

ORIGINAL

CITY OF REDMOND, WASHINGTON

ORDINANCE NO. 833

AN ORDINANCE, relating to cable television and community antenna television systems; adopting regulations for the installation and operation of such facilities and system; providing for the issuance of franchises; and providing penalties for violations.

THE CITY COUNCIL OF THE CITY OF REDMOND DO ORDAIN AS FOLLOWS:

Section 1. Purpose. The purpose of this ordinance is to set forth an integrated statement of the conditions, rates and charges, requirements, obligations and duties for the construction, maintenance and operation of a system of cable television signal distribution within the City of Redmond.

All cable television companies are required by Federal Communications Commission Rules CFR 47, Part 76, to be regulated by the political subdivision within whose boundaries they operate, pursuant to RCW 36.65 and governmental powers granted by the Washington State Constitution Amendment 21, as a Home Rule City, has the power to grant and regulate franchises on city rights-of-way.

Section 2. Definitions. For the purposes of this ordinance, the following words, phrases and terms shall have the following meaning unless the context clearly indicates a different meaning is intended:

- (1) "CATV" means community antenna television and refers to a cable television or communications system whereby television and/or radio signals, gathered by means of an antenna or improved reception device, are distributed to users or subscribers by means of an energized aerial or underground cable, wire or line.
- (2) "City" means the City of Redmond and its service area.
- (3) "City Council" means the governing body of the City of Redmond.
- (4) "Director" means the Director of the Department of Public Works of the City of Redmond.
- (5) "Department," "Department of Public Works" or "Public Works Department" means the Department of Public Works of the City of Redmond.
- (6) "Grantee" means the person or entity granted a franchise under the terms of this ordinance.
- (7) "Office" means the Office of Cable Communications, Board of Public Works of the City of Seattle, Washington or any other body designated by the City Council to administer this ordinance.

Section 3. Franchise required. It shall be unlawful for any person, firm, corporation or other entity to use any portion of the public streets and public ways within the City of Redmond for the purpose of installing, using, maintaining or operating a CATV system without first making application for and obtaining a franchise under the terms of this ordinance. Existing holders of a CATV system franchise from the City or within an annexed area shall be subject to all provisions of this ordinance not inconsistent with such prior franchise, provided, that existing franchise holders may elect to obtain and be granted a franchise under this ordinance by processing an application therefore.

Section 4. Application for franchise. Each application for the granting and renewal of a franchise to construct, operate or maintain any cable communications system upon a city right-of-way shall be filed with the Office in a form approved by the Director of Public Works. At the time of the application, the following information shall be presented:

(1) A detailed statement of the business organization of the applicant, including the following:

a. The names and addresses of all persons having control of, or being entitled to have or control, 5% or more of the ownership of the applicant, either directly or indirectly, and the respective ownership share of each person.

b. The names, residences and business addresses of all officers and directors of the applicant.

c. A detailed current financial statement showing the resources of the applicant to construct and/or operate the proposed system.

(2) A detailed plan of the operation of the applicant, which shall include:

a. A description of the cable district proposed to be served and a proposed time schedule for installation in each neighborhood or portion of the district.

b. A statement or schedule setting forth all proposed classifications with rates and charges of any kind to be made against subscribers.

c. A description of the equipment to be utilized and operational standards to be met as proposed by the applicant.

d. A statement that the applicant is willing and able to comply with all relevant federal, state and local regulations regarding cable communications.

(3) Certificate of compliance: A valid certificate of compliance issued by the Federal Communications Commission or an application before the Federal Communications Commission is required before operating or maintaining transmission and distribution lines for cable communications in the City of Redmond, Washington.

Section 5. Grant of franchise - Hearing. The application shall be reviewed for sufficiency by the Office which shall transmit the application together with its recommendations to the Director of Public Works within thirty (30) days of its receipt of a sufficient application. The Director shall then review the application and recommendations and forward the same to the City Council at its next regular meeting to set a date for a public hearing thereon to consider the following factors:

(1) That the public will be benefited by the granting of the requested franchise;

(2) That the applicant has the necessary resources to build, operate and maintain a cable television system in the franchise area;

(3) That the applicant will comply with all the terms and conditions placed upon the franchise by the Council, and

(4) That the applicant is willing and able to comply with all relevant federal, state and local regulations.

Following the hearing the Council may determine to grant the franchise by ordinance or may deny the franchise.

Section 6. Terms and conditions of franchise - non-exclusive. Every CATV franchise shall be subject to the provisions of this ordinance and as hereafter amended and to the rules and regulations of the Director adopted hereunder.

Any CATV franchise shall not be deemed and held to be an exclusive franchise or permit and shall not in any manner prevent the City from granting other or further CATV franchises or permits, in, along, over, through, under, below or across any said rights-of-way, streets, avenues, and other public lands and properties of every type and description; and such franchise or permit shall in no way prevent or prohibit the City from using any of said roads, rights-of-way, streets or other public properties or effect its jurisdiction over them or any part of them, with full power to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication, establishment, maintenance and improvement of all new rights-of-way and thoroughfares and other public properties of every type.

Section 7. Length of franchise. Each franchise granted by the City under this ordinance shall be for a term of fifteen (15) years from the date of acceptance by the Grantee and Grantee shall have the first option for renewal for an additional fifteen (15) years (after open and full public hearings) as long as Grantee continues satisfactory performance of its obligations under the franchise.

The City may terminate the franchise by ordinance enacted for such purpose, in the event of the wilful failure, refusal or neglect by the Grantee to do or comply with any material and substantial requirements contained in this ordinance, or the rules and regulations of the Federal Communications Commission adopted pursuant to this ordinance after notice to Grantee and holding a public hearing thereon.

Section 8. Basic subscriber services. The Grantee shall provide, if technically practicable, all basic subscriber services within the area which it serves and shall also provide a tie-in-connection without cost (except for actual cost of labor, material and overhead costs), to one outlet (TV connection) to each state-accredited public or private educational institution and to each building designated by the Office which is owned and controlled by the City, used for public purposes and not residential use, when such recommended building is within 300 feet of the distribution cable.

Section 9. Consumer protection. Subscribers and users in each cable district shall have the protection described in this Section in addition to all other rights conferred in this ordinance.

(1) Upon request, each Grantee shall furnish to the Office, and the Office shall compile and maintain for public inspection during business hours, copies of:

a. All applications and other communications submitted by the franchise applicants or Grantees to the City of Redmond, the Federal Communications Commission or any other Federal, State or local regulatory body having jurisdiction with respect to cable communications within the City of Redmond.

b. Current information on ownership and management of the Grantee.

c. Current information on forms of subscriber agreements used by the Grantee; complaint procedures followed by the Grantee, and non-basic services offered by the Grantee and the rates and charges thereof; and

d. Records of all written requests for use of public access channels and leased channel time and the disposition of such requests, and records of all signals and programs carried (other than radio and television broadcast signals).

(2) The office shall also compile and maintain for public inspection during regular business hours, copies of:

a. All federal, state, and local laws and regulations applicable to cable communications within the City of Redmond.

b. Records of all written complaints filed with the Office and the disposition thereof; and

c. Policy statements and administrative and staff operating procedures of the Office.

(3) No Grantee shall cause or permit the viewing habits of any subscriber to be monitored without the subscriber's expressed consent.

(4) Whenever a Grantee shall offer a new service or facility, or changes in channel allocation or assignment, the Grantee shall give notice thereof to the subscribers and the Office. Such new service or facility shall be made available to all subscribers, if technically and economically practicable.

Section 10. Rates and charges - approval - review. No Grantee shall impose or be permitted to impose upon subscribers or users, rates or charges for installation and for basic services, approved by the Federal Communications Commission and/or the City of Redmond, until it has first been determined in the manner hereinafter provided that such rates are not in excess of a reasonable amount. In connection with the original grant of a franchise pursuant hereto, the reasonableness of rates and charges shall be recommended by the Office.

Included in the proposed rates and charges filed by the Grantee with the Director and the Office will be a special discount to the low income elderly or low income permanently disabled; such discount to be in the sum of Two Dollars (\$2.00) from the monthly basic rate and a fifty percent (50%) discount in the basic installation charge, upon making application to the Grantee. As used herein "low income elderly" or "low income permanently disabled" shall mean every single person, sixty two (62) years of age or older, and every single person totally and permanently disabled, residing in a single family dwelling, either as owner or purchaser, whose income from all sources is \$333.33 per month or less, and \$4,000.00 per annum, or less, or in case of marital community both parties, husband and wife, residing in a single family dwelling, either as owner or purchaser, and both spouses being sixty two (62) years of age or older, whose total income from all sources is \$425.00 per month, or less, and \$5,100.00 per annum, or less. To qualify for such discount every such person, (if married, then either spouse) shall file with the Director, his or her statement, under oath, that he, she or they are qualified to be charged a special discount and such statement to contain such other information as the Director may prescribe including residence address, ownership or interest in dwelling occupied by such applicant or applicants, the amount, source and nature of all income from any and all sources, together with the applicant's unqualified promise to forthwith notify the City of any circumstances or change in condition which would make the applicant or applicants ineligible to receive said special discount. All of such information shall be treated in confidence and all such application and statements shall only be available for inspection by authorized personnel of the City. The Director shall have the right, whenever he deems it necessary, to require such statement on an annual basis.

Any applicant for the granting or renewal of a franchise and any Grantee proposing any increase or change in rates and charges for installation or basic services shall first file with the Director and the Office a schedule of the proposed rates and charges together with supporting financial data. Such data shall include a statement covering the period since the last previous rate adjustment showing clearly what total proceeds were derived from the systems in terms of revenue and expenses. The Office shall examine and investigate the material submitted by the applicant or Grantee, and make recommendation to the Director with

respect hereto within thirty (30) days after receipt, who shall make a recommendation on the rate change to the City Council.

The City Council, or any other body it designates, shall conduct a public hearing to determine whether the rates and charges as proposed are reasonable and comparable to that charged for similar services by the cable industry in surrounding and nearby areas. Following the public hearing, the City Council shall approve, modify or disapprove the proposed charge in rates and charges based upon its findings.

After the passage of this Ordinance, Grantee may increase its subscriber rates and charges in an amount reflecting future additional fees as may be imposed on it, including but not limited to direct taxes and copyright fees.

Section 11. Program content control. No Grantee may exercise control over program content on an access channel, except to the extent necessary to prevent the presentation of program material prohibited by the rules and regulations of the Federal Communications Commission.

Section 12. Subscriber complaint. All complaints shall be referred to the Office who shall investigate all subscriber complaints and resolve or adjust them by appropriate action, if possible. Complaints relative to the provisions of this ordinance, which cannot be resolved by conciliation may be appealed to the Director of Public Works for his review and his determination shall be final, subject to an appeal to the City Council.

Section 13. Discrete areas. The City of Redmond shall be considered a part of North King County as defined in "Clarification of Discrete Unincorporated Communities for Purposes of Cable Television Franchising and Regulation within King County" referred to by King County Council Motion No. 2119, as to recognition of discrete communities for purposes of cable communication and the importation of distant signals.

Section 14. Unlawful to steal service. Every person who knowingly and wilfully makes unauthorized connection, whether physically, electrically, or inductively, or attaches any unauthorized device or devices to any cable wire, or other component of a franchised cable television system or to a television set, for the purpose of intercepting any program carried by a franchised cable television system which such person is not authorized to receive, shall be in violation of this ordinance and shall be punished as provided by Section 1.01.010 of the Redmond Municipal Code.

Section 15. Television set sales, lease and repair. No Grantee nor any major stockholder of a Grantee shall directly or indirectly engage within the City in the business of selling, leasing, servicing or repairing radio or television sets or other receivers or parts thereof which make use of standard broadcast entertainment signals, provided, that nothing therein shall prevent Grantee from making modifications to the tuner input circuit of the subscribers' television receivers and the fine tuning of the customers operating controls only, to insure proper operation under conditions of cable connection at the time of installation or in response to subscriber complaints, or from the selling, leasing, servicing, or repairing receivers and other equipment belonging to other CATV system operators for the use in the conduct of their businesses.

Section 16. Construction and system expansion - subscriber installation.

(1) STANDARD INSTALLATION:

a. Aerial

Any resident may request and shall be connected to the cable system at the standard connection charge if the residential cable outlet is within 150 feet of an existing energized aerial distribution cable.

b. Underground

Any resident may request and shall be connected to the cable system at the standard connection charge if the residence is within 150 feet of an existing energized underground distribution cable, provided the resident furnish an adequate trench and/or route complying with county requirements at no cost to the Grantee. Any obstruction to the installation of the cable, such as rockeries, driveways, sidewalks, landscaping, etc. would reclassify the installation as non-standard.

(2) NON-STANDARD INSTALLATION:

a. Aerial

Where the residential cable outlet to be served is more than 150 feet from an existing aerial energized distribution cable, the resident shall be served, if technically possible. The installation fee shall be established based on time, material and overhead costs and shall be collected in advance if so desired by the Grantee.

b. Underground

Where the residence to be served is more than 150 feet from an existing energized underground distribution cable, the resident shall be served, if technically possible, provided that an adequate trench and/or route complying with city requirements is available at no cost to the Grantee, and that the resident has arranged for the necessary easements over or under private property. The installation fee shall be established based on time, material, and overhead costs and shall be collected in advance if so desired by the Grantee.

(3) LINE EXTENSION:

a. Aerial

When the residence to be served requires an extension of the existing aerial energized distribution system, the Grantee shall extend said system one span or 300 hundred feet or multiples thereof (whichever is less) provided there is sufficient signal strength at the subscriber's television set to comply with the Federal Communications Commission's rules and regulations Part 76, subpart K, without additional amplifying devices. If, however, additional amplifying devices are necessary, or if the extension of the aerial energized distribution system is more than one span or 300 feet (whichever is less), the Grantee shall negotiate with the subscriber for the charge in excess of the prevailing subscriber rate and/or the standard installation charge to cover the cost of time, material and overhead.

b. Underground

Underground line extensions shall be negotiated between the Grantee and the subscriber.

Nothing in this ordinance shall prohibit the Grantee and subscriber from negotiating a non-standard rate and/or installation charge for non-standard line extension.

(4) NEW DEVELOPMENTS:

Grantee shall participate in all new subdivision developments and Local Improvement Districts in accordance

with undergrounding requirements within the franchise area where there is no existing aerial cable.

(5) AERIAL:

For existing facilities, Grantee shall place aerial facilities underground concurrently and in cooperation with similar programs of the telephone and power utilities and/or in connection with street improvements undertaken by the City. At no time shall the cable system be the only aerial facility.

Grantee shall be entitled to be compensated at the same basis as other utilities.

(6) CONSTRUCTION METHOD AND LOCATION:

Whenever Grantee shall contemplate laying underground cable or other communication facilities in any street, avenue, alley, highway or other public place within the present or future corporate limits of the City, Grantee shall file with the Department of Public Works a map showing the proposed location thereof in such street, avenue, alley, highway or other public place by surveyed measurements and shall describe the method of installation, by open excavation, underground boring or punching. If the location proposed does not interfere with existing or contemplated sewers, water pipes or other public utilities or facilities the Director of Public Works shall approve said map and installation and the same shall thereafter be considered as the official location of such underground cable and facilities, but if said proposed location or method of installation would interfere with said existing or contemplated sewers, water pipes or other public utilities or facilities, said Director shall, within fifteen (15) days after the filing of said map, furnish the Grantee with data by which an acceptable installation and map of location of such underground cable and facilities may be filed.

(7) CONSTRUCTION PLAN REQUIREMENTS:

Grantee shall within six (6) months from executing its acceptance of a franchise conforming to this ordinance prepare and submit a construction plan. The plan shall consider the City's desire to make cable service available to as broad a portion of the City's constituency as possible. This plan or design shall be submitted to and approved by the Director and the Office and shall include the following:

a. A definition of the proposed service area and the proposed franchise boundaries;

b. A proposed schedule for construction of the uncabled portion within the geographic areas of the proposed franchise. Such schedule shall reflect a two-year plan period and shall be revised every two years thereafter. Failure to have a construction plan in operation one year after approval of the plan shall constitute an abandonment of the rights and privileges under this ordinance and the franchise may be revoked with the approval of the Director of Public Works and the City Council. The City, its agents, contractors, licensees and permittees shall not be responsible for damage to underground cable facilities where an updated plan is not on file.

(8) SYSTEM EXPANSION LIMITATION:

Upon petition by the Grantee, the Director of Public Works may defer, or indefinitely suspend any expansion required by this ordinance, after showing

by the Grantee that such expansion would cause unreasonable financial hardship to Grantee subject to appeal to the City Council. Any such Council decision shall be made by the Council after a public hearing.

(9) CONSTRUCTION VARIANCES:

The Grantee is required in all cases to request and apply for all construction variances for system extension, subscriber installation, or any other variances that may be required by the City of Redmond.

(10) MISCELLANEOUS:

Miscellaneous items not mentioned above shall be negotiated between the Grantee and the potential subscribers.

Section 17. Removal and relocation of facilities installed by Grantee. Grantee, shall, at its sole cost and expense, protect, support, temporarily disconnect, relocate or remove from any street or other public property any of its installation when so required by the City by reason of traffic condition, public safety, street vacations, dedications of new rights-of-way and the establishment of street grade or the construction of any public improvement or structure by a governmental agency acting in a governmental capacity, provided that the Grantee shall in all such cases have the privilege to temporarily by-pass, in the authorized portion of the same street or right-of-way, upon approval by the City any section of its cable or appurtenances to be so temporarily disconnected or removed.

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Section 18. Raising and moving of wires. If the raising or moving of cable wires is required by any third party at any time to enable use of the streets, or other public rights-of-way or properties, such party shall make written application at least three (3) days in advance of such required use, and Grantee shall raise or move said cables, wires and/or other equipment at the expense of such applicant, payable in advance.

Section 19. Construction codes. All work done by the Grantee pursuant to any franchise shall be in full compliance with the National Electrical Safety Code and all applicable laws of the State of Washington and ordinances and construction codes of the City. In the event that Grantee fails at any time to furnish any required safeguards, signs, signals, and/or lights or to promptly backfill excavations as required by any law, ordinance or regulation, then the City reserves the right to proceed as may be required to so comply, and in such event the Grantee agrees and covenants to promptly reimburse the City for expenses of such work.

Section 20. Transfer of ownership. Any franchise shall be a privilege to be held in personal trust by the original Grantee. It cannot be sold, transferred, leased, assigned or disposed of in whole or in part, either by forced or involuntary sale, merger, consolidation or otherwise, without prior written approval of the City Council which shall be given only after a public hearing and under the same terms and conditions as an original application. Said application shall not be refused unless the Council finds that the public interest will not be served by the proposed transfer.

In the event the Grantee is a corporation, an assignment of the franchise shall be deemed to occur if there is an actual change in control or where ownership of more than 50% of the voting stock of the Grantee is acquired by a person or a group of persons acting in concert, none of whom already own 50% of more of the voting stock singly or collectively. Any such transfer or assignment shall be made only by an instrument in writing, such as a bill of sale or similar document, a duly executed copy of which shall be filed with the Office and the Director of Public Works within 30 days after such transfer or assignment.

Section 21. Public hearings - notice. Notice of any public hearing under this ordinance shall be given by publication of at least one notice not less than ten days prior to the hearing in a newspaper of general circulation within the City of Redmond. The notice shall state the time, place and purpose of the hearing and shall describe the area for which a franchise application is made or the area within which a Grantee proposes a change in the rates or charges paid by subscribers or requests a "systems expansion limitation" under Section 16(8). In the case of a hearing to consider a change in rates and charges, the notice shall also briefly describe the proposed rates and charges and the recommendation of the Office with respect thereto and shall state the place where proposed rate and charge changes are on file and available to the public. The Grantee shall also mail notice of the public hearing on proposed rate and charge changes to the subscribers within the area it serves.

Section 22. Rules and regulations. The Director, with the assistance of the Office, is authorized to make and adopt reasonable rules and regulations to enforce and carry out the provisions of this ordinance. When adopted, a copy of such rules and regulations shall be transmitted to franchise holders and shall be filed with the City Clerk.

Section 23. Contract with Seattle. The Mayor is authorized and empowered to enter into and execute a contract or contracts with the City of Seattle, Office of Cable Communications, to administer this ordinance and incidents of the CATV system and industry within the City of Redmond and its service area.

Section 24. Compliance with other laws. Grantee is required to comply with all applicable federal, state and local laws, rules and regulations. If any portion of this Ordinance should be inconsistent with any rule or regulation now or hereafter adopted by the Federal Communications Commission, then to the extent of the inconsistency, the rule or regulation of the Federal Communications Commission shall control for so long, as such rule or regulation shall remain in effect, but the remaining portions of this Ordinance shall not hereby be affected.

Section 25. Equal employment opportunity. Grantee shall be an equal opportunity employer and shall comply with the City of Redmond's affirmative action policies and procedure. Grantee shall file with the City of Redmond and the Office a current copy of its affirmative action plan.

Section 26. Use of facilities during emergency. A Grantee shall upon request of the City make its facilities immediately available to the City of Redmond for emergency use during the period of any emergency or disaster declared by the Mayor or Redmond City Council.

Section 27. Indemnity and hold harmless - waiver of damages. Grantee, its successors and assigns shall indemnify and hold harmless the City from any and all liabilities, fees, cost and damages, whether to person or property, or expense of any type or nature which may accrue to the City by reason of the construction, operation, maintenance, repair and alteration of Grantee's facilities; provided, however, that in case any suit or action is instituted against the City by reason of any such damage or injury, the City shall cause written notice thereof to be given unto Grantee and Grantee thereupon shall have the duty to defend any such suit or actin, without cost, or expense to the City.

Grantee waives any damage and shall have no recourse whatever against the City for any loss, costs, expense or damage arising out of any provision or requirement of any franchise or the enforcement thereof. No privilege nor exemption will be granted or conferred unto Grantee by any franchise except those specifically prescribed herein, and any such privilege claimed under this franchise by the Grantee in any street shall be subordinate to any

prior lawful occupancy of the street or any subsequent improvement or installation therein.

Section 28. Bond and insurance. Grantee shall, before construction, file a good and sufficient bond or any other surety, as determined by the Director of Public Works executed by a surety company, authorized and qualified to do business in the State of Washington, conditioned upon the faithful performance of all duties and obligations to be performed by the Grantee under the terms of this ordinance, including the payment of all cost, arising out of all or any part of the system from the city right-of-way when required by termination of the franchise or any other cause, including repair and restoration of damaged streets. Such bond shall be renewed by the Grantee annually and kept in full force and effect at all times during the life of any franchise.

Any rights and privileges conferred by this ordinance, and any franchise granted pursuant thereto shall be null and void and of no force and effect until Grantee shall, file with the proper evidence that it has in full force and effect and will keep in full force and effect during the life of the franchise, public liability insurance, naming the City of Redmond and the City of Seattle as additional insureds with coverage of not less than \$100,000 per person, \$500,000 per accident and property damage liability of not less than \$100,000.

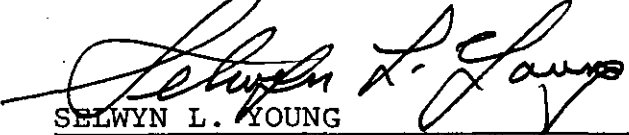
Provided that, where a single entity owns and operates more than one franchise, the Office may in its discretion, permit said entity to combine bonds and insurance coverage required by this section.

Section 29. Severability clause. If any part of this Ordinance is found to be unconstitutional or void, such finding shall not affect the remaining sections which shall remain in full force and effect.

Section 30. Effective date. This Ordinance shall take effect and be in force five (5) days after its publication in the manner provided by law.

PASSED by the Council of the City of Redmond, Washington, at a regular meeting thereof, and APPROVED by the Mayor this 15th day of August, 1978

CITY OF REDMOND


SELWYN L. YOUNG
MAYOR

ATTEST:


PAUL F. KUSAKABE
CITY CLERK

APPROVED AS TO FORM:


JOHN D. LAWSON
CITY ATTORNEY

Published in the Sammamish Valley News on August 23, 1978

CATV CONTRACT FOR SERVICES

THIS CONTRACT is made as of this 15th day of April, 1978, between the CITY OF REDMOND, a municipal corporation of the State of Washington (hereinafter referred to as Redmond), and the CITY OF SEATTLE, a municipal corporation of the State of Washington (hereinafter referred to as Seattle).

WHEREAS, Redmond and Seattle each have the authority and power to grant franchises to CATV (Community Antenna Television) to use public right-of-way; and

WHEREAS, Seattle's Board of Public Works' Office of Cable Communications has been established to administer and regulate CATV franchises, in accordance with the rules and regulations of the Federal Communications Commission and other federal, state and local requirements; and

WHEREAS, Redmond wishes to contract with Seattle to provide certain services listed in Section I below, while retaining its authority to make policy and franchise-regulating decisions, and

WHEREAS, the Contract for Services will be economically beneficial to both Redmond and Seattle;

NOW, THEREFORE, in consideration of the mutual benefits to be derived and in consideration of payments, covenants, and agreements, hereinafter mentioned, to be made and performed by the parties hereto, the parties hereby covenant and agree as follows:

I. SCOPE OF SERVICES

Seattle through its Board of Public Works' Office of Cable Communications shall be designated as the agent for Redmond for the following purposes:

- A. FCC Regulations: Evaluate all the rules and regulations of the FCC as they pertain to the regulatory responsibilities of Redmond. Report upon request by Redmond's Director of Public Works to the Mayor and Redmond City Council in this regard. (See Sec. IV). Insure adherence to the rules and regulations of the FCC and any other applicable rules or laws.

- B. Consumer Protection/Complaints: In the case of those public inquiries and consumer complaints referred by Redmond's Director of Public Works, assume responsibility for reviewing and responding to such public inquiries regarding CATV services and resolve consumer complaints regarding CATV services by conciliation where possible.
- C. Rates and Charges: Receive the written approval of Redmond to conduct appropriate hearings and/or audits for approval of increases in subscribers' rates and charges. (See Section V(C).)
- D. Franchise and Ordinance Revision: Assist Redmond in an advisory capacity and make recommendations and suggestions for the rewriting of its franchises and ordinances in compliance with the FCC rules and regulations and any other applicable laws.
- E. Franchise Applications: Process the applications for the granting and amendment of CATV franchises on such forms as are approved by Redmond's Director of Public Works, and forward said forms together with any pertinent information and recommendations to the Director and the Mayor and Redmond City Council for action and decision.
- F. Documents: Assume responsibility for the development and maintenance of up-to-date systems status maps showing locations of permitted construction activity and projections for future construction. Maintain records of subscribers' charges, channel allocations, performance tests, citizens' complaints and their resolutions, and franchise records. The Office of Cable Communications shall further maintain copies of all CATV franchises issued by Redmond and copies of such right-of-way construction permits issued pursuant to those franchises.
- G. Reports and Evaluations: Furnish Redmond with information, recommendations and technical advice regarding CATV. Submit an annual status and progress report to the Redmond City Council.

- H. Cable Districts: Suggest franchise areas and monitor the importation of distant signals. Define and monitor construction schedules for each district and franchise area.
- I. Access Channel: Explore, coordinate and promote the development of the dedicated channels for specialized or nonspecialized purposes.
- J. Collection of Franchise Fee: Under the advisement of Redmond's Treasurer-Comptroller who shall be responsible for collection of franchise fees, monitor the collection of franchise fees and report to Redmond's Treasurer-Comptroller if an account becomes delinquent.
- K. Public Information: Provide information about CATV programs and channel allocations to the general public.
- L. Government Buildings: Assist in the planning and designation of Redmond owned and controlled government buildings for future installation of CATV systems dedicated to government use.
- M. Bonds and Insurance: Evaluate all bonds and insurance policies and advise Redmond whether the bonds and insurance are current and of sufficient amounts to protect Redmond and its citizens.
- N. Undergrounding of Utilities: Consult on and assist with coordination of all undergrounding of CATV systems with Redmond's Director of Public Works.
- O. Ownership Changes: Inform Redmond as to when any change in ownership or control of a CATV system takes place.
- P. Newsletter: Establish communication between Redmond and the CATV companies through the use of a periodic newsletter.
- Q. Other Duties: Perform any other duties that may be required by Redmond from time to time with respect to CATV systems and government control.

II. DURATION, RENEWAL AND TERMINATION

- A. Duration: The term of this Contract shall begin on April 15, 1978, and shall expire December 31, 1979.

B. Renewal: Following the expiration of the original time, the Contract may be renewed upon such terms as are mutually agreed upon by the written approval of both parties not later than October 1 of the ~~year~~ *APR* year preceding the next contract term.

C. Termination: The Contract may be terminated upon written mutual agreement of both parties at any time. If, at any time during the term of the contract, Redmond shall send a written notice to Seattle which specifies any non-conformity or non-compliance and requests that such non-conformity or non-compliance be rectified, Seattle shall, within 30 days after receipt of such written notice from Redmond, rectify its actions so as to comply with the terms of the Contract. If following such a 30 day period, Seattle has not, in the opinion of Redmond rectified any non-conformity or non-compliance, Redmond may terminate the Contract by giving Seattle 30 days written notice of its intent to terminate. At the expiration of said 30 days notice, the contract shall be terminated without further obligation on the part of either party. Redmond shall be responsible for paying its obligations under the Contract through the date of termination.

III. RECORDS

Seattle shall keep and maintain copies of all records pertaining to the administration of this Contract. All expenses shall be supported by properly recorded payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of each expense. Such records shall be in the form suitable to the Redmond Treasurer-Comptroller.

IV. ANNUAL REPORT

Seattle shall submit to the Redmond Treasurer-Comptroller and the Mayor and Redmond City Council a status and progress report by September 30 of each calendar year. Included in this report shall be the FCC update and CATV industry as required

in I-A and I-G. Seattle shall also submit an invoice executed in accordance with the attached form Exhibits 1,2, and 3 and accompanied by the annual report.

V. COMPENSATION AND METHOD OF PAYMENT

Redmond shall pay Seattle, for the services as specified in Section 1 as follows:

A. Redmond recognizes that there will be extraordinary first-year expenses in establishing the system for providing the services required, and, therefore, will pay Redmond's share of the reasonable operating expenses of Seattle's Office of Cable Communications, including: Personnel services, office support, supplies, travel and communications; and performance tests; provided, that Redmond will not pay more than \$1,600 for the calendar year of 1978. Not included in the above expenses are those activities that relate to paragraph V (C).

B. For succeeding calendar years, Redmond shall annually pay to Seattle's Office of Cable Communications a fee of \$1 per subscriber.

C. Redmond will pay its proportionate share of the costs for the use of auditors and hearing examiners, if such service is deemed necessary by Redmond upon the advice of Seattle. The proportionate share shall bear the same ratio as the ratio of respective franchise fees received by Seattle and from each franchise in question.

D. Redmond will initiate authorization for payment to Seattle for services rendered not later than fifteen working days after the close of each calendar quarter.

VI. TITLE TO PROPERTY

Redmond is contributing nothing to capital equipment outlay, and all office equipment purchased by Seattle shall remain the sole property of Seattle. Redmond shall retain title to any and all correspondence, files, records, reports, operational charts, documents, etc., pertaining to Redmond CATV franchises and regulations.

VII. MUTUAL COVENANT

In further consideration of the services to be performed

by Seattle for Redmond under this agreement, Seattle and Redmond agree that each will not institute any suit or action at law or otherwise against the other nor institute, prosecute or in any way aid in the institution or prosecution of any claim, demand, action or cause of action for damages, costs, loss of service, expenses or compensation for or on account of any damage, loss, injury either to person or property, or both, resulting from or which may result from any activities undertaken by Seattle or Redmond pursuant to or connected with this agreement.

VIII. SEATTLE EMPLOYEES

All persons working for the Seattle Office of Cable Communications shall remain solely the employees of Seattle and Redmond shall have no liability whatsoever for employees benefits, claims, or employment taxes, as a result of entering into this Contract for Services.

IX. AMENDMENT AND INTEGRATION

This writing constitutes the entire Contract between the parties, and shall only be changed or modified by a writing agreed to and signed by both parties.

X. NOTICE

Any notice or reports to be given by either party hereto to the other under the provisions of or with respect to this contract shall be in writing, delivered in person or be certified or Registered Mail to the following addresses:

Redmond	City of Redmond Department of Public Works 15670 N. E. 85th Redmond, Washington 98052
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Seattle	City of Seattle Board of Public Works c/o Office of Cable Communications Seattle Municipal Building Seattle, Washington 98104
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XI. Copies of this Agreement shall be filed with the Seattle City Clerk, the Redmond City Clerk and the Secretary of State.

XII. That any act pursuant to the authority and prior to the effective date of this agreement is hereby ratified and confirmed.

SIGNED this 15th day of April, 1978.

CITY OF REDMOND

By: *Salwyn L. Young*
Salwyn L. Young, Mayor

Attested: *Paul F. Binkley*
City Clerk

CITY OF SEATTLE

By: *Charles Royer*
Charles Royer, Mayor

Attested: _____

APPROVED AS TO FORM:
William M. Miller ATTORNEY
CITY OF REDMOND, WASHINGTON

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ORDINANCE 107605

AN ORDINANCE authorizing a contract with the City of Redmond providing for the performance by the Board of Public Works, Office of Cable Communications, of certain services related to the administration of the City of Redmond's CATV franchises and applications therefor.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That as recommended by the Board of Public Works and the Mayor in the attachments hereto, the Mayor is authorized to execute for and on behalf of The City of Seattle an agreement substantially in the form identified as "CATV Contract for Services" contained in the attachments hereto, providing for the performance by the Board of Public Works, Office of Cable Communications, on behalf of the City of Redmond of certain services relating to that City's CATV franchises and applications therefor, for a period commencing April 15, 1978 and terminating December 31, 1979, with provision for annual renewals upon mutually agreed terms and the written approval of both parties not later than October 1st of the year preceding the next contract term, and further providing that by way of compensation, the City of Redmond will pay the City of Seattle not more than \$1,600.00 for the calendar year of 1978 and thereafter for each succeeding year the City of Redmond will pay The City of Seattle \$1.00 per subscriber as of the first day of the calendar year.

Section 2. That any act pursuant to and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 3. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 14 day of August, 1978,
and signed by me in open session in authentication of its passage this 14 day of
August, 1978. Ayllis Lamphere
President of the City Council.

Approved by me this 21 day of August, 1978.
Charles Poyer
Mayor.

Filed by me this 21 day of August, 1978.

Attest: E. L. King
City Comptroller and City Clerk.

(SEAL)

Published.....
By D. W. Spry Deputy Clerk.