> Avenue NE, Kenmore, was present to share his ideas regarding the Kenmore Village development. He submitted a handout to Council.

Janet Hays, 6303 NE 181<sup>st</sup> Street, Kenmore, was present to state her concerns regarding the work at the cement plant and marketing of Kenmore Village.

Bev Peterson, 6422 NE 154<sup>th</sup> Street, Kenmore, was present to request donations of school items for children through Hopelink.

Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to state her concerns regarding potential environmental health issues.



John Hendrickson, 5919 NE 202<sup>nd</sup> Lane, Kenmore, was present to state his concerns regarding City accounting procedures. He submitted a handout to Council.

Hugh Wiese, 18011 58<sup>th</sup> Avenue NE, Kenmore, was present to state his concerns regarding the sale of property to Kenmore Camera and the development of Kenmore Village.

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to share his ideas regarding Kenmore Village development and a potential pedestrian bridge and park. He submitted a handout to Council.

Mayor Baker thanked the citizens for their comments.

## **CONSENT AGENDA**

**Councilmember Sperry moved to approve the consent agenda as submitted. Councilmember Smith seconded the motion to Approve Claim Nos. 26107 – 26174 in the Amount of \$324,052.52 for the Period Ending July 13, 2012 and Electronically Transferred Payroll Funds Totalling \$56,999.43 and Payroll Check No. 4399 in the Amount of \$828.93; Implementation of the Surface Water Information Management System (SIMS), Including Execution of Contract No. 12-C1022 to Purchase CityWorks Software, Purchase of ESRI ArcGIS Server Software, and Utilization of a Cloud-Based Server Service; Contract 12-C1052 in an Amount Not to Exceed \$80,000 for Dredging of the Wallace Swamp Creek Park Sediment Pond; Contract No. 04-C363 Amendment D with King County to Accept 2012 Conservation Futures (CFT) Proceeds; Kenmore Village Boundary Line Adjustment; Resolution No. 12-205 Granting Final Plat Approval to the Hawthorne Lane Subdivision (FLP 2007-072); Interlocal Agreement No. 12-C1049 Between the City of Kenmore and the Kenmore Transportation Benefit District; Resolution No. 12-206 Directing the City Manager to Adopt and Promulgate Policies Regarding the Display of Art Work and Other Exhibits at City Facilities; Adoption of Ordinance No. 12-0343 Establishing Position and Salary Schedules for 2012; and a Motion to Cancel All Regularly Scheduled Meetings for the Month of August 2012. The motion passed unanimously.**

## **BUSINESS AGENDA**

**Agreement with Arts of Kenmore for City Hall Art Display – Contract No. 12-C1050** – Nancy Ousley, Assistant City Manager, was present to give a brief staff report on the proposed rotating art display for the City Hall lobby. She stated that Arts of Kenmore would work with the Eastside Association of Fine Arts to provide some of the day-to-day tasks related to the art display, including any sales of displayed art work, and that the City Attorney has approved the contract. She noted that the only cost to the City would be the purchase of some additional display hooks. She was also available to answer any questions.

**Councilmember Sperry moved to Approve Contract No. 12-C1050 with Arts of Kenmore for City Hall Art Display. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**

**Presentation of June 2012 Financial Report** – Joanne Gregory, Finance & Administration Director was present to speak briefly about the highlights of the report. She was also available to answer any questions.

**Deputy Mayor Hensel moved to Receive and File the June 2012 Financial Report. Councilmember Smith seconded the motion. The motion passed unanimously.**

**Medical Marijuana Moratorium – Ordinance No. 12-0342** – Debbie Bent, Community Development Director, was available to answer any questions.

**Councilmember Sperry moved to Adopt Ordinance No. 12-0342, an Interim Ordinance of the City of Kenmore, Washington, Adopting a Moratorium on the Establishment of Medical Cannabis (Marijuana) Collective Gardens; Defining Medical Cannabis Collective Gardens; Providing for a Public Hearing; Establishing an Effective Date; and Providing for Expiration of the Moratorium Within Six Months of the Date of Adoption, Unless Extended. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**

#### **STAFF REPORT**

City Manager Karlinsey gave a brief staff report on the proposed water feature for the plaza in front of City Hall. He stated that a Request for Proposals is ready to go out if the Council so wishes. He noted that it is not in the budget for this year; however, there are some possible options for funding that could be discussed. He requested direction from Council regarding how to fund it, what type of water feature they would prefer, and whether a veterans' memorial should be included.

**It was Council consensus to add the project to the 2013-2014 Biennial Budget.**

**It was Council consensus to create a committee composed of councilmembers, staff and community members, headed by Councilmember Smith, to discuss the details of the water feature.**

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Mayor Baker noted that because of the bipartisan super committee's failure to act last year, mandatory federal cuts may be effective in January of 2013, including defense spending, Section 8 housing vouchers, Community Block Grants, human service programs, and a 2% Medicaid cut.

#### **EXECUTIVE SESSION**

Mayor Baker called an special meeting executive session to discuss Potential Property Acquisition, pursuant to RCW 42.30.110(1)(b) and adjourned the regular meeting at 8:05 p.m. He stated that the executive session is expected to last for 20 minutes and no action is anticipated when the meeting reconvenes.

#### **ADJOURNMENT**

Mayor Baker adjourned the special meeting at 8:25 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

DRAFT

**City of Kenmore, Washington  
City Council Special & Regular Meeting  
Minutes  
September 10, 2012**

**CALL SPECIAL MEETING TO ORDER** - The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:02 p.m.

**EXECUTIVE SESSION**

Mayor Baker adjourned the special meeting at 6:02 p.m. to an executive session to discuss Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 1 hour and that action may be taken when the meeting is convened to regular session.

**CALL REGULAR MEETING TO ORDER** – Mayor Baker called the regular meeting to order at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; Lauri Anderson, Senior Planner; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Mayor Baker led the flag salute.

**AGENDA APPROVAL**

**Councilmember Curtis moved to amend the agenda to Add New Business Agenda Item B., to Approve a Settlement Offer of \$450,000 Payable to the City by the Defendant in the HDR/MidMountain Lawsuit with the Allocation Between Defendants to be Determined at the Discretion of the City Engineer; Add a New Business Agenda Item C., to Amend Contract No. 11-C956 with Pertect for Additional Survey Work in the Amount of \$25,200; Add a New Business Agenda Item D., to Amend Contract No. 12-C1037 with Kenmore Camera to Extend the Feasibility Period for an Additional 30 Days; and Add a New Business Agenda Item E. to Authorize the City Manager to Execute a Backup Offer/Backup Purchase and Sale Agreement for the Purchase of two Parcels at 6532 NE Bothell Way in the Amount of \$750,000. Councilmember Glenn Rogers seconded the motion. The motion passed.**

## **CITIZEN COMMENTS**

Greg Pergament of Bothell Ski & Bike, 8020 NE Bothell Way, Kenmore, was present to state that he is happy with the support his business receives in Kenmore, but he has some concerns with safety issues in the parking lot and requests the City's help in solving these issues.

John Ethen of Bothell Ski & Bike, 8020 NE Bothell Way, Kenmore, was also present to state his concerns regarding safety issues in the business's parking lot.

Leona Moran, 14916 Juanita Drive, Kenmore, was present to state her concerns regarding the safety of the intersection at 67<sup>th</sup> Avenue NE and NE 181<sup>st</sup> Street. She distributed a handout to the Council.

Beratta Gomillion, Executive Director for the Center for Human Services and a Kenmore resident, 6297 NE 193<sup>rd</sup> Court, Kenmore, was present to thank the City for the National Recovery Month proclamation. She noted that the Center for Human Services has expanded and located several services here in Kenmore in the last couple of years, including after school, substance abuse, and Head Start programs. She emphasized that the agency depends on the financial support they receive from the City.

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to state his concerns regarding the two-month delay in the shoreline testing process and to thank the City for contributing funds to assist in the testing. He gave a handout to the Council which included several other concerns, including a backup purchase offer for a parcel of property on Bothell Way, Department of Ecology's Public Participation Plan, the banners on SR 522, and Kenmore Village development.

Kent Sturgis, 18821 64<sup>th</sup> Avenue NE, Kenmore, was present to state his concerns regarding traffic on NE 181<sup>st</sup> Street, particularly the intersection near the library.

Mayor Baker summarized the comments. City Manager Karlinsey and City Engineer Overleese commented on some of the citizens concerns.

## **CONSENT AGENDA**

**Councilmember Sperry moved to approve the consent agenda as submitted.**

**Councilmember Curtis seconded the motion to Approve the Minutes of the May 14, 2012 and May 21, 2012 Regular Council Meetings. The motion passed unanimously.**

## **PRESENTATION**

**Washington Finance Officers Association (WFOA) Professional Finance Officer Awards** – Mayor Baker presented WFOA Awards to Joanne Gregory, Finance & Administration Director, and Brian Randall, Accountant. He congratulated them on their good work for the City.

## **PROCLAMATION**

**National Recovery Month, September 2012** – Mayor Baker read the proclamation into the record. Dick Crabbe, Care Authorizer & Contract Monitor for the Chemical Abuse &

Dependency Services Division of King County Mental Health, was present to receive the proclamation.

## **PUBLIC HEARING**

**Public Hearing to Receive Public Testimony on Ordinance No. 12-0342, Moratorium on Medical Cannabis (Marijuana) Collective Gardens** – Debbie Bent, Community Development Director, was present to give a brief staff report. She was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 7:35 p.m.**

The following citizens spoke:

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to state his opinion that the moratorium is a good decision, partially due to the conflict with federal government legislation, and to thank the City for taking a stand.

Mark Prince, 19330 55<sup>th</sup> Avenue NE, Kenmore, was present to state that he is totally against cannabis collective gardens due to safety concerns, and he thanked the City for taking up the issue.

**As there was no further testimony, Mayor Baker closed the public hearing at 7:38 p.m.**

## **BUSINESS AGENDA**

**Business Incubators – Discussion** – Nancy Ousley, Assistant City Manager, was present to give a brief staff report regarding the business incubator pilot program, including its purpose, background and history. She was joined by Barry Weisband, Consultant, who gave a PowerPoint presentation. They were also available to answer any questions. City Manager Karlinsey also provided some information to Council. Assistant City Manager Ousley requested Council direction regarding moving forward with the pilot program.

**Councilmember Van Ness moved to Authorize Staff to Move Forward with the Business Incubator Pilot Program. Councilmember Rogers seconded the motion. The motion passed unanimously.**

**Approve a Settlement Offer of \$450,000 Payable to the City by Defendants in the HDR/MidMountain Lawsuit with the Allocation Between the Defendants to be Determined at the Discretion of the City Engineer.**

**Councilmember Sperry moved to Approve a Settlement Offer of \$450,000 Payable to the City by Defendants in the HDR/MidMountain Lawsuit with the Allocation Between the Defendants to be Determined at the Discretion of the City Engineer. Councilmember Curtis seconded the motion. The motion passed unanimously.**

**Amend Contract No. 11-C956 with Perteet, Inc. for Additional Survey Work in an Amount Not to Exceed of \$25,200.**

**Councilmember Rogers moved to Amend Contract No. 11-C956 with Perteet, Inc. for Additional Survey Work in an Amount Not to Exceed of \$25,200. Councilmember Hensel seconded the motion. The motion passed unanimously.**

**Amend Contract No. 12-C1037 to Extend the Feasibility Period for an Additional 30 days – To allow the survey work to be done and the easements to be determined to conclude the purchase and sale agreement with Kenmore Camera.**

**Councilmember Van Ness moved to Amend Contract No. 12-C1037 to Extend the Feasibility Period for an Additional 30 days. Councilmember Curtis seconded the motion. The motion passed unanimously.**

**Authorize the City Manager to Execute a Backup Offer/Backup Purchase and Sale Agreement for the Purchase of Two Parcels at 6532 NE Bothell Way in the Amount of \$750,000.**

**Councilmember Hensel moved to Authorize the City Manager to Execute a Backup Offer/Backup Purchase and Sale Agreement for the Purchase of Two Parcels at 6532 NE Bothell Way in the Amount of \$750,000. Councilmember Rogers seconded the motion. The motion passed 6 to 1, with Councilmember Sperry voting no.**

#### **STAFF REPORT**

**Sidewalk and Street Improvement Grant Applications** – City Engineer Overleese stated that the City has applied for five grants, all for sidewalk segments except for one TIB grant for SR 522, and provided information regarding the application process and funding possibilities. She noted that her department is also in the process of putting together a regional mobility grant.

City Manager Karlinsey mentioned the upcoming staff appreciation picnic being put on by the Council. He also called Councils' attention to the Capital Improvement Program (CIP) binders that they received. Finally, he gave information about the two upcoming volunteer events to weed invasives and do planting along the Burke-Gilman Trail on September 22<sup>nd</sup> and October 20<sup>th</sup>, Jack Crawford Day.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Councilmember Sperry stated that, while we have some elements of a walkable Kenmore, we also have more traffic now. In addition, she thinks that we need more pedestrian lighting.

Councilmember Curtis thanked staff for their work, but stated that he would be unable to attend the staff appreciation picnic. He loves his iPad for electronic agendas and wondered why the Council was given a hard copy of the Capital Improvement Program (CIP).

Councilmember Van Ness had the same question regarding the CIP binder. Regarding the 67<sup>th</sup> Avenue NE and 181<sup>st</sup> Street intersection, he suggested posting some signs in the parking lot about using the crosswalk and not parking in front of Kenmore Village, to avoid having to cross the street to go to the library.

Councilmember Rogers had a question regarding the Bothell Chamber of Commerce luncheon, which City Manager Karlinsey responded to.

Deputy Mayor Hensel thanked staff for their work, but stated that he would be unable to attend the staff appreciation picnic. His feeling is that the intersection problems demonstrate that the City's investment is drawing people to the area. He expressed confidence in being able to work out the problems.

Mayor Baker reported that he has been asked to join a group of other Mayors to work on transportation issues. They are trying to create a transportation package which would be acceptable to both the voters and legislators. He stated that there are huge transportation needs in the state and no money. The group is currently working on a couple of options and hope to make some decisions after the elections.

#### **ADJOURNMENT**

Mayor Baker adjourned the regular meeting at 8:50 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Regular Meeting  
Minutes  
September 24, 2012**

**DRAFT**

**CALL TO ORDER** – Mayor Baker called the meeting to order at 7:32 p.m., following the Town Hall meeting.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Lauri Anderson, Senior Planner; Cliff Sether, Police Chief; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Mayor Baker led the flag salute.

**AGENDA APPROVAL**

**Councilmember Rogers moved to approve the agenda as submitted. Deputy Mayor Hensel seconded the motion. The motion passed.**

**PROCLAMATIONS**

**National Public Lands Day Proclamation, September 29, 2012, and Worldwide Day of Play Proclamation, October 6, 2012** – Mayor Baker read the proclamations into the record.

**CITIZEN COMMENTS**

Diane Bates, 6239 NE 204<sup>th</sup> Place, Kenmore, was present to state her concerns regarding the Kenmore Village development and industrial manufacturing in the City.

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state that he lives part-time in a City that has televised city council meetings and he sees a lot of advantage to that. He also stated his concerns regarding water rates.

Kent Sturgis, 18821 64<sup>th</sup> Avenue NE, Kenmore, was present to state that over the years the openness and dialogue between Council and citizens has consistently increased, so in that respect Council has done a good job.

Janet Hays, 6303 NE 181<sup>st</sup> Street, Kenmore, was present to state that she would like to see a user-friendly, interactive weekly survey about issues in the City and also a hotline for people who work in businesses near the cement plant who are having trouble breathing.



Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to state that she appreciates the dialogue at the town meetings, to thank the City for posting a sign at Log Boom Park regarding testing to be done, and to suggest bringing a YMCA to Kenmore Village.

Mayor Baker thanked the citizens for their comments.

## **PRESENTATION**

**School Resource Officer of the Year Award – Recognize Deputy Mark Childers** – Mayor Baker and Cliff Sether, Police Chief, presented the award to Deputy Childers, Storefront and School Resource Officer. Mayor Baker thanked him for all the work he has done for our community. Chief Sether stated that Deputy Childers has been with the Sheriff's Office for 27 years and with the City of Kenmore since its incorporation. He was nominated to the Washington School Safety organization for this award by both the junior high and high school in Kenmore. Nancy Smith-Vela, Kenmore Junior High Assistant Principal, and Vicki Sherwood, Inglemoor High School Principal, spoke on behalf of the schools. Also present were King County Sheriff Steve Strachan; Dan Pingrey, Chief of Patrol Operations; Major Shawn Ledford, Shoreline Police Chief; Deputy Gary Zornes; and Anita Clouse, Business & Finance Officer III, Contracts Unit.

## **CONSENT AGENDA**

**Councilmember Sperry moved to approve the consent agenda as submitted. Councilmember Smith seconded the motion to Approve the Minutes of the June 14, 2012 Special Council Meeting; Approve Check Nos. 26331 - 26463 in the amount of \$657,430.83 and Electronically Transferred Payroll Funds Totaling \$66,656.31 for the Period Ending August 31, 2012. The motion passed unanimously.**

## **BUSINESS AGENDA**

**Mayor Baker moved Business Item C., Police Contract Assessment Follow-up, to the top of the Business Agenda, since a number of police department personnel were present.**

**Police Contract Assessment Follow-up** – Steve Strachan, King County Sheriff, and Cliff Sether, Police Chief, were present to give a brief staff report on the Matrix Consulting Group study of the police contract. Sheriff Strachan noted that Kenmore and Shoreline's move to a 4/10 rotating schedule produced at least a \$50,000 savings. The 5-year police contract ends in 2012 and negotiations are currently in progress. He stated that the shared supervision model is very progressive and will produce savings of \$95,000 in 2013. In response to a councilmember request, Finance & Administration Director Joanne Gregory distributed a memo with the 2011 Exhibit B attachment referred to in a letter, which was included in the agenda packet, from the King County Sheriff regarding the study recommendations. Sheriff Strachan and Chief Sether were also available to answer any questions.

**Public Hearing to Receive Public Testimony Regarding Grading and Clearing Regulations – Kenmore Municipal Code (KMC) 15.25** – Bryan Hampson, Development Services Director, was present to give a brief staff report on the changes to Kenmore Municipal Code Chapter 15.25, which included changes regarding impervious surfaces, adding permits, and additional regulation regarding removal of trees on vacant property. Overall the code was reduced significantly and the changes will provide greater simplicity and eliminate redundancies and inefficiencies. He was also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 8:32 p.m.

As there were no citizens wishing to testify, Mayor Baker closed the public hearing at 8:33 p.m.

**Councilmember Rogers moved to Adopt Ordinance No. 12-0345, Relating to Clearing and Grading, Kenmore Municipal Code (KMC) Chapter 15.25. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**

**Estimates of Revenue and Expenditures for Current 2011-2012 Budget & Proposed Preliminary 2013-2014 Budget** – Rob Karlinsey, City Manager, and Joanne Gregory, Finance & Administration Director, were present to give a brief staff report about this summarized view of the budget which is required by State law. Director Gregory shared some of the assumptions that went into the budget preparation. They were also available to answer any questions.

#### **STAFF REPORT**

City Manager Karlinsey stated that the City Manager's budget letter will be very long this year, as the City is doing a lot so there is a lot to write about. He summarized upcoming events and noted that Todd Banks of Kenmore Air has offered to give the City Council a tour of the facility, including avionics, manufacturing, and parts and pieces. Plywood Supply owner Swanson has also offered a tour of his facility and a ride in one of their big trucks.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Mayor Baker reminded Council about the October 23 joint dinner meeting between Council and the Northshore Utility District (NUD).

Councilmember Sperry reviewed a recent King County Library system board meeting that she attended. She stated that the Kenmore Library is currently functioning as our "public square" and that they are very interested in partnering with us on programming for Kenmore Village.

Councilmember Van Ness reviewed a recent leadership summit he attended, provided by the Leadership Training Institute, a division of the National League of Cities. He is interested in bringing the lecturer to the Northshore area for an all-day conference with neighboring cities, and including both councilmembers and staff.

Councilmember Rogers noted that there is a Website Committee meeting coming up and asked for ideas.

#### **ADJOURNMENT**

There being no further business, Mayor Baker adjourned the meeting at 8:53 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Special & Regular Meeting  
Minutes  
October 8, 2012**

**DRAFT**

**CALL TO ORDER** - The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:00 p.m.

**EXECUTIVE SESSION**

Mayor Baker adjourned the special meeting at 6:00 p.m. to an executive session to discuss Property Acquisition, pursuant to RCW 42.30.110(1)(b). He stated that the executive session will last for approximately one hour and that action may be taken when the meeting is convened to regular session.

**CALL TO ORDER** – Mayor Baker called the regular meeting to order at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, and Glenn Rogers

**Councilmembers excused:** Councilmember Allan Van Ness

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; Angelo Bonomi, Code Compliance Officer; Lauri Anderson, Senior Planner; Cliff Sether, Police Chief; and Patty Safrin, City Clerk

**FLAG SALUTE**

Doug Nugent, Planning Commission member, led the flag salute.

**AGENDA APPROVAL**

**Deputy Mayor Hensel moved to amend the agenda by adding a new Business Agenda Item A., Authorize the City Manager to Execute Amendment No. 2 to Contract No. 12-C1037 Amendment No. 2 with James & Martha Donovan, Extending the Feasibility Period to January 7, 2013. Councilmember Rogers seconded the motion. The motion passed unanimously.**

**It was Council consensus to approve the agenda as amended.**

**PROCLAMATIONS**

**National Domestic Violence Awareness Month Proclamation, October 2012** – Mayor Baker read the proclamation into the record and presented the proclamation to Police Chief Sether.

**National Community Planning Month, October 2012** – Mayor Baker read the proclamation into the record. The proclamation was accepted by Doug Nugent, Doug Huxtable, and Karen Olson of the Planning Commission as well as citizens Dennis Mendrey and Elizabeth Mooney.

## **CITIZEN COMMENTS**

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state his concerns regarding staff response to his questions, taxes, and possible toxins in Swamp Creek.

Mark Prince, 19330 55<sup>th</sup> Avenue NE, Kenmore, was present to state his concerns regarding graffiti in the City. He distributed a handout to the Council.

Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to state her concerns regarding testing for possible contaminants. She distributed a handout to the Council.

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to thank the City Manager for answering a number of questions for him.

John Hendrickson, 5919 NE 202<sup>nd</sup> Lane, Kenmore, was present to state his concerns regarding financial transfers made by the City. He distributed a handout to the Council.

Patrick O'Brien, 6330 NE 181<sup>st</sup> Street, Kenmore, was present to state that the City did a nice job on the road curbing and to state his concerns regarding Saturday work on the SR 520 bridge. He also commented on testing for possible contaminants and the Kenmore Village development.

Mayor Baker thanked the citizens for their comments.

## **CONSENT AGENDA**

**Councilmember Rogers moved to approve the consent agenda as submitted. Councilmember Curtis seconded the motion to Approve Check Nos. 26464 – 26529 in the Amount of \$525,845.48 and Electronically Transferred Payroll Funds Totaling \$58,843.11 for the Period Ending September 14, 2012; Check Nos. 26530 -26610 in the Amount of \$474,906.61 and Electronically Transferred Payroll Funds Totaling \$57,940.13 for the Period Ending September 28, 2012; August 2012 Financial Report; Resolution No. 12-207, King County Medicine Return Program; and Amendment No. 2 to Contract No. 12-C1036 with Rod Stevens dba Spinnaker Strategies. The motion passed unanimously.**

## **PUBLIC HEARING**

**Public Hearing to Receive Public Testimony on New Kenmore Municipal Code (KMC) Chapter 18.110, Development Agreements** – Debbie Bent, Community Development Director, was present to give a brief staff report to provide background on the new development agreements, specify what the development agreements are, and provide a timeline for the possible adoption of an ordinance. She was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 7:48 p.m.**

The following citizens spoke:

Patrick O'Brien, 6330 Ne 181<sup>st</sup> Street, Kenmore, was present to question the purpose of changing the current code. He urged Councilmembers to fully understand the upside and downside of changing the code before adopting it.

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to state that he assumes any changes would be in keeping with the Comprehensive Plan and to ask if there will be public hearings on changes that may be made.

Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to state her concern that it is difficult to predict what the public will want for a 20-year period.

**As there was no further testimony, Mayor Baker closed the public hearing at 7:58 p.m.**

**It was Council consensus that staff should move forward with the development agreements.**

**Public Hearing to Receive Public Testimony on Proposed Changes to the Effective Periods for Preliminary Plats and Preliminary Short Plats, Kenmore Municipal Code (KMC) Chapter 17.20.020 & 17.20.040** – Bryan Hampson, Development Services Director, was present to give a brief introduction and explanation of the proposed changes. He stated that these changes will align our code with State law. He was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 8:02 p.m.**

The following citizen spoke:

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to ask a question about the process and clarify why the changes are being made.

**As there was no further testimony, Mayor Baker closed the public hearing at 8:04 p.m.**

## **BUSINESS AGENDA**

**Purchase and Sale Agreement, Contract No. 12-C1037 Amendment No. 2, Extending the Feasibility Period to January 7, 2013** – Nancy Ousley, Assistant City Manager

**Deputy Mayor Hensel moved to Authorize the City Manager to Execute Contract No. 12-C1037 Amendment No. 2 with James & Martha Donovan, Extending the Feasibility Period to January 7, 2013. Councilmember Rogers seconded the motion. The motion passed unanimously.**

**Approve Ordinance No. 12-0344, Proposed Changes to Effective Periods for Preliminary Plats and Short Plats, KMC Chapter 17.20.020 & 17.20.040** - Bryan Hampson, Development Services Director

**Councilmember Curtis moved to Approve Ordinance No. 12-0344, Proposed Changes to Effective Periods for Preliminary Plats and Short Plats, KMC Chapter 17.20.020 & 17.20.040. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**

**2012 Code Compliance Report** – Angelo Bonomi, Code Compliance Officer, was present to give a brief staff report, accompanied by a PowerPoint presentation. He was also available to answer any questions.

**Amendment No. 1 to Anchor QEA Contract No. 12-C1030 for Sediment Sampling** – Nancy Ousley, Assistant City Manager, was present to give a brief staff report in which she stated that the

proposed site additions are now being reviewed by the Department of Health (DOE). The US Army Corps of Engineers is also currently looking at the draft plan, which will subsequently be available for public review, informally, for a period of approximately two weeks. She noted that the draft plan will be on the City's website, with hard copies at City Hall and the Kenmore Library. Comments will go to DOE and then it will be determined if any changes need to be made. Sampling will take place in late October or early November if all goes as planned. The City will be reimbursed by DOE for \$35,000 and by Northlake Marina for approximately \$8,000. She was also available to answer any questions.

**Councilmember Curtis moved to Approve Amendment No. 1 to Anchor QEA Contract No. 12-C1030 for Sediment Sampling. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**

**City Manager's Budget Message and Overview of 2013-2014 Proposed Biennial Budget** – Rob Karlinsey, City Manager, and Joanne Gregory, Finance & Administration Director, were present to give a brief staff report. City Manager Karlinsey read from parts of the City Manager's Budget Message. They distributed handouts to the Council. They were also available to answer any questions.

#### **STAFF REPORT**

City Manager Karlinsey announced that small business awards would be presented on Wednesday morning at the Meydenbauer Center, and that Kenmore Camera is the nominee for King County.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Councilmember Sperry thanked staff for the repaving done in the downtown area.

Councilmember Curtis stated that the green space signs at Northshore Summit Park are misleading and confusing and should be changed to indicate that this is a City park.

Councilmember Rogers stated that he appreciated the City Manager's draft report and his energy and positive attitude.

Mayor Baker reported on a recent meeting he attended with the mayors of Auburn, Redmond, and Renton, plus Senator Joe Fain, Senator Andy Hill, and Representative Ross Hunter on how the legislature can help cities in the next session. He stated that he is happy that our city managers and finance director have kept our city in good shape financially.

#### **ADJOURNMENT**

Mayor Baker adjourned the regular meeting at 9:06 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Regular Meeting  
Study Session  
Minutes  
October 15, 2012**

**DRAFT**

**CALL TO ORDER** – Mayor Baker called the meeting to order at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, and Milton Curtis

**Councilmembers excused:** Councilmember Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; Leslie Harris, Management Analyst; Cliff Sether, Police Chief; and Patty Safrin, City Clerk

Councilmember Van Ness distributed a proposed resolution agenda item put together by the Regional Automated Fingerprint Identification System (AFIS) Program. The proposed resolution was designed to gain support for approval of the November 6, 2012 ballot measure for a six-year levy to continue funding in King County from 2013-2018.

**Councilmember Van Ness moved to support the successful passage of the 2012 six-year levy proposal. Councilmember Curtis seconded the motion. The motion passed unanimously.**

City Manager Karlinsey indicated that City staff would look into the legal requirements for Council to support a ballot issue.

**STUDY SESSION AGENDA**

**Review of 2013-2014 Proposed Biennial Budget** – Joanne Gregory, Finance & Administration Director; Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Leslie Harris, Management Analyst; Cliff Sether, Police Chief; and Debbie Bent, Community Development Director were present to give brief staff reports. They were also available to answer any questions.

Director Gregory provided a PowerPoint presentation which included an introduction and overview of the budget process and relevant dates. She reviewed the key revenue assumptions that went into developing the 2013-14 budget.

City Manager Karlinsey reviewed the proposed 2013-2014 City Council cost center, noting that intergovernmental relations and economic development will be very important this biennium. City Manager Karlinsey, Assistant City Manager Ousley, and Management Analyst Harris reviewed highlights and proposed changes for the City Manager's Office cost center, including a new business registration program, economic development plans, marketing and promoting the City, and a website upgrade.

Director Gregory discussed the Finance & Administration, Legal, and Nondepartmental cost centers. She proposes starting a new Citizens Annual Report for the citizens, with highlights of operations for the year in a readable, understandable format. City Manager Karlinsey asked for Council direction on when to notify human services agencies that the City may be reducing grant contributions substantially. He stated that more discussion of the human services grants will take place over the next few weeks.

**It was Council consensus that the City send letters as soon as possible to the human service agencies we have provided grant funding for in the past, letting them know that funding may be reduced for the 2013-2014 biennium.**

Police Chief Sether went over the highlights of the Public Safety cost center. He reviewed that Kenmore entered into partnership with the City of Shoreline for command and administrative oversight and shared patrol supervision, which has saved the City \$95,000 per year.

Director Bent reviewed the Community Development cost center, noting that there is a proposed new parks project manager position.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Councilmember Van Ness announced that the Fire Commissioner's meeting is tomorrow at 5 p.m., and they are going to be honoring the individuals who took prompt action at St. Edward to save someone's life. He plans to attend.

Mayor Baker will also attend the Fire Commissioner's meeting. He stated that the AFIS resolution introduced by Councilmember Van Ness needs to be placed on an upcoming agenda as soon as possible.

#### **ADJOURNMENT**

There being no further business, Mayor Baker adjourned the meeting at 9:40 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**



**City of Kenmore, Washington  
City Council Special & Regular Meeting  
Minutes  
October 22, 2012**

**DRAFT**

**CALL SPECIAL MEETING TO ORDER** - The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:00 p.m.

**EXECUTIVE SESSION**

Mayor Baker adjourned the special meeting at 6:00 p.m. to an executive session to discuss Litigation, pursuant to RCW 42.30.110(1)(i) and Property Acquisition, pursuant to RCW 42.30.110(1)(b). He stated that the executive session will last for approximately one hour and that action may be taken when the meeting is convened to regular session.

**CALL REGULAR MEETING TO ORDER** – Mayor Baker called the regular meeting to order at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers (attending via speakerphone)

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; Richard Sawyer, Surface Water Program Manager; Leslie Harris; Management Analyst; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Mayor Baker led the flag salute.

**AGENDA APPROVAL**

**Deputy Mayor Hensel moved to amend the agenda by adding a new item immediately following the Consent Agenda and prior to the Public Hearings, Amendment to Contract No. 12-C1073, to Increase the Backup Offer for the Shell Station Property. Councilmember Curtis seconded the motion. The motion passed.**

**Deputy Mayor Hensel move to approve the consent agenda as modified. Mayor Baker seconded the motion. The motion passed.**

**CITIZEN COMMENTS**

Hugh Wiese, 18011 58<sup>th</sup> Avenue NE, Kenmore, was present to state his concerns regarding possible tolling of the Sammamish Bridge.

Bob Black, 8232 NE 166<sup>th</sup> Street, Kenmore, was present to state his concerns regarding possible tolling of the Sammamish Bridge.

Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to invite Councilmembers to attend PERK's 5<sup>th</sup> annual Stream Festival on Sunday, October 28<sup>th</sup>, 9:00 a.m., at the Kenmore Senior Center in Rhododendron Park.

John Hendrickson, 5919 NE 202<sup>nd</sup> Lane, Kenmore, was present to state his concerns regarding possible tolling of the Sammamish Bridge. He distributed a handout to the Council.

Marisela Cerdu, 8819 NE 148<sup>th</sup> Place NE, Kenmore, was present to state her concerns regarding the play equipment at Moorland Park. She distributed a handout to the Council.

J.R. Rothschild, 16634 Juanita Drive NE, #108, Kenmore, was present to state her concerns regarding possible tolling of the Sammamish Bridge and the potential impact on low income and disabled citizens.

Dave Johnson, 2711 234<sup>th</sup> Street SW, Brier, submitted a comment via e-mail to state his concerns regarding possible tolling of the Sammamish Bridge.

Tim Magdziarz, 7420 NE 156<sup>th</sup> Street, Kenmore, submitted a comment via e-mail to state his concerns regarding possible tolling of the Sammamish Bridge.

Mayor Baker thanked the citizens for their comments.

City Attorney Rod Kaseguma clarified for the benefit of the citizens that the Kenmore Transportation Benefit District is a separate entity from the City Council, and any comments made at the City Council meeting are not part of the record of the Transportation Benefit District Board meeting. He noted that the Transportation Benefit District Board meeting begins at approximately 8:30 p.m., following adjournment of the City Council meeting.

## **CONSENT AGENDA**

**Councilmember Van Ness moved to approve the consent agenda as submitted. Councilmember Smith seconded the motion to Approve of Check Nos. 26611 - 26693 in the Amount of \$419,776.88 and Electronically Transferred Payroll Funds Totaling \$58,625.75 for the Period Ending October 12, 2012; Adopt Ordinance No. 12-0346 Changing Designation of Public Records Officer, Kenmore Municipal Code (KMC) Chapter 1.10; and Approve Contract No. 12-C1072, Interlocal Agreement with King County for Jail Services from 2012 to 2020. The motion passed unanimously.**

**Amendment to Contract No. 12-C1073, Increase the Backup Offer for the Shell Station – Council did not act on this item.**

## **PUBLIC HEARINGS**

**Public Hearing to Receive Public Testimony on Revenue Sources and Proposed Tax Levy for 2013 –** Joanne Gregory, Finance & Administration Director, was present to provide a PowerPoint presentation and brief staff report in which she reviewed key revenues of the Revenue Fund. She stated that this is the first of two public hearings on this issue and explained the timeline of subsequent presentations. She was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 7:38 p.m.**

**As there were no citizens wishing to testify, Mayor Baker closed the public hearing at 7:39 p.m.**

**Public Hearing to Receive Public Testimony on 2013-2014 Proposed Preliminary Biennial Budget and 2013-2018 Capital Improvement Program (CIP)** - Joanne Gregory, Finance & Administration Director, was present to provide a PowerPoint presentation and brief staff report. She stated that for this biennium there are nine park capital projects, eight transportation capital projects, and eight surface water capital projects. She was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 7:42 p.m.**

The following citizen spoke:

Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to state that she is interested in helping out in any way possible with the shoreline economic development over the next few years, for example, helping out with Farmers' Markets. She stated that PERK, KAN, and the Cascadia Environmental Center might be willing to partner in some ventures.

**As there was no further testimony, Mayor Baker closed the public hearing at 7:48 p.m.**

## **BUSINESS AGENDA**

**Resolution No. 12-209 Regarding Proposition No. 1, Regular Property Tax Levy for Automated Fingerprint Identification System (AFIS) Services** – State law requires that, if the Council is considering voting upon a resolution to support a ballot proposition, the title and number of the ballot proposition be included in the meeting notice AND that members of the public are afforded an approximately equal opportunity for the expression of an opposing view. Therefore, members of the public were invited to speak at this meeting prior to Council taking action to approve this resolution.

**Mayor Baker opened the public comment period at 7:49 p.m.**

**As no citizens wished to speak, Mayor Baker closed the public comment period at 7:50 p.m.**

**Councilmember Van Ness moved to Approve Resolution No. 12-209 in Support of Proposition No. 1, Regular Property Tax Levy for Automated Fingerprint Identification System (AFIS). Mayor Baker seconded the motion. The motion passed unanimously.**

**Proposed 2013-2014 State Legislative Agenda** – Nancy Ousley, Assistant City Manager, and Brianna Taylor, Lobbyist from Gordon Thomas Honeywell, were present to give a brief staff report. They were also available to answer any questions.

**Councilmember Curtis moved to Approve the Proposed 2013-2014 State Legislative Agenda. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**

**Proposed 2013 Federal Legislative Agenda** - Nancy Ousley, Assistant City Manager, was present to give a brief staff report. She was also available to answer any questions.

**Councilmember Van Ness moved to Approve the Proposed 2013 Federal Legislative Agenda. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**

**Review of 2013-2014 Proposed Biennial Budget** – Joanne Gregory, Finance & Administration Director, provided a PowerPoint presentation. Bryan Hampson, Development Services Director, was present to give a brief staff report regarding the Development Services cost center. Kris Overleese, Engineering & Environmental Services Director; Richard Sawyer, Surface Water Program Manager; and Jennifer Gordon, Public Works Operations Manager, were present to provide brief staff reports regarding the Surface Water Fund and Swamp Creek Basin Fund. They were also available to answer any questions.

**Due to the fact that the Kenmore Transportation Benefit District Board Meeting was scheduled to follow this meeting, the other budget items slated for discussion were held over for another meeting.**

#### **STAFF REPORT**

City Manager Karlinsey gave a report on the four volunteer events that happened this past weekend, Rotary Club work on picking up litter; doing some plantings along SR 522; Log Boom Park for Jack Crawford Day; and the build at Rhododendron Park. He also reported on Kenmore Village, stating that he had removed the “must have” and “nice to have” language of the Kenmore Village take to market strategy as the Council had suggested. Brokerage firms are being interviewed this week, and they may suggest modifications to the strategy, which would then be brought to Council.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

**There was Council consensus to appoint Councilmember Rogers as voting delegate for the National League of Cities (NLC) Annual Business Meeting, Sunday, December 1, 2012, in Boston, Massachusetts. Councilmember Van Ness and Mayor Baker were appointed as alternates.**

Councilmember Van Ness handed out the Eastside Transportation Partnership (ETP) Draft 2013 Legislative Statement to the Council. He stated that he is looking for Council’s support on the ETP legislative agenda.

**It was Council consensus to support the Eastside Transportation Partnership (ETP) Draft 2013 Legislative Agenda.**

Mayor Baker thanked everyone who turned out for the volunteer park build at Rhododendron Park.

#### **ADJOURNMENT**

Mayor Baker adjourned the regular meeting at 8:37 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Special Meeting  
Minutes  
October 29, 2012**

**DRAFT**

**CALL TO ORDER** - The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:03 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; and Patty Safrin, City Clerk

**CONSENT AGENDA**

**Councilmember Smith moved to approve the consent agenda as submitted.**  
**Councilmember Rogers seconded the motion to Approve an Amendment to Contract No. 12-C1037, Purchase & Sale Agreement. The motion passed unanimously.**

**BUSINESS AGENDA**

**Review of 2013-2014 Proposed Biennial Budget** – Joanne Gregory, Finance & Administration Director; Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Kris Overleese, Engineering & Environmental Services Director; and Jennifer Gordon, Public Works Operations Manager, were present to give brief staff reports. Director Gregory provided a PowerPoint presentation with highlights of the Swamp Creek Basin Fund, Engineering cost center, Parks & Facility Maintenance cost center, Street Fund, Public Art Fund, Strategic Reserve Fund, Strategic Opportunity Fund, Transportation and Parks Impact Fee Funds, the Pilot Business Incubator Program, Real Estate Excise Tax (REET) Fund (formerly Municipal Capital Fund), Kenmore Village Fund, Equipment Replacement Fund, and Park Capital Funds. Staff were also available to answer any questions.

**It was Council direction that the interest from the Strategic Reserve Fund be designated to go into the Strategic Opportunities Fund to be used for smaller scale emergency items such as landslides.**

City Manager Karlinsey requested direction from Council regarding a Farmers' Market.

**It was Council consensus to move forward with a Farmers' Market.**

**It was Council direction to move the \$75,000 in the Parks Capital Fund designated for a City Hall water feature out to 2015.**

**It was Council direction to use approximately \$40,000 Real Estate Excise Tax (REET) money for the boat launch restroom.**

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Councilmember Rogers stated that he will be out of town on several upcoming meeting dates and would like to participate by speakerphone.

Mayor Baker noted that he will speak at a ribbon cutting ceremony for an ARCH shelter which is opening for single women on Thursday.

#### **ADJOURNMENT**

Mayor Baker adjourned the meeting at 9:42 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Special Meeting  
Minutes  
November 5, 2012**

**DRAFT**

**CALL TO ORDER** – Mayor Baker called the meeting to order at 7:05 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, and Glenn Rogers

**Councilmembers excused:** Councilmember Milton Curtis

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Debbie Bent, Director of Community Development; Jennifer Gordon, Public Works Operations Manager; Leslie Harris, Management Analyst; and Patty Safrin, City Clerk

**AGENDA APPROVAL**

**Councilmember Sperry moved to amend the agenda to add Citizen Comments before the Consent Agenda. The motion passed unanimously.**

**It was Council consensus to approve the agenda as amended.**

**FLAG SALUTE**

Mayor Baker led the flag salute.

**CITIZEN COMMENTS**

Cindy Creager, 19210 Kenlake Place NE, Kenmore, was present to state her concerns regarding the Northshore Summit Park improvements and to recommend creating a neighborhood committee.

Alison Thurman, 19204 Kenlake Place NE, Kenmore, was present to state her concerns regarding the Northshore Summit Park project.

Virginia Allison, 19118 Kenlake Place NE, Kenmore, was present to state her concerns regarding the Northshore Summit Park project.

Shawn Sivilly of Friends of Youth, 2500 Lake Washington Blvd. N, Renton, was present to thank the City for past financial support of the shelters, to state that services are provided to Kenmore citizens, and to say that she hopes the support will continue.

Efrain Centeno from Center for Human Services in Bothell, was present to thank the City for past financial support, which has helped a number of Kenmore families. He requested that survival services for low income families not be reduced.

Stacey Denuski, 6513 NE 191<sup>st</sup> Street, Kenmore, was present to thank the City for support of Kenmore Elementary crisis support services and to state that she hopes it will continue. She

described the services and stated that all grant money goes directly to families, with no administrative costs. She also stated that she supports the Northshore Summit Park play area.

Gayle Zawaideh of Harborview's Children's Response Center in Bellevue, was present thank the City for past financial support, which has helped a number of Kenmore families. She stated that the CRC encourages the City to continue support. She submitted a handout to the Council.

Russ and Cathy Roe, 19101 62<sup>nd</sup> Avenue NE, Kenmore, were present to state their concerns regarding the Northshore Summit Park project.

Rick Verlinda, 19017 62<sup>nd</sup> Avenue NE, Kenmore, was present to state his concerns regarding the Northshore Summit Park project.

Schoen Parnell, 19010 62<sup>nd</sup> Avenue NE, Kenmore, was present to state his concerns regarding the Northshore Summit Park project.

Melissa van Meurs, 6212 NE 193<sup>rd</sup> Street, Kenmore, was present to state her concerns regarding the Northshore Summit Park project. She suggested creating an online forum where citizens could provide comments on this issue.

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state his concerns regarding raised medians and Swamp Creek mitigation. He suggested that the City televise Council meetings. He submitted a handout to the Council.

Garreth Jeffers of the Kenmore Senior Center, 15527 12<sup>th</sup> Avenue NE, Shoreline, was present to thank the City for support of the Senior Center and stated that she hopes it will continue.

Mayor Baker thanked the citizens for their comments.

## **CONSENT AGENDA**

**Councilmember Van Ness moved to approve the consent agenda as submitted. Deputy Mayor Hensel seconded the motion to Approve Check Nos. 26694 - 26782 in the amount of \$636,174.95 and Electronically Transferred Payroll Funds Totaling \$60,877.26 and Funds Transferred in the Amount of \$999,468.08 for an Investment Purchase. The motion passed unanimously.**

## **BUSINESS AGENDA**

**Amendment to Anchor QEA Contract No. 12-C1030 for Sediment Sampling** – Nancy Ousley, Assistant City Manager, was present to give a brief staff report in which she explained that this amendment is due to a very recent request from Lake Forest Park to add a couple of sampling locations in the City of Lake Forest Park. The projected cost of the added samples is \$5,700, which will be paid for by Lake Forest Park, but authorization is needed from Council to include these changes in the contract. She was also available to answer any questions.

**Councilmember Rogers moved to Approve the Amendment to Anchor QEA Contract No. 12-C1030 for Sediment Sampling. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.**



**Business Incubator Lease, Contract No. 12-C1083** – Nancy Ousley, Assistant City Manager, was present to give a brief staff report in which she noted that the space to be leased is approximately 3,000 square feet of office space in downtown Kenmore. She was also available to answer any questions.

City Manager Karlinsey briefly reviewed the business incubator program and how it fits into the 2009 economic development strategy.

**Deputy Mayor Hensel moved to Approve Contract No. 12-C1083 for the Business Incubator Lease. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

**Business Incubator Consultant Contract with Barry Weisband, Contract No. 12-C1062** – Nancy Ousley, Assistant City Manager, and Barry Weisband, Consultant, was present to give a brief staff report. She was also available to answer any questions. Mr. Weisband spoke briefly about how the business incubator program will benefit the City.

**Deputy Mayor Hensel moved to Approve Business Incubator Consultant Contract No. 12-C1062 with Barry Weisband. The motion passed unanimously.**

**Proposed Phase One Improvements at Northshore Summit Park – Discussion and Direction** – Debbie Bent, Community Development Director, and Bill Evans, Parks Project Manager, were present to give a brief staff report. They were also available to answer any questions. Director Bent provided information on the history of the project and what has been done thus far to involve the public in the process. She stated that there will be more opportunities for public comment and noted that there is information regarding the project on the City website. She discussed City regulations which affect the project scope and noted that permitting might have to be obtained from the US Army Corps of Engineers and/or the Department of Ecology to do certain things on the site. She requested Council direction on how to proceed with the project.

**Deputy Mayor Hensel moved to go forward with the Northshore Summit Park Proposed Phase One Improvements and also investigate alternative play structures and alternative uses. Councilmember Rogers seconded the motion. The motion failed 3-3, with Councilmembers Sperry and Van Ness and Mayor Baker voting no.**

**Deputy Mayor Hensel moved to go forward with the Northshore Summit Park topographical survey only. Councilmember Rogers seconded the motion. The motion passed 4-2, with Councilmembers Sperry and Van Ness voting no.**

**Councilmember Rogers moved to investigate alternative play structures for Northshore Summit Park. Deputy Mayor Hensel seconded the motion. The motion passed 4-2, with Councilmembers Sperry and Van Ness voting no.**

**2013-2014 Budget Proposal for Human Services Grants** – Nancy Ousley, Assistant City Manager; Rob Karlinsey, City Manager; and Leslie Harris, Management Analyst, were present to give a brief staff report. They were also available to answer any questions.

Leslie Harris distributed a handout to the Council containing a human services funding summary memo and two spreadsheets. City Manager Karlinsey also distributed a handout detailing \$155,000 in savings to General Fund of the 2013-2014 budget which have been identified since the

preliminary budget was presented on October 8, 2012. Assistant City Manager Ousley discussed some human services funding options for the 2013-2014 biennium for Council to consider.

**Deputy Mayor Hensel moved to increase the Human Services portion of the budget in the amount of \$155,000, corresponding to the savings identified to the General Fund. Councilmember Rogers seconded the motion.**

Discussion followed.

**Deputy Mayor Hensel moved to table the vote on the primary motion until all seven councilmembers are present. The motion passed 5-1, with Councilmember Sperry voting no.**

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Councilmember Sperry asked to represent the City at Sound Cities Association (formerly Suburban Cities Association) as the voting delegate. There were no objections.

Councilmember Van Ness announced that an Eastside Transportation Partnership (ETP) meeting is coming up next week. He is serving on a subcommittee to establish rules for that organization and they are proposing to extend the current interlocal agreement for six months while they prepare a new agreement. He requested Council approval to vote to extend the interlocal agreement. There were no objections.

Mayor Baker spoke about the Secret Santa program at Kenmore Elementary and requested that anyone wishing to participate let him know. He noted that it runs about \$80 per child and that City staff and Allied Waste both participate. He stated that the agreement with SeaShore Transportation Forum will be coming to the City Manager for signature soon. There were no objections to the City Manager signing the SeaShore agreement. He relayed two ideas that he received from Krista Michaelman regarding registering Kenmore businesses and creating a roster of businesses.

#### **ADJOURNMENT**

There being no further business, Mayor Baker adjourned the meeting at 10:29 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

DRAFT

**City of Kenmore, Washington  
City Council Special & Regular Meeting  
Minutes  
November 13, 2012**

**CALL TO ORDER** - The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:00 p.m.

**EXECUTIVE SESSION**

Mayor Baker adjourned the special meeting at 6:00 p.m. to an executive session to discuss Litigation, pursuant to RCW 42.30.110(1)(i) and Property Acquisition, pursuant to RCW 42.30.110(1)(b). He stated that the executive session will last for approximately one hour and that no action is anticipated when the meeting is convened to regular session.

At 6:59 p.m., Mayor Baker extended the executive session by 10 minutes.

**CALL TO ORDER** – Mayor Baker called the regular meeting to order at 7:10 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; Lauri Anderson, Senior Planner; Cliff Sether, Police Chief; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Mayor Baker led the flag salute.

**AGENDA APPROVAL**

**Deputy Mayor Hensel moved to approve the agenda. Councilmember Van Ness seconded the motion. The motion passed.**

**PROCLAMATION**

**Proclamation Declaring the Week of December 3, 2012 to be Employee Learning Week in Kenmore** – Mayor Baker read the proclamation into the record. Sandra Wong, Strategic Training Advisor, Seattle Personnel Department, was present to accept the proclamation.

**CITIZEN COMMENTS**

John Hendrickson, 5919 NE 202<sup>nd</sup> Lane, Kenmore, was present to state his concerns regarding salaries and controlling costs. He submitted a handout to the Council.

Bob Black, 8232 NE 166<sup>th</sup> Street, Kenmore, was present to state his concerns regarding vehicle fees. He suggested taxing bicyclists who ride through Kenmore.

Erica Horn, Executive Director of Hero House, 14230 NE 21<sup>st</sup> Street, Bellevue, was present to talk about her agency and its importance to the community.

Kent Sturgis, 18821 64<sup>th</sup> Avenue NE, Kenmore, was present to thank staff for their work on Northshore Summit Park. He stated that it seems to him that the project has many more supporters than not and that he trusts the City to follow the Master Plan and see the project through.

Mayor Baker thanked the citizens for their comments.

#### **CONSENT AGENDA**

**Councilmember Curtis moved to approve the consent agenda as submitted. Deputy Mayor Hensel seconded the motion to Appoint Councilmember Sperry Kenmore Voting Delegate for the Sound Cities Association (formerly Suburban Cities Association) and to Approve Amendment No. 2 to Contract No. 10-C873 with PAWS for Animal Sheltering Services. The motion passed unanimously.**

#### **BUSINESS AGENDA**

**Adoption of Ordinance No. 12-0347 to Add a New Chapter 18.110, Development Agreements, to the Kenmore Municipal Code (KMC)** – Debbie Bent, Community Development Director, and Lauri Anderson, Senior Planner, were present to give a brief summary of the ordinance, which will provide flexibility to both the City and developers. They were also available to answer any questions.

**Councilmember Van Ness moved to Adopt Ordinance No. 12-0347 to Add a New Chapter 18.110, Development Agreements, to the Kenmore Municipal Code (KMC). Councilmember Curtis seconded the motion. The motion passed unanimously.**

**September 2012 Financial Report Presentation** – Joanne Gregory, Finance & Administration Director, was present to speak briefly about the highlights of the report and projections for the rest of the current biennium. She was also available to answer any questions.

**Proposed Kenmore Key Marketing Messages** – Nancy Ousley, Assistant City Manager, and Erika Schmidt, President/COO of Frause Full Spectrum Communications, were present to give a brief staff report in which they noted that these proposed key marketing messages are for use in all settings, including printed material, the website, and in conversations that Council and/or staff may have with people. Ms. Schmidt stated that key messages are intended to be the words, vision, or ideas that you leave behind to get people intrigued and involved. They tell a story to create an image of the City, which can be broken down into messaging points, to use in “branding,” and proof points, or the factual information. They were also available to answer any questions.

**Business Registration – Preliminary Proposal Elements** – Nancy Ousley, Assistant City Manager, was present to give a brief staff report on the key elements of the business registration plan, which involves partnering with the State Department of Licensing (DOL). She noted that

over 50 cities currently partner with DOL for business licensing. The approach has been that for now it is important to keep the fees low in order to develop our database. She stated that our current City code is unchanged since incorporation and needs to be tailored to current needs. She requested feedback from Council. She was also available to answer any questions.

**Budget Review** – Joanne Gregory, Finance & Administration Director, and Rob Karlinsey, City Manager, were present to give a brief staff report regarding the Transportation Capital Improvement Program and the Stormwater Capital Improvement Program as well as upcoming key budget dates. City Manager Karlinsey noted that there are still some unresolved budget issues on which staff needs direction from the Council, and he distributed a handout to the Council listing outstanding budget issues. Director Gregory distributed a handout on ARCH Trust Fund contributions to the Council. They were also available to answer any questions.

Director Gregory provided a PowerPoint presentation detailing the Transportation Capital Fund (originally called the Arterial Street Fund) and Surface Water Capital Fund. She stated that eight projects are scheduled during the upcoming biennium for each of these two Capital Improvement Programs. City Manager Karlinsey stated that the Surface Water Capital Fund also transfers money to Transportation to pay for the surface water share of Transportation Capital projects, namely SR 522 West A.

**Councilmember Curtis moved to approve the 2% employee wage adjustment. Councilmember Rogers seconded the motion. The motion passed 5-2, with Councilmembers Sperry and Smith voting no.**

**Mayor Baker took the motion that was tabled at the November 5, 2012 Council Special Meeting off the table. The motion to increase the human services grant budget by the \$155,000 in General Fund savings identified by City staff failed 4-3, with Councilmembers Sperry, Smith, Van Ness, and Curtis voting no.**

**Deputy Mayor Hensel moved to transfer \$125,000 back into human services grants. Councilmember Rogers seconded the motion.**

**Deputy Mayor Hensel amended the motion to specify that \$50,000 would come from a reduction in payment to ARCH, and \$75,000 would come from the General Fund savings already identified. The motion passed 5-2, with Councilmembers Sperry and Van Ness voting no.**

**Councilmember Smith moved to take the \$80,000 balance of identified General Fund savings to create a new Sammamish River Bridge replacement fund. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

**Councilmember Laurie Sperry moved to continue with the original plan to remove the house from the Abagobez property. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

**It was Council direction not to subsidize Discover Passes for Kenmore residents.**

**Councilmember Curtis moved to establish a water and sewer franchise fee of 6% instead of the budgeted 5%. Councilmember Van Ness seconded the motion. The motion failed 3-4,**

**with Councilmembers Smith and Rogers, Deputy Mayor Bob Hensel, and Mayor Baker voting no.**

**Councilmember Sperry amended the motion to establish a water and sewer franchise fee of 5% for Year 1 and 6% for Year 2 instead of the budgeted 5%. The amendment failed 3-4, with Councilmembers Smith and Rogers, Deputy Mayor Bob Hensel, and Mayor Baker voting no.**

**It was Council direction that the Sammamish River Bridge Fund be changed to include the monitoring, inspection, and replacement.**

#### **STAFF REPORT**

City Manager Karlinsey stated that there is a packet for the November 20<sup>th</sup> Special Council Meeting Executive Session in the Council mailboxes.

Assistant City Manager Ousley gave a brief update on the broker selection for the Kenmore Village properties. Staff is recommending Colliers International for the commercial property and Jones Lang LaSalle for the residential property.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Councilmember Sperry stated that the new street light across from the Kenmore Library really helps visibility.

Councilmember Curtis indicated that Tom Martin, Vice President of Evergreen Hospital expansion division, is interested in Kenmore Village.

Councilmember Van Ness would like to see the City establish a policy for environmental education and work with citizen groups.

Mayor Baker stated that he and the City Manager and a group of City officials got a tour of the Locks today.

#### **ADJOURNMENT**

Mayor Baker adjourned the regular meeting at 10:15 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Regular Meeting  
Minutes  
November 19, 2012**

**DRAFT**

**CALL TO ORDER** – Mayor Baker called the meeting to order at 7:01 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Leslie Harris, Management Analyst; Richard Sawyer, Surface Water Program Manager; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Mayor Baker led the flag salute.

**AGENDA APPROVAL**

**Councilmember Sperry moved to approve the agenda as submitted. Councilmember Rogers seconded the motion. The motion passed.**

**CITIZEN COMMENTS**

Anne McBride of the Friends of Youth Board, 15004 61<sup>st</sup> Place NE, Kenmore, was present to advocate for affordable housing in Kenmore and to provide information about the Friends of Youth programs. She stated that they appreciate the City of Kenmore's support.

John Hendrickson, 5919 NE 202<sup>nd</sup> Lane, Kenmore, was present his concerns regarding being able to communicate with taxpayers regarding the City's financial position. He submitted a handout to the Council.

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to thank the City for attending to the left turn lane in front of Jay's Café and to express his concerns regarding flooding in Swamp Creek.

Mayor Baker thanked the citizens for their comments.

**CONSENT AGENDA**

**Councilmember Sperry moved to approve the consent agenda as submitted. Councilmember Curtis seconded the motion to Approve the Minutes of the June 11, 2012 Council Regular Meeting; June 18, 2012 Council Regular Meeting Study Session; June 25, 2012 Council Regular Meeting; July 9, 2012 Council Regular Meeting; July 10, 2012 Council Special Meeting Outdoor Public Forum; and July 16, 2012 Council Regular Meeting; Approve Check Nos. 26783 – 26844 in the amount of \$942,170.06 and**

**Electronically Transferred Payroll Funds Totaling \$59,444.85 for the Period Ending November 9, 2012; and Approve Contract No. 12-C1074, Memorandum of Agreement with Department of Ecology (DOE); Contract No. 12-C1088, Memorandum of Agreement with City of Lake Forest Park; Contract No. 12-C1077, Interlocal Agreement with Northshore Utility District for Storm Drain Maintenance Services; Contract No. 12-C1075, Stormwater System Cleaning and Vactor Services Agreement; Contract No. 12-C1076, Stormwater Pipe Video Inspection Services Agreement; Contract No. 12-C1086, Interlocal Agreement with King County for Surface Water Management Services; and Contract No. 12-C1085, Interlocal Agreement with King County for Surface Water Billing Services. The motion passed unanimously.**

## **BUSINESS AGENDA**

**Website Plan Update** – Leslie Harris, Management Analyst, was present to give a brief staff report. She stated that a more user-friendly content management system will make the website easier to update and more responsive and flexible. It will be able to be used by multiple platforms, including laptops, tablets, and phones, and will incorporate our branding and key messaging. She stated that the Website Committee's input has been incorporated into the scope of work and that she would like to bring the committee back in February. She was also available to answer any questions.

**It was Council direction that they would like to have a visual presentation to the entire Council before time to make a formal decision.**

**Review of 2013 Fee Resolution, Resolution No. 12-208** – Bryan Hampson, Development Services Director, was present to give a brief staff report, indicating that there have only been eleven changes and two new fees since the last fee resolution. He was also available to answer any questions.

**Review of 2011-2012 Budget Amendment Ordinance, Ordinance No. 12-0348** – Joanne Gregory, Finance & Administration Director, was present to give a brief staff report, stating that this ordinance is to take care of housekeeping issues for the current budget in preparation for closing it out. She noted that they are asking to charge Swamp Creek dredging fees to the Swamp Creek Basin Fund, as in the past. Adjustments are being recommended for the Kenmore Village Fund (formerly Capital Projects Fund) due to ending the Urban Partners agreement and other unbudgeted downtown development expenditures. She stated that the street sweeper was more expensive than anticipated, so an appropriation is needed for the Equipment Replacement Fund. She was also available to answer any questions.

**Adopt Ordinance No. 12-0352, Interfund Loan** – Joanne Gregory, Finance & Administration Director, was present to give a brief staff report in which she stated that the Kenmore Camera revenue will not be credited to the Capital Projects Fund until 2013, so a loan from the General Fund is being requested until that revenue comes in, in order to prevent ending the fiscal year in a negative cash position. She was also available to answer any questions.

**Councilmember Curtis moved to Adopt Ordinance No. 12-0352, Interfund Loan. Councilmember Rogers seconded the motion. The motion passed unanimously.**

**Review of Proposed 2013 Property Tax Levy Ordinance, Ordinance No. 12-0349** - Joanne Gregory, Finance & Administration Director, was present to give a brief staff report in which she



noted that the City held a public hearing on this ordinance in October, and there is a 0% proposed increase in the tax levy. She was also available to answer any questions.

**Review of 2013-2018 Capital Improvement Program (CIP)** - Joanne Gregory, Finance & Administration Director, was present to give a brief staff report in which she reviewed that she has made the changes Council directed, adding \$40,000 for the boat launch restroom project and taking the \$75,000 City Hall Plaza improvement out to 2015, which saves this year's REET budget \$35,000. She was also available to answer any questions.

City Manager Karlinsey stated that he spoke with the Department of Fish & Wildlife yesterday and got a more accurate estimate for the boat launch restroom project, which is \$47,500. Director Gregory stated that should the City have enough REET money, that would be her preference for covering the additional boat launch restroom project funds. Changes will be included in the CIP packet item for next week's meeting.

**Review of 2013-2014 Biennial Budget Ordinance, Ordinance No. 12-0351** - Joanne Gregory, Finance & Administration Director, was present to give a brief staff report. She distributed a handout detailing adjustments that have been made to the proposed 2013-2014 biennial budget, including additional funding for human services, creating the Sammamish River Bridge Fund, creating a new \$50,000 expenditure from the Strategic Opportunities Fund for the Business Incubator, removing the City Hall Plaza improvements of \$75,000, adding in the boat launch project, removing \$10,000 from the Abagobez property improvements, and establishing the revenue of the reimbursement from Kenmore Camera in 2013 rather than in this biennium as originally anticipated. She was also available to answer any questions.

In response to a question regarding replenishing the Strategic Opportunities Fund, she stated that Council does need to adopt a policy for this. City Manager Karlinsey stated that he would like to work on a policy for this and for the new Sammamish River Bridge Fund over the next few months.

## **STAFF REPORT**

City Manager Karlinsey stated that the City was awarded a \$5.2 million TIB grant last week thanks to Kris Overleese, City Engineer. A \$2.5 million right-of-way acquisition and \$1.2 million for signals made it possible for the City to get this grant. The City has a regional mobility grant for that project as well, which would push any local match dollars further out. He stated that the City will have an agreement with the State Transportation Improvement Board (TIB) for Council approval at the December 3<sup>rd</sup> meeting. Kenmore's was the single highest award for transportation in the State and also included the 182<sup>nd</sup> to 185<sup>th</sup> sidewalk. He noted that there was a significant rain event in the City yesterday and today and that he was very impressed with the response of Public Works Operations Manager Jennifer Gordon and the Lake Forest Park public works crew. He stated that 192<sup>nd</sup> Street between 73<sup>rd</sup> and 80<sup>th</sup> Avenues is now open, and that there is a project scheduled to address that area's issue. The City also had some power outages, which are still in effect.

## **CITY COUNCILMEMBER COMMENTS/REPORTS**

Mayor Baker asked Council to please give him some dates that they might be available to attend a Christmas dinner.

Councilmember Sperry reported on a Suburban Cities Association (SCA) annual dinner that she attended last week. They voted to change the name to Sound Cities Association, and they already have a new website and have asked for member cities to send photographs of their cities to be featured on the website.

Councilmember Van Ness reported on an Enterprise Seattle board meeting he attended last week.

Councilmember Rogers stated that he received the e-mail regarding the passing of Jacob Chakko, who served the City on the Downtown Task Force, and that it is a big loss. Councilmember Rogers attended one of the viewings and spoke about Mr. Chakko on behalf of the City. Kudos to City Engineer Overleese and her team for handling surface water problems so quickly.

Mayor Baker thanked Leslie Harris for the Facebook comments and updates. He reported on an Issaquah community forum regarding the drug take-back program, which may be mandated by King County shortly. He thanked City Engineer Overleese and her team for their good work on the grants.

#### **ADJOURNMENT**

There being no further business, Mayor Baker adjourned the meeting at 8:40 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Regular Meeting  
Minutes  
November 26, 2012**

**DRAFT**

**CALL TO ORDER** – Mayor Baker called the meeting to order at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers (attending via speakerphone)

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Jennifer Gordon, Public Works Operations Manager; Lauri Anderson, Senior Planner; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Janet Prichard of Republic Services led the flag salute.

**AGENDA APPROVAL**

**It was Council consensus to approve the agenda as submitted.**

**CITIZEN COMMENTS**

Patrick O'Brien, 6330 NE 181<sup>st</sup> Street, Kenmore, was present to state his concerns about code enforcement. He distributed a handout to the Council.

Bob Black, 8232 NE 166<sup>th</sup> Street, Kenmore, was present to state his concerns regarding the \$20 vehicle fee approved by the Kenmore Transportation Benefit District Board.

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state his concerns regarding surface water management fees for Swamp Creek.

Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to state her concerns regarding possible contaminants dredged up by barge activity in Lake Washington during construction for the SR 520 Bridge.

Mayor Baker thanked the citizens for their comments.

**CONSENT AGENDA**

**Councilmember Sperry moved to approve the consent agenda as submitted.**  
**Councilmember Curtis seconded the motion to Approve a Motion to Cancel All Regular Council Meetings for the Month of December 2012; Amendment No. 2 to Contract No. 09-C816 with Gordon Thomas Honeywell for State Government Relations Services; and Amendment No. 2 to Contract No. 09-C780 with Alcalde & Fay for Federal Government**

**Relations Services; and to Adopt the 2013 Fee Schedule, Resolution No. 12-208; Ordinance No. 12-0348 Amending the 2011-2012 Biennial Budget; and the 2013 Property Tax Levy, Ordinance No. 12-0349. The motion passed unanimously.**

## **PUBLIC HEARING**

**Public Hearing to Receive Public Testimony Regarding the 2013-2018 Capital Improvement Program (CIP)** – Joanne Gregory, Finance & Administration Director, provided a PowerPoint presentation and brief summary of the Capital Improvement Program. She was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 7:22 p.m.**

The following citizens spoke:

Patrick O'Brien, 6330 NE 181<sup>st</sup> Street, Kenmore, was present to state his concerns regarding City revenues.

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state his concerns regarding the surface water management utility fund and the zoning of the old fire station building.

**As there was no further testimony, Mayor Baker closed the public hearing at 7:31 p.m.**

**Public Hearing to Receive Public Testimony Regarding the 2013-2014 Biennial Budget** – Joanne Gregory, Finance & Administration Director, provided a PowerPoint presentation summarizing expenditures and revenues for the biennial budget. She noted that where expenditures exceed the budgeted amount there are reserves that are being used as well. She was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 7:40 p.m.**

The following citizens spoke:

Patrick O'Brien, 6330 NE 181<sup>st</sup> Street, Kenmore, was present to state his concerns regarding funding for the Sammamish River Bridge replacement.

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state that one angle would be to wait until the bridge fails and hope that the federal government would pay for its replacement.

**As there was no further testimony, Mayor Baker closed the public hearing at 7:46 p.m.**

## **BUSINESS AGENDA**

**Adopt Ordinance No. 12-0350, 2013-2018 Capital Improvement Program (CIP)** – Joanne Gregory, Finance & Administration Director was also available to answer any questions.

**Councilmember Curtis moved to Adopt Ordinance No. 12-350, 2013-2018 Capital Improvement Program. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

**Adopt Ordinance No. 12-0351, 2013-2014 Biennial Budget** – Joanne Gregory, Finance & Administration Director, was available to answer any questions.

**Deputy Mayor Hensel moved to Adopt Ordinance No. 12-0351, 2013-2014 Biennial Budget. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

**Republic Services, Inc. Solid Waste Services Overview** – Rob Karlinsey, City Manager; Jeffry Borgida, Republic Services General Manager; and Janet Prichard, Republic Services Municipal Relationship Manager, were present to give a brief staff report regarding franchise and utility possibilities. Currently the Washington Utilities & Transportation Commission (UTC) administers solid waste collection for the City. Jeffrey Borgida and Janet Prichard provided a PowerPoint presentation. They stressed that responsibility and reliability are the hallmarks of how Republic Services conducts business and gave examples of what they are involved with in the City. They were also available to answer any questions.

**It was Council consensus that the City would look at the pros and cons of the current UTC option vs. a franchise agreement.**

**Commercial Zoning Project Introduction & Discussion** – Debbie Bent, Community Development Director, and Lauri Anderson, Senior Planner, were present to give a brief staff report regarding the proposed project scope and policy issues. They were also available to answer any questions.

City Manager Karlinsey added that balancing current businesses and future development is very important. He indicated that existing businesses like it here and he wants them to feel like they can stay and grow here.

**There was Council consensus in favor of supporting existing businesses as well as future development.**

Director Bent stated that all six Planning Commission terms will expire at the end of December 2012. The City is currently accepting applications for those interested in serving and has contacted some other previous Planning Commission members. Applications are due by December 3<sup>rd</sup>. Ideally, the Commission members would be appointed no later than February 1, 2013. The Kenmore Municipal Code (KMC) specifies seven members, and does not include the appointment of alternates. She asked if Council would like to interview the applicants.

**It was Council consensus that Councilmembers would participate in interviewing the applicants for Planning Commission.**

## **STAFF REPORT**

City Manager Karlinsey briefly discussed the letter from the Board of the Coventry Place Homeowners' Association received by the City regarding moving the skate park. He recommends waiting and including the skate park issue in the PROS Plan, since we will have to pay the vendor to come out and relocate it. Chief Sether does not consider the skate park

location to be a problem. City Manager Karlinsey noted that the Master Builders' Association is hosting a reception for Eastside legislative delegates on December 5<sup>th</sup> at 5:30 p.m. at their offices in Bellevue. Kenmore is having its own legislative send-off on Friday, January 11<sup>th</sup> at 5:30 in City Hall, which will be open to the public, and light refreshments will be served. The City's tree lighting ceremony will take place on December 6<sup>th</sup>.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

Councilmember Smith stated that he has replaced Councilmember Sperry as a board member at the Northshore Park and Recreation Service Area. One of the issues that has come up is that there is a small parcel directly north of the health and wellness center, and the City of Bothell neglected to record some easements at the time that they sold the property to the Senior Center. They are providing us with information; however, it is not enough information to make a decision. He is working with Parks Project Manager Bill Evans to get the necessary information, and City Attorney Rod Kaseguma is helping to get some insight on how it works. The reason to do this is to confirm that the Senior Center has a long-term benefit use of the site.

Councilmember Curtis reported on a recent meeting where a Department of Fish & Wildlife representative spoke about herons. He learned that herons move around, so if they lose their habitat, as long as there are enough big trees growing nearby they can be flexible. They recommended getting rid of invasives, such as blackberries, so that new trees can grow. They also advised against putting new things in near a heron rookery which would change the noise level that they have adapted to, especially during their breeding season.

Councilmember Van Ness stated that he and Deputy Mayor Hensel will vote for the joint legislative agenda between SeaShore, Eastside Transportation Partnership, and the State when it comes up in December.

#### **ADJOURNMENT**

There being no further business, Mayor Baker adjourned the meeting at 9:32 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

DRAFT

City of Kenmore, Washington  
City Council Special Meeting  
Minutes  
December 3, 2012

**CALL TO ORDER** - The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:00 p.m.

**EXECUTIVE SESSION**

Mayor Baker adjourned the special meeting at 6:00 p.m. to an executive session to discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately one hour and that action may be taken when the meeting is reconvened.

**CALL TO ORDER** – Mayor Baker reconvened the special meeting at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Jennifer Gordon, Public Works Operations Manager; Kent Vaughan, Senior Civil Engineer; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**POSSIBLE ACTION RESULTING FROM EXECUTIVE SESSION**

Councilmember Sperry moved to approve the settlement agreement and release between the City of Kenmore and the Harbour Village Condominium Association dated December 3, 2012, which settles the King County Superior Court case of Harbour Village Condominium Association v. City of Kenmore, Cause No. 11-2-05806-7; and to authorize the City Manager, in consultation with the City Attorney, to modify the procedure and details, but not the substance, of paragraph 3 of the settlement agreement and release, if determined to be necessary and appropriate by the City Manager; and to authorize the City Manager to sign the settlement agreement and release on behalf of the City of Kenmore, as currently drafted or as amended by the City Manager pursuant to the authority of this motion. Councilmember Rogers seconded the motion. The motion passed unanimously.

Councilmember Sperry moved to approve the settlement agreement and release between the City of Kenmore and the Harbour Village Marina Association of Condominium Owners dated December 3, 2012, which settles the King County Superior Court case of Harbour Village Marina Association of Condominium Owners v. City of Kenmore, Cause No. 11-2-05806-9; and to authorize the City Manager to sign the settlement agreement and release on behalf of the City of Kenmore. Deputy Mayor Hensel seconded the motion. The motion passed unanimously.

**PRESENTATION**

**Presentation to 32<sup>nd</sup> Legislative District Delegation** – Senator Maralyn Chase and Representative Cindy Ryu were present representing the 32<sup>nd</sup> Legislative District. Due to redistricting, Kenmore will now be in the 46<sup>th</sup> Legislative District. Mayor Baker offered the City's thanks and appreciation for their excellent representation and for their support of the City's legislative priorities and presented them with plaques. Senator Chase and Representative Ryu each spoke briefly.

## **CONSENT AGENDA**

**Deputy Mayor Hensel moved to approve the consent agenda as submitted. Councilmember Rogers seconded the motion to Approve the Minutes of the July 24, 2012 Council Special Meeting; September 6, 2012 Council Special Meeting; September 17, 2012 Council Special Meeting; and October 1, 2012 Council Special Meeting; and Approve Check Nos. 26845 - 26905 in the amount of \$754,568..61 and Electronically Transferred Payroll Funds Totaling \$58,693.85 for the Period Ending November 26, 2012. The motion passed unanimously.**

## **BUSINESS AGENDA**

**Sale Listing Agreement with Colliers International for Kenmore Village, Contract No. 12-C1092** – Nancy Ousley, Assistant City Manager; Rod Stevens of Spinnaker Strategies; and Corey Marx of Jones Lang LaSalle were present to give a brief staff report. They were also available to answer any questions.

Assistant City Manager Ousley reviewed that originally the thought was to use one brokerage; however, to get the mix of expertise that the City needs, we ended up with one brokerage agreement with Colliers International, for the commercial property, and a subagreement with Jones Lang LaSalle for the residential property. City Manager Karlinsey stated that the City will combine the RFP and RFQ processes for expediency and will keep the Council posted along the way. Rod Stevens stated that the brokers suggested inviting developers to make offers right away in order to invest them in the process. The goal is to get 3 or 4 good offers that will establish a true market value for the properties. Corey Marx stated that part of the bidding process is the developers being able to convince the brokers that they can provide what the City and the citizens of Kenmore want.

**It was Council consensus that they would like Paul Slee from Colliers International, who was not able to attend tonight's meeting, to come to a Council meeting as soon as possible.**

**Councilmember Rogers moved to Approve Contract No. 12-C1092, Sale and Listing Agreement with Colliers International for Kenmore Village. Councilmember Curtis seconded the motion. The motion passed unanimously.**

**Transportation Improvement Board (TIB) Funds for SR 522 West A, Contract No. 12-C1094 and for 68<sup>th</sup> Avenue NE Sidewalk, Contract No. 12-C1095** – Kris Overleese, Engineering & Environmental Services Director, was present to give a brief staff report. She stated that they would like to enter into agreements for the TIB funds in December. She was also available to answer any questions.

**Deputy Mayor Hensel moved to Authorize the City Manager to Execute Contract No. 12-C1094 to Accept Transportation Improvement Board (TIB) Funds for SR 522 West A and**



**Contract No. 12-C1095 to Accept TIB Funds for 68<sup>th</sup> Avenue NE Sidewalk.**  
**Councilmember Rogers seconded the motion. The motion passed unanimously.**

**Adoption of Right-of-Way Acquisition Procedures, Resolution No. 12-211** - Kris Overleese, Engineering & Environmental Services Director, Kent Vaughan, Senior Civil Engineer; and Caroline Brabrook of H.W. Lochner, were present to give a brief staff report. City Engineer Overleese provided a PowerPoint presentation and introduced Caroline Brabrook as the project manager. She noted that Steve Reinhart of Universal Field Services would be the lead in negotiating right-of-way acquisitions. They were also available to answer any questions.

**Councilmember Rogers moved to Approve Resolution No. 12-211 Adopting Right-of-Way Acquisition Procedures. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

## **STAFF REPORT**

City Manager Karlinsey called councilmembers' attention to the two handouts that were distributed to them at the meeting, the October 2012 Financial Report and the 20-Year Sidewalk Plan memo. He stated that the 20-Year Sidewalk Plan, which is a Council priority, is being handed out now in order to give Council time to think about it over the next three months. He also updated the Council on potential electric vehicle charging stations at City Hall. He stated that originally when Public Works Operations Manager Jennifer Gordon contacted the vendor, she was told that grant money would pay most of the costs. However, the more cities that apply for the grants, the less money each gets, and a number of cities have applied. He recommends that the City not put in electric vehicle charging stations at this time, as the cost/benefit does not seem favorable.

**It was Council consensus to put the electric vehicle charging stations on hold for now.**

## **CITY COUNCILMEMBER COMMENTS/REPORTS**

Mayor Baker stated that he is glad to see the Sidewalk Plan moved up.

Councilmember Sperry stated that honoring the 32<sup>nd</sup> District representatives was very positive and informative.

Councilmember Van Ness reported on the recent National League of Cities meeting he attended with Councilmember Rogers and Mayor Baker. He stated that the Christmas lights on the trees that were turned on today are a nice touch.

Councilmember Rogers stated that he is trying to get copies of National League of Cities publication, "Role of Elected Officials in Economic Development," for Council and staff. He stated that in his nine years on the Council this has been the greatest year in his opinion, and thanked everyone for a great year for the City.

Deputy Mayor Hensel thanked everyone for their hard work this year and wished everyone happy holidays.

Mayor Baker also reported on the recent National League of Cities meeting, and noted that it will be in Seattle next year, November 5<sup>th</sup> through 9<sup>th</sup>.

**ADJOURNMENT**

Mayor Baker adjourned the special meeting at 8:47 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

**City of Kenmore, Washington  
City Council Special & Regular Meeting  
Minutes  
January 14, 2013**

**DRAFT**

**CALL TO ORDER** - The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 5:35 p.m.

**EXECUTIVE SESSION**

Mayor Baker adjourned the special meeting at 5:35 p.m. to an executive session to discuss Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 1½ hours and that no action is anticipated when the meeting is convened to regular session.

Mayor Baker extended the executive session for 10 minutes at 7:00 p.m.

**CALL TO ORDER** – Mayor Baker called the regular meeting to order at 7:10 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

**Staff present:** Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Jennifer Gordon, Public Works Operations Manager; Leslie Harris, Management Analyst; Lauri Anderson, Senior Planner; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

**FLAG SALUTE**

Boy Scout Troop No. 582 led the flag salute.

**AGENDA APPROVAL**

**Deputy Mayor Hensel moved to amend the agenda by adding a Consent Agenda Item J, Approve Contract No. 12-C1037 Amendment No. 3, Purchase and Sale Agreement with James & Martha Donovan. The motion passed.**

**It was Council consensus to approve the agenda as amended.**

**CITIZEN COMMENTS**

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to thank the City for appointing him to the Planning Commission.

John Hendrickson, 5919 NE 202<sup>nd</sup> Lane, Kenmore, was present to state his concerns regarding tax increases.

Dave Crawford, 7534 NE 175<sup>th</sup> Street, Kenmore, was present to state his concerns regarding raised medians on SR 522. He also stated that he was impressed with the blackberries having been removed.

Bob Black, 8232 NE 166<sup>th</sup> Street, Kenmore, was present to state his concerns about the \$20 vehicle fee imposed by the Kenmore Transportation Benefit District Board.

Mayor Baker thanked the citizens for their comments.

## **CONSENT AGENDA**

**Councilmember Curtis moved to approve the consent agenda as submitted. Councilmember Rogers seconded the motion to approve the Minutes of the February 6, 2012 Special Council Meeting and March 5, 2012 Special Council Meeting; Approve Check Nos. 26906 - 26982 in the amount of \$346,049.63 and Electronically Transferred Payroll Funds Totaling \$63,731.91 for the Period Ending November 30, 2012; Approve Check Nos. 26983 - 27065 in the amount of \$891,574.30 and Electronically Transferred Payroll Funds Totaling \$63,731.91 for the Period Ending December 21, 2012; Approve Check Nos. 27066 - 27121 in the amount of \$328,636.62 and Electronically Transferred Payroll Funds Totaling \$59,642.93 for the Period Ending January 4, 2013; Receive and File November 2012 Financial Report; Approve Contract No.10-C862 Amendment No. 3 with Sarah Roberts for Prosecution Services; Contract No. 12-C1099 with Washington Fish & Wildlife (WDFW) for Restroom Maintenance; Contract No. 12-C1081 with Osborne Consulting, Inc. for Surface Water & Park Project Assistance; Contract No. 12-C1082 with Perteet, Inc. for Traffic Engineering, Transportation, and Park Project Assistance; and Contract No. 12-C1037 Amendment No. 3, Purchase and Sale Agreement with James and Martha Donovan. The motion passed unanimously.**

## **PUBLIC HEARING**

**Public Hearing to Receive Public Testimony Regarding Ordinance No. 13-0353, Extending the Moratorium on Medical Cannabis (Marijuana) Collective Gardens –** Debbie Bent, Community Development Director, noted that the reasons for adopting the ordinance are outlined in the ordinance. She was also available to answer any questions.

**Mayor Baker opened the public hearing to receive public testimony on this issue at 7:30 p.m.**

The following citizens spoke:

Dennis Mendrey, 6410 NE 182<sup>nd</sup> Street, Kenmore, was present to state that this is a very complex situation and the approach Council is taking is a good start, but it is not a black and white situation, so it needs serious thought to determine how to proceed.

**As there was no further testimony, Mayor Baker closed the public hearing at 7:32 p.m.**

## **PRESENTATION**

**King County Councilmember (Attorney General Elect) Bob Ferguson –** Mayor Baker stated that Attorney General Elect Ferguson has always been available and had the best interests of the

City at heart. Mayor Baker presented a plaque to him with thanks and appreciation for his service to the City as King County Councilmember. Mr. Ferguson stated that he really just came by to say thanks to the City, that it has been a great partnership, and that he looks forward to working with the City in his new role as Attorney General.

## **BUSINESS AGENDA**

**Adopt Ordinance No. 13-0353, Moratorium on Medical Cannabis (Marijuana) Collective Gardens** – Debbie Bent, Community Development Director, stated that staff is recommending Council adopt the ordinance. She was also available to answer any questions.

**Councilmember Sperry moved to Adopt Ordinance No. 13-0353, Moratorium on Medical Cannabis (Marijuana) Collective Gardens. Councilmember Van Ness seconded the motion. The motion passed 6-1, with Councilmember Rogers voting no.**

**Appoint Planning Commission Members and Establish Terms** - Debbie Bent, Community Development Director, stated that Council interviewed the candidates for the Planning Commission on January 8<sup>th</sup>. Mayor Baker read the appointees into the record, including alternates. He noted that Stan Isenhath has elected not to remain on the list as an alternate. The new Planning Commission members are as follows: Doug Nugent (Chair), 3-year term; Angela Kugler (Vice Chair), 3-year term; Mike Vanderlinde, 3-year term; Mark Ohrenschall, 3-year term; Doug Huxtable, 2-year term; Jim Howard, 2-year term; Dennis Mendrey, 2-year term; Robert Lane, Alternate; and Dan Ross, Alternate.

**Councilmember Rogers moved to Appoint Planning Commission Members and Establish Terms. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

**2013 Annual Docket Work Program for the Planning Commission** - Debbie Bent, Community Development Director, was present to provide a brief staff report in which she stated that staff is looking for Council direction on the items to be included in the 2013 Annual Docket. By code, the Council's decision needs to be made no later than the last meeting in February. She reminded Council that at the November 26, 2012 Council meeting the Commercial Zoning Project was introduced to Council. At that time staff outlined a possible framework, a scope, several policy issues, and an approach for addressing those policy issues. That project is one of the items included on the docket. Several items will be rolled into that, including the Transit-Oriented District, which has been on hold since 2010. There are also several items related to views. Staff is recommending looking at height and views as they pertain to the Regional Business Zone rather than citywide. Staff is also recommending taking on the Parks, Recreation, and Open Space element of the Comprehensive Plan and, in conjunction with that, updating the PROS Plan, which expired in 2009. Once the PROS Plan is back up and running, the City would be eligible for grant funding. Lastly, looking at potential regulations for marijuana has been put in as a placeholder docket item with the understanding that Council would have to give direction to the Planning Commission before the Planning Commission proceeded with that item. Director Bent was also available to answer any questions.

**Mayor Baker opened the public comment period on the Comprehensive Plan Amendments at 8:08 p.m.**

The following citizens spoke:

Bob Greene, 6250 NE 182<sup>nd</sup> Street, Kenmore, was present to state that he is very happy as a citizen with what the City has accomplished on SR 522. He stated that while there are economic constraints might be a good time to consider business zoning heights because there is not a lot of pressure to build.

Elizabeth Mooney, 5934 NE 201<sup>st</sup> Street, Kenmore, was present to welcome the new Planning Commissioners and to suggest informal talks with Council, staff and citizens regarding what the City should look like in the future. She also stated her concerns regarding industrialization in the City.

**As there were no additional citizens wishing to comment, Mayor Baker closed the public comment period at 8:16 p.m.**

**Councilmember Smith moved to Approve the 2013 Annual Docket Work Program for the Planning Commission. Councilmember Van Ness seconded the motion. The motion passed unanimously.**

**2013-2014 Human Services Funding Recommendations** – Nancy Ousley, Assistant City Manager, and Leslie Harris, Management Analyst, were present to follow up on the Council’s discussion during budget deliberations about the investment the City would be making in human services during this biennium. She stated that staff is presenting a list of recommended agencies and funding amounts for Council’s approval. Since this year’s budget is approximately 71% of last year’s, staff paid special attention to agencies physically located in the City, and also the overall size of the agency budget, in making these recommendations. Management Analyst Harris summarized the recommendations. They were also available to answer any questions.

**Councilmember Sperry moved to Approve the 2013-2014 Human Services Funding Recommendations. Councilmember Curtis seconded the motion. The motion passed unanimously.**

**Kenmore Village Marketing Process Update** - Nancy Ousley, Assistant City Manager; Paul Sleeth and Billy Sleeth of Colliers International; Corey Marx of Jones Lang LaSalle; and Rod Stevens of Spinnaker Strategies were present to give a brief staff report. Rod Stevens spoke about the brokers and their roles. Paul Sleeth outlined the process and what the brokers are doing now. He stated that they expect to do a request for offers and a request for qualifications on January 17<sup>th</sup>. The brokers spoke about the market reaction to the City of Kenmore and these properties specifically, which has been very good. Rod Stevens went over the timeline for the offers, negotiations, and narrowing to a short list to bring back to Council in mid- to late February, aiming for closure of the process with a purchase and sale in April. They were also available to answer any questions.

#### **CITY COUNCILMEMBER COMMENTS/REPORTS**

**It was Council consensus that Mayor Baker would continue as the 2013 Council representative for the Seashore Transportation Forum.**

**It was Council consensus that Mayor Baker, Councilmember Rogers, and Councilmember Van Ness would be the 2013 Council representatives for the Eastside Transportation Partnership (ETP).**

**It was Council consensus that “Coffee with Council” would take place at 7:30 a.m. two Mondays per month and one Saturday per month at the Espresso Works Café in Kenmore Village beginning in February on a trial basis. Councilmembers will sign up with Janice Gates, the City Manager’s Executive Assistant, in order to avoid having either no councilmembers show up or a quorum of councilmembers show up. “Coffee with Council” is intended to be a very informal dialogue between councilmembers and any citizens who wish to come.**

Councilmember Smith suggested that the Executive Assistant could contact all councilmembers at once by sending a text.

Councilmember Sperry indicated her interest in receiving text messages instead of voicemail.

Councilmember Van Ness gave a brief report on the Eastside Transportation Partnership (ETP) meeting he attended last week.

Councilmember Rogers praised staff for the Christmas tree lights and tree. He announced that the City qualified for a two-year audit cycle, initiated by the State due to the City’s eleven consecutive years of zero findings.

Deputy Mayor Hensel stated that last Friday’s legislative send-off was a big success, and he thanked staff.

Mayor Baker gave a brief report on his trip to Washington, DC, last week. He stated that there is a chance that the City can get on the US Army Corps of Engineers work program for 2013. He also spoke with representatives of the Environmental Protection Agency (EPA) and stated that there are grants and low interest loans available for assessments and cleanup projects for City-owned property and also local businesses. They spoke with staff in Senator Murray’s office and Senator Cantwell’s office about a number of topics.

#### **EXECUTIVE SESSION**

Mayor Baker adjourned the regular meeting at 9:15 p.m. to a special meeting executive session to discuss Pending Litigation and Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that executive session will last for approximately 25 minutes and no action is anticipated when the meeting reconvenes.

#### **ADJOURNMENT**

Mayor Baker adjourned the special meeting at 9:40 p.m.

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**David Baker, Mayor**

**ATTEST:**

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**Patty Safrin, City Clerk**

## City of Kenmore Voucher Certification and Approval

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the following claims, paid by checks 27122-27244 which total \$477,860.87, and electronically transferred payroll funds which total \$58,177.26 are just, due and unpaid obligations against the City of Kenmore/King County/Washington, and that I am authorized to authenticate and certify to said claims.

City Manager

Date

Finance Director

Date

| Check # | Vendor Name                         | Description                            | Check Amt |
|---------|-------------------------------------|----------------------------------------|-----------|
| 27122   | EFFICIENCY INC                      | 2013 Council Recording Software Maint. | 987.69    |
| 27123   | VOID                                | VOID                                   | -         |
| 27124   | PEOPLES STORAGE                     | Jan-Jul 2013 Storage Unit #C-304 Rent  | 1,150.50  |
| 27125   | NATIONAL LEAGUE OF CITIES           | 2013 Membership Renewal                | 1,549.00  |
| 27126   | AMERICAN PUBLIC WORKS ASSOCIATION   | 2/1/13-1/31/14 Dues                    | 715.67    |
| 27127   | MAIL FINANCE                        | 1/14-2/13/13 Postage Machine Lease     | 250.76    |
| 27128   | WA STATE ASSOC OF PERMIT TECHNICIAN | 2013 Yearly Dues                       | 35.00     |
| 27129   | WA STATE DEPARTMENT OF AGRICULTURE  | 2013 Pesticide License Renewal         | 33.00     |
| 27130   | ENTERPRISE SEATTLE                  | 2013 Enterprise Seattle Investor Dues  | 5,000.00  |
| 27131   | SESAC                               | 2013 Music Licensing Renewal           | 327.00    |
| 27132   | GREATER BOTHELL CHAMBER OF COMMERCE | City Mgr. January Chamber Luncheon     | 20.00     |
| 27133   | NATIONWIDE FINANCIAL 401a           | Social Security Replacement Plan       | 8,395.63  |
| 27134   | HARBOR HISTORY MUSEUM               | 2013 Council Retreat Room Rent         | 400.00    |
| 27135   | CITY OF KENMORE                     | PERS Reimbursement to City             | 50.00     |
| 27136   | NATIONWIDE FINANCIAL 401a           | Social Security Replacement Plan       | 10,098.96 |
| 27137   | NATIONWIDE RETIREMENT SOLUTIONS 457 | Deferred Comp Payroll Deduction        | 200.00    |
| 27138   | ICMA RETIREMENT TRUST 457 - 304745  | Deferred Comp Payroll Deduction        | 2,578.19  |
| 27139   | DRS 457                             | Deferred Comp Payroll Deduction        | 1,783.33  |
| 27140   | CITY OF KENMORE FS                  | Flexible Spending Medical Plans        | 253.08    |
| 27141   | BANK OF AMERICA 941                 | Payroll Taxes                          | 11,457.76 |
| 27142   | DEPARTMENT OF RETIREMENT SYSTEMS    | WA State Retirement                    | 9,875.94  |
| 27143   | STATE OF FLORIDA DISBURSEMENT UNIT  | Payroll Deduction                      | 275.00    |
| 27144   | DEPARTMENT OF LABOR AND INDUSTRIES  | 4th Qtr Volunteer Hrs. Workers Comp    | 18.61     |
| 27145   | KING COUNTY SUPERIOR COURT CLERK    | 181st Culvert Melvin Settlement        | 11,000.00 |
| 27146   | ESA ADOLFSON                        | Professional Svcs 9/24-12/21 - Parks   | 3,046.25  |
| 27147   | CATHOLIC COMMUNITY SERVICES         | Q3&4 2012 Human Svcs Funding 12-C987   | 2,887.00  |
| 27148   | CENTER FOR HUMAN SERVICES           | Qtr 4 2012 Human Svc 12-C988           | 7,602.25  |
| 27149   | CITY OF BELLEVUE                    | Q4 2012 Human Svcs Pooled Program      | 21,439.00 |
| 27150   | CITY OF LAKE FOREST PARK            | 2012 Public Works Contract Adjustment  | 35,513.60 |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of \$477,860.87 and Electronically Transferred Payroll Funds Totaling



|       |                                    |                                         |           |
|-------|------------------------------------|-----------------------------------------|-----------|
| 27151 | CITY OF SHORELINE                  | Oct-Dec Jail Van Usage                  | 384.60    |
| 27152 | COASTWIDE LABORATORIES             | Maintenance Supplies                    | 28.40     |
| 27153 | CONSEJO COUNSELING & REF           | Q4 2012 Human Svcs Funding 12-C989      | 842.00    |
| 27154 | ALLIED WASTE SERVICES #172         | City Hall/ Rhod. Park Dec. Trash Svc.   | 791.77    |
| 27155 | EMERGENCY FEEDING PROGRAM          | Q4 2012 Human Svcs Funding 12-C990      | 601.50    |
| 27156 | CALPORTLAND COMPANY                | Sand                                    | 154.48    |
| 27157 | GRAY & OSBORNE, INC                | Trib 0057 Prof. Svcs 12/9/12-1/5/13     | 3,045.96  |
| 27158 | H.W. LOCHNER, INC.                 | 10/13-12/7 61st/181st 12-C1069          | 7,900.75  |
| 27159 | H.W. LOCHNER, INC.                 | 11/10-12/7 SR522 Ph1 St2 09-C788        | 7,725.12  |
| 27160 | H.W. LOCHNER, INC.                 | 11/10-12/7 Traffic Anal. 12-C1015       | 3,436.92  |
| 27161 | HOME DEPOT CREDIT SERVICES         | Concrete for Signs@ Rhod. Park          | 7.99      |
| 27162 | HOPELINK                           | Q4 2012 Human Svcs 12-C992-C996         | 13,722.25 |
| 27163 | INSLEE, BEST, DOEZIE & RYDER, P.S. | Dec. Legal Svcs                         | 36,205.50 |
| 27164 | INSTITUTE FOR FAMILY DEVELOPMENT   | Q4 2012 Human Svcs Funding 12-C997      | 2,887.00  |
| 27165 | KENMORE HERITAGE SOCIETY           | Q4 2012 History Book Sales              | 50.00     |
| 27166 | KING COUNTY FINANCE                | Oct. Road Svcs/ SWM/ Catch Basins       | 5,580.46  |
| 27167 | KING COUNTY FINANCE                | Dec Street Sweeping/Erosion Control     | 21,794.76 |
| 27168 | KING COUNTY FINANCE                | Dec. Ped/ Traffic/ Signs Svcs           | 9,132.72  |
| 27169 | KING COUNTY FINANCE                | Dec. Dump Fees                          | 101.33    |
| 27170 | KING COUNTY OFFICE OF FINANCE      | Indigency Screening - Dec. 2012         | 706.08    |
| 27171 | KING COUNTY SHERIFF                | School Dist. O.T. Chgs - Sept. - Dec.   | 26,608.26 |
| 27172 | LIGHTHOUSE CONSULTING INC          | Dec. Anti-Spam/Virus Software & IT Svcs | 1,946.64  |
| 27173 | NAMI EASTSIDE                      | Q4 2012 Human Svcs Funding 12-C999      | 385.00    |
| 27174 | NEXTEL COMMUNICATIONS              | Cell Phone Chgs 11/25-12/24/12          | 382.02    |
| 27175 | NORTHSHORE SENIOR CENTER           | Q4 2012 Human Svcs 12-C1001             | 481.25    |
| 27176 | NORTHSHORE SENIOR CENTER           | Q4 2012 Human Svcs 12-C1000             | 5,292.75  |
| 27177 | NORTHSHORE UTILITY DIST            | Dec. Fleet Maint./ Gas                  | 3,134.36  |
| 27178 | NORTHSHORE YMCA                    | Q4 2012 Human Svcs 12-C1004             | 1,707.00  |
| 27179 | NORTHSHORE YOUTH & FAMILY SERVICES | Q4 2012 Human Svcs 12-C1002             | 7,217.25  |
| 27180 | OFFICE MAX                         | Office Supplies                         | 238.47    |
| 27181 | OFFICE TEAM                        | Temporary Svc. 12/20/12                 | 61.92     |
| 27182 | PETTY CASH CUSTODIAN               | Petty Cash Fund Reimbursement           | 362.01    |
| 27183 | PUGET SOUND ENERGY                 | 12/1-12/31 Street Lts/ C.H./ Signals    | 9,613.19  |
| 27184 | SEATTLE TIMES                      | 12/1-12/31 Advertising                  | 564.19    |
| 27185 | TOTAL LANDSCAPE CORP               | Oct.-Dec. Park 'N Ride Landscaping      | 459.90    |
| 27186 | US POSTAL SERVICE (HASLER)         | Postage Meter Refill                    | 4,328.40  |
| 27187 | WA STATE DEPT OF ENTERPRISE SVCS   | Dec. 2012 - 3 Windows 7 Licenses        | 261.58    |
| 27188 | WASHINGTON STATE DEPT OF INFO SERV | Dec. 2012 List Serv                     | 175.00    |
| 27189 | WA STATE DEPT OF TRANSPORTATION    | Engineering/ Review/ Electrical Svcs    | 786.77    |
| 27190 | WASHINGTON STATE OFFICE CASH MGMT  | Q4 2012 State Bldg Permit Fees          | 256.50    |
| 27191 | COLUMBIA RIDGE LANDFILL            | 12/15-12/31/12 Dump Fees                | 305.00    |
| 27192 | WONDERLAND DEVELOPMENT             | Q4 2012 Human Svcs Funding 12-C1003     | 2,766.50  |
| 27193 | VOID                               | VOID                                    | -         |
| 27194 | VOID                               | VOID                                    | -         |
| 27195 | BERGER PARTNERSHIP PS              | Dec Prof Svcs -Rhododendron Park        | 1,314.65  |
| 27196 | VAN NESS, ALLAN                    | Nov/ Dec Expense Reimbursent            | 71.60     |
| 27197 | ROGERS, GLENN                      | Refund Nov/ Dec Transp. & Mileage       | 499.87    |
| 27198 | SNOHOMISH COUNTY                   | Dec. Solid Waste Chgs from Vac Truck    | 1,487.00  |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of \$477,860.87 and Electronically Transferred Payroll Funds Totaling

|           |                                    |                                       |                      |
|-----------|------------------------------------|---------------------------------------|----------------------|
| 27199     | KONICA MINOLTA BUSINESS SOLUTIONS  | 10/1-12/31/12 Copier Maint.           | 1,756.88             |
| 27200     | AA PARTY RENTALS                   | Equipment Rental/ Tree Lighting Event | 497.13               |
| 27201     | BANNER BANK LD                     | Tree Lighting Supplies, Software      | 200.60               |
| 27202     | BANNER BANK CS                     | Training Session Meals                | 75.13                |
| 27203     | AT WORK                            | Q4 Human Svcs Funding 12-C986         | 601.50               |
| 27204     | BANNER BANK DB                     | Business Meals                        | 19.79                |
| 27205     | OUSLEY, NANCY                      | Aug.-Dec. Expense Reimbursemen        | 171.63               |
| 27206     | QUALITY BUSINESS SYSTEMS           | Dec. Copier Monthly Maint.            | 324.67               |
| 27207     | BANNER BANK JG                     | Training, Ergonomics/Safety Equip.    | 1,224.66             |
| 27208     | BANNER BANK KENMORE                | Blank W-2 Forms                       | 24.04                |
| 27209     | BANNER BANK JGORDON                | Marking Paint, Rain Gear, Supplies    | 474.60               |
| 27210     | KENMORE ELEMENTARY PTA             | Q4 2012 Human Svcs Funding 12-C998    | 1,924.66             |
| 27211     | ALLIANCE OF PEOPLE W/ DISABILITIES | Q3&4 2012 Human Svcs 12-C985          | 1,443.50             |
| 27212     | COASTAL WEAR PRODUCTS INC          | Street Sweeper Brooms                 | 1,356.71             |
| 27213     | HERO HOUSE                         | Q4 2012 Human Svcs Funding            | 373.00               |
| 27214     | GORDON THOMAS HONEYWELL            | Dec. Govt. Affairs Consulting         | 3,597.09             |
| 27215     | TOWNE CENTRE HARDWARE              | Dec. 2012 Tools/ Supplies             | 214.04               |
| 27216     | SARAH ROBERTS                      | Dec. 2012 Prosecution/ D.V. Svcs      | 10,100.00            |
| 27217     | AM TEST, INC                       | Coliform Analysis Samples             | 125.00               |
| 27218     | PAWS                               | Dec. 2012 Animal Sheltering Svcs      | 320.00               |
| 27219     | INDEPENDENT STATIONERS             | Office Supplies/ Monitor Stand        | 487.31               |
| 27220     | SNOHOMISH COUNTY SHERIFF'S OFFICE  | Dec. 2012 Jail Service Fees           | 17,508.04            |
| 27221     | SNOHOMISH COUNTY SHERIFF'S OFFICE  | Dec. 2012 Inmate Medical Billing      | 29.42                |
| 27222     | BLUE WAVE CONSTRUCTION, INC        | Kenmore Village Repairs               | 667.63               |
| 27223     | TRANE U.S. INC.                    | City Hall HVAC Maint. 12/21/12        | 928.58               |
| 27224     | PERTEET INC.                       | 11/26-12/30 N. Shore Summit Survey    | 17,535.02            |
| 27225     | FRAUSE                             | Ken. Vill. & Town Green Sell Sheets   | 1,324.46             |
| 27226     | HWA GEOSCIENCES INC.               | Materials Testing - 61/181st          | 3,157.84             |
| 27227     | ANCHOR QEA, LLC                    | Nov. Nav. Channel Sediment Sampling   | 29,810.56            |
| 27228     | KBA INC.                           | Dec. Professional Svcs -Box Cu        | 18,630.29            |
| 27229     | BANNER BANK PS                     | City Holiday Song Contest Order       | 3.95                 |
| 27230     | WAGE WORKS                         | Dec. Monthly Administration Fee       | 50.00                |
| 27231     | INNOVAC                            | 12/26-12/31 Catch Basins/Jetting      | 6,998.93             |
| 27232     | AAA PRINTING                       | City of Kenmore Sell Sheets           | 249.55               |
| 27233     | NOVA RESTAURANT                    | Summer Concert Series Band Meal       | 20.00                |
| 27234     | PATTY PAN GRILL                    | Summer Concert Series Meals           | 80.00                |
| 27235     | PICKENS KEVIN                      | City Photography Services             | 150.00               |
| 27236     | D.R. HORTON                        | Refund Cancelled Permits              | 2,288.87             |
| 27237     | INSLEE, BEST, DOEZIE & RYDER, P.S. | Dec. Legal Svc - Admin/Finance        | 638.00               |
| 27238     | KING COUNTY FINANCE                | Dec. Road Svc/ Overlay/ Bridge Load   | 10,338.66            |
| 27239     | KING COUNTY FINANCE                | Dec. Road Svc/ Signs/ Pedestrian Svcs | 4,638.72             |
| 27240     | KAMINS CONSTRUCTION                | Retainage Release/ NE 145th Signal    | 13,571.60            |
| 27241     | SAFEWAY                            | Summer Concert Meal                   | 20.00                |
| 27242     | NORTHSHORE FIRE DEPT               | Dec. Fire Marshal Plan Review         | 120.00               |
| 27243     | SOUND LAW CENTER                   | Pre-Hearing Preparation for Appeals   | 875.00               |
| 27244     | BANNER BANK BH                     | Membership/ Books                     | 163.92               |
| 1/11/2013 | PAYROLL                            | Direct Deposit                        | 58,177.26            |
|           |                                    |                                       | <u>\$ 536,038.13</u> |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of \$477,860.87 and Electronically Transferred Payroll Funds Totaling

| 2012 | PRIOR VENDOR ACTIVITY              | Previous YTD |
|------|------------------------------------|--------------|
|      | 3CMA                               | 800.00       |
|      | A+ CONFERENCING                    | 228.32       |
|      | AA PARTY RENTALS                   | 1,453.06     |
|      | AAA FLAG & BANNER MFG. CO., INC.   | 8,977.33     |
|      | AABCO BARRICADE COMPANY INC.       | 6,994.97     |
|      | ACF WEST INC                       | 591.30       |
|      | ACTION ENTERTAINMENT               | 1,790.00     |
|      | ACTIVE SHOOTER TRAINING LLC        | 575.00       |
|      | ADAMSON POLICE PRODUCTS            | 947.00       |
|      | ADT SECURITY SERVICES              | 845.00       |
|      | ADVANCE TESTING & SERVICE INC      | 540.00       |
|      | AFLAC                              | 5,901.80     |
|      | ALCALDE & FAY                      | 55,625.46    |
|      | ALCO PRO, INC.                     | 559.00       |
|      | ALLIANCE FOR INNOVATION            | 499.00       |
|      | ALLIANCE OF PEOPLE W/ DISABILITIES | 1,443.50     |
|      | ALLIED WASTE SERVICES #172         | 10,633.96    |
|      | ALLPLAY SYSTEMS LLC                | 3,379.17     |
|      | ALPHA COURIER SERVICES             | 38.01        |
|      | ALPHAGRAPHICS US718                | 280.44       |
|      | ALTA MAXINE MELVIN                 | 8,126.00     |
|      | AM TEST, INC                       | 1,970.00     |
|      | AMERICAN GENERAL                   | 6,139.74     |
|      | AMERICAN PLANNING ASSOCIATION      | 892.00       |
|      | AMERICAN PUBLIC WORKS ASSOCIATION  | 850.00       |
|      | AMERICAN SOCIETY OF COMPOSERS      | 638.39       |
|      | ANCHOR QEA, LLC                    | 39,095.53    |
|      | ARTS OF KENMORE                    | 500.00       |
|      | ASBESTO-TEST, INC                  | 2,360.00     |
|      | ASP, ANGELA                        | 52.50        |
|      | ASPLUNDH                           | 3,701.10     |
|      | ASSOCIATION OF WA CITIES           | 14,058.00    |
|      | AT WORK                            | 1,804.50     |
|      | AURORA RENTS                       | 491.59       |
|      | AUTOMATED CONTROLS                 | 516.84       |
|      | AWC EMPLOYEE BENEFITS              | 438,035.73   |
|      | BAKER, DAVID                       | 1,882.60     |
|      | BAKER, SHERI                       | 53.13        |
|      | BANG, ROBERT                       | 595.00       |
|      | BANK OF AMERICA 941                | 331,369.44   |
|      | BANNER BANK                        | 938.20       |
|      | BANNER BANK      BAKER             | 5,234.23     |
|      | BANNER BANK      BH                | 2,606.83     |
|      | BANNER BANK      CS                | 5,867.03     |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of \$477,860.87 and Electronically Transferred Payroll Funds Totaling

|                                     |          |            |
|-------------------------------------|----------|------------|
| BANNER BANK                         | DB       | 914.45     |
| BANNER BANK                         | JG       | 4,251.70   |
| BANNER BANK                         | JGORDON  | 7,262.70   |
| BANNER BANK                         | KENMORE  | 29,973.55  |
| BANNER BANK                         | LB       | 864.62     |
| BANNER BANK                         | LD       | 4,400.11   |
| BANNER BANK                         | NO       | 7,277.81   |
| BANNER BANK                         | PS       | 622.64     |
| BANNER BANK                         | ROGERS   | 4,359.60   |
| BANNER BANK                         | VAN NESS | 4,590.91   |
| BARCLAY DEAN                        |          | 711.75     |
| BARKER MARTIN IOLTA TRUST           |          | 3,000.00   |
| BARTON, ANDREW                      |          | 1,641.29   |
| BASTYR UNIVERSITY                   |          | 50,000.00  |
| BEEGEE TOLPA                        |          | 700.00     |
| BENT, DEBORAH A                     |          | 576.00     |
| BIS                                 |          | 3,590.00   |
| BLACKBAUD                           |          | 4,956.23   |
| BLUE FLAME LLC                      |          | 28.14      |
| BLUE WAVE CONSTRUCTION, INC         |          | 2,273.22   |
| BONOMI, ANGELO                      |          | 380.93     |
| BRABEC, MARY                        |          | 3,500.00   |
| BRAVO ENVIRONMENTAL SERVICE         |          | 80,212.00  |
| BRISBIN PROJECTS                    |          | 39,366.55  |
| BROADCAST MUSIC, INC.               |          | 320.00     |
| BUCHER, WILLIS & RATLIFF            |          | 14,000.00  |
| BUILDERS EXCHANGE OF WASHINGTON INC |          | 222.25     |
| BULGER SAFE & LOCK, INC.            |          | 745.34     |
| CALPORTLAND COMPANY                 |          | 2,123.59   |
| CANTEEN REFRESHMENT SERVICES        |          | 46.57      |
| CARLSON, THOMAS G.                  |          | 831.80     |
| CASCADE PEST CONTROL                |          | 1,708.20   |
| CATHOLIC COMMUNITY SERVICES         |          | 2,887.00   |
| CB RICHARD ELLIS, INC               |          | 7,750.00   |
| CEDARBROOK                          |          | 287.55     |
| CEMEX                               |          | 2,886.24   |
| CENTER FOR HUMAN SERVICES           |          | 22,806.75  |
| CHAMPION COURIER                    |          | 21.72      |
| CHANDLER, RONALD                    |          | 937.47     |
| CHIEF LAW ENFORCEMENT SUPPLY        |          | 160.41     |
| CHILDERS, MARK                      |          | 185.00     |
| CITY OF BELLEVUE                    |          | 195,229.59 |
| CITY OF KENMORE                     |          | 1,150.00   |
| CITY OF KENMORE FS                  |          | 4,037.36   |
| CITY OF LAKE FOREST PARK            |          | 755,326.02 |
| CITY OF SHORELINE                   |          | 2,389.07   |
| CITY OF VANCOUVER                   |          | 250.00     |
| CLARITY SIGNS                       |          | 4,046.93   |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of \$477,860.87 and Electronically Transferred Payroll Funds Totaling

|                                     |            |
|-------------------------------------|------------|
| CLEARWIRE LEGACY, LLC               | 1,214.00   |
| CLYDE/WEST                          | 1,366.73   |
| COASTAL WEAR PRODUCTS INC           | 1,356.71   |
| COASTWIDE LABORATORIES              | 6,591.68   |
| CODE 4 PUBLIC SAFETY EDUCATION      | 99.00      |
| CODE PUBLISHING COMPANY             | 15,605.82  |
| COLT DEFENSE, LLC                   | 450.00     |
| COLUMBIA RIDGE LANDFILL             | 14,898.18  |
| COMCAST                             | 1,402.80   |
| COMMERCIAL SOUND, INC.              | 410.64     |
| COMPASS POINTE CONDOMINIUM HOA      | 23,500.00  |
| CONSEJO COUNSELING & REF            | 2,526.00   |
| CONSOLIDATED PRESS                  | 8,135.34   |
| COX PRINTING & SIGNS                | 235.43     |
| CPSWQ                               | 100.00     |
| CRITTER CONTROL OF SEATTLE          | 681.13     |
| CROWN PRODUCTS LLC                  | 1,997.70   |
| CSAT, LLC                           | 800.00     |
| CUSTER SPORTSMEN'S CLUB, INC        | 340.00     |
| DAILY JOURNAL OF COMMERCE           | 3,208.35   |
| DANSOUND INC                        | 7,500.77   |
| DAY & NITE PLUMBING & HEATING       | 3,259.82   |
| DAY WIRELESS SYSTEMS                | 207.62     |
| DEPARTMENT OF ECOLOGY               | 10,831.60  |
| DEPARTMENT OF LABOR AND INDUSTRIES  | 39,669.84  |
| DEPARTMENT OF LICENSING             | 18,339.20  |
| DEPARTMENT OF RETIREMENT SYSTEMS    | 256,104.69 |
| DIGITAL REPROGRAPHICS SERVICES INC. | 628.48     |
| DIVISION 9 INC.                     | 1,782.36   |
| DRS 457                             | 41,800.00  |
| DUNN LUMBER COMPANY                 | 458.97     |
| DURRANT, JEFF                       | 168.00     |
| EARTHCORPS                          | 16,805.90  |
| EFFICIENCY INC                      | 967.98     |
| EJ USA, INC.                        | 2,092.42   |
| ELWAY RESEARCH, INC.                | 8,300.00   |
| EMERGENCY FEEDING PROGRAM           | 1,804.50   |
| EMERGENCY SERVICE COORDINATING AGCY | 47,288.00  |
| EMPLOYMENT SECURITY DEPT            | 1,972.46   |
| ENTERPRISE SEATTLE                  | 5,000.00   |
| ENTERTAINMENT FIREWORKS INC         | 12,050.00  |
| ENVIRONMENTAL SYSTEMS RESEARCH INST | 2,956.50   |
| ESA ADOLFSON                        | 5,851.93   |
| ESPRESSO WORKS                      | 75.00      |
| EVERGREEN FIRE AND SAFETY, INC.     | 122.91     |
| EVERGREEN PRINT SOLUTIONS           | 910.67     |
| EVERGREEN SAFETY COUNCIL            | 175.00     |
| EVER-MARK, LLC                      | 1,491.61   |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of  
\$477,860.87 and Electronically Transferred Payroll Funds Totaling

|                                     |            |
|-------------------------------------|------------|
| EXPRESS CONSTRUCTION COMPANY LLC    | 300.00     |
| EXTREME PROMOTIONS                  | 965.98     |
| FAST WATER HEATER                   | 24.21      |
| FAZZARI MARKETING                   | 123.63     |
| FEDEROV, LYUBIM                     | 5,063.50   |
| FEDEX OFFICE                        | 62.33      |
| FERGUSON ENTERPRISES INC            | 6,489.02   |
| FINANCIAL CONSULTANTS INT'L INC     | 76.02      |
| FIRE CHIEF EQUIPMENT CO., INC.      | 6,369.22   |
| FIRE PROTECTION, INC                | 4,245.05   |
| FIRST AMERICAN TITLE                | 866.60     |
| FIRST ROMANIAN CHURCH               | 3,706.00   |
| FLEX ONE/AFLAC BENEFIT SERVICES     | 550.00     |
| FOMOCO, LLC                         | 396.00     |
| FPOD LLC                            | 15,000.00  |
| FRAUSE                              | 7,240.80   |
| FRONTIER                            | 11,545.74  |
| FRUHLING SAND & TOPSOIL             | 2,119.02   |
| FULL MAINTENANCE GARDENING          | 3,734.00   |
| GALLS, LLC                          | 26.25      |
| GEOENGINEERS INC                    | 3,561.50   |
| GEOLINE, INC                        | 257.30     |
| GOODSELL POWER EQUIPMENT #2 INC.    | 3,669.51   |
| GORDON DERR                         | 5,411.50   |
| GORDON THOMAS HONEYWELL             | 39,899.43  |
| GOVERNMENT FINANCE RESEARCH GROUP   | 2,185.00   |
| GOVERNMENTAL ACCT STANDARDS BOARD   | 215.00     |
| GRAINGER                            | 1,034.87   |
| GRAY & OSBORNE, INC                 | 48,475.29  |
| GREATER BOTHELL CHAMBER OF COMMERCE | 575.00     |
| GREENWOOD HEATING & AC              | 39.45      |
| GREGORY, JOANNE                     | 846.50     |
| H.W. LOCHNER, INC.                  | 237,046.30 |
| HAMPSON, BRYAN                      | 2,500.00   |
| HARRIS COMPUTER SYSTEMS             | 6,569.74   |
| HARRIS, LESLIE                      | 3,519.21   |
| HAWAII MUSIC LIVE                   | 2,000.00   |
| HAWTHORNE LANE LLC                  | 22,162.50  |
| HDR                                 | 41,202.17  |
| HERO HOUSE                          | 1,119.00   |
| HIGHLAND EST COFFEE TRADERS/CANTEEN | 1,930.08   |
| HOME DEPOT CREDIT SERVICES          | 1,056.53   |
| HONEY BUCKET                        | 840.98     |
| HOPE HEALTH/IHAC                    | 65.19      |
| HOPELINK                            | 41,166.75  |
| HORIZON DISTRIBUTORS INC            | 268.93     |
| HWA GEOSCIENCES INC.                | 12,914.49  |
| ICMA RETIREMENT TRUST 457 - 304745  | 61,759.75  |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of  
\$477,860.87 and Electronically Transferred Payroll Funds Totaling

|                                     |              |
|-------------------------------------|--------------|
| iCOMPASS TECHNOLOGIES, INC.         | 8,000.00     |
| INDEPENDENT STATIONERS              | 3,265.92     |
| INGALLINAS BOX LUNCH                | 159.76       |
| INGLEMOOR VIKING BASKETBALL BOOSTER | 50.00        |
| INGLEWOOD GOLF COURSE               | 1,047.92     |
| INNOVAC                             | 4,313.75     |
| INSLEE, BEST, DOEZIE & RYDER, P.S.  | 344,809.36   |
| INSTITUTE FOR FAMILY DEVELOPMENT    | 8,661.00     |
| INTEGRA TELECOM                     | 9,248.11     |
| INTERNATIONAL CITY/CNTY MGMT ASSOC  | 2,204.57     |
| INTERNATIONAL INST OF MUNI CLERKS   | 175.00       |
| IWORQ SYSTEMS                       | 4,800.00     |
| J TAYLOR CONSULTING, LLC            | 10,219.35    |
| JACOBSON, BETTS & COMPANY           | 5,830.40     |
| JAU JOU, STANLEY                    | 222.80       |
| JEFF DURRANT                        | 739.90       |
| JET CITY PRINTING                   | 3,331.54     |
| JOHNSTON'S INC.                     | 3,068.36     |
| JOY KILLS SORROW                    | 1,500.00     |
| JOYCE ZIKER PARKINSON               | 45,397.50    |
| JURASSIC PARLIAMENT                 | 235.34       |
| KAMINS CONSTRUCTION                 | 259,174.52   |
| KARLINSEY, ROB                      | 4,848.17     |
| KAUBOY PRODUCTIONS LLC              | 400.00       |
| KBA INC.                            | 130,338.22   |
| KEEP POSTED INC                     | 220.00       |
| KELLY PRINTING & GRAPHICS           | 1,878.51     |
| KENMORE AIR                         | 275.00       |
| KENMORE CAMERA                      | 1,729.68     |
| KENMORE COMMERCIAL LLC              | 7,531.00     |
| KENMORE ELEMENTARY PTA              | 3,849.34     |
| KENMORE HERITAGE SOCIETY            | 225.00       |
| KESSELRING'S                        | 343.47       |
| KING COUNTY                         | 200.00       |
| KING COUNTY W.L.R.D.                | 140,541.86   |
| KING COUNTY ANIMAL SVCS             | 3,760.00     |
| KING COUNTY D.D.E.S.                | 13.24        |
| KING COUNTY DISTRICT COURT          | 39,266.00    |
| KING COUNTY FINANCE                 | 792,875.23   |
| KING COUNTY FINANCE/ GIS            | 2,313.21     |
| KING COUNTY LIBRARY SYS             | 220,842.00   |
| KING COUNTY MUNICIPAL CLERKS ASSOC  | 25.00        |
| KING COUNTY OFFICE OF FINANCE       | 10,858.69    |
| KING COUNTY RADIO COMM SERVICES     | 1,418.90     |
| KING COUNTY RECORDER'S OFFICE       | 773.00       |
| KING COUNTY SHERIFF                 | 3,029,423.45 |
| KING COUNTY SUPERIOR COURT          | 5,400.00     |
| KING COUNTY TREASURY                | 42,970.40    |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of  
\$477,860.87 and Electronically Transferred Payroll Funds Totaling

|                                     |            |
|-------------------------------------|------------|
| KINGS HEATING                       | 39.45      |
| KOMPAN, INC                         | 471.40     |
| KONICA MINOLTA BUSINESS SOLUTIONS   | 5,461.80   |
| KRAUSS CRAFT, INC.                  | 20,896.63  |
| KREIDLER FAMILY TRUST               | 24,701.00  |
| KVO INDUSTRIES, INC                 | 665.00     |
| LAKE CITY PICTURE FRAMING           | 59.13      |
| LANTER ELECTRIC                     | 13,600.00  |
| LAWRENCE, HENRY                     | 752.54     |
| LEONARD, JAMES & MICHELE            | 207.22     |
| LIGHTHOUSE CONSULTING INC           | 27,689.34  |
| LIGHTING GROUP NORTHWEST            | 16,880.52  |
| MAIL FINANCE                        | 2,758.36   |
| MAILSAFE LLC                        | 1,461.83   |
| MCALLISTER, TERESA                  | 58.83      |
| McKEE & SCHALKA                     | 4,000.00   |
| MENDREY, DENNIS & BARBARA           | 200.00     |
| MILLER STEPHENS, MARY               | 13,750.00  |
| MILNE ELECTRIC, INC                 | 210.00     |
| MINZGHOR, NICHOLAS                  | 2,636.98   |
| MOBILE ELECTRICAL DISTRIBUTORS INC  | 136.94     |
| MR. T'S TROPHIES                    | 1,497.53   |
| MUNICIPAL RESEARCH & SERVICES CNTER | 40.00      |
| NAMI EASTSIDE                       | 1,155.00   |
| NATIONAL ASSOC OF PARLIAMENTARIANS  | 85.00      |
| NATIONAL BARRICADE CO               | 2,825.97   |
| NATIONAL CITIZEN SURVEY             | 6,300.00   |
| NATIONAL IMPRINT CORPORATION        | 1,001.72   |
| NATIONAL LEAGUE OF CITIES           | 2,674.00   |
| NATIONAL LIFE OF VERMONT            | 3,379.38   |
| NATIONWIDE FINANCIAL 401a           | 267,425.71 |
| NATIONWIDE RETIREMENT SOLUTIONS 457 | 16,710.00  |
| NEXTEL COMMUNICATIONS               | 8,168.04   |
| NEXXPOST                            | 246.13     |
| NORTH COAST ELECTRIC                | 1,192.72   |
| NORTHSHORE FIRE DEPT                | 7,109.00   |
| NORTHSHORE PARK & REC SERVICE AREA  | 1,360.00   |
| NORTHSHORE SCHOOL DISTRICT          | 333.53     |
| NORTHSHORE SENIOR CENTER            | 17,322.00  |
| NORTHSHORE UTILITY DIST             | 118,108.84 |
| NORTHSHORE YMCA                     | 5,121.00   |
| NORTHSHORE YOUTH & FAMILY SERVICES  | 21,651.75  |
| NRC ENVIRONMENTAL SERVICES, INC.    | 2,059.86   |
| OAC SERVICES, INC                   | 2,356.25   |
| OAKSTONE WELLNESS                   | 128.07     |
| O'CONNOR CONSULTING GROUP           | 1,950.00   |
| OCSI TRAINING, INC.                 | 75.00      |
| OFFICE CLEANING CREW                | 8,640.00   |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of  
\$477,860.87 and Electronically Transferred Payroll Funds Totaling



|                                     |            |
|-------------------------------------|------------|
| OFFICE MAX                          | 8,644.99   |
| OFFICE TEAM                         | 1,304.66   |
| OLYMPIC ENVIRONMENTAL RESOURCES INC | 41,407.77  |
| OM WORKSPACE                        | 858.47     |
| ORB ARCHITECTS                      | 94,287.84  |
| OTAK                                | 60,011.09  |
| OUSLEY, NANCY                       | 821.33     |
| OVERLEESE, KRISTEN                  | 591.99     |
| PACIFIC RIM ENVIRONMENTAL, INC      | 798.56     |
| PACIFIC TOPSOILS                    | 10,726.07  |
| PANEFULLY CLEAN LLC                 | 2,285.00   |
| PASSPORT TRAVEL AND TOURS           | 12,713.12  |
| PAWS                                | 7,040.00   |
| PENDLETON, MICHAEL                  | 8,623.14   |
| PEOPLES STORAGE                     | 1,858.50   |
| PERKINS COIE                        | 109.00     |
| PERTEET INC.                        | 42,211.47  |
| PETERSON, JANET                     | 1,660.00   |
| PETTY CASH CUSTODIAN                | 1,263.60   |
| PHOENIX ART RESTORATION             | 876.00     |
| PHOTOTAINMENT                       | 963.60     |
| PHSI PURE WATER FINANCE             | 1,207.56   |
| PLYWOOD SUPPLY INC                  | 511.97     |
| PORTER, GREG H.                     | 125.00     |
| PRIDE ELECTRIC INC                  | 2,880.05   |
| PRIMA PLUMBING                      | 955.50     |
| PRIME PACIFIC BANK                  | 4,987.90   |
| PROTECTION TECHNOLOGIES, INC        | 6,955.27   |
| PROTHMAN COMPANY                    | 14,247.96  |
| PRUDENTIAL                          | 373.13     |
| PSR MECHANICAL                      | 2,256.81   |
| PUGET SOUND BUSINESS JOURNAL        | 95.00      |
| PUGET SOUND CLEAN AIR AGENCY        | 11,308.00  |
| PUGET SOUND ENERGY                  | 517,947.62 |
| PUGET SOUND FINANCE OFFICERS ASSOC  | 50.00      |
| PUGET SOUND REGIONAL COUNCIL        | 7,373.00   |
| PURDY, MICHAEL E.                   | 3,600.00   |
| QUALITY BUSINESS SYSTEMS            | 7,356.18   |
| RAINIER INDUSTRIES, LTD.            | 27,922.50  |
| RANDALL, BRIAN                      | 387.12     |
| RAZZ CONSTRUCTION                   | 793,344.66 |
| RCS VALUATION CORP                  | 750.00     |
| RICHARDSON, ZACK                    | 676.28     |
| ROGERS, GLENN                       | 2,709.10   |
| ROLLABELS                           | 37.15      |
| RONGERUDE, JOHN                     | 150.00     |
| SARAH ROBERTS                       | 111,100.00 |
| SAWYER, RICHARD                     | 150.00     |
| SCHADEMAN HOMES LLC                 | 7,500.00   |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of  
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|                                     |            |
|-------------------------------------|------------|
| SCHINDLER ELEVATOR CORPORATION      | 1,794.26   |
| SCHNEE, CARLA                       | 30.52      |
| SEATTLE TIMES                       | 8,468.45   |
| SEES TREES AND EXCAVATION INC       | 16,617.49  |
| SEITZ, DON                          | 92.01      |
| SESAC                               | 15.00      |
| SEWER KNOWLEDGE SERVICES            | 900.00     |
| SHERWIN-WILLIAMS CO. #8099          | 150.75     |
| SHRED-IT                            | 643.50     |
| SIGNS NOW                           | 93.63      |
| SIMPSON, ARTHUR                     | 150.00     |
| SITELINES                           | 3,461.30   |
| SMITH, BRENT                        | 219.23     |
| SNOHOMISH COUNTY SHERIFF'S OFFICE   | 287,269.77 |
| SOUND LAW CENTER                    | 2,233.00   |
| SOUND PUBLISHING, INC.              | 5,790.46   |
| SOUND SAFETY PRODUCTS, INC.         | 233.43     |
| SPERRY, LAURIE                      | 55.74      |
| SPINNAKER STRATEGIES                | 42,846.40  |
| ST EDWARD STATE PARK                | 10,379.17  |
| ST OF WA DEPT OF FISH & WILDLIFE    | 150.00     |
| STAPLES ADVANTAGE                   | 278.15     |
| STARLIGHT CHILDRENS FOUNDATION      | 190.00     |
| STATE OF FLORIDA DISBURSEMENT UNIT  | 7,150.00   |
| STATE OF WA DEPARTMENT OF LICENSING | 30.00      |
| STEPHENS, MARY                      | 2,500.00   |
| STEWART BEALL MACNICHOLS            | 24,800.00  |
| STEWART MACNICHOLS HARMELL, INC.    | 9,100.00   |
| STOUDER, FRED                       | 154.00     |
| STRIPE RITE, INC.                   | 3,969.38   |
| SUBURBAN CITIES ASSOC               | 11,767.64  |
| SUNBELT                             | 435.21     |
| SUSSMAN/PREJZA & CO, INC            | 3,147.90   |
| TALAKAI CONSTRUCTION, LLC           | 16,720.00  |
| TELESYSTEMS WEST                    | 640.58     |
| TERREBONNE LIMITED                  | 321.27     |
| THE BILLIONS CORPORATION            | 2,000.00   |
| THE BROTHERS COMATOSE               | 1,500.00   |
| THE FRAUSE GROUP, INC.              | 787.00     |
| THE KIPLINGER TAX LETTER            | 99.00      |
| THE SWEETBACK SISTERS               | 1,750.00   |
| THE WATERSHED COMPANY               | 1,842.50   |
| TILOBEN PUBLISHING CO., INC.        | 90.00      |
| TIMEMARK INCORPORATED               | 136.92     |
| TOTAL LANDSCAPE CORP                | 64,214.22  |
| TOWN & COUNTRY FENCE, INC           | 366.83     |
| TOWNE CENTRE HARDWARE               | 2,626.57   |
| TRANE U.S. INC.                     | 8,931.35   |
| TYCO INTEGRATED SECURITY            | 623.08     |
| TYMCO, INC.                         | 186,275.00 |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of  
\$477,860.87 and Electronically Transferred Payroll Funds Totaling

|                                     |                                 |
|-------------------------------------|---------------------------------|
| UNITED RENTALS NW, INC              | 178.49                          |
| UNITED STATES POSTMASTER            | 3,253.41                        |
| UNITED WAY OF KING COUNTY           | 1,166.00                        |
| UNITY ELECTRIC                      | 870.53                          |
| UNIVERSAL FIELD SERVICES            | 12,953.96                       |
| URBAN LAND INSTITUTE                | 225.00                          |
| US POSTAL SERVICE (HASLER)          | 3,971.41                        |
| VAN NESS FELDMAN, P.C.              | 14,239.17                       |
| VAN NESS, ALLAN                     | 2,951.95                        |
| VERGARA, FELIPE & RUBY              | 4,500.00                        |
| VERIZON SELECT SERVICES INC.        | 724.86                          |
| VERIZON WIRELESS                    | 3,555.20                        |
| W.S.S.O. Advanced Training          | 500.00                          |
| WA ASSOC OF CODE ENFORCEMENT        | 275.00                          |
| WA CITIES INSURANCE AUTHORITY       | 148,749.00                      |
| WA FINANCE OFFICERS ASSOCIATION     | 550.00                          |
| WA GUARANTEED EDUCATION TUITION     | 4,980.00                        |
| WA RECREATION & PARK ASSOCIATION    | 104.00                          |
| WA STATE DEPT OF ENTERPRISE SVCS    | 11,186.17                       |
| WA STATE DEPT OF LABOR & INDUSTRIES | 120.20                          |
| WA STATE DEPT OF TRANSPORTATION     | 74,336.69                       |
| WAGE WORKS                          | 100.00                          |
| WASHINGTON ENERGY SERVICES          | 56.28                           |
| WASHINGTON MUNICIPAL CLERKS ASSOC   | 75.00                           |
| WASHINGTON STATE DEPT OF INFO SERV  | 5,638.32                        |
| WASHINGTON STATE DEPT OF REVENUE    | 8,035.90                        |
| WASHINGTON STATE OFFICE CASH MGMT   | 531.00                          |
| WASHINGTON STATE PATROL             | 50.00                           |
| WASHINGTON STATE TREASURER          | 30.00                           |
| WASHINGTON TOURISM ALLIANCE         | 1,000.00                        |
| WEISBAND, BARRY                     | 10,000.00                       |
| WELLS FARGO FINANCIAL               | 9,839.60                        |
| WELWEST CONSTRUCTION INC.           | 66,170.35                       |
| WESTERN METAL ART & SIGN            | 557.14                          |
| WESTHOFF, DOUG                      | 2,500.00                        |
| WESTOWER COMMUNICATIONS             | 3,741.99                        |
| WETLANDS & WOODLANDS INC            | 2,029.86                        |
| WILDCLIFFE SHORES ASSOCIATION       | 1,677.00                        |
| WINTERBOURNE LANDSCAPE              | 542.03                          |
| WONDERLAND DEVELOPMENT              | 8,299.50                        |
| ZONAR SYSTEMS                       | 525.33                          |
| ZORNES, GARY                        | 547.40                          |
| ZUMAR                               | 268.71                          |
| <br>TOTAL PRIOR 2012                | <br><u><u>12,196,403.90</u></u> |

VIIB. Approval of Check Nos. 27122 - 27244 in the Amount of \$477,860.87 and Electronically Transferred Payroll Funds Totaling



City Council Business Agenda Item  
City of Kenmore, WA

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Subject/Topic:</b><br><br>Lake Washington Sediment Sampling and Analysis: Amendment #3 to Contract No. 12-C1030 with Anchor QEA in the amount of \$8485 for a total contract amount of \$153,499                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  | <b>For Council Meeting Agenda of:</b> 28 January 2013                                                                                                                                                                            |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>Department:</b> Executive                                                                                                                                                                                                     |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>Prepared by:</b> Nancy Ousley                                                                                                                                                                                                 |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>Initial &amp; Date</b><br>Approved by Department Head: <u>AKO 14-Jan-2013</u><br>Approved by City Attorney: _____<br>Approved by Finance Director: <u>[Signature] 1/15/13</u><br>Approved by City Manager: <u>[Signature]</u> |  |
| <b>Proposed Council Action/Motion:</b><br>Authorize the City Manager to Execute Amendment #3 to Contract No. 12-C1030 with Anchor QEA in the amount of \$8485 for a total contract amount not to exceed \$153,499                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | <b>Exhibits/Attachments:</b><br><br>1. Proposed Amendment #3<br><br>2. November 5, 2012 Agenda Bill for Amendment #2 to Contract No. 12-C1030                                                                                    |  |
| <b>Expenditure Required \$8485</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | <b>Amount Budgeted \$</b>                                                                                                                                                                                                        |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>Appropriation Required \$tbd</b>                                                                                                                                                                                              |  |
| <b><u>INFORMATION/BACKGROUND:</u></b><br>The proposed Amendment #3 covers work by Anchor QEA that is anticipated in working with the City as requested and participating agencies as any subsequent study or discussions proceed on the sediment testing and analysis results. The original contract was amended to add additional sampling locations to the scope, and Amendment #2 added two sampling locations at the request of the City of Lake Forest Park.<br><br>The proposed amendment also extends the term of the contract from April 30, 2013 to June 30, 2013. This change will correspond to the schedule of the State Department of Health's Health Consultation Reports for Log Boom Park and the Kenmore Industrial Park. |  |                                                                                                                                                                                                                                  |  |
| <b><u>FISCAL CONSIDERATION:</u></b><br>The total contract amount with Amendment #3 is \$153,499. The City's responsibility is \$104,549. Reimbursements are due from the Department of Ecology for \$35,000; the City of Lake Forest Park for \$5700; and the property owner of NorthLake Marina for \$8250. The budget for this work will be evaluated at the mid-biennium budget review later this year.                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                                                                                                                                                  |  |
| <b><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></b><br><br>2011-2012 Goals: Implement the Economic Development Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                  |  |

**Contract No. 12-C1030  
Amendment No. 3**

The following sections of the contract for consultant services dated May 21, 2012 between the City of Kenmore and Anchor QEA, LLC is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

Section 1. Scope of Services to be Performed by Consultant. In addition to the scope of services as described in the original contract and amended by Amendments #1 and #2, the scope is amended as attached.

Section 2. Compensation and Method Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

  X   According to the rates set forth in Exhibit "A".

  X   A sum not to exceed \$153,499

       Other (describe)

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number, prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

Section 3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on May 1, 2012 and ending June 30, 2013 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each all of its provisions in which performance is required.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF KENMORE:

CONSULTANT:

BY: \_\_\_\_\_

By: \_\_\_\_\_

Rob Karlinsey

Title: City Manager

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attest/Authenticated:

\_\_\_\_\_  
Patty Safrin, City Clerk

Approved as to Form:

\_\_\_\_\_  
Rod Kaseguma, City Attorney



720 Olive Way, Suite 1900  
Seattle, Washington 98101  
Phone 206.287.9130  
Fax 206.287.9131

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January 6, 2013

Nancy Ousley  
Assistant City Manager  
18120 68<sup>th</sup> Ave NE  
Kenmore, Washington 98028

Re: Support for Public/Agency Involvement for Kenmore Sediment and Water  
Investigation

Dear Nancy:

This scope of work defines activities to be performed by Anchor QEA LLC (Anchor QEA) to provide support to the City of Kenmore (City) to assist during agency and public distribution of the results from the sediment and water investigation conducted in November 2012. This scope of work will provide additional information for the City to use when discussing the results with Ecology and the public. Activities include acquiring information on typical sediment concentrations in nearby urban areas, regional sediment concentrations (e.g., Lake Washington average sediment concentrations), and potential sources of contamination known to be associated with key contaminants. For example, stormwater evaluations conducted in Seattle suggest that some contaminants are ubiquitous in urban areas and commonly detected at elevated concentrations in both stormwater and nearshore sediment samples. This type of information could be useful to provide context for Ecology and the public when releasing the testing results.

This scope of work also includes coordination with Department of Health (DOH) to provide information needed by DOH during preparation of their Health Consultations. This may include discussing with DOH appropriate assumptions that DOH may use to develop exposure scenarios, based on the City's understanding of the public's use of specific shoreline

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[www.anchorqea.com](http://www.anchorqea.com)



areas. This scope may also include coordination with the City or with the City's public involvement consultant during public involvement and outreach.

Anchor QEA will provide specific information requested by the City in a 1-2 page memorandum summarizing the findings. Communication will be provided as needed to respond to specific requests from the City. Work will also include correspondence and participation in telephone conferences and/or meetings with Ecology, DOH, the public, or other parties, as requested by the City, to support discussion of the testing results and/or additional information provided by Anchor QEA.

## **SCHEDULE**

Additional research and reporting of urban and regional concentrations and associated information is anticipated to be conducted in January during release of the information to the public. Coordination with DOH and other parties may extend into Spring 2013, depending on the schedule for DOH development of the Health Consultations.

## **ESTIMATED COST**

Services will be performed on a time-and-materials basis, not to exceed \$8,485 without prior written authorization. The attached table provides the basis for this estimate. Work will be completed under the existing contract between the City and Anchor QEA (Contract No. 12-C1030).

If you need any additional information, please feel free to contact me at (206) 903-3322 or by email (dberlin@anchorqea.com).



Sincerely,

A handwritten signature in black ink, appearing to read "D. Berlin".

Dan Berlin  
Anchor QEA, LLC

cc: Tom Wang, Anchor QEA

**Kenmore Sediment Project Public/Agency Involvement Support**

| Task               | Task Description                         | Hours by Labor Categories<br>(hourly rates shown in parentheses)      |                                                                                 |                                                                               | Total<br>Hours | Total Labor<br>Cost | Total Cost     |
|--------------------|------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------|---------------------|----------------|
|                    |                                          | Principal CM /<br>Engineer/ LA /<br>Planner /<br>Scientist<br>(\$215) | Managing Analyst<br>/ CM / Engineer /<br>LA / Planner /<br>Scientist<br>(\$175) | Senior Analyst /<br>CM / Engineer /<br>LA / Planner /<br>Scientist<br>(\$155) |                |                     |                |
| 1                  | Support for Public/Agency<br>Involvement | 4.00                                                                  | 17.00                                                                           | 30.00                                                                         | 51.00          | \$ 8,485.00         | \$ 8,485.00    |
| <b>Total Hours</b> |                                          | <b>4.00</b>                                                           | <b>17.00</b>                                                                    | <b>30.00</b>                                                                  | <b>51.00</b>   |                     |                |
| <b>Total Cost</b>  |                                          | <b>\$860</b>                                                          | <b>\$2,975</b>                                                                  | <b>\$4,650</b>                                                                |                | <b>\$8,485</b>      | <b>\$8,485</b> |



**City Council Business Agenda Item  
City of Kenmore, WA**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <p><b>Subject/Topic:</b></p> <p>Amendment #2 to Contract No. 12-C1030 with Anchor QEA for sediment sampling and analysis in the amount of \$5700 for a total contract amount not to exceed \$145,014</p> <p><b>Proposed Council Action/Motion:</b><br/>Approve Amendment #2 to Contract No. 12-C1030 with Anchor QEA for sediment sampling and analysis in the amount of \$5700 for a total contract amount not to exceed \$145,014</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>For Council Meeting Agenda of: 5 November 2012</p> <p><b>Department:</b> Executive</p> <p><b>Prepared by:</b> Nancy Ousley</p> <p><b>Initial &amp; Date</b><br/>           Approved by Department Head: <u>NKD 5 Nov 2012</u><br/>           Approved by City Attorney: _____<br/>           Approved by Finance Director: _____<br/>           Approved by City Manager: <u>ROK</u></p> <p><b>Exhibits/Attachments:</b></p> <ol style="list-style-type: none"> <li>1. Proposed Amendment #2 to Contract No.12-C1030</li> <li>2. Agenda Bill from Oct 8 2012 for Amendment #1</li> </ol> |                                          |
| <p><b>Expenditure Required</b> \$0 (Lake Forest Park is responsible for the amendment amount)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><b>Amount Budgeted Previous</b> authorizations total \$139,314</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>Appropriation Required</b> \$0</p> |
| <p><b><u>INFORMATION/BACKGROUND:</u></b></p> <p>The City Council approved a contract with Anchor QEA in May 2012 to perform sediment sampling and analysis in the Kenmore Navigation Channel, Log Boom Park and Sammamish River area with an authorization of \$67,228. In October 2012, the Council approved Amendment #1 in the amount of \$72,086 to the contract to include additional sampling and analysis identified by the City and the Washington Department of Ecology (DOE). DOE will provide \$35,000 to support part of this work.</p> <p>The proposed Amendment #2 adds \$5700 to the contract authorization to include two sediment samples requested by the City of Lake Forest Park in Lake Washington at Lyon Creek Park. The samples will be submitted for the same analysis as samples being collected at Log Boom Park in Kenmore. The City of Lake Forest Park will be responsible for the costs associated with the sampling and analysis of the requested samples at Lyon Creek Park. As with the Department of Ecology, the City of Kenmore will enter into a Memorandum of Agreement with the City of Lake Forest Park outlining the cost reimbursement and other features of the project.</p> <p>The City and DOE are entering into a Memorandum of Agreement regarding the collaboration on this project, and the Department will reimburse the City in the amount of \$35,000. The owner of an adjacent marina will also reimburse the City for sampling and analysis on their property in the amount of approximately \$8000. The projected total cost to the City for this effort following reimbursements is \$96,064.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |
| <p><b><u>FISCAL CONSIDERATION:</u></b> The amendment does not assign additional cost to the City.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |
| <p><b><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></b><br/>2011-2012 Goals: Continue to Seek Opportunities for Successful Lakepointe Development; Address Watershed Issues Affecting the City</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |

I:\ACM\ACM NKD\Agenda Bill Draft\AR 5 Nov 2012 Anchor Amendment #2.doc

**Contract No. 12-C1030  
Amendment No. 2**

The following sections of the contract for consultant services dated May 21, 2012, between the City of Kenmore and Anchor QEA, LLC is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

Section 1. Scope of Services to be Performed by Consultant. In addition to the services outlined in the original contract and Amendment #1, the Consultant will perform the following services:

At the request of the City of Lake Forest Park, two sediment samples will be collected along the northwestern shoreline of Lake Washington. These samples are located at Lyon Creek Park and will be collected using a hand trowel from shallow submerged or exposed sediment areas. They will be tested for the same parameters as those sediment samples being tested at Log Boom Park. The City of Lake Forest Park will be responsible for the costs (estimated at \$5700) related to the requested samples.

Section 2. Compensation and Method Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

☒ According to the rates set forth in Exhibit "A".

☒ A sum not to exceed \$145,014

☐ Other (describe)

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number, prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

Section 3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on May 1, 2012 and ending April 30, 2013 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each all of its provisions in which performance is required.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF KENMORE:

CONSULTANT:

BY: \_\_\_\_\_

Rob Karlinsey

Title: City Manager

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

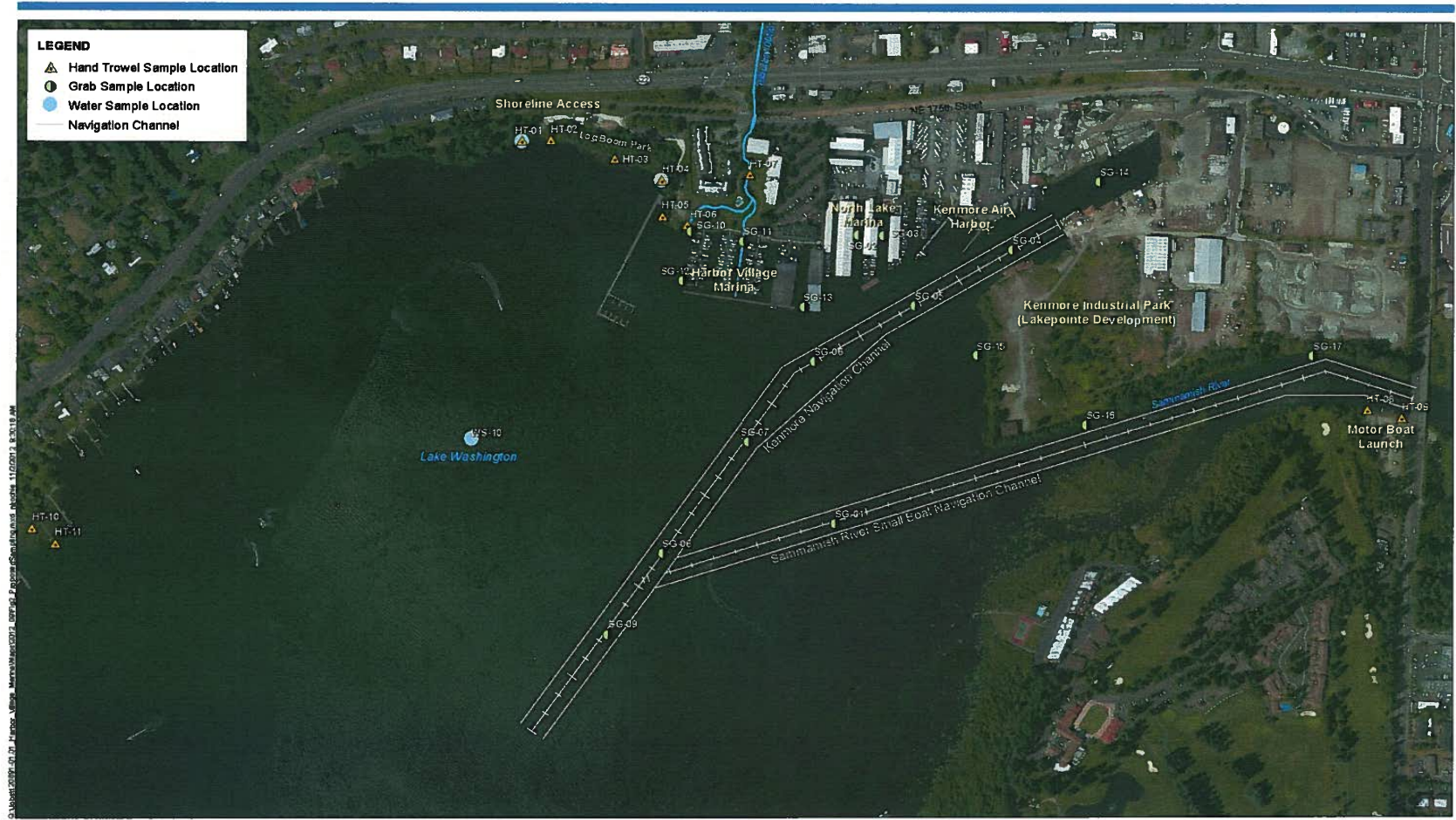
Attest/Authenticated:

\_\_\_\_\_  
Patty Safrin, City Clerk

Approved as to Form:

\_\_\_\_\_  
Rod Kaseguma, City Attorney





**Figure 2**  
Proposed Sample Locations  
Sampling and Analysis Plan  
Kenmore Sediment Characterization

**Rob Karlinsey**

---

**From:** Nancy Ousley  
**Sent:** Monday, November 05, 2012 2:17 PM  
**To:** Rob Karlinsey  
**Subject:** FW: LFP Comment Letter

Here is information re Lake Forest Park payment for the requested samples.

NANCY K. OUSLEY  
ASSISTANT CITY MANAGER  
CITY OF KENMORE  
425.398.8900  
206.604.6217 cell

-----Original Message-----

From: BOB STERBANK [mailto:BOB@kenyondisend.com]  
Sent: Wednesday, October 31, 2012 3:17 PM  
To: Aaron Halverson; Pete Rose; William Joyce  
Cc: Nancy Ousley  
Subject: Re: LFP Comment Letter

Hi Bill:

Any word on the status of the draft MOA?

FYI, LFP has touched base with DOE, who recommends that we arrange for two sediment samples on the City's property, rather than a combined water/sediment sample. Aaron Halverson has been in touch with Dan Berlin at Anchor, and we understand the additional sample will result in additional cost (a total of \$5,700), which LFP is willing to pay. ←

I will be in a SEPA appeal / preliminary plat hearing starting tomorrow and extending through Saturday, and possibly next week, but will do my best to review the MOA quickly when you get it to me.

Thanks,

Bob

Bob C. Sterbank  
Kenyon Disend, PLLC  
The Municipal Law Firm  
11 Front Street South  
Issaquah, WA 98027-3820

Direct Tel: (425) 988-2208  
Main Tel: (425) 392-7090  
Fax: (425) 392-7071  
bob@kenyondisend.com  
www.kenyondisend.com



**City Council Business Agenda Item  
City of Kenmore, WA**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Subject/Topic:</b></p> <p>Amendment #1 to Contract No. 12-C1030 with Anchor QEA for sediment sampling and analysis in the amount of \$72,086 for a total contract amount not to exceed \$139,314</p><br><p><b>Proposed Council Action/Motion:</b><br/>Approve Amendment #1 to Contract No. 12-C1030 with Anchor QEA for sediment sampling and analysis in the amount of \$72,086 for a total contract amount not to exceed \$139,314</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p><b>For Council Meeting Agenda of: 8 October 2012</b></p><br><p><b>Department:</b> Executive</p> <p><b>Prepared by:</b> Nancy Ousley</p><br><p><b>Initial &amp; Date</b></p> <p>Approved by Department Head: <i>AKO 4 OCT 2012</i></p> <p>Approved by City Attorney: <i>POK</i></p> <p>Approved by Finance Director: <i>gmg 10-4-12</i></p> <p>Approved by City Manager: <i>[Signature]</i></p><br><p><b>Exhibits/Attachments:</b></p> <ol style="list-style-type: none"> <li>1. Proposed Amendment #1 to Contract No.12-C1030, including project budget summary</li> <li>2. Contract No. 12-C1030</li> </ol> |
| <p><b>Expenditure Required \$72,086      Amount Budgeted \$50,000      Appropriation Required \$46,064</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b><u>INFORMATION/BACKGROUND:</u></b></p> <p>The City Council approved a contract with Anchor QEA in May 2012 to perform sediment sampling and analysis in the Kenmore Navigation Channel, Log Boom Park and Sammamish River area. Since that time, the Washington Department of Ecology (DOE) and the City have identified additional areas to sample, and DOE has secured funding to support part of this work. The Washington Department of Health and the US Army Corps of Engineers Dredged Material Management Program are reviewing the sampling plan, and the Department of Health will prepare Health Assessment reports for the Kenmore Industrial Park at Lakepointe and Log Boom Park following the analysis of test results.</p> <p>The additional sampling and analysis is expected to cost \$72,086 beyond the original contract authorization of \$67,228. The City and DOE are entering into a Memorandum of Agreement regarding the collaboration on this project, and the Department will reimburse the City in the amount of \$35,000. The owner of an adjacent marina will also reimburse the City for sampling and analysis on their property in the amount of approximately \$8000. The projected total cost to the City for this effort following reimbursements is \$96,064.</p> <p><b><u>FISCAL CONSIDERATION:</u></b><br/>An appropriation of \$46,064 from fund balance is required to cover the City's costs after reimbursement.</p> <p><b><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></b><br/>2011-2012 Goals: Continue to Seek Opportunities for Successful Lakepointe Development; Address Watershed Issues Affecting the City</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



**Contract No. 12-C1030**

**Anchor QEA**

**October 1, 2012**

**May 2012 Contract**

|                                |                  |
|--------------------------------|------------------|
| • City Samples (12)            | \$ 50,647        |
| • Private Properties Sampling* | \$ 16,581        |
| • Total Contract Authorization | <b>\$ 67,228</b> |

|                                         |           |
|-----------------------------------------|-----------|
| Amended Scope: City and Dept of Ecology | \$ 72,086 |
|-----------------------------------------|-----------|

|                                      |                  |
|--------------------------------------|------------------|
| <b>Total Amended Contract Amount</b> | <b>\$139,314</b> |
|--------------------------------------|------------------|

|                               |             |
|-------------------------------|-------------|
| Dept of Ecology Reimbursement | (\$ 35,000) |
|-------------------------------|-------------|

|                                  |            |
|----------------------------------|------------|
| Private Property reimbursement** | (\$ 8,250) |
|----------------------------------|------------|

|                           |                  |
|---------------------------|------------------|
| <b>Total Cost to City</b> | <b>\$ 96,064</b> |
|---------------------------|------------------|

|                                                                       |                  |
|-----------------------------------------------------------------------|------------------|
| Difference between City's costs in original contract<br>and amendment | <b>\$ 45,417</b> |
|-----------------------------------------------------------------------|------------------|

\*Northlake Marina and Kenmore Air sampling were included in the original scope. Kenmore Air elected not to participate in the project.

\*\*Northlake Marina estimated reimbursement

**Contract No. 12-C1030  
Amendment No. 1**

The following sections of the contract for consultant services dated May 21, 2012, between the City of Kenmore and Anchor QEA, LLC is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

Section 1. Scope of Services to be Performed by Consultant. (scope amendment as attached)

Section 2. Compensation and Method Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

☒ According to the rates set forth in Exhibit "A".

☒ A sum not to exceed \$139,314

☐ Other (describe)

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number, prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

Section 3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on May 1, 2012 and ending April 30, 2013 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each all of its provisions in which performance is required.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF KENMORE:

CONSULTANT:

BY: \_\_\_\_\_  
Rob Karlinsey

Title: City Manager

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



1423 Third Avenue, Suite 300  
Seattle, Washington 98101  
Phone 206.287.9130  
Fax 206.287.9131

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September 26, 2012

Nancy Ousley  
Assistant City Manager  
18120 68<sup>th</sup> Ave NE  
Kenmore, Washington 98028

Re: Scope of Work Amendment to Conduct Additional Sediment and Water Sampling and Analysis, Kenmore Navigation Channel and Adjacent Areas

Dear Nancy:

This scope of work defines the activities to be performed by Anchor QEA LLC (Anchor QEA) to conduct additional sediment and water sampling and testing on behalf of the City of Kenmore (City). The work identified in this scope of work reflects activities not included in the original scope of work for a screening level chemical characterization of sediment in the Kenmore Navigation Channel and other nearby areas. The screening level characterization is still being conducted as originally described; however additional sediment and water samples have been added, based on discussion between the Washington State Department of Ecology (Ecology) and the City. This scope includes additional planning and coordination, sampling, and testing activities not included in the original scope of work.

#### **SCOPE OF WORK**

As described in the original scope of work, the City is working with the U.S. Army Corps of Engineers (USACE) in an effort to acquire funding for maintenance dredging of the Kenmore Navigation Channel. A screening level sediment characterization in the channel was described in the original scope of work to understand options for disposal of dredged

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sediment. Some additional sampling and testing outside of the Kenmore Navigation Channel was included in the original scope of work to better understand sediment concentrations in the area. However, based on discussions with Ecology and the Washington Department of Health (DOH), additional sediment and water samples will provide more information on the presence of potential chemicals of concern. A portion of the additional samples included in this amendment will be funded by Ecology through a grant to the City, which is intended to support further evaluations to be conducted by Ecology. The additional sampling is also intended to support a health consultation to be developed by DOH for sediment near Log Boom Park and adjacent to Kenmore Industrial Park.

Tasks 1, 2, and 3 below describe additional activities not included in the original scope of work for project planning, coordination, and updates to the SAP Memo field sampling, and results reporting due to the additional sampling and testing.

***Task 1 – Project Planning, Agency Coordination, and Updates to SAP Memo***

This task includes providing additional support to the City to assist with project planning and agency coordination to define sampling/testing objectives and establish the appropriate location and number of samples to support City, Ecology, and DOH goals. It also includes revising the SAP Memo to include additional sampling and testing requirements beyond the sampling and testing requirements included in the original SAP Memo.

The revised SAP Memo will be updated to describe the sampling objectives, locations and methodology for field sampling and sample handling, analytical testing requirements, and reporting requirements for the additional 12 sediment samples and the 4 water samples (including field duplicates) not included in the original scope of work. Between the originally scoped 16 samples and the 12 new samples, a total of 28 sediment samples will be collected analyzed for the project, which are intended to satisfy the objectives of the City, Ecology, and DOH. It is assumed that there will be minimal comments from the City or Agencies on the draft SAP Memo. The Agency approved updated SAP Memo will be used during field sediment sampling.

The estimated cost for additional coordination and planning activities, and updating the SAP Memo is \$15,624.

### ***Task 2 – Additional Field Sampling & Lab Coordination***

Field sampling will take an additional 2 days to collect 12 sediment samples and 4 surface water samples (including duplicates). Additional samples are anticipated to be collected from adjacent to Log Boom Park, within and adjacent to Harbor Village marina, within the Sammamish River, and near Kenmore Industrial Park. Sampling will be conducted in accordance with the approved SAP Memo. Samples from the Kenmore navigation channel will be box core or power grab samples to the maximum penetration possible (20-30 cm below mudline). All other sediment samples will also be collected from the top 10 cm. Samples located along the shoreline will be collected by hand. Sediment samples will be forwarded to the appropriate laboratories for analysis. Adequate sediment volume will be collected for testing of the DMMP and SMS analyte list (metals, semi-volatile organic compounds (SVOCs), pesticides, polychlorinated biphenyls (PCBs), tributyl tin (porewater), dioxin/furan, total organic carbon, grain size, and moisture content). This task includes time to coordinate with the analytical lab regarding analytical testing and reporting. This task also includes costs for data validation.

The key assumptions associated with the additional sediment and water samples include:

- Six sediment grab samples collected outside the Kenmore Navigation Channel collected from the top 10 cm below mudline.
- Four sediment samples collected by hand from shoreline or tributary 0056 locations from the top 10 cm.
- Three water samples collected with a grab sampler (e.g., Van Dorn sampler) from the upper 3 ft of the water column.
- Two sediment and one water field duplicate samples for field QA/QC.
- Chemical testing of the DMMP and SMS analyte list for all 10 additional sediment samples.

- Chemical testing for SVOCs, total and dissolved priority pollutant metals, and suspended solids for water.
- In-situ collection of water quality parameters (e.g., temperature, dissolved oxygen, etc.) at water sample locations.
- This task includes costs for data validation of the chemical testing data.
- Anchor QEA will provide 2 field staff each to collect sediment and water samples, and prepare samples for dispatch to the laboratory.
- Additional field sampling will require two days for additional sediment and water sample collection, sample processing, and delivery of samples to the analytical lab.
- No weather or vessel delays occur during the sampling activity. Delay due to weather conditions or presence of vessels limiting access to sampling locations may result in additional costs not scoped for this contract.
- Anchor QEA will not acquire permits or access agreements for sampling. If required, these will be acquired by the City or Ecology.

The estimated cost for additional sampling and analytical testing is \$52,225.

### ***Task 3 – Additional Sampling Results Reporting***

This task includes additional time to incorporate sampling and testing results into the draft and final Data Report. The Data Report will summarize the field sampling activities, discuss the quality assurance/quality control aspects of the data, and present and discuss the results of all sample analyses. Additional time included in this task includes incorporating the additional data into summary data tables and maps, and a description of methods for additional sample collection, processing, handling, and transport, including a description of any deviations from the SAP Memo. Time is also included for exporting additional results into Ecology's Environmental Information Management (EIM) System.

Ecology and DOH may prepare separate reports with additional evaluations and interpretation based on the information included in the Data Report. A nominal amount of support is included in this scope of work to modify sampling figures for use in Ecology's

evaluation and interpretation report. However, no additional time is included in this scope of work to support other development or preparation of either Ecology or DOH reports.

The estimated cost for evaluating and reporting the additional data in the report is \$4,237.

### Schedule

The estimated schedule for each of the above tasks is summarized in Table 1. Finalization of the SAP Memo and Results Memo is anticipated for mid October, with sampling planned for end of October.

**Table 1**  
**Schedule**

| Task | Description                         | Schedule                                                                              | Activity                                        |
|------|-------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------|
| 1    | Sampling and Analysis Plan Memo     | Mid October                                                                           | Submittal of Draft SAP Memo to City and Ecology |
| 2    | Field Sampling and Lab Coordination | 1 week; initiated within 2-3 weeks of SAP Memo approval by Ecology and other agencies | Field Sampling & Lab Coordination               |
|      | Lab Testing                         | 4 weeks for chemistry testing                                                         | Chemistry Testing                               |
|      | Data Validation                     | 4 weeks for data validation and QA/QC                                                 | Data Validation                                 |
| 3    | Sampling Results Reporting          | 4 weeks after receipt of validated results and completion of QA/QC                    | Draft Results Memo; Data submitted to EIM       |

### Estimated Cost

Table 2 presents the anticipated cost for this amendment for each task.

**Table 2**  
**Estimated Costs**

| Task   | Description                                                    | Cost            |
|--------|----------------------------------------------------------------|-----------------|
| Task 1 | Project Planning, Agency Coordination, and Updates to SAP Memo | \$15,624        |
| Task 2 | Additional Field Sampling and Lab Coordination                 | \$52,225        |
| Task 3 | Additional Sampling Results Reporting                          | \$4,237         |
|        | <b>Total</b>                                                   | <b>\$72,086</b> |

Services will be performed on a time-and-materials basis not to exceed the identified budget without prior written authorization. If you need any additional information, please feel free to contact me at (206) 903-3314 or by email (twang@anchorqea.com). I look forward to working with you on this project.

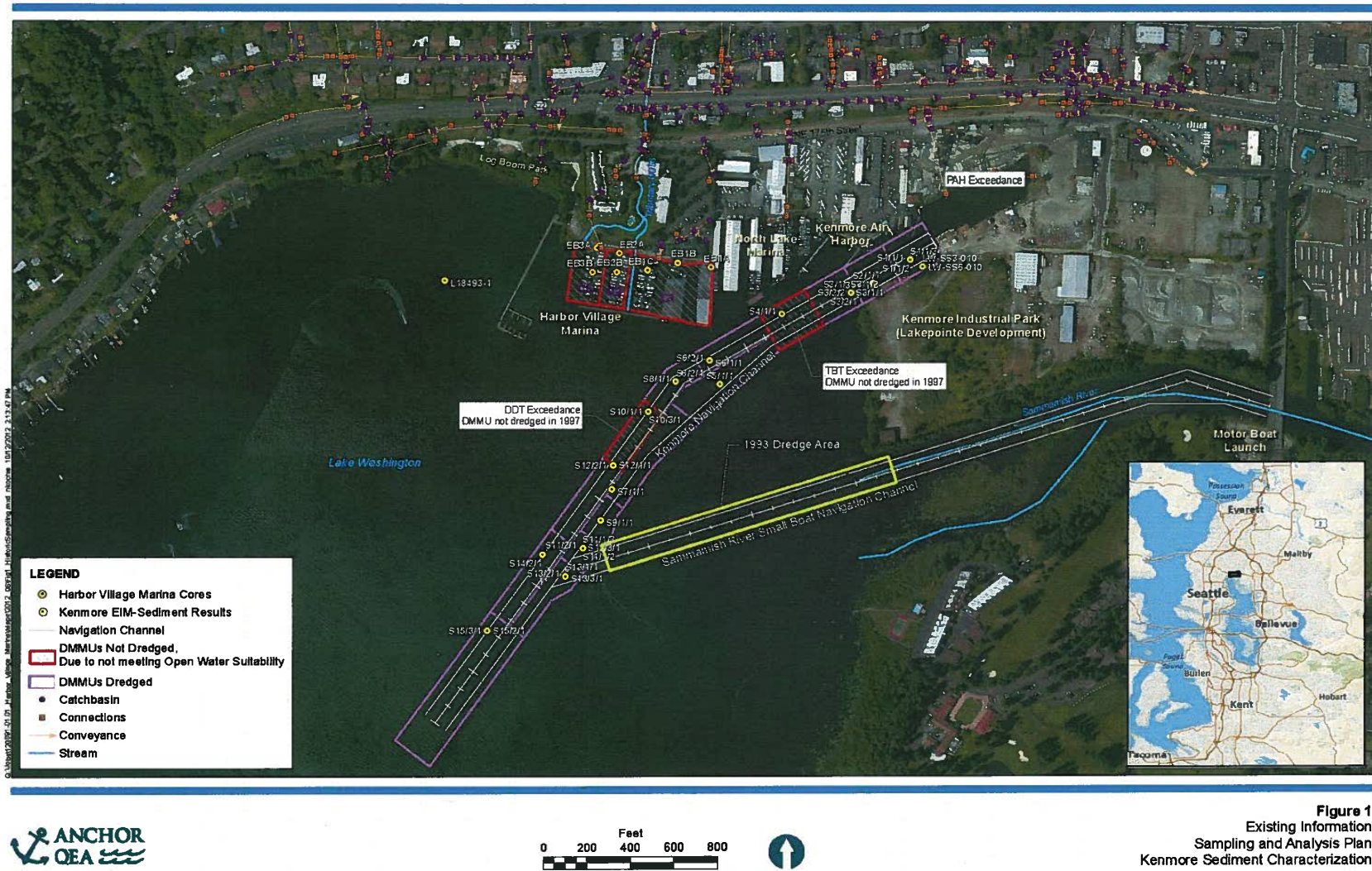
Sincerely,



Tom Wang  
Anchor QEA, LLC

cc: Dan Berlin, Anchor QEA





**Figure 1**  
Existing Information  
Sampling and Analysis Plan  
Kenmore Sediment Characterization





**Figure 2**  
Proposed Sample Locations  
Sampling and Analysis Plan  
Kenmore Sediment Characterization

Kenmore Sediment Characterization Amendment

| Task  | Description                                                                        | Hours by Labor Categories<br>(hourly rates shown in parentheses)   |                                                                                 |                                                                               |                                                                                |                                                                                |                                                                                |                                              | Total Labor<br>Hours | Total Labor<br>Cost | Subcontractor<br>Direct Costs | Subcontractor<br>Markup | Total<br>Subcontractor<br>Costs | Reimbursable<br>Direct Costs | Total<br>Reimbursable<br>Costs | Equipment<br>Direct Costs | Equipment<br>Markup | Total<br>Equipment<br>Costs | Total Direct<br>Costs | Total Cost |
|-------|------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------|----------------------|---------------------|-------------------------------|-------------------------|---------------------------------|------------------------------|--------------------------------|---------------------------|---------------------|-----------------------------|-----------------------|------------|
|       |                                                                                    | Principal CM /<br>Engineer/ LA /<br>Planner / Scientist<br>(\$215) | Managing Analyst<br>/ CM / Engineer /<br>LA / Planner /<br>Scientist<br>(\$175) | Senior Analyst /<br>CM / Engineer /<br>LA / Planner /<br>Scientist<br>(\$155) | Staff 3 Analyst /<br>CM / Engineer /<br>LA / Planner /<br>Scientist<br>(\$140) | Staff 2 Analyst /<br>CM / Engineer /<br>LA / Planner /<br>Scientist<br>(\$125) | Staff 1 Analyst /<br>CM / Engineer /<br>LA / Planner /<br>Scientist<br>(\$105) | Project<br>Coordinator<br>(Admin.)<br>(\$89) |                      |                     |                               |                         |                                 |                              |                                |                           |                     |                             |                       |            |
| Task1 | Project Planning and Coordination with the City/Ecology, and Revisions to SAP Memo |                                                                    |                                                                                 |                                                                               |                                                                                |                                                                                |                                                                                |                                              |                      |                     |                               |                         |                                 |                              |                                |                           |                     |                             |                       |            |
|       | Project Management, Planning and                                                   |                                                                    |                                                                                 |                                                                               |                                                                                |                                                                                |                                                                                |                                              |                      |                     |                               |                         |                                 |                              |                                |                           |                     |                             |                       |            |
| 1.1   | Coordination with the City and Ecology                                             | 20.00                                                              | 24.00                                                                           | 12.00                                                                         | -                                                                              | -                                                                              | -                                                                              | -                                            | 56.00                | \$ 10,360           | \$ -                          | \$ -                    | \$ -                            | \$ -                         | \$ -                           | \$ -                      | \$ -                | \$ -                        | \$ -                  | \$ 10,360  |
| 1.2   | Revise Draft SAP Memo                                                              | 2.00                                                               | 4.00                                                                            | 10.00                                                                         | -                                                                              | 4.00                                                                           | 2.00                                                                           | 4.00                                         | 26.00                | \$ 3,746            | \$ -                          | \$ -                    | \$ -                            | \$ 70                        | \$ 70                          | \$ -                      | \$ -                | \$ -                        | \$ 70                 | \$ 3,816   |
| 1.3   | Final SAP Memo                                                                     | -                                                                  | 2.00                                                                            | 4.00                                                                          | -                                                                              | 2.00                                                                           | -                                                                              | 2.00                                         | 10.00                | \$ 1,398            | \$ -                          | \$ -                    | \$ -                            | \$ 50                        | \$ 50                          | \$ -                      | \$ -                | \$ -                        | \$ 50                 | \$ 1,448   |
| Task2 | Field Sampling and Analysis                                                        |                                                                    |                                                                                 |                                                                               |                                                                                |                                                                                |                                                                                |                                              |                      |                     |                               |                         |                                 |                              |                                |                           |                     |                             |                       |            |
| 2.1   | Field Prep and Lab Coordination                                                    | -                                                                  | -                                                                               | 1.00                                                                          | 2.00                                                                           | -                                                                              | 6.00                                                                           | -                                            | 9.00                 | \$ 1,065            | \$ -                          | \$ -                    | \$ -                            | \$ -                         | \$ -                           | \$ -                      | \$ -                | \$ -                        | \$ -                  | \$ 1,065   |
| 2.2   | Sediment Field Sampling and Analysis                                               | -                                                                  | -                                                                               | 20.00                                                                         | 20.00                                                                          | -                                                                              | -                                                                              | -                                            | 40.00                | \$ 5,900            | \$ 29,245                     | \$ 2,924                | \$ 32,169                       | \$ -                         | \$ -                           | \$ 65                     | \$ 7                | \$ 72                       | \$ 32,241             | \$ 38,141  |
| 2.3   | Water Field Sampling and Analysis                                                  | -                                                                  | -                                                                               | 6.00                                                                          | 6.00                                                                           | -                                                                              | -                                                                              | -                                            | 12.00                | \$ 1,770            | \$ 10,092                     | \$ 1,009                | \$ 11,101                       | \$ -                         | \$ -                           | \$ 135                    | \$ 14               | \$ 149                      | \$ 11,249             | \$ 13,019  |
| Task3 | Results Reporting                                                                  |                                                                    |                                                                                 |                                                                               |                                                                                |                                                                                |                                                                                |                                              |                      |                     |                               |                         |                                 |                              |                                |                           |                     |                             |                       |            |
| 3.1   | Draft Results Report                                                               | 2.00                                                               | 2.00                                                                            | 10.00                                                                         | -                                                                              | 2.00                                                                           | 2.00                                                                           | 2.00                                         | 20.00                | \$ 2,968            | \$ -                          | \$ -                    | \$ -                            | \$ 30                        | \$ 30                          | \$ -                      | \$ -                | \$ -                        | \$ 30                 | \$ 2,998   |
| 3.2   | Final Results Report                                                               | -                                                                  | -                                                                               | 4.00                                                                          | -                                                                              | 4.00                                                                           | -                                                                              | 1.00                                         | 9.00                 | \$ 1,209            | \$ -                          | \$ -                    | \$ -                            | \$ 30                        | \$ 30                          | \$ -                      | \$ -                | \$ -                        | \$ 30                 | \$ 1,239   |
|       | Total Hours                                                                        | 24.00                                                              | 32.00                                                                           | 67.00                                                                         | 28.00                                                                          | 12.00                                                                          | 10.00                                                                          | 9.00                                         | 182                  |                     |                               |                         |                                 |                              |                                |                           |                     |                             |                       |            |
|       | Total Cost                                                                         | \$5,160                                                            | \$5,600                                                                         | \$10,385                                                                      | \$3,920                                                                        | \$1,500                                                                        | \$1,050                                                                        | \$801                                        |                      | \$28,416            | \$39,336                      | \$3,934                 | \$43,270                        | \$180                        | \$180                          | \$200                     | \$20                | \$220                       | \$43,670              | \$72,086   |

**CONTRACT FOR CONSULTANT SERVICES**  
**Anchor QEA, LLC**  
**Kenmore Navigation Channel Sediment Sampling and Analysis**  
**Contract No. 12-C1030**

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and Anchor QEA, LLC, whose principal office is located at 720 Olive Way, Suite 1900, Seattle, WA 98101 ("Consultant").

WHEREAS, the City desires to have certain services performed for its citizens;  
and

WHEREAS, the City has selected the Consultant to perform such services pursuant to certain terms and conditions;

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

1. Scope of Services to be Performed by Consultant. The Consultant shall perform the services described in Exhibit "A" of this Agreement. In performing the services, the Consultant shall comply with all federal, state and local laws and regulations applicable to the services. The Consultant shall perform the services diligently and completely and in accordance with professional standards of conduct and performance.

2. Compensation and Method of Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

[Check applicable method of payment]

X According to the rates set forth in Exhibit "A".

X A sum not to exceed \$67,228.00

\_\_\_\_ Other (describe): \_\_\_\_\_  
\_\_\_\_\_

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number," prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on May 1, 2012 and ending December 31, 2012 unless sooner

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terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents. Any records, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials produced by the Consultant in connection with the services provided to the City, shall be the property of the City whether the project for which they were created is executed or not.

5. Independent Contractor. The Consultant and the City agree that the Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. The Consultant will be solely responsible for its acts and for the acts of its agents, employees, subconsultants or representatives during the performance of this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties.

6. Indemnification. Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of or resulting from the negligent acts, willful misconduct, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

7. Insurance. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

No Limitation

Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance

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Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

**B. Minimum Amounts of Insurance**

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

**C. Other Insurance Provision**

The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

**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. Verification of Coverage**

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Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

**F. Notice of Cancellation**

The Consultant shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.

**G. Failure to Maintain Insurance**

Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Consultant 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, or at the sole discretion of the City, offset against funds due the Consultant from the City.

**8. Record Keeping and Reporting.**

A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

B. The foregoing records shall be maintained for a period of seven (7) years after termination of this Agreement, unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.

9. **Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by the City during the performance of this Agreement.

**10. Termination.**

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon seven (7) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

B. In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services performed and reimbursable expenses incurred to the date of termination.

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C. This Agreement may be canceled immediately if the Consultant's insurance coverage is canceled for any reason, or if the Consultant is unable to perform the services called for by this Agreement.

D. The Consultant reserves the right to terminate this Agreement with not less than fourteen (14) days written notice, or in the event that outstanding invoices are not paid within sixty (60) days.

E. This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Agreement.

11. Discrimination Prohibited. The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement, on the basis of race, color, religion, creed, sex, sexual orientation, age, national origin, marital status, or presence of any sensory, mental or physical disability.

12. Assignment and Subcontract. The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

13. Conflict of Interest. The Consultant represents to the City that it has no conflict of interest in performing any of the services set forth in Exhibit "A." In the event that the Consultant is asked to perform services for a project with which it may have a conflict, Consultant will immediately disclose such conflict to the City.

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination.

15. Non-appropriation of Funds. If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. This Agreement will terminate upon the completion of all remaining services for which funds are allocated. No penalty or expense shall accrue to the City in the event that the terms of the provision are effectuated.

16. Entire Agreement. This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. Either party may request changes to the Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.



17. Notices. Notices to the City of Kenmore shall be sent to the following address:

City Clerk  
City of Kenmore  
P.O. Box 82607  
Kenmore, Washington 98028-0607

Notices to the Consultant shall be sent to the following address:

Anchor QEA, LLC  
Attn: Tom Wang  
720 Olive Way, Suite 1900  
Seattle, WA 98101

18. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

19. Severability. Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

CITY OF KENMORE, WASHINGTON

CONSULTANT

By: Rob Karlhsej  
Rob Karlhsej

By: Thomas Wang

Title: City Manager

Title: Partner

Date: 5/21/12

Date: 5/29/12

ATTEST AS TO FORM:

Rod Kaseguma  
Rod Kaseguma, City Attorney



1423 Third Avenue, Suite 300  
Seattle, Washington 98101  
Phone 206.287.9130  
Fax 206.287.9131

May 18, 2012

Nancy Ousley  
Assistant City Manager  
18120 68<sup>th</sup> Ave NE  
Kenmore, Washington 98028

Re: Scope of Work to Conduct Screening Level Sediment Sampling and Analysis,  
Kenmore Navigation Channel and Adjacent Areas

Dear Nancy:

This scope of work defines the activities to be performed by Anchor QEA LLC (Anchor QEA) to conduct a screening level sediment sampling and analysis for the City of Kenmore (City). The work identified in this scope of work reflects a reduced scope of work from the City's original requested scope in the Request for Qualifications. This scope of work includes a screening level chemical characterization of sediment in the Kenmore Navigation Channel and other nearby areas, which is a lower level of effort than required per the Dredged Material Management Program (DMMP) protocols for suitability for Puget Sound unconfined open-water disposal.

#### **SCOPE OF WORK**

The City is working with the U.S. Army Corps of Engineers (USACE) in an effort to acquire funding for maintenance dredging of the Kenmore Navigation Channel. Sediment characterization is necessary to understand options for disposal of dredged sediment. A full sediment characterization according to DMMP protocols would provide information to determine if sediment is suitable for unconfined open-water disposal, however, these results are only valid for 2 years in areas ranked "High" by DMMP (including the Kenmore Navigation Channel). Because acquisition of funding and completion of maintenance dredging will not likely occur within the next 2 years, staff from the Dredged Material Management Office

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(DMMO) at USACE agreed that a screening level assessment would provide information necessary to support pursuing funding for maintenance dredging, and that a full DMMP sediment characterization would be conducted closer to dredging activities. The DMMO also indicated that a Sampling and Analysis Plan Memorandum (SAP Memo) would be adequate for this work, rather than a detailed Sampling and Analysis Plan (SAP) developed in accordance with a full DMMP sediment characterization.

Based on a survey conducted by USACE in February 2010, shallow areas are present within the Kenmore Navigation Channel. USACE estimated that maintenance dredging would require removal of 31,679 cubic yards (cy) of sediment within the channel. This screening level assessment includes assessment of sediment concentrations within the area requiring dredging. Tasks 1a, b, and c describe preparation of a SAP Memo, field sampling, and results reporting for sediment within the navigation channel, offshore of Log Boom Park, and in other areas identified by the City. Tasks 2a, b, and c describe additional sediment characterization work that would be conducted at Kenmore Air Harbor and North Lake Marina to support understanding of sediment concentrations.

### **Task 1 – Kenmore Navigation Channel Screening Level Characterization**

#### ***Task 1a – Sampling and Analysis Plan Memorandum***

This task includes development of the Sampling and Analysis Plan Memorandum (SAP Memo), which will be more focused than a full SAP developed in accordance with a full DMMP sediment characterization. This SAP Memo will be prepared to describe the sampling objectives, locations and methodology for field sampling and sample handling, analytical testing requirements, and reporting requirements. The SAP Memo will also describe a brief history of previous dredge characterizations conducted in the area, but no research on potential historical or ongoing sources of contamination will be included. This task also includes preparation for and briefing the Kenmore City Council on the sampling program during a preparatory session to allow question and answer as well as during a public briefing. The SAP Memo will assume collection of six sediment grab samples from the navigation channel, a minimum of two sediment grab samples from near Log Boom Park, and four additional samples from the Sammamish River, near LakePointe, and/or Log Boom Park.

Testing of the full DMMP analyte list will be conducted on each sample. No bioassay or bioaccumulation testing will be conducted on these samples. It is assumed that there will be minimal comments from the City or DMMP agencies on the draft SAP Memo. This scope of work includes one meeting with the DMMP to discuss the SAP Memo. The approved SAP Memo will be used during field sediment sampling.

The estimated cost for the Task 1a SAP Memo effort is \$8,936.

***Task 1b – Navigation Channel and Log Boom Park Field Sampling & Lab Coordination***

Field sampling will consist of collecting sediment from the navigation channel and offshore of Log Boom Park, at a minimum. Additional sampling may occur from the Sammamish River, near LakePointe, and/or near Log Boom Park, depending on input and final decisions from the City. Sampling will be conducted in accordance with the approved SAP Memo, which will consist of sediment samples from six locations within the navigation channel, two locations near Log Boom Park (at a minimum), and four additional locations (to be determined). Samples from the navigation channel are anticipated to consist of grab samples using a VanVeen sampler or a box core sampler to the maximum penetration possible (10 to 20 cm below mudline). Samples from Log Boom Park and other areas identified for sampling by the City will be collected from the top 10 cm. Sediment samples will be forwarded to the appropriate laboratories for analysis. Adequate sediment volume will be collected for testing of the full DMMP analyte list (metals, semi-volatile organic compounds (SVOCs), pesticides, polychlorinated biphenyls (PCBs), tributyl tin (porewater), dioxin/furan, ammonia, sulfide, total organic carbon, grain size, and moisture content). This task includes time to coordinate with the analytical lab regarding analytical testing and reporting. This task also includes costs for data validation.

The field sampling key assumptions include:

- Six sediment samples collected from the navigation channel.
- Two sediment samples collected from offshore of Log Boom Park.

- Four additional samples from the Sammamish River, near LakePointe, and/or near Log Boom Park (exact locations to be determined based on final input from the City).
- Chemical testing of the full DMMP analyte list for samples from the navigation channel, Log Boom Park, and other areas identified by the City.
- This task includes costs for data validation of the chemical testing data.
- Anchor QEA will conduct sediment sampling using our own sampling vessel.
- Anchor QEA will provide field staff to man the sampling vessel, collect sediment samples, and prepare samples for dispatch to the laboratory. It is assumed that the field program for the navigation channel sampling will require one day for sample collection, sample processing, and delivery of samples to the analytical lab.
- No weather or vessel delays occur during the sampling activity. Delay due to weather conditions or presence of vessels limiting access to sampling locations may result in additional costs not scoped for this contract.
- Permits are not anticipated to be required for sampling and costs to obtain permits are therefore not included in this scope of work.

The estimated cost for Task 1b navigation channel sampling and analytical testing is \$33,843.

***Task 1c – Navigation Channel and Log Boom Park Sampling Results Reporting***

Anchor QEA assumes preparation of the Data Report will include one draft and one final that addresses comments on the draft. The Data Report will summarize the field sampling activities, discuss the quality assurance/quality control aspects of the data, and present and discuss the results of all sample analyses. One conference call with the DMMP to discuss the results is included in this scope of work. Specific information included in the report will be the data validation report, summary data tables, tables and maps of sampling locations and coordinates, description of methods for sample collection, processing, handling, and transport, copies of chain-of-custody forms, and description of any deviations from the SAP Memo.

The estimated cost for evaluating the data and preparing the sampling results report is \$7,846.

## **Task 2 – Characterization of Other Areas**

### ***Task 2a – Other Areas: Additional SAP Memo Details***

This task includes incorporation of additional details into the SAP Memo for several other areas in the vicinity of the Kenmore Navigation Channel, including at the North Lake Marina and Kenmore Air Harbor. Two additional sediment samples will be collected from each of these areas. This task includes additional time to coordinate with the City on appropriate sampling locations and incorporation of the locations into the SAP Memo, including locations on a figure and incorporation into the coordinate table.

The estimated cost for the Task 2a SAP Memo effort is \$722.

### ***Task 2b – Other Areas: Field Sampling & Lab Coordination***

Additional field sampling for areas outside the navigation channel is assumed to require 1 day. Two samples will be collected from North Lake Marina and Kenmore Air Harbor (four locations total). Sampling will be conducted in accordance with the approved SAP Memo. Samples from North Lake Marina and Kenmore Air Harbor are anticipated to consist of grab samples using a VanVeen sampler or a box core sampler to the maximum penetration possible (10 to 20 cm below mudline). Adequate sediment volume will be collected for testing of the full DMMP analyte list for North Lake Marina and Kenmore Air Harbor.

This task includes time to coordinate with the analytical lab regarding analytical testing and reporting. This task also includes costs for data validation.

The field sampling key assumptions include:

- Four sediment samples collected from North Lake Marina and Kenmore Air Harbor (2 locations in each area).
- Chemical testing of the full DMMP analyte list for each sample from North Lake Marina and Kenmore Air Harbor.
- This task includes costs for data validation of the chemical testing data.
- Anchor QEA will conduct sediment sampling using our own sampling vessel.

- Anchor QEA will provide field staff to man the sampling vessel, collect sediment samples, and prepare samples for dispatch to the laboratory. It is assumed that the field program for areas outside the navigation channel will require one day for sample collection, sample processing, and delivery of samples to the analytical lab.
- No weather or vessel delays occur during the sampling activity. Delay due to weather conditions or presence of vessels limiting access to sampling locations may result in additional costs not scoped for this contract.
- Permits are not anticipated to be required for sampling and costs to obtain permits are therefore not included in this scope of work.

The estimated cost for Task 2b sampling and analytical testing from other areas is \$13,077.

### ***Task 2c – Other Areas: Sampling Results Reporting***

This task includes time associated with sampling and testing for each of the other areas outside the navigation channel in the Data Report, including a draft version and final version that addresses comments on the draft. This task includes time to summarize the field sampling activities/sediment observations, discuss the quality assurance/quality control aspects of the data, and present and discuss the results of sample analyses from North Lake Marina and Kenmore Air Harbor.

Specific information included in the report will be the data validation report, summary data tables, tables and maps of sampling locations and coordinates, description of methods for sample collection, processing, handling, and transport, copies of chain-of-custody forms, and description of any deviations from the SAP Memo.

The estimated cost for evaluating the data and preparing the sampling results report is \$2,782.

### **Schedule**

The estimated schedule for each of the above tasks is summarized in Table 1. Work on the project will begin upon receipt of the signed contract from the City. Finalization of the SAP Memo and Results Memo depends on review timeframes by the City and DMMP.



**Table 1  
Schedule**

| Task      | Description                         | Schedule                                                      | Activity                            |
|-----------|-------------------------------------|---------------------------------------------------------------|-------------------------------------|
| 1a and 2a | Sampling and Analysis Plan Memo     | 3 - 4 weeks                                                   | Submittal of Draft SAP Memo to City |
| 1b and 2b | Field Sampling and Lab Coordination | 1 week, initiated within 3 weeks of SAP Memo approval by DMMP | Field Sampling & Lab Coordination   |
|           | Lab Testing                         | 4 - 5 weeks for chemistry testing                             | Chemistry Testing                   |
| 1c and 2c | Sampling Results Reporting          | 4 - 5 weeks after receipt of analytical results               | Draft Results Memo                  |

### Estimated Cost

Table 2 presents an anticipated cost for each task. The total budget for Task 1a, b, and c is anticipated to be \$50,625. The total budget for Tasks 2a, b, and c is anticipated to be \$16,581. Total budget for Tasks 1 and 2 is \$57,228.

**Table 2  
Estimated Costs**

| Task    | Description                         | Cost            |
|---------|-------------------------------------|-----------------|
| Task 1a | Sampling and Analysis Plan          | \$8,936         |
| Task 1b | Field Sampling and Lab Coordination | \$33,843        |
| Task 1c | Sampling Results Reporting          | \$7,846         |
|         | <b>Task 1a, b, c Total</b>          | <b>\$50,625</b> |
| Task 2a | Sampling and Analysis Plan          | \$722           |
| Task 2b | Field Sampling and Lab Coordination | \$13,077        |
| Task 2c | Sampling Results Reporting          | \$2,782         |
|         | <b>Task 2a, b, c Total</b>          | <b>\$16,581</b> |
|         | <b>Tasks 1 and 2 Total</b>          | <b>\$67,206</b> |

Services will be performed on a time-and-materials basis not to exceed the identified budget without prior written authorization. If you need any additional information, please feel free to contact me at (206) 903-3314 or by email (twang@anchorqea.com). I look forward to working with you on this project.



Sincerely,

*Thomas Wang*

Tom Wang  
Anchor QEA, LLC

cc: Dan Berlin, Anchor QEA

| Task | Task Description                                       | Hours by Labor Category                            |                                                            |                                                            |                                                            |                                                            |                     |                           | Total Hours | Total Labor Cost | Total Subcontractor Expenses | Total Submersible Expenses | Total Equipment Expenses | Total Direct Expenses | Total Cost   |
|------|--------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|---------------------|---------------------------|-------------|------------------|------------------------------|----------------------------|--------------------------|-----------------------|--------------|
|      |                                                        | Principal CM / Engineer / IA / Planner / Scientist | Manning Analyst / CM / Engineer / IA / Planner / Scientist | Staff B Analyst / CM / Engineer / IA / Planner / Scientist | Staff C Analyst / CM / Engineer / IA / Planner / Scientist | Staff E Analyst / CM / Engineer / IA / Planner / Scientist | Boiler CAD Designer | Project Coordinator (PWT) |             |                  |                              |                            |                          |                       |              |
|      | Hourly Rate:                                           | \$ 235.00                                          | \$ 275.00                                                  | \$ 140.00                                                  | \$ 125.00                                                  | \$ 105.00                                                  | \$ 112.00           | \$ 69.00                  |             |                  |                              |                            |                          |                       |              |
| 1a   | Sampling and Analysis Plan Memo                        | 10.00                                              | 12.00                                                      | -                                                          | 20.00                                                      | 4.00                                                       | 6.00                | 6.00                      | 62.00       | \$ 8,875.00      | \$ -                         | \$ 60.00                   | \$ -                     | \$ 60.00              | \$ 8,995.00  |
| 1b   | Navigation Channel Field Sampling and Lab Coordination | -                                                  | 2.00                                                       | 16.00                                                      | 16.00                                                      | -                                                          | -                   | -                         | 34.00       | \$ 3,120.00      | \$ 28,543.04                 | \$ -                       | \$ 375.50                | \$ 28,722.54          | \$3,842.54   |
|      | Navigation Channel/Log Boon Park:                      |                                                    |                                                            |                                                            |                                                            |                                                            |                     |                           |             |                  |                              |                            |                          |                       |              |
| 1c   | Sampling Results Reporting                             | 4.00                                               | 8.00                                                       | 4.00                                                       | 24.00                                                      | 10.00                                                      | 2.00                | 8.00                      | 60.00       | \$ 7,805.00      | \$ -                         | \$ 40.00                   | \$ -                     | \$ 40.00              | \$ 7,845.00  |
|      | Other Areas: Additional SAP Memo                       | -                                                  | 2.00                                                       | -                                                          | 2.00                                                       | -                                                          | 1.00                | -                         | 5.00        | \$ 722.00        | \$ -                         | \$ 10.00                   | \$ -                     | \$ 10.00              | \$ 732.00    |
| 2a   | Additional Field Sampling and Lab Coordination         | -                                                  | 2.00                                                       | 10.00                                                      | 12.00                                                      | -                                                          | -                   | -                         | 24.00       | \$ 2,280.00      | \$ 8,417.68                  | \$ -                       | \$ 879.50                | \$ 9,577.18           | \$3,077.18   |
| 2b   | Other Areas: Results Reporting                         | 1.00                                               | 1.00                                                       | -                                                          | 12.00                                                      | 4.00                                                       | 1.00                | -                         | 21.00       | \$ 2,772.00      | \$ -                         | \$ 10.00                   | \$ -                     | \$ 10.00              | \$ 2,792.00  |
|      | TOTAL HOURS                                            | 15.00                                              | 29.00                                                      | 32.00                                                      | 52.00                                                      | 18.00                                                      | 10.00               | 14.00                     | 210.00      |                  |                              |                            |                          |                       |              |
|      | TOTAL COST                                             | \$ 8,225.00                                        | \$ 5,075.00                                                | \$ 4,480.00                                                | \$ 11,900.00                                               | \$ 1,880.00                                                | \$ 1,120.00         | \$ 1,346.00               |             | \$ 28,936.00     | \$ 37,780.72                 | \$ 120.00                  | \$ 759.00                | \$ 39,695.72          | \$ 67,295.72 |

### Task1a: Sampling and Analysis Plan Memo

|                              |    |          |    |          |    |        |
|------------------------------|----|----------|----|----------|----|--------|
| TASK TOTAL:                  | \$ | 8,888.00 |    |          |    |        |
| LABOR SUBTASK TOTAL:         | \$ | 5,284.00 | \$ | 1,720.00 | \$ | 700.00 |
| LABOR TOTAL HOURS:           |    | 40.00    |    | 8.00     |    | 4.00   |
| SUBCONTRACTOR SUBTASK TOTAL: | \$ | -        | \$ | -        | \$ | -      |
| REIMBURSABLES SUBTASK TOTAL: | \$ | 60.00    | \$ | -        | \$ | -      |
| EQUIPMENT SUBTASK TOTAL:     | \$ | -        | \$ | -        | \$ | -      |

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| REIMBURSABLES             | DESCRIPTION | COST PER UNIT | TOTAL COST | 1a.1 | 1a.2 | 1a.3 | 1a.4 |
|---------------------------|-------------|---------------|------------|------|------|------|------|
| <i>In-Mouse Expenses</i>  |             |               |            |      |      |      |      |
| Computer Modeling (\$/hr) | 8 of hours  | 10            | 80.00      |      | 6    |      |      |
|                           |             |               |            |      |      |      |      |
|                           |             |               |            |      |      |      |      |

|                              |    |           |    |           |
|------------------------------|----|-----------|----|-----------|
| TASK TOTAL:                  | \$ | 19,842.54 |    |           |
| LABOR SUBTASK TOTAL:         | \$ | 1,418.00  | \$ | 3,180.00  |
| LABOR TOTAL HOURS:           |    | 10.00     |    | 24.00     |
| SUBCONTRACTOR SUBTASK TOTAL: | \$ | -         | \$ | 18,895.96 |
| REIMBURSABLES SUBTASK TOTAL: | \$ | -         | \$ | -         |
| EQUIPMENT SUBTASK TOTAL:     | \$ | -         | \$ | 379.50    |

| SUB-CONTRACTORS |  | DESCRIPTION | TOTAL COST | 1b.1 | 1b.2         | 1b.3        |
|-----------------|--|-------------|------------|------|--------------|-------------|
| Analytical lab  |  | ARE         | 28,343.0   |      | \$ 17,177.60 | \$ 6,568.80 |
|                 |  |             |            |      |              |             |
|                 |  |             |            |      |              |             |
|                 |  |             |            |      |              |             |
|                 |  |             |            |      |              |             |

| EQUIPMENT                                    |     | RATE UNIT | RATE | TOTAL UNITS | 1b.1 | 1b.2 | 1b.3 |
|----------------------------------------------|-----|-----------|------|-------------|------|------|------|
| Field Sampling Gear (sediment)               | day |           | 20   | 1.00        |      |      | 1    |
| Health & Safety Equipment (PPE) - "D" gloves | day |           | 20   | 1.00        |      |      | 1    |
| Digital Camera                               | day |           | 5    | 1.00        |      |      | 1    |
| Boat Rental                                  | day |           | 300  | 1.00        |      |      | 1    |
|                                              |     |           |      | -           |      |      |      |

Task1c: Navigation Channel/Log Boom Peric: Sampling Results Reporting

TASK TOTAL: \$ 7,846.00  
 LABOR SUBTASK TOTAL: \$ 5,998.00 \$ 780.00 \$ 1,028.00  
 LABOR TOTAL HOURS: 48.00 4.00 8.00  
 SUBCONTRACTOR SUBTASK TOTAL: \$ - \$ - \$ -  
 REIMBURSABLES SUBTASK TOTAL: \$ 40.00 \$ - \$ -  
 EQUIPMENT SUBTASK TOTAL: \$ - \$ - \$ -

Sub-Task Descriptions:

| ANCHOR QEA STAFF                     | BILLING CATEGORY                                                   | BILLING RATE | TOTAL HOURS | Sub-Task Descriptions:    |                                        |                           |
|--------------------------------------|--------------------------------------------------------------------|--------------|-------------|---------------------------|----------------------------------------|---------------------------|
|                                      |                                                                    |              |             | Draft Report Subtask 1c.1 | Conference Call with DMMP Subtask 1c.2 | Final Report Subtask 1c.3 |
| Generic Principal                    | Principal CM / Engineer / LA / Planner / Scientist                 | 215          | 4.00        | 2                         | 2                                      |                           |
| Generic Senior Project Manager       | Senior Managing Analyst / CM / Engineer / LA / Planner / Scientist | 195          |             |                           |                                        |                           |
| Generic Project Manager              | Managing Analyst / CM / Engineer / LA / Planner / Scientist        | 175          | 8.00        | 4                         | 2                                      | 2                         |
| Generic Senior Sci/Plan/Eng          | Senior Analyst / CM / Engineer / LA / Planner / Scientist          | 155          |             |                           |                                        |                           |
| Generic Staff 3                      | Staff 3 Analyst / CM / Engineer / LA / Planner / Scientist         | 140          | 4.00        | 4                         |                                        |                           |
| Generic Staff 2                      | Staff 2 Analyst / CM / Engineer / LA / Planner / Scientist         | 125          | 24.00       | 20                        |                                        | 4                         |
| Generic Staff 1                      | Staff 1 Analyst / CM / Engineer / LA / Planner / Scientist         | 105          | 10.00       | 10                        |                                        |                           |
| Generic Field Technician (Intern)    | Technician                                                         | 89           |             |                           |                                        |                           |
| Generic Senior CAD Designer          | Senior CAD Designer                                                | 112          | 2.00        | 2                         |                                        |                           |
| Generic CAD Designer                 | CAD Designer                                                       | 95           |             |                           |                                        |                           |
| Generic Project Coordinator (Admin.) | Project Coordinator (Admin.)                                       | 89           |             |                           |                                        |                           |
| Generic Project Coordinator (PA's)   | Project Coordinator (PA's)                                         | 89           | 8.00        | 6                         |                                        | 2                         |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |
|                                      |                                                                    |              |             |                           |                                        |                           |

| SUB-CONTRACTORS | DESCRIPTION | TOTAL COST | 1c.1 | 1c.2 | 1c.3 |
|-----------------|-------------|------------|------|------|------|
|                 |             |            |      |      |      |

| REIMBURSABLES             | DESCRIPTION | COST PER UNIT | TOTAL COST | 1c.1 | 1c.2 | 1c.3 |
|---------------------------|-------------|---------------|------------|------|------|------|
| In-House Expenses         |             |               |            |      |      |      |
| Computer Modeling (\$/hr) | # of hours  | 10            | 40.00      | 4    |      |      |

Task2a: Other Areas: Additional SAP Memo Details

TASK TOTAL: \$ 722.00  
 LABOR SUBTASK TOTAL: \$ 712.00  
 LABOR TOTAL HOURS: 5.00  
 SUBCONTRACTOR SUBTASK TOTAL: \$ -  
 REIMBURSABLES SUBTASK TOTAL: \$ 10.00  
 EQUIPMENT SUBTASK TOTAL: \$ -

Sub-Task Descriptions:

| ANCHOR QEA STAFF                     | BILLING CATEGORY                                                   | BILLING RATE | TOTAL HOURS | Additional SAP Memo Details |
|--------------------------------------|--------------------------------------------------------------------|--------------|-------------|-----------------------------|
|                                      |                                                                    |              |             | Subtask 2a.1                |
| Generic Principal                    | Principal CM / Engineer / LA / Planner / Scientist                 | 215          | -           |                             |
| Generic Senior Project Manager       | Senior Managing Analyst / CM / Engineer / LA / Planner / Scientist | 195          | -           |                             |
| Generic Project Manager              | Managing Analyst / CM / Engineer / LA / Planner / Scientist        | 175          | 2.00        | 2                           |
| Generic Senior Sc/Plan/Eng           | Senior Analyst / CM / Engineer / LA / Planner / Scientist          | 155          | -           |                             |
| Generic Staff 3                      | Staff 3 Analyst / CM / Engineer / LA / Planner / Scientist         | 140          | -           |                             |
| Generic Staff 2                      | Staff 2 Analyst / CM / Engineer / LA / Planner / Scientist         | 125          | 2.00        | 2                           |
| Generic Staff 1                      | Staff 1 Analyst / CM / Engineer / LA / Planner / Scientist         | 105          | -           |                             |
| Generic Field Technician (Interns)   | Technician                                                         | 89           | -           |                             |
| Generic Senior CAD Designer          | Senior CAD Designer                                                | 112          | 1.00        | 1                           |
| Generic CAD Designer                 | CAD Designer                                                       | 95           | -           |                             |
| Generic Project Coordinator (Admin.) | Project Coordinator (Admin.)                                       | 89           | -           |                             |
| Generic Project Coordinator (PA's)   | Project Coordinator (PA's)                                         | 89           | -           |                             |
|                                      |                                                                    |              | -           |                             |
|                                      |                                                                    |              | -           |                             |
|                                      |                                                                    |              | -           |                             |
|                                      |                                                                    |              | -           |                             |
|                                      |                                                                    |              | -           |                             |

| SUB-CONTRACTORS | DESCRIPTION | TOTAL COST | 2a.1 |
|-----------------|-------------|------------|------|
|                 |             | -          |      |
|                 |             | -          |      |
|                 |             | -          |      |
|                 |             | -          |      |
|                 |             | -          |      |
|                 |             | -          |      |
|                 |             | -          |      |
|                 |             | -          |      |

| REIMBURSABLES             | DESCRIPTION | COST PER UNIT | TOTAL COST | 2a.1 |
|---------------------------|-------------|---------------|------------|------|
| <i>In-House Expenses</i>  |             |               |            |      |
| Computer Modeling (\$/hr) | # of hours  | 10            | 10.00      | 1    |
|                           |             |               | -          |      |
|                           |             |               | -          |      |



Task2b: Additional Field Sampling and Lab Coordination

TASK TOTAL: \$ 13,077.18  
 LABOR SUBTASK TOTAL: \$ 600.00 \$ 2,650.00  
 LABOR TOTAL HOURS: 4.00 20.00  
 SUBCONTRACTOR SUBTASK TOTAL: \$ - \$ 9,447.68  
 REIMBURSABLES SUBTASK TOTAL: \$ - \$ -  
 EQUIPMENT SUBTASK TOTAL: \$ - \$ 379.50

Sub-Task Descriptions:

| ANCHOR QEA STAFF                     | BILLING CATEGORY                                                   | BILLING RATE | TOTAL HOURS | Sample Locations and Lab Coordination |              | Field Sampling |              |
|--------------------------------------|--------------------------------------------------------------------|--------------|-------------|---------------------------------------|--------------|----------------|--------------|
|                                      |                                                                    |              |             | Subtask 2b.1                          | Subtask 2b.2 | Subtask 2b.1   | Subtask 2b.2 |
| Generic Principal                    | Principal CM / Engineer / LA / Planner / Scientist                 | 215          | -           |                                       |              |                |              |
| Generic Senior Project Manager       | Senior Managing Analyst / CM / Engineer / LA / Planner / Scientist | 196          | -           |                                       |              |                |              |
| Generic Project Manager              | Managing Analyst / CM / Engineer / LA / Planner / Scientist        | 175          | 2.00        | 2                                     |              |                |              |
| Generic Senior Sci/Plan/Eng          | Senior Analyst / CM / Engineer / LA / Planner / Scientist          | 155          | -           |                                       |              |                |              |
| Generic Staff 3                      | Staff 3 Analyst / CM / Engineer / LA / Planner / Scientist         | 140          | 10.00       |                                       |              |                | 10           |
| Generic Staff 2                      | Staff 2 Analyst / CM / Engineer / LA / Planner / Scientist         | 125          | 12.00       | 2                                     |              |                | 10           |
| Generic Staff 1                      | Staff 1 Analyst / CM / Engineer / LA / Planner / Scientist         | 105          | -           |                                       |              |                |              |
| Generic Field Technician (Interns)   | Technician                                                         | 89           | -           |                                       |              |                |              |
| Generic Senior CAD Designer          | Senior CAD Designer                                                | 112          | -           |                                       |              |                |              |
| Generic CAD Designer                 | CAD Designer                                                       | 95           | -           |                                       |              |                |              |
| Generic Project Coordinator (Admin.) | Project Coordinator (Admin.)                                       | 89           | -           |                                       |              |                |              |
| Generic Project Coordinator (PA's)   | Project Coordinator (PA's)                                         | 89           | -           |                                       |              |                |              |
|                                      |                                                                    |              | -           |                                       |              |                |              |
|                                      |                                                                    |              | -           |                                       |              |                |              |
|                                      |                                                                    |              | -           |                                       |              |                |              |
|                                      |                                                                    |              | -           |                                       |              |                |              |
|                                      |                                                                    |              | -           |                                       |              |                |              |
|                                      |                                                                    |              | -           |                                       |              |                |              |
|                                      |                                                                    |              | -           |                                       |              |                |              |

| SUB-CONTRACTORS | DESCRIPTION | TOTAL COST | 2b.1 | 2b.2        |
|-----------------|-------------|------------|------|-------------|
| Analytical Lab  | AUI         | 9,447.7    |      | \$ 8,588.80 |
|                 |             | -          |      |             |
|                 |             | -          |      |             |
|                 |             | -          |      |             |

| EQUIPMENT                                      | RATE UNIT | RATE | TOTAL UNITS | 2b.1 | 2b.2 |
|------------------------------------------------|-----------|------|-------------|------|------|
| Field Sampling Gear (sediment)                 | day       | 20   | 1.00        |      | 1    |
| Health & Safety Equipment (PPE) - "D" - gloves | day       | 20   | 1.00        |      | 1    |
| Digital Camera                                 | day       | 5    | 1.00        |      | 1    |
| Boat Rental                                    | day       | 300  | 1.00        |      | 1    |
|                                                |           |      | -           |      |      |
|                                                |           |      | -           |      |      |
|                                                |           |      | -           |      |      |
|                                                |           |      | -           |      |      |

Task2c: Other Areas: Results Reporting

TASK TOTAL: \$ 2,782.00  
 LABOR SUBTASK TOTAL: \$ 2,097.00 \$ 675.00  
 LABOR TOTAL HOURS: 16.00 5.00  
 SUBCONTRACTOR SUBTASK TOTAL: \$ - \$ -  
 REIMBURSABLES SUBTASK TOTAL: \$ 10.00 \$ -  
 EQUIPMENT SUBTASK TOTAL: \$ - \$ -

Sub-Task Descriptions:

| ANCHOR QEA STAFF                     | BILLING CATEGORY                                                   | BILLING RATE | TOTAL HOURS | Draft Report |              |
|--------------------------------------|--------------------------------------------------------------------|--------------|-------------|--------------|--------------|
|                                      |                                                                    |              |             | Subtask 2c.1 | Subtask 2c.2 |
| Generic Principal                    | Principal CM / Engineer / LA / Planner / Scientist                 | 215          | 1.00        | 1            |              |
| Generic Senior Project Manager       | Senior Managing Analyst / CM / Engineer / LA / Planner / Scientist | 195          | -           |              |              |
| Generic Project Manager              | Managing Analyst / CM / Engineer / LA / Planner / Scientist        | 175          | 3.00        | 2            | 1            |
| Generic Senior Sci/Plan/Eng          | Senior Analyst / CM / Engineer / LA / Planner / Scientist          | 155          | -           |              |              |
| Generic Staff 3                      | Staff 3 Analyst / CM / Engineer / LA / Planner / Scientist         | 140          | -           |              |              |
| Generic Staff 2                      | Staff 2 Analyst / CM / Engineer / LA / Planner / Scientist         | 125          | 12.00       | 8            | 4            |
| Generic Staff 1                      | Staff 1 Analyst / CM / Engineer / LA / Planner / Scientist         | 105          | 4.00        | 4            |              |
| Generic Field Technician (Interns)   | Technician                                                         | 89           | -           |              |              |
| Generic Senior CAD Designer          | Senior CAD Designer                                                | 112          | 1.00        | 1            |              |
| Generic CAD Designer                 | CAD Designer                                                       | 95           | -           |              |              |
| Generic Project Coordinator (Admin.) | Project Coordinator (Admin.)                                       | 89           | -           |              |              |
| Generic Project Coordinator (PA's)   | Project Coordinator (PA's)                                         | 89           | -           |              |              |
|                                      |                                                                    |              | -           |              |              |
|                                      |                                                                    |              | -           |              |              |
|                                      |                                                                    |              | -           |              |              |
|                                      |                                                                    |              | -           |              |              |
|                                      |                                                                    |              | -           |              |              |

| SUB-CONTRACTORS | DESCRIPTION | TOTAL COST | 2c.1 | 2c.2 |
|-----------------|-------------|------------|------|------|
|                 |             | -          |      |      |
|                 |             | -          |      |      |
|                 |             | -          |      |      |
|                 |             | -          |      |      |
|                 |             | -          |      |      |
|                 |             | -          |      |      |

| REIMBURSABLES             | DESCRIPTION | COST PER UNIT | TOTAL COST | 2c.1 | 2c.2 |
|---------------------------|-------------|---------------|------------|------|------|
| <b>In-House Expenses</b>  |             |               |            |      |      |
| Computer Modeling (\$/hr) | # of hours  | 10            | 10.00      | 1    |      |
|                           |             |               | -          |      |      |
|                           |             |               | -          |      |      |





City Council Business Agenda Item  
City of Kenmore, WA

**Subject/Topic:**

SR522 Contract with H.W. Lochner, Inc. to complete the design of SR 522 West A (61<sup>st</sup> Ave NE to 65<sup>th</sup> Ave NE) and right-of-way acquisition for complete SR522 West corridor (57<sup>th</sup> Ave NE to 65<sup>th</sup> Ave NE)

For Council Meeting Agenda of: January 28, 2013

Department: Engineering & Environmental Services

Prepared by: Kent Vaughan, PE

Initial & Date

Approved by Department Head:

KMO 1/17/13

Approved by City Attorney:

VJA

Approved by Finance Director:

CMG 1/17/13

Approved by City Manager:

KOK

**Proposed Council Action/Motion:** Authorize the City Manager to execute Contract No. 13-C1103 in an amount not to exceed \$700,000 (plus a 10% contingency) with H.W. Lochner Inc. for SR522 design and right-of-way services.

**Exhibits/Attachments:**

- 2013-18 Transportation Improvement Program
- 2013-18 CIP Project Sheet T-6 SR522 West A (61<sup>st</sup> to 65<sup>th</sup> Ave NE including 61<sup>st</sup> Ave NE approaches)

Expenditure Required \$ 700,000

Amount Budgeted \$ 700,000

Appropriation Required \$0

**INFORMATION/BACKGROUND:**

In April 2009, City Council authorized the City Manager to enter into a contract with H.W. Lochner, Inc. to complete the design and right-of-way acquisition services for SR 522 Phase 1 Stage 2 from 57th Ave NE to 65th Ave NE (now renamed SR522 West).

In February 2010, the decision was made to divide the larger SR522 West project into segments to allow more favorable funding proposals.

In July 2010, City Council was notified that a direct allocation of \$650,000 in federal funds was awarded to the SR 522 project. Soon thereafter, Council authorized the design and right-of-way acquisition for the signal improvements at NE 181st Street and 61st Avenue NE. At that time, the SR522 Phase 1 Stage 2 design was shelved at 90% completion, and the consultant's focus was directed towards the completion of the 61<sup>st</sup> Ave NE and NE 181<sup>st</sup> ST traffic signal project.

In August 2011, PSRC notified City Council that the SR522 project was awarded \$2,500,000 in federal right-of-way funds. At that time, the decision was made to put the right-of-way acquisition process for the SR522 Phase 1 Stage 2 project on hold until the federal funds could be obligated for City reimbursement. In early 2012, FHWA

and WSDOT concluded that the City's SR522 environmental permitting documents (NEPA) needed to be updated (NEPA was approved in 2005). Staff began working with WSDOT to update the environmental permitting documents in early 2012. The NEPA update was officially completed by WSDOT in October 2012.

In November 2012, City Council learned that the City was awarded \$5,201,840 in State Transportation Improvement Board (TIB) funds for design, right-of-way and construction of the SR522 improvements between 61<sup>st</sup> Ave NE and 65<sup>th</sup> Ave NE (now named SR522 West A). These funds have been obligated for City reimbursement.

Staff has been working with the consultant, HW Lochner, under the existing contract to complete the right-of-way plans and project funding estimate necessary to obligate the federal right-of-way funds. This documentation is slated to be complete by the end of January 2013. WSDOT Local Programs has indicated that the \$2.5M in federal right-of-way funds should be obligated by March 1, 2013.

Given the new funding developments in SR522 and the recent staff transitions, the City and WSDOT Local Programs agreed that developing a new contract with HW Lochner to complete the scope of work was a good idea. The new contract duration will begin in February 2013 and extend through December 2014. Services to be provided include completing the SR522 West A project design and preparing final bid ready contract documents, right-of-way plan revisions, property negotiations, permitting, private property utility conversions, utility coordination, cost estimating, and bidding support services. This contract will not include engineering services required during construction.

Design services will be conducted over an eight-month period from February 2013 through September 2013. Right-of-way services have already resumed under the old contract and will continue through the duration of the new contract. The right-of-way process is generally unpredictable however Staff is hopeful that property rights will be acquired by February 2014. This would allow for the project to be advertised for bids in the Spring of 2014.

#### **FISCAL CONSIDERATION:**

This contract agreement (13-C1103) with HW Lochner will expire December 31, 2014 with the option to extend. The contract value will be up to \$700,000. The consultant fee roughly divided equally between design and right-of-way services. The consultant fee in this agreement is consistent with the adopted Capital Improvement Plan and is budgeted.

The City Engineer or designee will manage the overall agreement for compliance.

#### **COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

Council Goal 3: To seek funds and move forward on the 522 project.

**CITY OF KENMORE, WASHINGTON  
TRANSPORTATION IMPROVEMENT PROGRAM  
FOR THE YEARS 2013-2018**

| Project Description                            | 2013<br>Proposed   | 2014<br>Proposed   | 2015<br>Proposed   | 2016<br>Proposed   | 2017<br>Proposed   | 2018<br>Proposed   | 2013-2018<br>Totals |
|------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| T 5 68th Ave NE SR522 to Sammamish Slough      | 0                  | 0                  | 0                  | 110,000            | 320,000            | 2,440,000          | 2,870,000           |
| T 6 SR 522 West A 61st to 65th                 | 4,398,500          | 4,865,000          | 2,000,000          | 0                  | 0                  | 0                  | 11,263,500          |
| T 7 61st Ave NE & 181st Traffic Signal         | 487,300            | 0                  | 0                  | 0                  | 0                  | 0                  | 487,300             |
| T 8 SR 522 West B 57th to 61st with BGT Wall   | 0                  | 0                  | 410,000            | 8,585,000          | 15,000             | 0                  | 9,010,000           |
| T 22 Simonds Road-Inglesmoor HS Right Turn Lar | 25,000             | 0                  | 70,000             | 445,000            | 0                  | 0                  | 540,000             |
| T 26 Wayfinding Signage and Banners            | 20,000             | 20,000             | 20,000             | 20,000             | 20,000             | 20,000             | 120,000             |
| T 36 City Gateways                             | 75,000             | 225,000            | 0                  | 0                  | 0                  | 0                  | 300,000             |
| T 27 Sidewalk Program                          | 174,950            | 100,000            | 100,000            | 100,000            | 100,000            | 100,000            | 674,950             |
| T 31 City Safety Improvements                  | 250,000            | 0                  | 0                  | 0                  | 0                  | 0                  | 250,000             |
| Annual Overlay Program Including T 35          | 1,273,450          | 700,000            | 600,000            | 600,000            | 600,000            | 600,000            | 4,373,450           |
| <b>Total Project Costs</b>                     | <b>\$6,704,200</b> | <b>\$5,910,000</b> | <b>\$3,200,000</b> | <b>\$9,860,000</b> | <b>\$1,055,000</b> | <b>\$3,160,000</b> | <b>\$29,889,200</b> |
| <b>Funding:</b>                                |                    |                    |                    |                    |                    |                    |                     |
| Real Estate Excise Tax                         | \$897,300          | \$290,000          | \$250,000          | \$300,000          | \$0                | \$123,750          | \$1,861,050         |
| Real Estate Excise Tax - Set Aside Sidewalks   | 174,950            | 100,000            | 100,000            | 100,000            | 100,000            | 100,000            | 674,950             |
| Impact Fee Revenue                             | 412,500            | 380,000            | 435,000            | 527,500            | 115,000            | 400,000            | 2,270,000           |
| State/TIB                                      | 0                  | 4,100,000          | 1,100,000          | 2,000,000          | 0                  | 0                  | 7,200,000           |
| Federal Transportation Funding 61st Signal     | 1,100,000          | 0                  | 0                  | 0                  | 0                  | 0                  | 1,100,000           |
| STP Preservation Grant-Juanita Overlay         | 636,725            | 0                  | 0                  | 0                  | 0                  | 0                  | 636,725             |
| Street Fund                                    | 636,725            | 700,000            | 600,000            | 600,000            | 600,000            | 600,000            | 3,736,725           |
| General Fund                                   | 20,000             | 20,000             | 20,000             | 20,000             | 20,000             | 20,000             | 120,000             |
| Surface Water Fund                             | 63,500             | 320,000            | 250,000            | 0                  | 0                  | 0                  | 633,500             |
| Other Agencies Reimbursements                  | 12,500             | 0                  | 35,000             | 222,500            | 0                  | 0                  | 270,000             |
| Federal Funding                                | 250,000            | 0                  | 354,650            | 55,000             | 205,000            | 1,916,250          | 2,780,900           |
| PWTF Loan                                      | 0                  | 0                  | 55,350             | 6,035,000          | 15,000             | 0                  | 6,105,350           |
| SR 522 Federal Allocation ROW                  | 2,500,000          | 0                  | 0                  | 0                  | 0                  | 0                  | 2,500,000           |
| <b>Total Project Funding</b>                   | <b>\$6,704,200</b> | <b>\$5,910,000</b> | <b>\$3,200,000</b> | <b>\$9,860,000</b> | <b>\$1,055,000</b> | <b>\$3,160,000</b> | <b>\$29,889,200</b> |



## City of Kenmore Capital Improvement Program

**Project Name:** SR 522 – West A (61<sup>st</sup> to 65<sup>th</sup> Avenues NE Including 61<sup>st</sup> Avenue NE approaches)  
**Project No.** T- 6

**Project Location:** Highway 522 : 61<sup>st</sup> to 65<sup>th</sup> Avenues NE including 522/61<sup>st</sup> Avenue NE north and south legs.

**Project Manager:** Kent Vaughan

**Project Description:** The project will 1) upgrade the 522/61<sup>st</sup> Avenue NE signal 2) complete 522 improvements between 61<sup>st</sup> and 65<sup>th</sup> Avenues NE (the terminus of completed 522 work) and 3) complete the north and south legs (approaches) of the 522/61<sup>st</sup> intersection. 522 improvements include: sidewalk, undergrounding utilities, stormwater system facilities, illumination, and rechannelization to three lanes in each direction including Business Access Transit – BAT lanes and left/u turn pockets.

**Background:** : This project is formerly one of the components of the larger SR 522 Phase 1, Stage 2 Corridor Improvement Project; now called **West A**. The improvements would improve vehicle and pedestrian safety and reduce signal delays. Safety at the Burke-Gilman trail crossing of 61<sup>st</sup> Avenue NE would also be improved. Construction of the 522/61<sup>st</sup> Avenue NE signal must start in the spring to utilize the earmark funds. If other funding falls into place, construction of the remaining components of the project would begin in 2014.

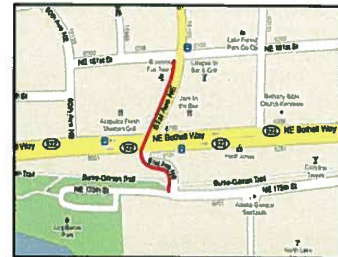
### Funding Status:

The City received \$1,100,000 in earmark money to complete signal upgrades at 61<sup>st</sup> Avenue NE. The City has applied for TIB and Regional Mobility funds to help fund the remainder of the project. The City will utilize Transportation Impact Fees, REET and Surface water funds as match. The City has received \$2,500,000 in right of way funds and right of way for the entire segment will likely begin late 2012 or early 2013.

**Environmental Review Status:** Exempt ☐ Mitigated DNS ☐ EIS ☒  
 An environmental impact statement has been completed and approved by WSDOT and FHWA. The NEPA document was updated in 2012.

**Potential Project Issues:** The project will require additional funding to complete construction between 61<sup>st</sup> and 65<sup>th</sup> Avenues NE and the south leg of the 522/61<sup>st</sup> Avenue signal.

**Operations:** This project will result in increased street lighting electrical and maintenance costs, landscaping maintenance and storm water maintenance, and water for irrigation. Assume \$20,000 per year for landscape maintenance, and \$15,000 per year for water. The Washington State Department of Transportation is responsible for the street surface maintenance.





**City of Kenmore Capital Improvement Program**  
**Project Name: SR 522 – West A (61<sup>st</sup> to 65<sup>th</sup> Avenues NE**  
**Including 61<sup>st</sup> Avenue NE approaches)**

**CURRENT DOLLARS**

| Year                   | Prior Years       | 2013               | 2014               | 2015               | 2016        | 2017        | 2018        | Total               |
|------------------------|-------------------|--------------------|--------------------|--------------------|-------------|-------------|-------------|---------------------|
| <b>Expenses</b>        |                   |                    |                    |                    |             |             |             |                     |
| Project Administration | \$ 10,000         | \$ 85,000          | \$ 65,000          |                    |             |             |             | \$ 160,000          |
| Design                 | \$ 50,000         | \$ 363,500         |                    |                    |             |             |             | \$ 413,500          |
| ROW/Acquisition        | \$ 40,000         | \$2,850,000        |                    |                    |             |             |             | \$ 2,890,000        |
| Construction           |                   | \$1,100,000        | \$4,800,000        | \$2,000,000        |             |             |             | \$ 7,900,000        |
| Art                    |                   |                    |                    |                    |             |             |             |                     |
| <b>Total</b>           | <b>\$ 100,000</b> | <b>\$4,398,500</b> | <b>\$4,865,000</b> | <b>\$2,000,000</b> |             |             |             | <b>\$11,363,500</b> |
| <b>Revenue</b>         |                   |                    |                    |                    |             |             |             |                     |
| REET                   | \$ 100,000        | \$ 335,000         | \$ 65,000          | \$ 250,000         |             |             |             | \$ 750,000          |
| General                |                   |                    |                    |                    |             |             |             | \$ -                |
| Impact                 |                   | \$ 400,000         | \$ 380,000         | \$ 400,000         |             |             |             | \$ 1,180,000        |
| State                  |                   | \$1,100,000        |                    |                    |             |             |             | \$ 1,100,000        |
| TIB                    |                   |                    | \$4,100,000        | \$1,100,000        |             |             |             | \$ 5,200,000        |
| SWM                    |                   | \$ 63,500          | \$ 320,000         | \$ 250,000         |             |             |             | \$ 633,500          |
| Federal                |                   | \$2,500,000        |                    |                    |             |             |             | \$ 2,500,000        |
| <b>Total</b>           | <b>\$ 100,000</b> | <b>\$4,398,500</b> | <b>\$4,865,000</b> | <b>\$2,000,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$11,363,500</b> |

**SCHEDULE**

|                  | 2013 |    |    |    | 2014 |    |    |    | 2015 |    |    |    | 2016 |    |    |    | 2017 |    |    |    | 2018 |    |    |    |
|------------------|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
| Project Timeline | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 |
| Right of Way     |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
| Final Design     |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
| Construction     |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
| Closeout         |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
|                  |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
|                  |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
|                  |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
|                  |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
|                  |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
|                  |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |



City Council Business Agenda Item  
City of Kenmore, WA

|                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                                         |                                   |  |                                      |            |                                  |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|-----------------------------------|--|--------------------------------------|------------|----------------------------------|------------|
| <b>Subject/Topic:</b><br><br><b>Staff Report: Graffiti in Kenmore</b><br><br><br><br><b>Proposed Council Action/Motion:</b><br>N/A                                                                                                                                                                            | <b>For Council Meeting Agenda of:</b> January 28, 2013<br><br><b>Department:</b> Public Works<br><br><b>Prepared by:</b> Jennifer Gordon<br><br><table><tr><td><b>Approved by Department Head:</b></td><td><u>Initial &amp; Date</u><br/>JG 1/21/13</td></tr><tr><td><b>Approved by City Attorney:</b></td><td></td></tr><tr><td><b>Approved by Finance Director:</b></td><td>JG 1/21/13</td></tr><tr><td><b>Approved by City Manager:</b></td><td>JG 1/21/13</td></tr></table><br><b>Exhibits/Attachments:</b> November 29, 2012 Memo | <b>Approved by Department Head:</b> | <u>Initial &amp; Date</u><br>JG 1/21/13 | <b>Approved by City Attorney:</b> |  | <b>Approved by Finance Director:</b> | JG 1/21/13 | <b>Approved by City Manager:</b> | JG 1/21/13 |
| <b>Approved by Department Head:</b>                                                                                                                                                                                                                                                                           | <u>Initial &amp; Date</u><br>JG 1/21/13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                     |                                         |                                   |  |                                      |            |                                  |            |
| <b>Approved by City Attorney:</b>                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                                         |                                   |  |                                      |            |                                  |            |
| <b>Approved by Finance Director:</b>                                                                                                                                                                                                                                                                          | JG 1/21/13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                     |                                         |                                   |  |                                      |            |                                  |            |
| <b>Approved by City Manager:</b>                                                                                                                                                                                                                                                                              | JG 1/21/13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                     |                                         |                                   |  |                                      |            |                                  |            |
| <b>Expenditure Required \$0</b>                                                                                                                                                                                                                                                                               | <b>Amount Budgeted \$0</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Appropriation Required</b>       |                                         |                                   |  |                                      |            |                                  |            |
| <b><u>INFORMATION/BACKGROUND:</u></b><br><br>Staff was asked to provide a report on graffiti in Kenmore. The attached memo outlines the process in which graffiti might be reported and removed on both public and private property. The report also includes historical data dating back to October of 2009. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                                         |                                   |  |                                      |            |                                  |            |
| <b><u>FISCAL CONSIDERATION:</u></b><br><br>                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                                         |                                   |  |                                      |            |                                  |            |
| <b><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></b><br><br>See Kenmore Mission Statement and Vision Statement                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                                         |                                   |  |                                      |            |                                  |            |



# City Of Kenmore, Washington

## Memorandum

**Date:** November 29, 2012

**To:** Rob Karlinsey, City Manager

**From:** Jennifer Gordon, Public Works Operations Manager 

**Subject:** Staff Report Graffiti in Kenmore

### How does the City handle graffiti?

The City takes graffiti very seriously. We know that rapid removal is key to fighting and preventing graffiti. Public Works and the Police Department have worked together over the years to address graffiti around the City. Graffiti is reported by staff (typically Public Works staff come across it during routine maintenance activities), police, and citizens. Graffiti can be found on both public and private property and structures.

### Reporting Graffiti

Graffiti can be reported via:

- Calling 911; Police will respond to the scene, take photos, and take a case report.
- Call the non-emergency police dispatch (206) 296-3311 to report by phone.
- Can submit a police report online,  
<http://www.kingcounty.gov/safety/sheriff/ReportToSheriff.aspx>
- Calling Kenmore City Hall at (425) 398-8900
- Submitting a request to the City online <http://kenmorewa.gov/Page.aspx?cid=36>

Upon receiving reports of graffiti (internal or external) regardless of being on public or private property, public works staff reports it to the police department for investigation before taking any action. Police will investigate, take photos, and create a police report. Once the police have given public works the go ahead, we will immediately initiate addressing the graffiti.

### Graffiti found on City property

Graffiti on City property is typically found on street and park signage, concrete walls, fences, and most often in the park restrooms. Once the police have completed their investigation, public works crews will initiate the cleanup. Graffiti can be removed with specialized graffiti remover, pressure washing or painting. If these cleanup tactics do not work then the item may need to be replaced.

### Graffiti found on King County property and utility cabinets or vaults

The City occasionally receives reports of graffiti on other public property, such as the Burke Gilman Trail or on utility cabinets (WSDOT on SR522, King County maintained signals, Comcast, Frontier, NUD, PSE, etc.). When graffiti is reported in these locations, public works will investigate and report directly to the responsible party, requesting that the graffiti get removed as soon as possible.

18120 68<sup>th</sup> Ave NE · PO Box 82607 · Kenmore, WA 98028

Office: (425) 398-8900 · Fax: (425) 481-3236 · [cityhall@kenmorewa.gov](mailto:cityhall@kenmorewa.gov) · [www.kenmorewa.gov](http://www.kenmorewa.gov)



**Graffiti found on Private property**

The City will also receive reports of graffiti on private property. Public works will investigate to confirm it is located on private property and report to Police to make contact with the property owner and request that property owner removes the graffiti as soon as possible.

**Police Reports**

When graffiti cases are taken in by the police department, they are funneled to the Student Resource Officer (SRO). The SRO will keep photos from the graffiti reports and be on the lookout for students that may have similar tagging on their personal belongings. The police department will also communicate with bordering jurisdictions to coordinate enforcement efforts.

**Clean up efforts**

Graffiti is not currently a big problem in Kenmore. Graffiti on City property is addressed immediately, while private property incidences may take longer to get cleaned up. We are looking into obtaining permission for Public Works to paint tagged utility structures. If approved Public Works would have matching pain colors on hand to clean up graffiti.

**Historical Data**

Since October of 2009 the City has logged 38 graffiti reports:

| Location                              | Public/Private property            | Number of reports |
|---------------------------------------|------------------------------------|-------------------|
| Kenmore Village                       | Kenmore                            | 5                 |
| Skate Park                            | Kenmore                            | 6                 |
| Park                                  | Kenmore                            | 3                 |
| Kenmore ROW                           | Kenmore                            | 8                 |
| Signs                                 | King County maintained for Kenmore | 3                 |
| BGT ROW                               | King County                        | 6                 |
| Odor Control station at Log Boom Park | King County                        | 2                 |
| Public School Property                | Northshore School District         | 2                 |
| Private property                      | Private property owner             | 3                 |

**Recommendations to property owners for preventing graffiti:**

- Report graffiti to the Police or the City immediately;
- Remove graffiti from your property immediately after a police report has been completed; rapid removal is key to preventing and combating graffiti;
- Installing improved lighting and/or motion-sensor lighting;
- Growing vines or other vegetation to cover unpainted walls;
- Installing graffiti resistant coating on your walls;
- Keeping matching paint on hand to quickly paint out graffiti;
- Install cameras to monitor activity on your property.

The above recommendations and general info about graffiti will be included in an upcoming City Newsletter and will be placed on the City's website.



**2012 Graffiti End of Year Report**  
**City of Lake Forest Park Police Department**  
**Ofc. Morris Parrish, Gang Investigations**

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**Background:** The Lake Forest Park Police Department (LFPPD) takes all graffiti reports in a timely manner. All graffiti reports are investigated as thoroughly as possible. Typically, officers will either on-view graffiti or take calls for service from citizens and Public Works staff. Case reports are completed and Gang Investigations officers review the cases to see if the graffiti is gang related or not. A log is compiled and presented frequently to police patrol officers to make them aware of problem areas.

Graffiti can be typically broken down into three areas:

- 1) Political
- 2) Gang
- 3) "Art" or non-gang related

In Lake Forest Park, the overwhelming majority of graffiti seen is art style or non-gang related.

The Police Department works with Public Works to quickly identify and clean up graffiti on public owned signs, utility boxes and locations.

**Statistics:** In 2011, the city had a record of **154** graffiti affiliated Malicious Mischief calls for service across a large portion of the city. In comparison, 2012 only logged **84** graffiti affiliated Malicious Mischief calls for service. This is **70** calls for service **LESS** than 2011. This reduction can be attributed to the quick clean-up by Public Works as well as success by the police department in identifying "taggers," arresting and charging them. There was no gang affiliated graffiti located in the city.

**Successes:** In February, a suspect was caught by Kenmore PD after returning to his vehicle parked in the Uplake neighborhood. The suspect ultimately confessed to "tagging" a concrete retaining wall in Lake Forest Park. He was charged and convicted through the Lake Forest Park Municipal Court for vandalism (Malicious Mischief).

In March, Det. Matthews was contacted by Shorecrest High School security who advised him that a student who lived in Lake Forest Park had been caught "tagging" a locker. That information was forwarded to me. Working with our detectives, Shoreline P.D. and the school, the 18 year old suspect was located. He confessed to his graffiti spree of over 50 locations damaged by graffiti in Lake Forest Park alone. He was later charged and pled guilty to two felony counts of vandalism. He was sentenced to 364 days in jail. This suspect was responsible for approximately one third of all the graffiti reports in 2011.

In August, a series of crude "taggings" appeared in the north end of the city. Several days later, detectives were called and through their investigation, located and identified three juveniles who had vandalized multiple signs, locations and homes.

**2012 Graffiti End of Year Report  
City of Lake Forest Park Police Department  
Ofc. Morris Parrish, Gang Investigations**

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**Plans for 2013:** The Police Department will continue to monitor and actively respond to all graffiti complaints. Full documentation will be made in conjunction with the cases and Gang Investigators will continue to review all graffiti cases. Further, Gang Investigators will work with Investigations to close and charge on cases. Gang Investigators will continue to work with Public Works and private property owners for quick clean-up of all observed and documented graffiti.



City Council Business Agenda Item  
City of Kenmore, WA

|                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                               |                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <b>Subject/Topic:</b><br><br>Frontier Cable Television Franchise Status                                                                                                                                              | <b>For Council Meeting Agenda of:</b> 28 January 2013<br><br><b>Department:</b> Executive<br><br><b>Prepared by:</b> Nancy Ousley<br><br><b>Initial &amp; Date</b><br><b>Approved by Department Head:</b> <u>NKO 17 Jan 2013</u><br><b>Approved by City Attorney:</b> _____<br><b>Approved by Finance Director:</b> <u>N/A</u><br><b>Approved by City Manager:</b> <u>ROK</u> |                                  |
| <b>Proposed Council Action/Motion:</b><br>Discussion                                                                                                                                                                 | <b>Exhibits/Attachments:</b><br><br>Memo<br>1)Correspondence 2011-2012<br>2)Ordinance 09-0300 Franchise Transfer<br>3)Franchise Agreement with Verizon                                                                                                                                                                                                                        |                                  |
| <b>Expenditure Required \$0</b>                                                                                                                                                                                      | <b>Amount Budgeted \$</b>                                                                                                                                                                                                                                                                                                                                                     | <b>Appropriation Required \$</b> |
| <b><u>INFORMATION/BACKGROUND:</u></b><br><br>The attached staff memo and exhibits provide an update on the status of Frontier Communications' obligations in its cable franchise agreement with the City of Kenmore. |                                                                                                                                                                                                                                                                                                                                                                               |                                  |
| <b><u>FISCAL CONSIDERATION:</u></b>                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                               |                                  |
| <b><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></b>                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                               |                                  |

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## City Of Kenmore, Washington

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### MEMO

17 January 2013

TO: Rob Karlinsey, City Manager

FR: Nancy Ousley, Assistant City Manager *NKO*

RE: Frontier Communications Cable Television Franchise Status

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Frontier Communications is required to offer services to the entire service area (the entire City) pursuant to their cable television franchise agreement with the City. This franchise agreement was originally approved with Verizon in 2008, a new cable provider in the area, which meant that transmission infrastructure needed to be installed throughout the City. The City Council approved the transfer of the franchise from Verizon to Frontier in 2009, following a formal review process as required by the Federal Communications Commission. The City's review was conducted in conjunction with eleven other local jurisdictions that formed a consortium to work through the review.

The franchise agreement requires that the offering service throughout the City be completed in August 2011. As of that date, about 57% of the City of Kenmore build-out had been completed and available to offer Frontier cable services. In fact, all of the installation to date was performed by Verizon prior to the franchise transfer. Frontier service is not available in most of the area south of the Sammamish River.

When a franchisee is in breach of requirements and no agreement can be reached through informal discussions, liquidated damages can be assessed (\$250 per day up to a maximum of \$15,000 in a twelve month period).

The Administration initially met with Frontier management in December 2011 to discuss the build-out status, and Frontier proposed a two year extension of the requirement, with service to be available throughout the city by the end of 2013, along with regular progress reports to the City. This extension proposal was not incorporated into the franchise agreement. Subsequently in June 2012, Frontier provided an updated projected schedule of the installation that would have completed the service area requirement by the end of 2014, but no further discussions occurred until January 16, 2013, when we convened a meeting with Frontier, City of Shoreline and City of Edmonds. The other cities also are not fully served and had similar

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discussions with Frontier about one year ago. Kenmore has by far the largest unserved percentage of its service area in comparison to Shoreline and Edmonds.

As a result of the January 16 discussion, Frontier has agreed to provide an updated schedule for installation in this first quarter of 2013, and the company will commit to City event sponsorship, which had been a commitment of Frontier senior executives while the Council was considering the franchise transfer. Senior Vice President and General Manager Richard Klena will discuss the status of Frontier's build out requirement with the Council in April.

#### **Attachments**



## City Of Kenmore, Washington

Sent via email and US mail

August 29, 2011

Dan Clark  
General Manager  
Frontier Communications  
1800 41<sup>st</sup> Street  
Mailcode WA0102DM  
Everett, WA 98201

Re: Service Area - Franchise Obligations

Dear Mr. Clark:

The City of Kenmore is in receipt of your "Programming Change Notice", dated August 19, 2011, where you identified that Frontier Communications (Frontier) will not be providing the Tennis Channel. Thank you for the notice.

On another matter, the City would like to communicate its concern about Frontier's risk of failing to meet its obligation under Section 3.1 of the Cable Franchise Agreement between the City of Kenmore and Verizon Northwest, Inc. (Franchise); as you know, the Kenmore City Council approved the transfer of this Franchise and its obligations from Verizon to Frontier Communications Corporation in December, 2009. Specifically, Section 3.1 requires Frontier to "offer Cable Service to all residential areas in the Initial Service Area within thirty-six (36) months of the Service Date of the Franchise". The Initial Service Area includes the entire City.

The Service Date of the Franchise is defined under Section 1.26 of the Franchise to mean: "The date that the Franchisee first provides Cable Service on a commercial basis directly to multiple subscribers in the Franchise Area. The Franchisee shall memorialize the Service Date by notifying the LFA (City) in writing of the same, which notification shall become a part of this Franchise. "The City has received written confirmation that the Franchise Service Date is August 29, 2008. Under the Franchise, Frontier has an obligation to build out and serve all residential areas within the City by August 29, 2011.

The City acknowledges that by the time of the Franchise Transfer in December 2009, the area north of the Sammamish River had largely been installed with fiber, and the projected completion date for installation north of the river was April 2010. Installation south of the river was projected to begin in 2010 and be completed in 2011. However, to date the residential areas south of the Sammamish River have not been fully provided access to cable service. The City is very concerned

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Dan Clark, Frontier Communications  
August 29, 2011

2

that a segment of its citizens will be denied access to cable service without the timely fulfillment of Section 3.1.

Accordingly, this letter is meant to request a status report and confirm that the City intends to hold Frontier to its Franchise commitments. Please provide as soon as possible a schedule detailing how and when Frontier will meet its Franchise obligations under Section 3.1. The City looks forward to receiving Frontier's expedited response to this request.

Thank you for your attention to this matter.

Sincerely,



Frederick C. Stouder  
City Manager

cc: Rod Kaseguma, City Attorney, Inslee, Best, Doezie & Ryder, PS  
Dawn Reitan; City Attorney, Inslee, Best, Doezie & Ryder, PS  
Elana Zana, Ogden Murphy Wallace  
Ann Burr, Frontier Communications

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## City Of Kenmore, Washington

November 23, 2011

SENT VIA EMAIL & US MAIL

Dan Clark  
General Manager  
Frontier Communications  
1800 41st Street  
Mailcode WA0102DM  
Everett, WA 98201

**RE: Service Area - Sec. 3.1 Franchise Obligations  
Request for Informal Discussions**

Dear Mr. Clark:

**1. Introduction & Purpose.**

The City of Kenmore (City) believes that Frontier Communications (Frontier) is in breach of its obligations set forth in 3.1 of the Franchise Agreement between the City and Verizon Northwest Inc. (Franchise). As you know, the Kenmore City Council approved the transfer of the Franchise to Frontier in December of 2009. The purpose of this letter is to request informal discussions to identify how Frontier will meet its obligations under Section 3.1 and resolve this issue.

**2. Section 3.1 of the Franchise.**

Section 3.1 of the Franchise requires Frontier to "offer Cable Service to all residential areas in the Initial Service Area within thirty-six (36) months of the Service Date of the Franchise." The Initial Service Area includes the entire City.

The Service Date of the Franchise is defined under Section 1.26 of the Franchise to mean: "The date that the Franchisee first provides Cable Service on a commercial basis directly to multiple subscribers in the Franchise Area. The Franchisee shall memorialize the Service Date by notifying the LFA (City) in writing of the same, which notification shall become a part of this Franchise." The City has received written confirmation that the Franchise Service Date is August 29, 2008.

Under the Franchise, Frontier was required to build out and serve all residential areas within the City by August 29, 2011. When the Franchise was transferred to Frontier in December 2009, the area north of the Sammamish River had largely been installed with fiber. However, the August 29, 2011, service deadline has passed and the residential areas south of the Sammamish River have not been fully provided access to cable service.

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Dan Clark  
November 23, 2011

2

**3. Prior discussions.**

On two separate occasions, the City has discussed with you its concern that Frontier might not meet its obligations under Section 3.1. As you may recall, on June 16, 2011, Nancy Ousley, Assistant City Manager, verbally asked you about the status of the build-out required by Section 3.1. While you acknowledged that the build-out was behind schedule, you did not provide Ms. Ousley with additional information relating to Frontier's efforts to comply with Section 3.1.

In addition, on August 29, 2011, I sent you a letter communicating the City's concern about Frontier's risk of failing to meet its obligations under Section 3.1 of the Franchise. In the letter, I specifically asked you for a schedule detailing how and when Frontier would meet its obligations under Section 3.1 (enclosed). Frontier has not responded to the August 29, 2011, letter, and has not provided the requested schedule.

**4. Liquidated Damages**

Pursuant to Section 13.3 of the Franchise, if the informal discussions do not lead to resolution of the problem within twenty (20) days, the City will initiate the process to assess liquidated damages against Frontier. Under the Franchise, the City may assess two hundred and fifty dollars (\$250) per day against Frontier for its breach of Section 3.1.

**5. Conclusion.**

The City has attempted to cooperatively work with Frontier on its Section 3.1 obligations. Despite its request for information and status reports, the City has not received any response or information from Frontier that would detail its efforts to meet Section 3.1. To expedite a resolution to this problem, the City would like to meet with you as soon as possible to informally discuss this matter. Additionally, please provide a schedule detailing how and when Frontier will meet its obligations under Section 3.1.

Thank you for your immediate attention to this matter.

Sincerely,



Frederick C. Stouder  
City Manager

cc: Kenmore City Council  
Nancy Ousley, Assistant City Manager  
Rod Kaseguma, City Attorney, Inslee, Best, Doezie & Ryder, P.S.  
Dawn Reitan, City Attorney, Inslee, Best, Doezie & Ryder, P.S.  
Ann Burr, Frontier Communications

Enclosure

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## City Of Kenmore, Washington

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December 8, 2011

Sent via email and US Mail

Richard Klena, Senior Vice President  
Dan Clark, General Manager  
Frontier Communications  
1800 41<sup>st</sup> Street  
Mailcode WA0102DM  
Everett, WA 98201

**RE: Frontier's Compliance with Section 3.1 of Franchise - Information Requested**

Dear Mr. Klena and Mr. Clark:

Thank you for meeting with me and Nancy Ousley, Assistant City Manager, on November 30, 2011 (Meeting), to informally discuss how Frontier Communications (Frontier) will meet its obligations under Section 3.1 of the Franchise between the parties. Frontier requested the Meeting after receiving a letter I wrote to Dan Clark, dated November 23, 2011, repeating Frontier's obligations under Section 3.1 of Franchise (enclosed). My November 23, 2011 letter followed a letter on the same issue to Mr. Clark dated August 29, 2011, to which the City received no response.

In the November 23 letter, the City noted Frontier's failure to meet its obligations under Section 3.1. The City requested informal discussions to remedy the same. Under Section 13.3 of the Franchise, if the informal discussions do not lead to "resolution of the problem within twenty (20) days" the City can proceed with a Notice of Violation, which, in the absence of a cure, could result in the City assessing liquidated damages in the amount of \$250.00 per day against Frontier.

We acknowledge Frontier's response to the November 23, 2011 letter, and the interest to informally discuss the issue. We acknowledge your verbal commitment at the Meeting that Frontier will honor its contractual commitment and "get it done." We understand from our conversation that technology may make it necessary to consider different transmission approaches to what was provided in 2008 when the original franchise agreement with Verizon was approved. We are disappointed that Frontier did not keep the City informed on its progress toward meeting existing franchise obligations while the company was actively extending service to new territory in the State of Washington.

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I understand that Frontier is preparing a letter this week in response to our November 30 Meeting and that you have requested a meeting to deliver the letter. In order to better understand how Frontier will fulfill Section 3.1 and "offer Cable Service to all residential areas," I am requesting that Frontier provide specific timelines and benchmarks relating to the required provision of service, acknowledging that, as you reported, the current level of build out is at 57% of the City (apparently accomplished by Verizon). This information is necessary to give the City confidence that the progress toward service availability throughout the City will be timely and continuous. Accordingly, please submit the following information in your letter:

1. Detailed plan for providing service to the entire Kenmore Initial Service Area (which is the entire City)
2. Milestones for completion no later than August 29, 2013 (based on Frontier's schedule adjustment request made at the November 30 Meeting)
3. Note any City permit applications that are anticipated to accomplish the work
4. Schedule for quarterly update meetings and written status reports which are signed by senior management

In order to expedite resolution of this matter, please submit the requested information to the City no later than Tuesday, December 13, 2011. Upon receipt of the information, the City will review the response and will notify Frontier whether the City intends to proceed with enforcement of Section 3.1 as provided in the Franchise Agreement.

Thank you again for your assistance and prompt attention to this matter.

Sincerely,



Frederick C. Stouder  
City Manager

cc: Kenmore City Council  
Nancy Ousley, Assistant City Manager  
Rod Kaseguma, City Attorney, Inslee, Best, Doezie & Ryder, P.S.  
Dawn Reitan, City Attorney, Inslee, Best, Doezie & Ryder, P.S.  
Ann Burr, Frontier Communications



Richard Klena  
Senior Vice President  
General Manager

December 13, 2011

Frederick C. Stouder  
City Manager  
City of Kenmore  
18120 68<sup>th</sup> Ave NE  
Kenmore, WA 98028

Dear Fred,

I am writing in response to your December 8<sup>th</sup> letter to me in which the City of Kenmore has requested additional information about Frontier Communications plans to fulfill the Franchise agreement "cable service" build-out requirements in the City. As we previously discussed at our last meeting on November 30<sup>th</sup>, over the last 18 months since acquiring the Verizon operations in Washington, Frontier has been evaluating the existing FiOS video service platform and a number of alternative and new video service options to better service its customers in Kenmore, Washington and elsewhere across Frontier's service area.

As a result of these efforts, and other infrastructure improvement projects and commitments, Frontier has not fully completed the franchise service area build out requirements in Kenmore within the three year period originally contemplated by Section 3.1 of the Franchise agreement. As we discussed, Frontier is respectfully requesting that the City of Kenmore agree to extend the initial service area franchise build out obligations for an additional two years – until December 31, 2013. As such, Frontier will agree to provide the City with quarterly updates regarding the status of the build out work and meet with representatives of the City of Kenmore on a quarterly basis to discuss our progress and any other concerns the City may have.

As we discussed at our November 30<sup>th</sup> meeting, we continue to review our overall video strategy, service technology options and our service deployment plans. Frontier expects this work will continue through the first quarter of 2012. In response to the request for more detailed information in your December 8<sup>th</sup> letter, Frontier will commit to the following preliminary plan to be discussed at our meeting on December 13, 2011:

1. *Detailed plan for providing service to the entire Kenmore Initial Service Area:*

Frontier will fulfill service availability requirements reflected in Section 3.1 of the Franchise agreement through multiple steps. We will begin by engineering and planning how to best provision a network to enable the provision of service to the applicable households in the franchise area. This will take some time and

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effort to plan the additional areas, as the 'easiest' areas were already constructed, but the more difficult locations still remain.

Beyond the planning and design scope, Frontier would also need to discuss the level of 'construction' work that the City of Kenmore will accommodate. We would also need to meet and work closely with several material and equipment vendors including labor contractors, as the levels of these items and people would far exceed our normal use and availability. I expect this activity to take between 4-6 months once we get started.

The next phase would include delivering these services to the individual areas. That would be an ongoing effort of managing project completions, permitting, traffic control, and also material supplies. Of course, we would be working very closely with the City of Kenmore during the service delivery portion of the project. Because this is the most 'action packed' section of the project, I expect this activity to take between 12-24 months to complete.

2. *Milestones for completion no later than August 29<sup>th</sup>, 2013 (based on Frontier's schedule adjustment request made at the November 30 Meeting):*

Based on past experience, Frontier would expect to see the initial planning and construction preparation to take place between January 2012 and July 2012. The actual construction work would begin after July 2012 and continue through August of 2013 with a planned completion by December 31, 2013. I expect the project to progress along the following timeline:

Q1 2012 - 0%  
Q2 2012 - 0%  
Q3 2012 - 20%  
Q4 2012 - 35%  
Q1 2013 - 50%  
Q2 2013 - 70%  
Q3 2013 - 90%  
Q4 2013 - 100%

3. *Note any City permit applications that are anticipated to accomplish the work:*

Frontier would need right-of-way and traffic control permitting. We will also coordinate closely with the City to minimize disruption to City residents.

4. *Schedule for quarterly update meetings and written status reports which are signed by senior management:*

Frontier will plan on meeting quarterly with representatives of the City and providing a quarterly written report of our progress, but I would expect more frequent dialogue to discuss permitting and issues described above.

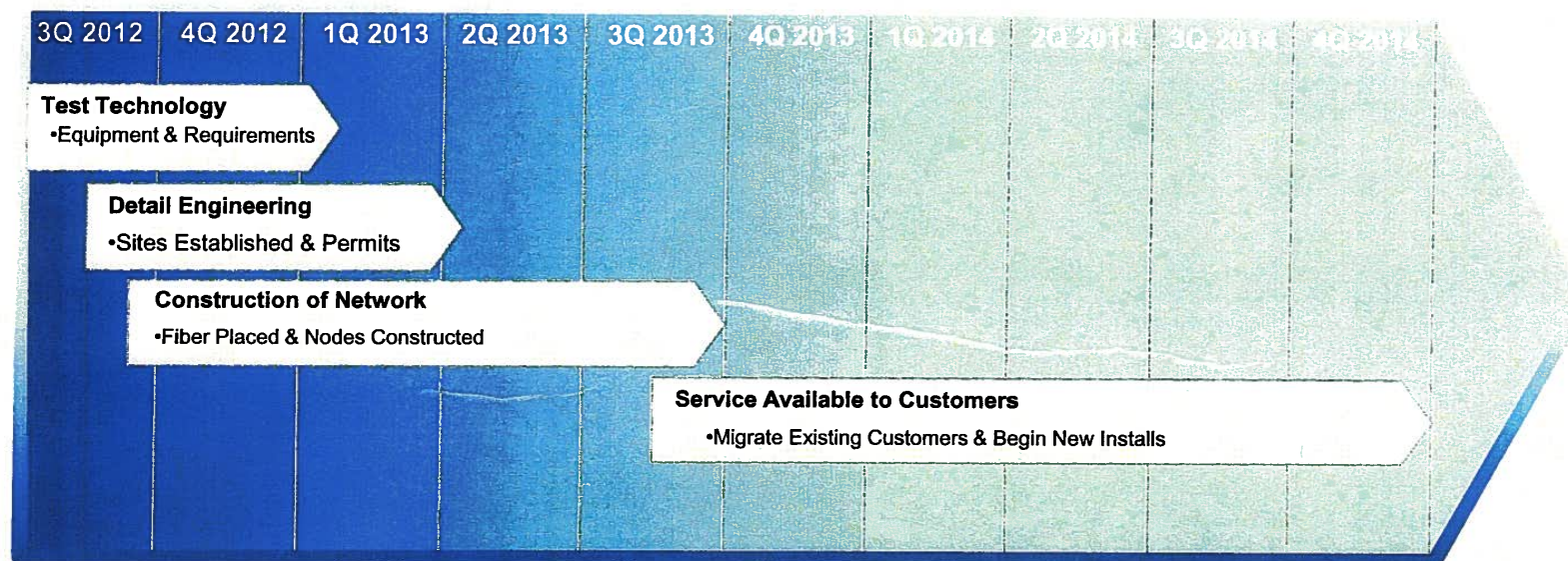
It is my hope that the City of Kenmore will continue to work with Frontier on a cooperative basis and remain flexible over the next 90 days as Frontier endeavors to complete its technology review and implementation plans to deploy service in Kenmore. If at any time, the City has concerns regarding the progress Frontier is making or the video service Frontier is providing, please do not hesitate to contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Klena", with a long horizontal flourish extending to the right.

Richard A Klena

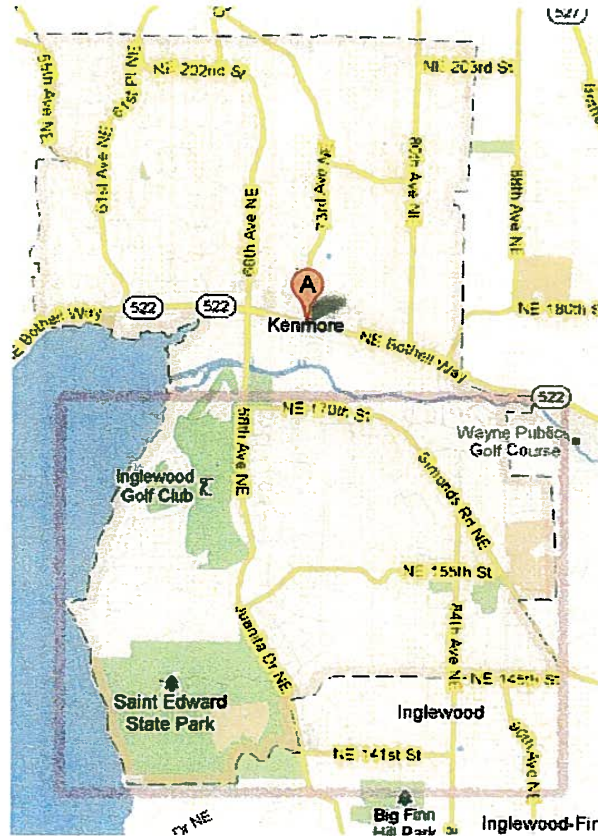
# City of Kenmore Franchise Plan



Our Mission | To be the leader in providing communications services to residential and business customers in our markets

PROVIDED JUNE 19, 2012

# City of Kenmore Franchise Area to Finish



Our Mission | To be the leader in providing communications services to residential and business customers in our markets



**CITY OF KENMORE  
WASHINGTON**

**ORDINANCE NO. 09-0300**

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**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, RELATING TO A NON EXCLUSIVE CABLE TELEVISION FRANCHISE AGREEMENT APPROVED BY ORDINANCE 08-0284, APPROVING TRANSFER OF CONTROL OF THE FRANCHISEE (VERIZON NORTHWEST INC.) FROM VERIZON COMMUNICATIONS INC. TO FRONTIER COMMUNICATIONS CORPORATION WITH CONDITIONS AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the City of Kenmore, Washington has granted a cable television franchise ("Franchise") to Verizon Northwest Inc. ("Franchisee") which is an indirect wholly owned subsidiary of Verizon Communications Inc. ("Verizon"); and

WHEREAS, Verizon has entered into an agreement with Frontier Communications Corporation ("Frontier") to effectuate a transfer of control of Franchisee from Verizon to Frontier ("Transfer"); and

WHEREAS, upon completion of the Transfer, Franchisee will become an indirect wholly owned subsidiary of Frontier and, as a result, control of the Franchisee will be transferred from Verizon to Frontier; and

WHEREAS, following the Transfer, Franchisee will continue to hold and be responsible for the performance of the Franchise; and

WHEREAS, Franchisee has requested that the City consent to the Transfer and, in accordance with the requirements of the Franchise and federal law, Verizon has filed an FCC

Form 394 together with Exhibits and related materials (all hereinafter collectively the "Application") with the City; and

WHEREAS, to evaluate Franchisee's request, the City has participated in a Consortium of jurisdictions including Snohomish County, the cities of Bothell, Edmonds, Everett, Kenmore, Marysville, Mountlake Terrace, Mukilteo, Woodinville and the Town of Woodway (the "Consortium"); and

WHEREAS, the City and the Consortium examined the legal, financial and technical qualifications of Frontier in order to consider and act upon the Transfer request and considered the comments of interested parties; and

WHEREAS, the City has relied upon the Application and supplemental written information provided by Frontier and Verizon; and

WHEREAS, on November 16, 2009, the City Council held a public meeting to review the Transfer request ; and

WHEREAS, the City is willing to consent to the Transfer, subject to the closing of the Transfer between Verizon and Frontier and the appropriate approvals by the Washington State Utilities and Transportation Commission and federal regulatory entities; and

WHEREAS, Franchisee has agreed to continue to unconditionally accept the terms of the existing Franchise and to comply with any other agreements existing between the Franchisee and the City;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. The City hereby consents to the Transfer in accordance with the terms of applicable law, subject to and contingent upon the following conditions:

a. In all respects and without exception, Franchisee agrees to continue to abide by all terms of the existing Franchise and acknowledges that the transfer of control will not affect, diminish, impair or supersede the binding nature of the Franchise and any other valid ordinances, resolutions, and agreements applicable to the operation of the cable system in the City and Franchisee shall continue to meet its obligations under the Franchise. Franchisee agrees that subject to the Franchise, that Franchisee shall comply with all lawful and applicable provisions related to cable service of Kenmore, Washington Municipal Code, as amended, and all related applicable federal and state laws, and lawful orders, contracts, agreements, commitments, side letters, Franchise amendments and regulatory actions.

b. The City's consent to the transfer of control shall not be construed to constitute a waiver or release of any rights the City may have now or in the future under federal, state or local law, the Franchise, or any separate written agreements with the Franchisee. Franchisee shall remain responsible for any and all Franchise requirements (including but not limited to payment of Franchise fees and other amounts due under the Franchise, and indemnification of the City as provided in the Franchise) and non-compliance issues under the Franchise or any obligation that may now exist or may later be discovered to have existed during the term of the Franchise, even if prior to the closing of this Transfer.

c. The Transfer between Frontier and Verizon shall be substantially and materially consistent with the Application and the supplemental information provided by Frontier and Verizon through the request for information process undertaken by the City and the Consortium.

Section 2. In the event that the Transfer which is the subject of this ordinance does not close for any reason; or in the event approval is not granted by the Washington State

Utilities and Transportation Commission and appropriate federal regulatory entities, or in the event that the Transfer closes on terms substantially or materially different from the terms described in the Application and supplemental written information provided by Frontier and Verizon that is relied upon by the City; or Franchisee does not accept each and every condition of the transfer of control required of it as set forth in this ordinance; then the consent provided for herein shall be null and void, and the City shall be deemed to have disapproved the transfer of control under the Franchise and federal law, and all remedies under the Franchise and applicable laws shall be available to the City. In the event the Transfer does not close before January 2012, Verizon and Frontier will provide notice of that event to the City and an update on the reasons for such a delay in closing or notice of the termination of the Transfer.

Section 3. By consenting to the transfer of control, the City does not waive or release any rights of the City in and to the streets as provided by state law and the Kenmore Municipal Code, nor does the City waive or release any claim or issue of non-compliance it may have, known or unknown, now or in the future, against the Franchisee or any successor in interest to the Franchisee.

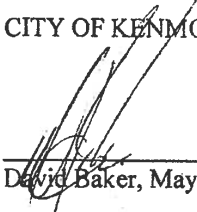
Section 4. The City shall not amend, revoke or otherwise alter this Ordinance without providing reasonable prior notice to the Franchisee.

Section 5. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 6. This ordinance shall take effect and be fully in force five (5) days after publication of the attached approved summary thereof consisting of the title.

ADOPTED by the Council of the City of Kenmore this 1<sup>st</sup> day  
of December 1, 2009.

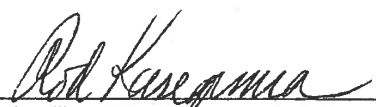
CITY OF KENMORE, WASHINGTON

  
\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

  
\_\_\_\_\_  
Lynn Batchelor, CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK:  
PUBLISHED:  
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**CABLE FRANCHISE AGREEMENT**  
**BETWEEN**  
**THE CITY OF KENMORE, WASHINGTON**  
**AND**  
**VERIZON NORTHWEST INC.**  
**2008**

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THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of Kenmore, a duly organized City under the applicable laws of the State of Washington (the Local Franchising Authority or the "LFA") and Verizon Northwest Inc., a corporation duly organized under the applicable laws of the State of Washington (the "Franchisee").

WHEREAS, the LFA wishes to grant Franchisee a nonexclusive franchise to construct, install, maintain, extend and operate a cable communications system in the Franchise Area as designated in this Franchise;

WHEREAS, the LFA is a "franchising authority" in accordance with Title VI of the Communications Act (*see* 47 U.S.C. § 522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to Washington State law and federal law;

WHEREAS, Franchisee is in the process of installing a Fiber to the Premise Telecommunications Network (the "FTTP Network") in the Franchise Area for the transmission of Non-Cable Services pursuant to authority granted by the state of Washington;

WHEREAS, Franchisee intends to construct, install, maintain, and extend the FTTP Network pursuant to Title II of the Communications Act (*see* 47 U.S.C. § 201 *et seq.*), and has requested a cable franchise from the LFA to operate a Cable System over, under, and along the Public Rights-of-Way within the LFA's jurisdiction, in accordance with Title VI of the Communications Act (*see* 47 U.S.C. § 521 *et seq.*);

WHEREAS, the FTTP Network will occupy the Public Rights-of-Way within the LFA, and Franchisee desires to use portions of the FTTP Network once installed to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its community, has considered the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee's plans for its Cable System are adequate, in a full public proceeding affording due process to all parties;

WHEREAS, the LFA desires to protect and manage the Public Rights-of-Way, require high standards of customer service, receive financial compensation relating to Franchisee's use of the Public Rights-of-Way as provided by federal law, obtain educational and governmental channels, establish certain reporting and record access requirements, and provide for the future cable-related needs of its residents;

WHEREAS, the LFA has found Franchisee to be financially, technically, and legally qualified to operate the Cable System;

WHEREAS, the LFA has determined that the grant of a nonexclusive franchise to Franchisee is consistent with the public interest; and



WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Franchise Area of the LFA pursuant to and consistent with the Communications Act (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE PARTIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act (as hereinafter defined) are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1 *Access Channel*: A video Channel, which Franchisee shall make available to the LFA without charge for non-commercial Educational or Governmental use for the transmission of video programming as directed by the LFA.

1.1.1 *Educational Access Channel*: An Access Channel available for the use solely of the local schools (schools shall include any educational institution, public or private, but excluding home schools) in the Franchise Area.

1.1.2 *Government Access Channel*: An Access Channel available for the use solely of the LFA.

1.1.3 *EG*: Educational and Governmental.

1.2 *Additional Service Area*: Shall mean any such portion of the Service Area added pursuant to Section 3.1.3 of this Agreement.

1.3 *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with Franchisee.

1.4 *Basic Service*: Any service tier, which includes the retransmission of local television broadcast signals as well as the EG Channels required by this Franchise.

1.5 *Cable Operator*: Shall be defined herein as it is defined under section 602 of the Communications Act, 47 U.S.C. § 522(5), but does not include direct broadcast satellite providers.

1.6 *Cable Service or Cable Services*: Shall be defined herein as it is defined under section 602 of the Communications Act, 47 U.S.C. § 522(6).

1.7 *Cable System or System:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), meaning, “a facility, 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 a community, but such term does not include (A) a facility that serves only to retransmit the television signals of 1 or more television broadcast stations; (B) a facility that serves subscribers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of title II of this Act, except that such facility shall be considered a cable system (other than for purposes of section 621(c)) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with section 653 of this title; or (E) any facilities of any electric utility used solely for operating its electric utility systems.” The Cable System shall be limited to the transmission of Cable Services directly to Subscribers within the Franchise/Service Area and shall not include the tangible network facilities of a common carrier subject, in whole or in part, to Title II of the Communications Act or of an Information Services provider.

1.8 *Channel:* Shall be defined herein as it is defined under section 602 of the Communications Act, 47 U.S.C. § 522(4).

1.9 *Communications Act:* The Communications Act of 1934, as amended by, among other things, the Cable Communications Policy Act of 1984, the Cable Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, as it may be further amended from time to time.

1.10 *Control:* The ability to exercise de facto or de jure control over day-to-day policies and operations or the management of Franchisee’s affairs.

1.11 *FCC:* The United States Federal Communications Commission or successor governmental entity thereto.

1.12 *Fiber to the Premise Telecommunications Network (“FTTP Network”):* The Franchisee’s network that transmits Non-Cable Services pursuant to the authority granted under the laws of the state of Washington and under Title II of the Communications Act (which Non-Cable Services are not subject to Title VI of the Communications Act), and that supports the Cable System.

1.13 *Force Majeure:* Force Majeure is an event or events reasonably beyond the ability of Franchisee to anticipate and control, such as:

(a) severe or unusual weather conditions, fire, flood, or other acts of God, strikes, labor disturbances, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots or act of a public enemy;

(b) actions or inactions of any government instrumentality or public utility including condemnation, accidents for which Franchisee is not primarily responsible or work delays caused by waiting for other utility providers to service or monitor utility poles to which Franchisee’s

FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary; and

(c) telephone network outages only when such outages are outside the control of Franchisee.

1.14 *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFA and such additional areas as may be included in the corporate (territorial) limits of the LFA during the term of this Franchise.

1.15 *Franchisee*: Verizon Northwest Inc., and its lawful and permitted successors, assigns and transferees.

1.16 *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Franchisee and/or its Affiliates from the operation of the Cable System to provide Cable Service in the Service Area. Gross Revenue shall include but may not be limited to the following items so long as all other Cable Operators in the Service Area include the same in Gross Revenues for purposes of calculating franchise fees:

- (a) fees charged for Basic Service;
- (b) fees charged to Subscribers for any service tier other than Basic Service;
- (c) fees charged for premium Channel(s), e.g. HBO, Cinemax, or Showtime;
- (d) fees charged to Subscribers for any optional, per-channel, or per-program services;
- (e) charges for installation, additional outlets, relocation, disconnection, reconnection, and change-in-service fees for video or audio programming;
- (f) fees for downgrading any level of Cable Service programming;
- (g) fees for service calls;
- (h) fees for leasing of Channels;
- (i) rental of customer equipment, including converters (e.g. set top boxes, high definition converters, and digital video recorders) and remote control devices;
- (j) advertising revenue as set forth herein;
- (k) revenue from the sale or lease of access Channel(s) or Channel capacity;
- (l) revenue from the sale or rental of Subscriber lists;
- (m) revenues or commissions received from the carriage of home shopping channels;

(n) fees for any and all music services that are deemed to be a Cable Service over a Cable System;

(o) revenue from the sale of program guides;

(p) late payment fees;

(q) forgone revenue that Franchisee chooses not to receive in exchange for trades, barbers, services, or other items of value;

(r) revenue from NSF check charges;

(s) revenue received from programmers as payment for programming content cablecast on the Cable System; and

(t) Franchise Fees hereunder.

Advertising commissions paid to independent third parties shall not be deducted from advertising revenue included in Gross Revenue. Advertising revenue is based upon the ratio of the number of Subscribers as of the last day of the period for which Gross Revenue is being calculated to the number of Franchisee's Subscribers within all areas covered by the particular advertising source as of the last day of such period, e.g., Franchisee sells two ads: Ad "A" is broadcast nationwide; Ad "B" is broadcast only within Washington. Franchisee has one hundred (100) Subscribers in the Franchise Area, five hundred (500) Subscribers in Washington, and one thousand (1,000) Subscribers nationwide. Gross Revenue as to LFA from Ad "A" is ten percent (10%) of Franchisee's revenue therefrom. Gross Revenue as to the LFA from Ad "B" is twenty percent (20%) of Franchisee's revenue therefrom.

Notwithstanding the foregoing, Gross Revenue shall not include:

1.16.1 Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

1.16.2 Bad debts written off by Franchisee in the normal course of its business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.16.3 Refunds, rebates or discounts made to Subscribers or other third parties;

1.16.4 Any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders, provided that if any such services are Cable Services at any future time pursuant to applicable law, revenues derived from such services shall be included in Gross Revenues;

1.16.5 Payments by Subscribers for merchandise purchased from any home shopping channel offered as part of the Cable Services; provided, however, that commissions or other compensation paid to Franchisee by such home shopping channel for the promotion or exhibition of products or services shall be included in Gross Revenue;

1.16.6 Revenues from the sale of Cable Services on the Cable System to a reseller, when the reseller pays the cable Franchise fees on the resale of Cable Services;

1.16.7 Any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees), provided however, as set forth in Section 1.16(t), Franchise Fees under this Agreement are included in Gross Revenues;

1.16.8 Any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise; provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue;

1.16.9 Sales of capital assets or sales of surplus equipment;

1.16.10 Reimbursement by programmers of marketing costs incurred by Franchisee for the introduction of new programming pursuant to a written marketing agreement;

1.16.11 Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing;

1.16.12 Any fees or charges collected from Subscribers or other third parties for EG Grant.

1.17 *Information Services:* Shall be defined herein as it is defined under Title I, Section 3 of the Communications Act, 47 U.S.C. §153(20).

1.18 *Initial Service Area:* The portion of the Franchise Area as outlined in Exhibit A.

1.19 *Internet Access:* Dial-up or broadband access service that enables Subscribers to access the Internet.

1.20 *Local Franchise Authority (LFA):* The City of Kenmore or the lawful successor, transferee, or assignee thereof.

1.21 *Non-Cable Services:* Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Franchise Area including, but not limited to, Information Services and Telecommunications Services.

1.22 *Normal Operating Conditions*: Those service conditions which are within the control of the Franchisee. Those conditions which are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages (to the extent such outages are on non-Verizon networks or caused by Force Majeure), and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. See 47 C.F.R. § 76.309(c)(4)(ii).

1.23 *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.24 *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.25 *Service Area*: All portions of the Franchise Area where Cable Service is being offered, including the Initial Service Area and any Additional Service areas.

1.26 *Service Date*: The date that the Franchisee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Franchise Area. The Franchisee shall memorialize the Service Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

1.27 *Service Interruption*: The loss of picture or sound on one or more cable channels.

1.28 *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with Franchisee's express permission.

1.29 *Telecommunications Facilities*: Franchisee's existing Telecommunications Services and Information Services facilities and its FTTP Network facilities.

1.30 *Telecommunications Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46).

1.31 *Title II*: Title II of the Communications Act.

1.32 *Title VI*: Title VI of the Communications Act.

1.33 *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20).

## 2. **GRANT OF AUTHORITY; LIMITS AND RESERVATIONS**

2.1 *Grant of Authority:* Subject to the terms and conditions of this Agreement and the Communications Act, the LFA hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2 *LFA's Regulatory Authority:* The parties recognize that Franchisee's FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of the LFA over such Telecommunications Facilities is also governed by federal and state law, and the LFA shall not assert jurisdiction over Franchisee's FTTP Network in contravention of those laws. Therefore, as provided in Section 621 of the Communications Act, 47 U.S.C. § 541, the LFA's regulatory authority under Title VI of the Communications Act is not applicable to the construction, installation, maintenance, or operation of Franchisee's FTTP Network to the extent the FTTP Network is constructed, installed, maintained, or operated for the purpose of upgrading and/or extending Verizon's existing Telecommunications Facilities for the provision of Non-Cable Services. Nothing in this Agreement shall affect the LFA's authority, if any, to adopt and enforce lawful regulations with respect to Franchisee's Telecommunications Facilities in the Public Rights-of-Way.

2.3 *Term:* This Franchise shall become effective on August 15, 2008 (the "Effective Date"). The Term of this Franchise shall be twelve (12) years from the Effective Date unless the Franchise is earlier revoked as provided herein.

2.4 *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and LFA reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise.

2.5 *Franchise Subject to Federal and State Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal law and state law as they may be amended, including but not limited to the Communications Act and any applicable rules, regulations, and orders of the FCC, as amended.

2.6 No Waiver:

2.6.1 The failure of the LFA on one or more occasions to exercise a right or to require compliance or performance under this Franchise, the Communications Act or any other applicable state or federal law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the LFA nor to excuse Franchisee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2 The failure of Franchisee on one or more occasions to exercise a right under this Franchise or applicable law, or to require performance under this Franchise, shall not

be deemed to constitute a waiver of such right or of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or performance has been specifically waived in writing.

2.7 Construction of Agreement:

2.7.1 The provisions of this Franchise shall be liberally construed to effect their objectives.

2.7.2 Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545.

2.8 *Police Powers:* In executing this Franchise Agreement, the Franchisee acknowledges that its rights hereunder are subject to the lawful police powers of the LFA. Franchisee agrees to comply with all lawful and applicable general laws and ordinances enacted by the LFA pursuant to such power. Nothing in the Franchise shall be construed to prohibit the reasonable, necessary and lawful exercise of the LFA's police powers. However, if the reasonable, necessary and lawful exercise of the LFA's police power results in any material alteration of the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modifications shall be in writing and signed by both parties. If the parties cannot reach agreement on the above-referenced modification to the Franchise, the parties agree to submit the matter to mediation. The matter submitted to mediation shall be limited to what effect, if any, the LFA's exercise of police powers has on the terms of the Franchise. In the event mediation does not result in an agreement, then the Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association (but not necessarily administered by the American Arbitration Association) or as otherwise mutually agreed by the parties. The matter submitted to arbitration shall be limited to what effect, if any, the LFA's exercise of police powers has on the terms of the Franchise.

2.9 *Termination of Telecommunications Services.* Notwithstanding any other provision of this Agreement, if Franchisee ceases to provide Telecommunications Services over the FTTP Network at any time during the Term and is not otherwise authorized to occupy the Public Rights-of-Way in the Franchise Area, the LFA may regulate the FTTP Network as a cable system to the extent permitted by Title VI.

3. **PROVISION OF CABLE SERVICE**

3.1 Service Area:

3.1.1 *Initial Service Area:* Franchisee shall offer Cable Service to significant numbers of Subscribers in residential areas of the Initial Service Area and may make Cable Service available to businesses in the Initial Service Area, within twelve (12) months of the Service Date of this Franchise, and shall offer Cable Service to all residential areas in the Initial Service Area within thirty-six (36) months of the Service Date of the Franchise, except: (A) for periods of Force Majeure; (B) for periods of delay caused by LFA; (C) for periods of delay



resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot access under reasonable terms and conditions after good faith negotiation, as determined by Franchisee; and (F) in developments or buildings that Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density requirements set forth in Section 3.1.2.

3.1.2 *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than thirty (30) residential dwelling units per mile, as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Initial Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Sections 3.1.1 and 3.1.2 respectively, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from LFA that the density requirements have been met.

3.1.3 *Additional Service Areas:* Except for the Initial Service Area Franchisee shall not be required to extend its Cable System or to provide Cable Services to any other areas within the Franchise Area during the term of this Franchise or any Renewals thereof except as set forth in this Section 3.1.3. The parties agree that if any land is annexed by the LFA during the term of this Agreement, such annexed areas shall become part of the Franchise Area and Franchisee shall be required to extend Cable Service within a reasonable time to such annexed area (subject to the exceptions in Section 3.1.1 above), provided that such annexed area: (a) is contiguous to the LFA, (b) is within Franchisee's Title II service territory, and (c) is served by the video-enabled FTTP Network. If Franchisee intends to serve Additional Service Areas within the Franchise Area, Franchisee shall notify the LFA in writing of such Additional Service Area at least ten (10) days prior to providing Cable Services in such areas.

3.2 *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1 and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. Franchisee shall not deny access to Cable Services to any group of potential residential Subscribers because of the income of the residents of the local area in which the group resides. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet and actual costs incurred to connect any non-residential Subscriber.

3.3 *Complimentary Cable Service to Public Buildings:* Subject to Section 3.1, Franchisee shall provide without charge within the Service Area, one service outlet (unless otherwise specified in Exhibit B) activated for Basic Service to each public school, police and fire station, public library, government offices and other offices used for municipal government

administration as may be designated by the LFA, and also required of other cable operators in the Service Area, as provided in Exhibit B; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to any such school or public building, the LFA or other appropriate entity shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such building. Furthermore, Franchisee shall be permitted to recover, from any school or other public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen, or damaged due to the negligence or other wrongful acts of the LFA.

#### **4. SYSTEM OPERATION**

As provided in Section 2.2, the parties recognize that Franchisee's FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities. The jurisdiction of the LFA over such Telecommunications Facilities is restricted by federal and state law, and LFA does not and will not assert jurisdiction over Franchisee's FTTP Network in contravention of those limitations.

#### **5. SYSTEM FACILITIES**

5.1 *Technical Requirement:* Franchisee shall operate, maintain, construct and extend the Cable System so as to provide high quality signals and reliable delivery of Cable Services for all cable programming services. The Cable System shall meet or exceed any and all applicable technical performance standards of the FCC, the National Electrical Safety Code, the National Electrical Code and any other applicable federal law and the laws of the State of Washington to the extent not in conflict with federal law and regulations.

5.2 *System Characteristics:* Franchisee's Cable System shall meet or exceed the following requirements:

5.2.1 The System shall be designed with an initial digital carrier passband between fifty (50) and eight hundred sixty (860) MHz.

5.2.2 The System shall be designed, constructed and maintained to be an active two-way plant for subscriber interaction, if any, required for selection or use of Cable Service.

5.3 *Interconnection:* The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

5.4 *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and state law in order that emergency messages may be distributed over the System in video and audio formats as required by state and federal law.

6. **EG SERVICES**

6.1 Access Channels:

6.1.1 In order to ensure availability of educational and government programming, Franchisee shall reserve, without charge to the LFA, on its Basic Service Tier for LFA's future use one (1) dedicated Channel for Educational Access and one (1) dedicated Channel for Government Access (the "Access Channels").

6.1.2 The parties agree that Franchisee shall retain the right to utilize all such Access Channels, in its sole discretion, during the term of this Franchise until such time that Franchisee activates LFA's Access Channels pursuant to Section 6.1 and/or if LFA ceases to use the Access Channels during the Term of this Agreement. The LFA shall comply with applicable law regarding the use of EG Channels. Franchisee shall only be required to provide the Access Channels so long as the other Cable Operators in the Franchise Area are also providing similar channels.

6.1.3 The LFA may activate the Access Channel during the Term by providing the Franchisee with written notice of the need for Access Channel capacity at least one hundred eighty (180) days prior to the date it intends to activate the Access Channel, demonstrated by a planned programming schedule for EG programming consisting of at least four (4) hours per day, which programming for purposes of this calculation shall not include repeat programming generated per day or character-generated programming. Such written notice shall authorize the Franchisee to transmit the Access Channel within and outside of the LFA.

6.1.4 The Franchisee specifically reserves the right to make or change channel assignments in its sole discretion and shall provide notice of such changes as set forth in the Customer Service Standards, Exhibit D, Sections 10.E and 10.G.4. The Access Channels shall be used for community programming related to Educational and/or Governmental activities. The LFA shall have complete control over the content, scheduling, and administration of the Access Channels and may delegate such functions, or a portion of such functions, to an appropriate designee upon written notice from the LFA to Franchisee. The Franchisee shall not exercise any editorial control over Access Channel programming.

6.1.5 Franchisee shall obtain the Access Channel programming via (i) a dedicated fiber connection to the LFA's Access Channel at a mutually agreeable location (the "EG Channel Origination Site"), or (ii) a mutually agreeable alternative method of obtaining the Access Channel programming. The Franchisee's obligations under Section 6.1, including its obligation to provide upstream equipment, lines and facilities necessary to transmit those video and audio signals, shall be subject to the provision by the LFA, to the extent applicable and without charge to the Franchisee, of:

(1) access to the EG Channel Origination Site facility;

(2) access to any required EG equipment within the EG Channel Origination Site facility and suitable required space, environmental conditions, electrical power supply, access, and pathways within the EG Channel Origination Site facility;

(3) video and audio signals in a mutually agreed upon format suitable for Access Channel programming;

(4) any third-party consent that may be necessary to transmit EG signals (including, without limitation, any consent that may be required with respect to third-party facilities, including the facilities of the incumbent cable provider, used to transmit EG content to the EG Channel Origination Site from auxiliary locations); and

(5) any other cooperation and access to facilities as are reasonably necessary for the Franchisee to fulfill the obligations stated herein.

To the extent suitable video and audio signals are provided to Franchisee and the foregoing conditions in Section 6.1 are met, Franchisee shall, within one hundred eighty (180) days of written notice of intent to activate, or provision of suitable video and audio signals, whichever is later, provide, install, and maintain in good working order the equipment necessary for transmitting the EG signal to Subscribers.

## 6.2 EG Grant:

6.2.1 If during the Term of this Franchise, all other Cable Operator(s) provide a grant to the LFA to be used in support of production of EG programming (the "EG Grant"), Franchisee agrees to match the EG Grant in the amount set forth in Section 6.2.3 below. Franchisee shall provide such EG Grant upon sixty (60) days notice by the LFA of its intent to initiate the EG Grant. If the LFA has not activated its Access Channel(s), pursuant to Section 6.1.3, within twelve (12) months after the first calendar month from the date of the first EG Grant payment, Franchisee will cease to provide such EG Grant.

6.2.2 If the Franchisee has ceased providing the EG Grant pursuant to Section 6.2.1, the EG Grant will not be reinstated until such time that (i) the Access Channel is activated pursuant to Section 6.1.3, and (ii) all other Cable Operator(s) are making the same grant payment.

6.2.3 The EG Grant shall be no greater than \$1.00, per Subscriber, per month. The amount of the EG Grant may be modified as determined by the City Council no more than once each year (up to the cap), and shall be the same amount required of all other Cable Operators in the Franchise Area. Franchisee's obligation under this Section 6.2. is contingent upon all other Cable Operators making the same grant payment on a per Subscriber, per month basis. The LFA shall give Franchisee sixty (60) days prior written notice before instituting or changing the amount of the EG Grant under this Section 6.2. The EG Grant payment, shall be delivered to the LFA concurrent with the Franchise Fee payment.

6.2.4 The EG grant shall be used by the LFA for EG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of EG access facilities.

6.2.5 The LFA shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to Section 6.2.

6.3 LFA shall require all local producers and users of any of the EG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA, from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owed to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a EG facility or Channel. LFA shall establish rules and regulations for use of EG facilities, consistent with, and as required by, 47 U.S.C. § 531.

6.4 To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of an EG Grant or any other costs arising from the provision of EG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill.

## **7. FRANCHISE FEES**

7.1 *Payment to LFA:* Franchisee shall pay to the LFA a Franchise fee of five percent (5%) of annual Gross Revenue ("Franchise Fee"). In accordance with Title VI of the Communications Act, the twelve-month (12) period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were inadvertently omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable.

7.2 *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report that is verified by a financial manager of Franchisee showing the basis for the computation, substantially similar to that set forth in Exhibit D. No later than forty-five (45) days after the end of each calendar year, Franchisee shall furnish to the LFA an annual summary of Franchise Fee calculations.

7.3 *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be four (4) years from the date on which payment by Franchisee is due.

7.4 *Interest Charge on Late Payments:* Late payments for any (i) Franchise Fees due pursuant to Section 7, (ii) EG Grant due pursuant to Section 6, (iii) Franchise Grant due pursuant to Section 14, and (iv) liquidated damages due pursuant to Section 13 shall be subject to the interest at the then-current rate set forth in RCW 19.52.020, which as of the date of execution of

this Agreement is twelve percent (12%) per annum from the due date to the date that such payment is made.

7.5 *No Release*: LFA's acceptance of payment shall not be construed as an agreement that the amount paid was correct, nor shall acceptance be construed as a release of any claim which the LFA may have for additional sums due under provisions of this Section 7.

7.6 *No Limitation on Taxing Authority*: Nothing in this Franchise shall be construed to limit any authority of the LFA to impose any tax, fee, or assessment of general applicability. Nothing in this Franchise is intended to preclude Franchisee from exercising any right it may have to challenge the lawfulness of any tax, fee, or assessment imposed by the LFA or any state or federal agency or authority, or intended to waive any rights the Franchisee may have under 47 U.S.C. § 542.

7.7 *EG Grant and Franchise Grant Not Franchise Fees*: Franchisee agrees that the EG Grant and Franchise Grant set forth in Sections 6 and 14 respectively, shall in no way modify or otherwise affect Franchisee's obligation to pay Franchise Fees to the LFA. Franchisee agrees that although the sum of Franchise Fees and the EG Grant and Franchise Grant may total more than five percent (5%) of Franchisee's Gross Revenues in any twelve-month (12) period, the additional commitments are not to be offset or otherwise credited in any way against any Franchise Fee payments under this Franchise.

7.8 *Audits*:

7.8.1 The parties shall make every effort to informally consult and resolve any questions or issues regarding Franchise Fee or EG Grant payments and nothing herein shall be construed to preclude such informal consultations or review of Franchisee's books. LFA may audit or conduct a Franchise Fee review of Franchisee's books and records no more than once every three (3) years during the Term, provided that the LFA shall require all other Cable Operators in the Franchise Area to be subject to competitively equitable audit requirements in any renewal or initial granting of such franchises after the Effective Date.

7.8.2 All records reasonably necessary for any such audit shall be made available by Franchisee to LFA within thirty (30) days of LFA's request.

7.8.3 Each party shall bear its own costs of an audit; provided, however, that if the results of any audit indicate that Franchisee underpaid the Franchise Fees by five percent (5%) or more, then Franchisee shall pay the reasonable, documented, out-of-pocket costs of the audit up to ten thousand dollars (\$10,000).

7.8.4 If the results of an audit indicate an overpayment of Franchise Fees, the parties agree that any undisputed overpayment shall be offset against future payments if applicable, within forty-five (45) days. If the results of an audit indicate an underpayment of Franchise Fees, the parties agree that any undisputed underpayment shall be paid within forty-five (45) days along with interest as set forth in Section 7.4.

7.8.5 Any audit shall be conducted by an independent third party. Any entity employed by the LFA that performs the audit or Franchise Fee review shall not be permitted to

be compensated on a success based formula, e.g. payment based on an underpayment of fees, if any.

7.9 *Bundled Services*: If Cable Services subject to the Franchise Fee required under this Article 7 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with applicable federal or state laws, rules, and regulations, or Washington Utilities and Trade Commission regulations, standards or orders. Franchisee shall not allocate revenue between Cable Services and Non-Cable Services with the purpose of evading or substantially reducing the Franchisee's Franchise Fee obligations to the LFA.

7.10 *Alternative Fees*: In the event that Franchise Fees are prohibited by any law or regulation, Franchisee agrees to pay any substitute fee or amount allowed by law up to a maximum amount of five percent (5%) of Gross Revenues, so long as the substitute fee is imposed on all other Cable Operators in the Franchise Area and Franchisee is given thirty (30) days notice of the substitute fee by the LFA.

## 8. CUSTOMER SERVICE

Customer Service Requirements are set forth in Exhibit D, which shall be binding unless amended by written consent of the parties.

## 9. REPORTS AND RECORDS

9.1 *Open Books and Records*: Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during normal business hours (those hours during which most similar businesses in the community are open to serve customers) and on a nondisruptive basis, at a mutually agreed upon location in the Franchisee's Title II territory in Washington, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years, provided that if, as a result of reviewing Franchisee's records, LFA identifies specific records and requests that such records be retained beyond the six-year (6) period, Franchisee shall retain those records for an additional twelve (12) months. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. The LFA shall treat any information disclosed by Franchisee as confidential and only disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof, unless otherwise required by law whereupon the LFA will notify Franchisee pursuant to Section 9.2. Franchisee shall not be required to provide Subscriber information in violation of section 631 of the Communications Act, 47 U.S.C. § 551.

9.2 *Public Disclosure:* If, in the course of enforcing this Franchise or for any other reason, the LFA believes it must disclose any Franchisee confidential information pursuant to Washington law, the LFA shall provide reasonable advance notice of such disclosure so that Franchisee can take appropriate steps to protect its interests.

9.3 *Records Required:* Franchisee shall at all times maintain:

9.3.1 Records of all written complaints for a period of three (3) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

9.3.2 Records of outages for a period of three (3) years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

9.3.3 Records of service calls for repair and maintenance for a period of three (3) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

9.3.4 Records of installation/reconnection and requests for service extension for a period of three (3) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

9.3.5 A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

## 10. **INSURANCE AND INDEMNIFICATION**

10.1 *Insurance:*

10.1.1 Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise Term, the following insurance coverage:

10.1.1.1 Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System and the conduct of Franchisee's Cable Service business in the LFA.

10.1.1.2 Automobile Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for bodily injury and property damage.

10.1.1.3 Workers' Compensation Insurance meeting all legal requirements of the state of Washington.



10.1.1.4 Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; and (C) Bodily Injury by Disease: \$2,000,000 policy limit.

10.1.1.5 Umbrella or excess liability insurance in the amount of three million dollars (\$3,000,000).

10.1.2 The LFA shall be included as an additional insured under each of the insurance policies required in this Article 10 except Worker's Compensation and Employer's Liability Insurance. Franchisee shall provide to the LFA a copy of the blanket additional insured endorsements for General and Auto liability, or similar documentation demonstrating compliance. Receipt by an LFA of any certificate showing less coverage than required is not a waiver of Franchisee's obligations to fulfill the requirements.

10.1.3 Each of the required insurance policies shall be with insurers qualified to do business in the State of Washington with an A.M. Best Financial Strength rating of A- or better.

10.1.4 Franchisee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Agreement. In the event that the insurance company cancels the policy, Franchisee will work diligently to obtain replacement insurance so there is no gap in coverage.

10.1.5 Franchisee shall deliver to LFA Certificates of Insurance showing evidence of the required coverage.

10.1.6 The limits required above may be satisfied with a combination of primary and excess coverage.

## 10.2 *Indemnification:*

10.2.1 Franchisee agrees to indemnify, save and hold harmless, and defend the LFA, its elected officials, officers, agents, boards and employees, from and against any liability, damages or claims, settlements approved by Franchisee pursuant to Section 10.2.2 or judgments, arising out of, or resulting from, the Franchisee's activities pursuant to this Franchise, provided that the LFA shall give Franchisee written notice of its obligation to indemnify the LFA within ten (10) days of receipt of a claim or action pursuant to this Section, (or up to thirty (30) days as long as such notice causes no prejudice to the Franchisee). Notwithstanding the foregoing, Franchisee shall not indemnify the LFA, for any damages, liability or claims resulting from the willful misconduct, negligence, or breach of obligation of the LFA, its officers, agents, employees, attorneys, consultants, or independent contractors, for which the LFA is legally responsible, or for any activity or function conducted by any Person other than Franchisee in connection with EG Access or EAS.

10.2.2 With respect to Franchisee's indemnity obligations set forth in Section 10.2.1, Franchisee shall provide the defense of any claims or actions brought against the LFA by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the LFA

from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the LFA, Franchisee shall have the right to defend, settle or compromise any claim or action arising hereunder, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement includes the release of the LFA, and the third party is willing to accept the settlement, but the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

## 11. **TRANSFER OF FRANCHISE**

### 11.1 Transfer of the Franchise means:

#### 11.1.1 Any transaction in which:

11.1.1.1 an ownership or other interest in Franchisee, the Franchise or the Cable System is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

11.1.1.2 the rights held by Franchisee under the Franchise are transferred or assigned to another Person or group of Persons.

11.1.2 However, notwithstanding Sections 11.1.1.1 and 11.1.1.2 above, a Transfer of the Franchise shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

11.2 Subject to section 617 of the Communications Act, 47 U.S.C. § 537, no Transfer of the Franchise shall occur without the prior written consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned so long as the transferee assumes the obligations of the Franchisee hereunder. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or otherwise for transactions otherwise excluded under Section 11.1.2 above.

## 12. **RENEWAL OF FRANCHISE**

12.1 The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of section 626 of the Communications Act, 47 U.S.C. § 546.

12.2 In addition to the procedures set forth in said section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under

the then-current Franchise term. The LFA further agrees that such assessments shall be provided to Franchisee promptly so that Franchisee has adequate time to submit a proposal under 47 U.S.C. § 546 and pursue renewal of the Franchise prior to expiration of its term.

12.3 Notwithstanding anything to the contrary set forth herein, Franchisee and the LFA agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFA and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFA may grant a renewal thereof.

12.4 Franchisee and the LFA consider the terms set forth in this Article 12 to be consistent with the express provisions of 47 U.S.C. § 546.

### 13. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

13.1 *Security:* Within thirty (30) days following the Effective Date of this Agreement, Franchisee shall provide to LFA security for the faithful performance by Franchisee of all material provisions of this Agreement, provided that the LFA shall require all other Cable Operators in the Franchise Area to provide competitively equitable security in any renewal or initial granting of such franchises after the Effective Date. Franchisee shall maintain the Security at fifteen thousand dollars (\$15,000) throughout the term of this Agreement. The form of the security may, at Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to LFA (the "Security").

13.1.1 If the Franchisee posts a performance bond, it shall be substantially in the form of Exhibit E.

13.1.2 In the event the Security provided pursuant to the Agreement is not renewed, is cancelled, is terminated or is otherwise impaired, Franchisee shall provide new security pursuant to this Article within sixty (60) days of notice.

13.1.3 Neither cancellation, nor termination nor refusal by surety to extend the bond, nor inability of Franchisee to file a replacement bond or replacement security for its obligations, shall constitute a loss to the LFA recoverable under the bond.

#### 13.2 *Liquidated Damages:*

13.2.1 In the event the LFA determines that Franchisee has breached this Agreement, after following the procedures in Sections 13.3 and 13.4, the LFA may assess the following as liquidated damages, provided that the LFA shall require all other Cable Operators in the Franchise Area to be subject to competitively equitable liquidated damages in any renewal or initial granting of such franchises after the Effective Date:

13.2.1.1 Two hundred fifty dollars (\$250) per day for failure to provide EG Access Channels as set forth herein;

13.2.1.2 One hundred fifty dollars (\$150) per day for material breach of the customer service standards set forth in Exhibit D;

13.2.1.3 One hundred dollars (\$100) per day for failure to provide reports as required by the Franchise; or

13.2.1.4 Up to two hundred fifty dollars (\$250) per day for any other material breaches or defaults of this Agreement.

13.2.2 Franchisee shall pay any liquidated damages assessed by LFA within thirty (30) days after they are assessed. Liquidated damages shall accrue starting on the first date of the occurrence of the noncompliance. If liquidated damages are not paid within the thirty (30) day period, LFA may proceed against the Security. Total liquidated damages shall not exceed fifteen thousand dollars (\$15,000) in any twelve-month (12) period.

13.2.3 Assessment of liquidated damages shall not constitute a waiver by LFA of any other right or remedy it may have under this Franchise or applicable law except as set forth in this Agreement, including without limitation its right to recover from Franchisee such additional damages, losses, costs and expenses, as may have been suffered or incurred by City by reason of or arising out of such breach of this Franchise. Notwithstanding the foregoing, if LFA elects to assess liquidated damages pursuant to this Section, such election shall constitute LFA's exclusive remedy for the violation for which the liquidated damages were assessed for a period of sixty (60) days. Thereafter, the remedies provided for in this Agreement are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another remedy, or the exercise of any rights of the LFA at law or equity, provided that the cumulative remedies may not be disproportionate to the magnitude and severity of the breach for which they are imposed.

13.2.4 Subject to Sections 13.3 and 13.4, and subject to the assessment of any liquidated damages pursuant to Section 13.2, LFA may elect to pursue other legal and equitable remedies at any time during the term of this Franchise.

13.3 *Notice of Violation:* In the event LFA believes that Franchisee has not complied with the terms of the Franchise, failed to perform any obligation under this Agreement or has failed to perform in a timely manner, LFA shall informally discuss the matter with Franchisee. If these discussions do not lead to resolution of the problem within twenty (20) days, LFA shall notify Franchisee in writing, stating with reasonable specificity the nature of the alleged violation (the "Noncompliance Notice").

13.4 *Franchisee's Right to Cure or Respond:* Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the date by which cure is projected to be completed. Upon cure of any noncompliance, LFA shall provide written confirmation that such cure has been effected.

13.5 *Remedies:* Subject to applicable federal and state law, in the event the LFA, after the procedures set forth in Sections 13.3 and 13.4, determines that Franchisee is in default of any material provision of this Franchise, the LFA may take the following actions:

13.5.1 Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages;

13.5.2 Seek liquidated damages as set forth herein;

13.5.3 Commence an action at law for monetary damages or seek other equitable relief;

13.5.4 In the case of a substantial material default of the Franchise, seek to revoke the Franchise in accordance with Section 13.6.

13.6 *Revocation:*

13.6.1 As set forth in this Section 13.6, the LFA may seek to revoke this Franchise in the event of a substantial material default of this Franchise. Should the LFA seek to revoke this Franchise after following the procedures set forth in Sections 13.3 and 13.4, the LFA shall give written notice to Franchisee of such intent to revoke this Franchise. This notice of intent to revoke is in addition to the Notice of Noncompliance pursuant to Section 13.3. The notice shall set forth with reasonable specificity the reasons for revocation. The Franchisee shall have thirty (30) days to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a public hearing. The LFA shall notify the Franchisee in writing of the time and place of the public hearing at least thirty (30) days prior to the public hearing.

13.6.2 At the revocation hearing, Franchisee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to introduce relevant evidence, to compel the testimony of persons as permitted by law, and to question and/or cross examine witnesses. The revocation hearing shall be a public hearing at which members of the public may testify under oath. A complete verbatim record shall be made of the revocation hearing by a court reporter. The costs of such court reporter shall be shared equally by the parties.

13.6.3 Following the public hearing, Franchisee may submit its proposed written findings and conclusions within twenty (20) days of the close of the public hearing. Thereafter, the LFA shall determine: (i) whether an event of default has occurred; (ii) whether such event of default should be excused; and (iii) whether such event of default has been cured or will be cured by the Franchisee; and (iv) whether to revoke the Franchise based on the information presented, or, where applicable, grant additional time to the Franchisee to effect any cure. If the LFA determines that the Franchise shall be revoked, the LFA shall promptly provide Franchisee with a written decision setting forth its reasoning. Franchisee may appeal such determination of the LFA to an appropriate court within thirty (30) days of notice of the LFA's decision.

13.6.4 The LFA may, at its sole discretion, take any lawful action which it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise.

13.7 *Franchise Termination:* Franchisee shall have the right to terminate this Franchise and all obligations hereunder within ninety (90) days after the third anniversary of the

Service Date of this Franchise, if at the end of such three (3) year period Franchisee does not then in good faith believe it has achieved a commercially reasonable level of Subscriber penetration on its Cable System. Franchisee may consider subscriber penetration levels outside the Franchise Area but within the Puget Sound metropolitan area in this determination. Notice to terminate under this Section 13.7 shall be given to the LFA in writing, with such termination to take effect no sooner than one hundred and twenty (120) days after giving such notice. Franchisee shall also be required to give its then current Subscribers not less than ninety (90) days prior written notice of its intent to cease Cable Service operations.

13.8 The LFA specifically does not by any provision of this Franchise, waive any immunity or limitation of liability under state or federal law, including but not limited to, section 635 A of the Communications Act.

#### 14. MISCELLANEOUS PROVISIONS

14.1 *Franchise Grant:* Franchisee shall pay LFA seven thousand one hundred fifty two dollars and ninety-eight cents (\$7,152.98) (the "Franchise Grant"). The Franchise Grant shall be payable ninety (90) days from the Effective Date, which may be used for any lawful purpose. The LFA agrees to require competitively similar obligations from other Cable Operators upon the future grant or renewal of a franchise agreement for the provision of Cable Service. To the extent permitted by federal law, Franchisee shall be allowed to recover this amount from Subscribers and may line-item or otherwise pass-through this amount to Subscribers. The reference to the line item shall accurately

14.2 *Equal Employment Opportunity:* Franchisee shall comply with all applicable federal and state laws affording nondiscrimination in employment to all individuals regardless of their race, color, religion, age, sex, national origin, sexual orientation or physical disability.

14.3 *Actions of Parties:* In any action by the LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

14.4 *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

14.5 *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA or Franchisee.

14.6 *Force Majeure:* Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or liquidated

damages relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

14.7 *Good Faith Error:* Furthermore, the parties hereby agree that it is not the LFA's intention to subject Franchisee to liquidated damages, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers.

14.8 *Notices:* Unless otherwise expressly stated herein, notices required under the Franchise shall be deemed effective three (3) days after having been deposited by first class, postage prepaid, registered or certified mail, return receipt requested or one (1) day after having been deposited with any nationally recognized overnight courier for next day delivery, and addressed to the addressees below. Each party may change its designee by providing written notice to the other party.

14.8.1 Notices to Franchisee shall be mailed to:

Verizon Northwest Inc.  
Attn: Tim McCallion, President  
112 Lakeview Canyon Road, CA501GA  
Thousand Oaks, CA 91362

with a copy to:

Mr. Jack H. White  
Senior Vice President & General Counsel - Verizon Telecom  
One Verizon Way  
Room VC43E010  
Basking Ridge, NJ 07920-1097

Notices to the LFA shall be mailed to:

City Manager  
City of Kenmore  
6700 NE 181st St  
PO Box 82607  
Kenmore WA 98028

14.9 *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFA, and supersede all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding the subject matter hereof. Any ordinances or parts of ordinances that conflict with the provisions of this Agreement are superseded by this Agreement.

14.10 *Amendments:* Amendments to this Franchise shall be mutually agreed to in writing by the parties. No amendment will take effect if it will impair the security set forth in Section 13, unless otherwise agreed by the parties.

14.11 *Captions*: The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

14.12 *Severability*: If any section, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

14.13 *Recitals*: The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

14.14 *FTTP Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services.

14.15 *No Joint Venture*: Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with the other.

14.16 *Independent Review*: LFA and Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

14.17 *Venue*: The venue for any dispute related to this Franchise shall be in the United States District Court for the Western District of Washington in Seattle, provided it has subject matter jurisdiction; if no jurisdiction exists, then venue shall be in the Superior Court for King County.

14.18 *Attorneys' Fees*: If any action or suit arises between Franchisee and LFA for breach of this Franchise, the prevailing party, either the LFA or Franchisee, as the case may be, shall be entitled to recover all of its reasonable attorneys' fees, costs and expenses in connection therewith along with such other relief as the court deems proper.

14.19 *Singular and Plural*: Except where the context indicates otherwise, words used herein, regardless of the number specifically used, shall be deemed and construed to include any other number, singular or plural as is reasonable in the context.



**SIGNATURE PAGE FOLLOWS**

AGREED TO THIS 28<sup>th</sup> DAY OF July, 2008.

City of Kenmore, Washington

By: [Signature]  
Stephen Anderson, City Manager

Verizon Northwest Inc.

By: [Signature]  
Tim McCallion, President

FORM APPROVED  
Attorney [Signature]  
Date 7/20/08

**EXHIBITS**

Exhibit A: Initial Service Area

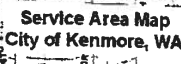
Exhibit B: Municipal Buildings and Schools to be Provided Free Cable Service

Exhibit C: Remittance Form

Exhibit D: Customer Service Standards

Exhibit E: Performance Bond

## INITIAL SERVICE AREA



## **EXHIBIT B**

### **MUNICIPAL BUILDINGS AND SCHOOLS TO BE PROVIDED FREE CABLE SERVICE**

#### **Existing Buildings:**

Rhododendron Park Community Facility: Simonds Road and Juanita Drive

Northshore Utility District: 6830 NE 185<sup>th</sup> St.

King County Police Precinct: 18118 73<sup>rd</sup> Ave NE.

St. Edward State Park: Juanita Drive and NE 147<sup>th</sup> Street

Inglemoor High School: 15500 Simonds Road NE

Kenmore Junior High School: 20323 66<sup>th</sup> Ave NE

Kenmore Elementary School: 19121 71<sup>st</sup> Ave NE

Arrowhead Elementary School: 6725 NE Arrowhead

Moorlands Elementary School: 15115 84<sup>th</sup> Ave NE

Bastyr University: 14500 Juanita Drive NE

Northshore Fire Station #54: 15036 70<sup>th</sup> NE

#### **Future Buildings:**

Kenmore City Hall: to be constructed at 18120 68<sup>th</sup> Street NE (construction scheduled for completion Nov. 2009). For this location, Franchisee will provide up to three (3) outlets, at no additional charge to the LFA. Additional outlets beyond these three (3) outlets will be subject charge pursuant to Section 3.3.

Northshore Fire District HQ (estimated completion mid 2010): 18133 73<sup>rd</sup> Ave NE.

King County Library (new location): 6600 Block of NE 181<sup>st</sup> (estimated completion scheduled for early 2010)

## EXHIBIT C

### REMITTANCE FORM

#### Franchise Fee Schedule/Report (Quarter and Year)

*City of Kenmore*

*Verizon - fGTE*

*Washington*

*Franchise Fee Rate: 5.00%*

|                                                                                                    | Month 1 | Month 2 | Month 3 | Quarter Total |
|----------------------------------------------------------------------------------------------------|---------|---------|---------|---------------|
| Monthly Recurring Cable Service Charges (e.g. Basic, Enhanced Basic, Premium and Equipment Rental) | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Usage Based Charges (e.g. PayPer View, Installation)                                               | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Advertising                                                                                        | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Home Shopping                                                                                      | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Late Payment                                                                                       | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Other Misc. (Leased Access & Other Misc.)                                                          | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Franchise Fee Billed                                                                               | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| PEG Fee Billed                                                                                     | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Less:                                                                                              |         |         |         |               |
| Bad Debt                                                                                           |         |         |         |               |
| Total Receipts Subject to Franchise Fee Calculation                                                | \$0.00  | \$0.00  | \$0.00  | \$0.00        |
| Franchise Fee Due                                                                                  | \$0.00  | \$0.00  | \$0.00  | \$0.00        |

Verizon Northwest Inc. is hereby requesting that this information be treated as confidential and proprietary commercial trade secret information and financial statements and not disclosed in accordance with section XXXX and the Cable Television Franchise Agreement granted to Verizon Northwest Inc. This information is not otherwise readily ascertainable or publicly available by proper means by other persons from another source in the same configuration as provided herein, would cause substantial harm to competitive position of Verizon in the highly competitive video marketplace if disclosed, is intended to be proprietary confidential business information and is treated by Verizon as such.

## **EXHIBIT D**

### **CUSTOMER SERVICE STANDARDS**

These standards shall, starting six (6) months after the Service Date, apply to Franchisee to the extent it is providing Cable Services over the Cable System in the Franchise area. For the first six (6) months after the Service Date, Franchisee shall use best efforts to comply with the Customer Service Standards provided herein; it being agreed, however, that LFA will not impose liquidated damages during this first six (6) month period if Franchisee using best efforts fails to meet the Customer Service Standards.

#### **SECTION 1: DEFINITIONS**

A. **Normal Operating Conditions:** Those service conditions which are within the control of Franchisee, as defined under 47 C.F.R. § 76.309(c)(4)(ii). Those conditions which are not within the control of Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages that are not within the control of the Franchisee, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System.

B. **Respond:** The start of Franchisee's investigation of a Service Interruption by receiving a Subscriber call, and opening a trouble ticket, and begin working, if required.

C. **Service Call:** The action taken by Franchisee to correct a Service Interruption the effect of which is limited to an individual Subscriber.

D. **Service Interruption:** The loss of picture or sound on one or more cable channels.

E. **Significant Outage:** A significant outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

F. **Standard Installation:** Installations where the Subscriber is within one hundred fifty (150) feet of trunk or feeder lines.

#### **SECTION 2: TELEPHONE AVAILABILITY**

A. Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, all other inquiries at least forty-five (45) hours per week. Franchisee representatives shall identify themselves by name when answering this number.

B. Franchisee's telephone numbers shall be listed, with appropriate description (e.g. administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by Franchisee.

C. Franchisee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

After the first tier menu (not including a foreign language rollout) has run through three times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. Franchisee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

D. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after thirty (30) seconds of call waiting. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds.

E. Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter.

F. Upon request from the LFA, but in no event more than once a quarter, forty-five (45) days following the end of each quarter, the Franchisee shall report to the LFA the following for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions:

(1) Percentage of calls answered within thirty (30) seconds as set forth in Section 2.D; and

(2) Percentage of time customers received a busy signal when calling the Franchisee's service center as set forth in Section 2.E.

Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request.

G. At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Franchisee shall notify LFA of such a change not less than thirty (30) days in advance.

### **SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS**

A. All installations will be in accordance with FCC rules, including but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of Franchisee-supplied equipment and Cable Service.

B. The Standard Installation shall be performed within seven (7) business days after an order is placed if the Optical Network Terminal ("ONT") is already installed on the customer's premises. The Standard Installation shall be performed within fourteen (14) business days where there is no ONT at the time of service order. Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding those requested by the customer outside of these time periods.

C. The Franchisee shall provide the LFA with a report upon request from the LFA, but in no event more than once a quarter, noting the percentage of Standard Installations completed within the time periods provided in Section 3.B. Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request.

D. At Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Franchisee shall notify LFA of such a change not less than thirty (30) days in advance.

E. Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls and other activities of a maximum four (4) hours scheduled time block during appropriate daylight available hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At Franchisee's discretion, Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends.

(1) Franchisee may not cancel an appointment window with a customer after the close of business on the business day prior to the scheduled appointment.

(2) If Franchisee's representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

F. Franchisee must provide for the pick up or drop off of equipment free of charge in one of the following manners: (i) by having a Franchisee representative going to the Subscriber's residence, (ii) by using a mailer, or (iii) by establishing a local business office within the Franchise Area. If requested by a mobility-limited customer, the Franchisee shall arrange for pickup and/or replacement of converters or other Franchisee equipment at Subscriber's address or by a satisfactory equivalent.



#### **SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES**

A. Franchisee shall promptly notify LFA of any Significant Outage of the Cable Service.

B. Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after LFA and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage. Notwithstanding the foregoing, Franchisee may perform modifications, repairs and upgrades to the System between 12:01 a.m. and 6 a.m. which may interrupt service, and this Section's notice obligations respecting such possible interruptions will be satisfied by notice provided to Subscribers upon installation and in the annual Subscriber notice.

C. Franchisee representatives who are capable of responding to Service Interruptions must be available to Respond twenty-four (24) hours a day, seven (7) days a week.

D. Under Normal Operating Conditions, Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

(1) Within twenty-four (24) hours, including weekends, of receiving Subscriber calls about Service Interruptions in the Service Area.

(2) Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or LFA of a Cable Service problem.

E. Under Normal Operating Conditions, Franchisee shall complete Service Calls within seventy-two (72) hours of the time Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

F. Franchisee shall meet the standard in Section E of this Section for ninety percent (90%) of the Service Calls it completes, as measured on a quarterly basis.

G. Franchisee shall provide LFA with a report upon request from the LFA, but in no event more than once a quarter, forty-five (45) days following the end of each calendar quarter, noting the percentage of Service Calls completed within the seventy-two (72) hour period not including Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to LFA for review upon reasonable request. At the Franchisee's option, the above measurements and reporting may be changed

from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation.

H. Under Normal Operating Conditions, Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow Franchisee to verify the problem if requested by Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

I. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, Franchisee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected Subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Franchisee provided such determination is non-discriminatory. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

J. With respect to service issues concerning Cable Services provided to LFA facilities, Franchisee shall Respond to all inquiries from LFA within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions and shall diligently pursue to completion. If such repairs cannot be completed within twenty-four (24) hours, Franchisee shall notify LFA in writing as to the reason(s) for the delay and provide an estimated time of repair.

#### **SECTION 5: CUSTOMER COMPLAINTS REFERRED BY LFA**

Under Normal Operating Conditions, Franchisee shall begin investigating Subscriber complaints referred by LFA within seventy-two (72) hours. Franchisee shall notify the LFA of those matters that necessitate an excess of five (5) business days to resolve, but Franchisee must make all necessary efforts to resolve those complaints within ten (10) business days of the initial complaint. LFA may require Franchisee to provide reasonable documentation to substantiate the request for additional time to resolve the problem. Franchisee shall inform LFA in writing, which may be by an electronic mail message, of how and when referred complaints have been resolved within a reasonable time after resolution. For purposes of this Section, "resolve" means that Franchisee shall perform those actions, which, in the normal course of business, are necessary to (a) investigate the Customer's complaint; (b) advise the Customer of the results of that investigation; and (c) implement and complete steps to bring resolution to the matter in question.

#### **SECTION 6: BILLING**

A. Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges. Bills will comply with applicable federal and state laws, and shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. Franchisee shall, without limitation as to additional line items, be allowed to itemize as separate line items, Franchise fees, taxes and/or other governmental-imposed fees. Franchisee shall maintain records of the date and place of mailing of bills.

B. Every Subscriber with a current account balance sending payment directly to Franchisee shall be given at least twenty (20) days from the date statements are mailed to the Subscriber until the payment due date.

C. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due except in accordance with Section 6.B. above.

D. Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved, provided that:

- (1) The Subscriber pays all undisputed charges;
- (2) The Subscriber provides notification of the dispute to Franchisee within five (5) days prior to the due date; and
- (3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.
- (4) It shall be within Franchisee's sole discretion to determine when the dispute has been resolved.

E. Under Normal Operating Conditions, Franchisee shall initiate investigation and resolution of all billing complaints received from Subscribers within five (5) business days of receipt of the complaint. Final resolution shall not be unreasonably delayed.

F. Franchisee shall provide a telephone number and address clearly and prominently on the bill for Subscribers to contact Franchisee.

G. Franchisee shall forward a copy of any rate-related or customer service-related billing inserts or other mailings related to Cable Service, but not promotional materials, sent to Subscribers, to LFA.

H. Franchisee shall provide all Subscribers with the option of paying for Cable Service by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Franchisee may in the future, at

its discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit history, at the option of Franchisee, the payment alternative may be limited.

I. LFA requests that Franchisee omit LFA name, address and telephone number from Franchisee's bills as permitted by 47 C.F.R. § 76.952.

#### **SECTION 7: DEPOSITS, REFUNDS AND CREDITS**

A. Franchisee may require refundable deposits from Subscribers 1) with a poor credit or poor payment history, 2) who refuse to provide credit history information to Franchisee, or 3) who rent Subscriber equipment from Franchisee, so long as such deposits are applied on a non-discriminatory basis. The deposit Franchisee may charge Subscribers with poor credit or poor payment history or who refuse to provide credit information may not exceed an amount equal to an average Subscriber's monthly charge multiplied by six (6). The maximum deposit Franchisee may charge for Subscriber equipment is the cost of the equipment which Franchisee would need to purchase to replace the equipment rented to the Subscriber.

B. Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment history, after one year and provided the Subscriber has demonstrated good payment history during this period. Franchisee shall pay interest on deposits if required by law.

C. Under Normal Operating Conditions, refund checks will be issued within the next available billing cycle following the resolution of the event giving rise to the refund, (e.g. equipment return and final bill payment).

D. Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle, following the determination that a credit is warranted, and the credit is approved and processed. Such approval and processing shall not be unreasonably delayed.

E. Bills shall be considered paid when appropriate payment is received by Franchisee or its authorized agent. Appropriate time considerations shall be included in Franchisee's collection procedures to assure that payments due have been received before late notices or termination notices are sent.

#### **SECTION 8: RATES, FEES AND CHARGES**

A. Franchisee shall not, except to the extent expressly permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to Franchisee equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects Franchisee equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect Franchisee's equipment (for example, a dog chew).

B. Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

C. All of Franchisee's rates and charges shall comply with applicable federal and state law. Franchisee shall maintain a complete current schedule of rates and charges for Cable Services on file with the LFA throughout the term of this Franchise.

#### **SECTION 9: DISCONNECTION /DENIAL OF SERVICE**

A. Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless Franchisee mails a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be mailed to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

B. Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Service Interruption was reported by the Subscriber.

C. Nothing in these standards shall limit the right of Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to Franchisee's equipment, abusive and/or threatening behavior toward Franchisee's employees or representatives, or refusal to provide credit history information or refusal to allow Franchisee to validate the identity, credit history and credit worthiness via an external credit agency.

D. Charges for cable service will be discontinued at the time of the requested termination of service by the Subscriber, except equipment charges may be applied until equipment has been returned. No period of notice prior to requested termination of service can be required of Subscribers by Franchisee. No charge shall be imposed upon the Subscriber for or related to total disconnection of Cable Service or for any Cable Service delivered after the effective date of the disconnect request, unless there is a delay in returning Franchisee equipment or early termination charges apply pursuant to the Subscriber's service contract. If the Subscriber fails to specify an effective date for disconnection, the Subscriber shall not be responsible for Cable Services received after the day following the date the disconnect request is received by Franchisee. For purposes of this Section, the term "disconnect" shall include Subscribers who elect to cease receiving Cable Service from Franchisee.

#### **SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS**

A. Each employee of the Franchisee who routinely comes into contact with members of the public at their places of residence must wear a picture identification card clearly indicating his or her employment with the Franchisee. The photograph on the identification card shall prominently show the employee's name and/or identification number. Such employee shall prominently display such identification card and shall show it to all such members of the public.

Each employee of any contractor or subcontractor of the Franchisee who routinely comes into contact with members of the public at their places of residence must wear a picture identification card clearly indicating his or her name, the name of such contractor or subcontractor and the name of the Franchisee.

B. All contact with a Subscriber or potential Subscriber by a Person representing Franchisee shall be conducted in a courteous manner.

C. Franchisee shall send annual notices to all Subscribers informing them that any complaints or inquiries not satisfactorily handled by Franchisee may be referred to LFA. A copy of the annual notice required under this Section 10.C will be given to LFA at least fifteen (15) days prior to distribution to Subscribers.

D. All notices identified in this Section shall be by either:

(1) A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or

(2) A separate electronic notification.

E. Franchisee shall provide reasonable notice to Subscribers and LFA of any pricing changes or additional changes (excluding sales discounts, new products or offers) and, subject to the forgoing, any changes in Cable Services, including channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of Franchisee. Franchisee shall provide a copy of the notice to LFA including how and where the notice was given to Subscribers.

F. Upon request by any Subscriber, Franchisee shall make available a parental control or lockout device to enable a Subscriber to control access to both the audio and video portions of any or all Channels. Franchisee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter.

G. Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Section 10.E., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of Franchisee:

(1) Products and Cable Service offered;

(2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by Franchisee related to Cable Service;

(3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

(4) Channel positions of Cable Services offered on the Cable System;

(5) Complaint procedures, including the name, address, and telephone number of LFA, but with a notice advising the Subscriber to initially contact Franchisee about all complaints and questions;

(6) Procedures for requesting Cable Service credit;

(7) The availability of a parental control device;

(8) Franchisee practices and procedures for protecting against invasion of privacy; and

(9) The address and telephone number of Franchisee's office to which complaints may be reported.

A copy of notices required in this Section 10.G. will be given to LFA at least fifteen (15) days prior to distribution to Subscribers if the reason for notice is due to a change that is within the control of Franchisee and as soon as possible if not within the control of Franchisee.

H. Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

I. Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the Channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

J. Every notice of termination of Cable Service shall include the following information:

(1) The name and address of the Subscriber whose account is delinquent;

(2) The amount of the delinquency for all services billed;

(3) The date by which payment is required in order to avoid termination of Cable Service; and

(4) The telephone number for Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

K. Franchisee will comply with privacy rights of Subscribers in accordance with applicable federal and state law, including 47 U.S.C. §551.



## EXHIBIT E

### Performance Bond

Bond No. \_\_\_\_\_

**KNOW ALL MEN BY THESE PRESENTS:** That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, the Principal and Obligee have entered into a Franchise Agreement dated \_\_\_\_\_ which is hereby referred to and made a part hereof.

**WHEREAS**, said Principal is required to perform certain obligations under said Agreement.

**WHEREAS**, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

**NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH** that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

**PROVIDED HOWEVER**, that this bond is executed subject to the following express provisions and conditions:

In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.

This Bond shall be effective \_\_\_\_\_, 20\_\_\_\_, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.

Bond No. \_\_\_\_\_

Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligor recoverable under this bond.

No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.

No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligor named herein or the heirs, executors, administrators or successors of the Obligor.

The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.

This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

**This bond shall not bind the Surety unless it is accepted by the Obligor by signing below.**

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

**Principal**

**Surety**

By: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_, Attorney-in-Fact

Accepted by Obligor: \_\_\_\_\_  
(Signature & date above - Print Name, Title below)