



CITY OF KIRKLAND
Information Technology Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3050
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Brenda Cooper, CIO
Date: August 25, 2011
Subject: UPDATED INTERLOCAL AGREEMENT FOR REGIONAL FIBER CONSORTIUM

RECOMMENDATION

City Council approves the attached resolution authorizing the City Manager to sign an updated interlocal agreement for the regional fiber consortium, of which the City of Kirkland is a founding member.

BACKGROUND DISCUSSION

In 2003, the City entered into an interlocal agreement with the University of Washington, the Lake Washington School District, and the City of Bellevue to jointly construct and manage fiber optic projects.

The current membership (including entities that have already signed the previous ILA and entities that would like to sign the proposed ILA) has grown to include, in alphabetical order, Bellevue School District, City of Algona, City of Auburn, City of Bellevue, City of Kirkland, City of Pacific, City of Puyallup, City of Renton, City of Seattle, City of Tukwila, Evergreen Medical Center, Lake Washington School District, Renton School District, University of Washington, and Valley Communications Center.

The fiber network has been built using the combined resources of all partners. The City of Kirkland's contributions have included waived permit fees, access to conduit, and funds from the Information Technology CIP. Other partners have contributed expertise, fiber, project management, funds, engineering, and other assets.

Today, the City uses the fiber obtained via the consortium to connect a number of city locations together, to provide backbone for our downtown wireless mesh, and to provide the primary backbone that we use to connect with our servers that reside in the City of Bellevue data center. Future planned uses include connectivity to the new Public Safety Building, use for the Intelligent Transportation System, connections of regional EOC's and dispatch centers including reaching south into Pierce County and north into Snohomish County, and possibly regional acquisition of internet services provided by the University of Washington.

In the early and mid 2000's, all of the fiber which we built out used agency resources from among the consortium members. Recently, the consortium received two Urban Areas Security Initiative (UASI) grants (for \$603,000 and \$628,000) to help connect up dispatch centers and emergency operations centers. Bellevue has been the UASI sponsor of the grants and is serving as the fiscal agent. Obtaining the grants means that the consortium holds assets (fiber) in trust for future use, and also requires we formalize the way that the group is governed.

So far the City of Kirkland has invested about \$160,000 across almost ten years. In return, we have about 18 miles of fiber inside the city limits, some fiber into the planned annexation area, and access to all of a partially completed ring around Lake Washington (which will provide us with valuable fiber redundancy).

City Council did provide approval to sign this agreement on March 13, 2011, using the terminology "with substantially similar" language to what was put before you at the March meeting. Since then, based on discussions between legal counsels of various members, the form of the organization has been changed to a public corporation as opposed to an entity created by an interlocal agreement. This change is desirable because it provides Kirkland and other member jurisdictions with better protection from legal liability for the actions of the consortium.

The new ILA attached achieves the following:

- Establishes a nine-member governance board. Four of those seats are guaranteed to go to the original four members and thus the City of Kirkland, the University of Washington, the Lake Washington School District, and the City of Bellevue are guaranteed spots on the board at this time, although shifts in investment could change the guaranteed spots over time.
- Allows for joint ownership of future fiber resources when appropriate, such as for the Homeland Security grants we are now handling.
- Provides a framework for managing decision making and funds.
- Names the consortium the "Community Connectivity Consortium."
- Simplifies future changes by defining the board responsibilities to include creation and management of administrative policies.

The revised consortium is expected to pass a budget for the 2013 calendar year that will require all members pay some money into the consortium to fund administrative costs and some minor assets (such as software to allow us to map the fiber network). Since all of the entities expected to be part of the newly formed board are experiencing budget challenges, we anticipate that this amount will be small (less than \$10,000 a biennium), and that there will be no effective increase to our overall costs. It would continue to be paid for through the existing IT budget. Funding for 2012 will continue to be as-needed for specific projects as it has been in the past.

If the modified ILA is not passed by a majority of the current members, then the current and more cumbersome agreement may remain in place. The consortium would probably be in a weaker position related to competing for future grants since many of our choices about this revision were driven by questions related to the UASI grants. We do not anticipate that we would lose the existing grant money, as expenditures are already in place through Bellevue, who will continue to be the UASI grant administrator under both the old and revised ILAs.

If any of the existing "permanent" members of the consortium choose not to pass the new ILA, it is likely that the revised consortium will not form and we will continue to work toward an agreement. Those four members are the City of Kirkland, the City of Bellevue, Lake Washington School District, and the University of Washington.

There will be a second action that the Kirkland City Council needs to take some time in the fall to approve the charter for the public corporation. A copy of the draft ordinance and charter are included as Exhibits B and C to the resolution.

Overall, we believe that this approach to improving broadband connectivity for the anchor institutions in our region is the least expensive way to leverage joint assets and expertise, and we appreciate your support over the last eight years.

RESOLUTION R-4888

AN RESOLUTION OF THE CITY OF KIRKLAND APPROVING THE FORMATION OF THE COMMUNITY CONNECTIVITY CONSORTIUM, A PUBLIC CORPORATION, AUTHORIZING THE CITY OF KIRKLAND TO ENTER INTO AN INTERLOCAL AGREEMENT ESTABLISHING THE COMMUNITY CONNECTIVITY CONSORTIUM BETWEEN THE CITY OF KIRKLAND AND OTHER GOVERNMENT AGENCIES FOR THE CONSTRUCTION AND MANAGEMENT OF FIBER OPTIC PROJECTS, AND APPROVING THE CHARTER OF THE COMMUNITY CONNECTIVITY CONSORTIUM.

WHEREAS, the City of Kirkland is a participant and member of the Regional Fiber Consortium, the purpose of which is to construct and operate regional fiber optic facilities; and

WHEREAS, the current members of the Regional Fiber Consortium, along with new local government agencies, wish to establish a public corporation called the Community Connectivity Consortium ("Consortium") and enter into a new interlocal agreement that updates and streamlines the Consortium's policies and procedures; and

WHEREAS, Chapter 39.34 RCW authorizes the City of Kirkland to enter into an interlocal cooperation agreement to perform any governmental service, activity or undertaking which each contracting party is authorized by law to perform and RCW 35.21.730 through 35.21.759 authorizes the formation of a public corporation;

NOW, THEREFORE, be it resolved by the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland an interlocal agreement substantially similar to that attached as **Exhibit A**, which is entitled "Interlocal Agreement Establishing the Community Connectivity Consortium."

Section 2. The City Council of the City of Kirkland hereby approves the creation of a public authority by the City of Kirkland to be designated as the Community Connectivity Consortium ("Consortium"). The purpose of the Consortium is to acquire, construct, operate, manage and maintain a regional communications network that meets the needs of community institutions, including but not limited to government agencies, hospitals, schools and universities. The proposed form of ordinance to be considered by the City Council of the City of Kirkland, along with a draft of the Charter for the Consortium, attached hereto as **Exhibits B and C** respectively, are hereby approved. The City Council of the City of Kirkland hereby approves the formation by the City of Kirkland of the Consortium by the approval of

such Ordinance and Charter substantially in the form presented to this Council.

Section 3. The Consortium shall be an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the Consortium shall be satisfied exclusively from the assets and credit of the Consortium. No creditor or other person shall have any recourse to the assets, credit or services of the City of Kirkland on account of any debts, obligations, liabilities, acts or omissions of the Consortium.

Section 4. If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 5. Any act consistent with the authority and prior to the effective date of this Resolution is hereby ratified and affirmed.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

INTERLOCAL AGREEMENT ESTABLISHING THE COMMUNITY CONNECTIVITY CONSORTIUM

THIS AGREEMENT (“Agreement”) is entered into among the following public agencies organized under the laws of the State of Washington, hereinafter referred to as the “Members” which are parties signatory to this Agreement: (1) City of Bellevue; (2) City of Kirkland; (3) Lake Washington School District; (4) University of Washington; (5) Bellevue College; (6) Bellevue School District; (7) King County Public Hospital District No. 2 d/b/a Evergreen Healthcare; (8) City of Federal Way; (9) City of Renton; (10) Renton School District; (11) City of Seattle; (12) City of Algona; (13) City of Auburn; (14) City of Kent; (15) City of Pacific; (16) City of Puyallup; (17) City of Tukwila; (18) Valley Communications Center (collectively, the “Parties”). This Agreement shall take effect upon the signature of nine (9) or more of the Parties to this Agreement.

This AGREEMENT replaces the previous Interlocal Agreement: General Terms and Conditions for Sharing Fiber Optic Installation Projects, which took effect on December 6, 2003 (“Fiber Interlocal”), except for the limited purposes set forth in Section 5 of this Agreement.

This Agreement is being made pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW, and pursuant to the authority granted for formation of public corporations in RCW 35.21.730 through 35.21.759, and has been authorized by the legislative body of each jurisdiction signing this Agreement.

RECITALS

Whereas the University of Washington, Lake Washington School District, City of Kirkland and City of Bellevue signed Interlocal Agreement: General Terms and Conditions for Sharing Fiber Optic Installation Projects, effective December 6, 2003 (“Fiber Interlocal”) for the purpose of outlining how the parties will work together on fiber optic projects for the benefits of all the participating parties and established the original backbone of the Fiber Consortium network through contributions of budget, fiber assets, conduit, right of way and staff expertise; and

Whereas Evergreen Healthcare, Bellevue School District, City of Renton, Renton School District, Bellevue College, City of Seattle and City of Federal Way have signed the Fiber Interlocal and the joining amendments were fully executed by the participating parties; and

Whereas all projects to be completed under the Fiber Interlocal were required to have a Fiber Optic Project Agreement signed by all participating parties specifying lead agency and participant roles, project schedule, budget, route, fiber allocation and ownership, points of demarcation, maintenance responsibilities, and other details of each project; and

Whereas projects completed under a Fiber Optic Project Agreement defines the Fiber Consortium network, which is separate from each participating parties' networks unless transfers of a party's fiber assets were executed through a Fiber Optic Project Agreement; and

Whereas the growing Fiber Consortium network with additional agencies in the process of joining and executing more projects has become cumbersome to manage under the current structure. The City of Algona, City of Auburn, City of Kent, City of Pacific, City of Puyallup, City of Tukwila, and Valley Communication Center have approved joining the Consortium and executed a joining Fiber Optic Agreement; and

Whereas the members of the Fiber Consortium network are seeking grant opportunities to fund expansion to serve members' needs and has been successful in recent grant programs and thus the fiscal, administrative and project oversight responsibilities require more structure; and

Whereas the forming of this Consortium pursuant to RCW 39.34.030 and RCW 35.21.730 through 35.21.759 will provide the additional structure that is required; and

Whereas the rights established for each participant in each Fiber Optic Project Agreement shall not terminate with the replacement of the Fiber Interlocal.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

I. ESTABLISHMENT OF THE CONSORTIUM

The purpose of this Agreement is to create the Community Connectivity Consortium ("Consortium"). The Consortium shall be created as a separate legal entity as authorized by RCW 39.34.030 and shall be a public corporation pursuant to RCW 35.21.730 through 35.21.759. Upon approval and execution of this Agreement and approval of the form of the Consortium Charter by nine (9) members, the Consortium Charter shall be adopted by Ordinance by the City of Kirkland and then executed and issued by the City of Kirkland.

II. PURPOSE

The mission of the Consortium is to create a vibrant and competitive region by providing connectivity services to meet the needs of our community institutions – hospitals, universities, schools and government agencies. The Consortium shall have the following purposes:

- A. Create a regionally coordinated, open-access network that leverages the assets and resources of the members using strategic opportunities to provide low-cost, stable, robust, efficient connectivity services to members and their communities.

- B. Ensure the network infrastructure remains free of encumbrance and can be used for innovative opportunities by members.
- C. Develop and enhance working relationships among members and explore ways to the use the network collaboratively to make our community a better place to live, work and play by sharing risks and rewards equitably.
- D. Explore public/private partnerships to the benefit of the members and member communities.
- E. Achieve economies of scale through collaboration and coordination of projects and investments.
- F. Balance current needs with future needs in decision making to achieve lower long-term costs.

III. PARTIES TO AGREEMENT

Each Party to this Agreement certifies that it intends to and does contract with all other Parties who are signatories of this Agreement and, in addition, with such other Parties as may later be added to and become signatories of this Agreement. Each current and all future signatories to this Agreement shall be considered Parties hereto so long as the signatory is a Voting Member of the Consortium.

IV. MEMBERSHIP/MEETINGS

Membership in the Consortium shall be limited to government agencies authorized to become signatories to an Interlocal Agreement as authorized by RCW 39.34.030, and who contribute assets, resources, and/or shared services for the benefit of Members. The addition of new Members shall be subject to the approval of a simple majority of the Consortium Board, as established by the Consortium, to manage its operations.

V. GENERAL PROVISIONS

- A. Duration: This Agreement shall commence upon full execution and continue to remain in existence as long as it has Consortium Members.
- B. Work Product/Confidentiality: All work product including records, data, information, documents, files, designs, sketches, finished or unfinished documents or other documents, material or data produced in performance of this Agreement shall become the property of the Consortium. All such work product shall be kept confidential by all of the Consortium Members and the Member's employees and agents and shall not be made available to any individual or organization by any Consortium Member without the prior written consent of the Consortium Board or unless required pursuant to court order, the Public Disclosure Act RCW 42.56 or other applicable law.

C. Termination: Upon 180 days written notice by a Consortium Member, this Agreement may be terminated and/or dissolved by a vote of $\frac{3}{4}$ of the voting Consortium members at the next Consortium annual meeting. In the event this Agreement is terminated and/or dissolved, assets shall be distributed by the Consortium Board among Consortium Members after paying or making provisions for the payment of all debts, obligations, liabilities, costs and expenses of the Consortium. The distribution shall be based on the following:

1. Non-cash assets contributed without charge by a Consortium member shall revert to the contributor. If the contributor is no longer a member, then the asset shall be treated as if it was acquired with Consortium funds.
2. The Consortium Board shall conduct a valuation of all remaining assets. Assets acquired, using Consortium funds, after the effective date of this Agreement shall be sold by the Consortium Board, if appropriate, and the money or asset value distributed to those members still participating in the Consortium on the day prior to the termination date. The distribution shall be apportioned by taking the percentage that a Member has contributed to the total Consortium budget over the existence of this Agreement and applying that percentage to the remainder of the assets, resulting in the amount each Member shall receive upon distribution. Assets acquired after the effective date of this Agreement by the Consortium via grant funds shall be distributed in accordance with the terms of the grant and if no such provision exists in the grant, then distributions shall be in accordance with the terms of this Agreement. A Member can elect to take an asset in lieu of money.

If the Consortium Board is unable to fulfill these duties, any such asset not so disposed of may be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the Consortium is then located.

D. Miscellaneous: This Agreement constitutes the entire agreement of the parties. No provision of the Agreement may be amended or modified except by written agreement signed by at least $\frac{3}{4}$ of all Voting Members. This Agreement shall be binding upon and inure to the benefit of the Parties' successors in interest and assigns. This Agreement does not confer upon any persons other than the current and all future Parties any rights or remedies under this Agreement. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision. The venue for any dispute related to this Agreement shall be King County, Washington. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor. This Agreement may be executed in counterparts.

This Agreement has been executed by each party on the date set forth below:

<p>CITY OF BELLEVUE</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form: _____</p>	<p>CITY OF KIRKLAND</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form: _____</p>
<p>LAKE WASHINGTON SCHOOL DISTRICT NO. 414</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form: _____</p>	<p>UNIVERSITY OF WASHINGTON</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form: _____</p>

<p>BELLEVUE COLLEGE</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form:</p> <p>_____</p>	<p>BELLEVUE SCHOOL DISTRICT NO. 405</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form:</p> <p>_____</p>
<p>KING COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 d/b/a Evergreen Healthcare</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form:</p> <p>_____</p>	<p>CITY OF FEDERAL WAY</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form:</p> <p>_____</p>
<p>CITY OF RENTON</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form:</p> <p>_____</p>	<p>RENTON SCHOOL DISTRICT NO. 403</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> <p>Approved as to form:</p> <p>_____</p>

CITY OF SEATTLE By: _____ Its: _____ Date: _____ Approved as to form: _____	CITY OF ALGONA By: _____ Its: _____ Date: _____ Approved as to form: _____
CITY OF AUBURN By: _____ Its: _____ Date: _____ Approved as to form: _____	CITY OF KENT By: _____ Its: _____ Date: _____ Approved as to form: _____
CITY OF PACIFIC By: _____ Its: _____ Date: _____ Approved as to form: _____	CITY OF PUYALLUP By: _____ Its: _____ Date: _____ Approved as to form: _____

CITY OF TUKWILA	VALLEY COMMUNICATIONS CENTER
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____
Approved as to form:	Approved as to form:
_____	_____

ORDINANCE _____

AN ORDINANCE OF THE CITY OF KIRKLAND CREATING THE COMMUNITY CONNECTIVITY CONSORTIUM, A PUBLIC CORPORATION AND APPROVING ITS CHARTER.

WHEREAS, the City of Kirkland is a participant in the Regional Fiber Consortium, which is comprised of local government agencies for the purpose of acquiring, constructing, operating, managing and maintaining a regional communications network that meets the needs of community institutions, including but not limited to government agencies, hospitals, schools and universities; and

WHEREAS, the Regional Fiber Consortium members operate pursuant to an interlocal agreement entitled General Terms and Conditions;

WHEREAS, the current Regional Fiber Consortium Members, along with prospective new members would like to adopt a new Interlocal Agreement Establishing the Community Connectivity Consortium ("Interlocal Agreement") pursuant to RCW 39.34 and form a public corporation pursuant to RCW 35.21.730 through 35.21.759 to govern their continued operations; and

WHEREAS, the Interlocal Agreement and the Charter of the Community Connectivity Consortium ("Charter") has been approved by at least nine (9) prospective Consortium Members, which constitutes authorization for proceeding with formation with the Consortium under the Interlocal Agreement;

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

Section 1. The Charter of the Consortium, attached hereto as Exhibit A and incorporated herein, is hereby approved. The Charter shall be issued in duplicate originals, each bearing the seal of the City of Kirkland attested by the City Clerk. One original shall be filed with the City Clerk. A duplicate original shall be provided to the Consortium.

Section 2. The Consortium shall commence existence upon the fulfillment of each of the following:

- (1) The governing bodies of at least nine (9) Consortium Members have approved the creation of the Consortium by the City of Kirkland;
- (2) This Ordinance shall become effective; and
- (3) The Charter shall have been executed, and the Charter shall be in file with the City Clerk.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

CHARTER OF THE COMMUNITY CONNECTIVITY CONSORTIUM, A WASHINGTON PUBLIC CORPORATION

ARTICLE I NAME AND SEAL

The name of this corporation shall be the "Community Connectivity Consortium" ("Consortium"). The corporate seal of the Consortium shall be a circle with the name of the Consortium and the word "SEAL" inscribed therein.

ARTICLE II AUTHORITY FOR CONSORTIUM; LIMIT ON LIABILITY

Section 1. Authority. The Consortium is a public corporation organized pursuant to Revised Code of Washington ("RCW") 35.21.730 through 35.21.759, as the same now exist or may hereafter be amended, or any successor act or acts (the "Act"), Ordinance No. ____ of the City of Kirkland, passed on _____, 2011 and the Interlocal Agreement Establishing the Community Connectivity Consortium adopted and approved by Consortium Members, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference ("Interlocal Agreement").

Section 2. Limitation on Liability. All liabilities incurred by the Consortium shall be satisfied (a) in the case of obligations or liabilities of the Consortium which are not limited recourse in nature, exclusively from the assets, credit, and properties of the Authority, or (b) in the case of obligations or liabilities of the Authority which, by their terms, are limited recourse obligations, from such assets, properties or revenue of the Authority as shall be specifically pledged thereto or otherwise identified as being the source of payment of such limited recourse obligations or liabilities, and no creditor or other person shall have any right of action against or recourse to Consortium Members, their assets, credit or services on account of any debts, obligations, liabilities or acts or omissions of the Consortium.

Section 3. Liability of Consortium and Consortium Members. The following disclaimer shall be printed or stamped on all contracts or other documents that may entail any debt or liability by the Consortium:

The Community Connectivity Consortium ("Consortium") is a public corporation organized pursuant to the ordinances and approvals of the Consortium Members and RCW 35.21.730 through 35.21.759 and RCW Chapter 39.34. RCW 35.21.750 provides as follows: "[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority."

In no event shall the obligations of the Consortium be payable by recourse against any properties, assets or revenues of the Consortium Members, the State

of Washington or any other political subdivision of the State of Washington. No person to whom such obligations are owed shall have any recourse or right of action against the Consortium Members, the State of Washington or any other political subdivision thereof on account of such obligations.

Any of the Consortium Members may, by ordinance or contract or pursuant to interlocal agreement, agree to pay (on a contingent basis or otherwise) all or any portion of the obligations of the Authority; however, (1) no Member shall be obligated beyond the proportion of sum specified by ordinance or contract; and (2) no Member shall be obligated, directly or indirectly for the obligations of another Member.

ARTICLE III DURATION

The duration of the Consortium shall be perpetual except as provided in the Interlocal Agreement.

ARTICLE IV PURPOSE

The purpose of the Consortium is to acquire, construct, operate, manage and maintain a regional communications network that meets the needs of community institutions, including but not limited to government agencies, hospitals, schools and universities.

ARTICLE V POWERS

The Consortium shall have and may exercise all lawful powers conferred by state laws, the Interlocal Agreement, this Charter and its Bylaws that are consistent with the purpose of the Consortium. The Consortium in all of its activities and transactions shall be subject to the powers, procedures, and limitations contained in the Interlocal Agreement, this Charter and the Bylaws.

ARTICLE VI CONSORTIUM MEETINGS AND BOARD RESPONSIBILITIES

Section 1. Consortium Initial Meeting. Upon issuance of this Charter, there shall be an initial meeting of Consortium Members within 60 days. At the initial meeting, Consortium Members shall adopt the Consortium's Bylaws and elect the Consortium Board. The Bylaws shall be approved and a Board member shall be deemed elected to the Board if they receive a majority vote of all Consortium Members with voting member status. Thereafter, the Board shall manage and oversee the Consortium's activities, in accordance with the Interlocal Agreement.

Section 2. Board Meetings and Membership Meetings. The Board shall meet as necessary to oversee the operations of the Consortium. After the initial meeting, the Consortium Members shall meet no less than once per year. To the extent required by law, notice of

Consortium meetings shall be given in a manner consistent with RCW Chapter 42.30, the Open Public Meetings Act.

Section 3. Board Composition, Powers and Responsibilities.

A. Composition. The composition of the Consortium Board shall be set forth in the Consortium Bylaws, provided that the composition of the Consortium Board may not be changed without the approval of 75% or more of the Voting Members of the Consortium. The Consortium Board shall recommend a representative composition of the Board at the Annual Meeting.

B. Consortium Board Terms. The Consortium Board terms shall be set forth in the Consortium Bylaws.

C. Powers. The Consortium Board shall govern the Consortium. The powers of the Consortium Board shall be to: (1) develop and recommend the Consortium's Bylaws for approval by the Consortium Members; (2) create Consortium work programs; (3) determine services to be provided; (4) develop an annual budget for adoption by Consortium Members; (5) review and propose a membership policy; (6) recommend a fee policy for approval by the Consortium Members; (7) make purchases or contract for services to accomplish the purposes of the Consortium; (8) enter into agreements with third parties for goods and services as necessary to carry out the Consortium's purposes; (9) hire staff, consultants or private vendors as necessary; (10) identify and contract for the services of Fiscal Agent for the purposes of carrying out and recording Consortium financial transactions; (11) approve expenditures of funds; and (12) conduct any and all other business allowed by applicable law. The incurrence of debt by the Consortium requires the prior approval of all of the governing bodies of current Voting Members.

D. Responsibilities of Consortium Board Members. Consortium Board Members shall participate fully in matters before the Board, attend all meetings, advocate on behalf of the Consortium, and contribute expertise to guide decisions.

E. Bylaws. The Consortium Members shall adopt Bylaws that govern Consortium operations and decision making.

F. Consortium Membership. Membership in the Consortium shall be limited to government agencies authorized to become signatories to an Interlocal Agreement as authorized by RCW 39.34.030, and who contribute assets, resources, and/or shared services for the benefit of members. The addition of new members shall be subject to the approval of a simple majority of the Consortium Board, as established by the Consortium, to manage its operations.

ARTICLE VII VOTING

In conducting Consortium business, Voting Members will cast a single vote with all votes being equal. A meeting quorum for Board Meetings shall be considered to be a simple majority

of the Board Members. A meeting quorum for Consortium Member meetings shall be a simple majority of Voting Members. It is the desire of the Consortium that decisions be made by consensus, but a simple majority vote of all of the Voting Members present, either in person, electronically or by proxy, shall decide matters at Consortium Member meetings. A simple majority vote of all of the board members present, either in person, electronically or by proxy, shall decide matters at Consortium Board meetings. A second vote may be called in the event of a tie to arrive at a decision. A second tie will table the discussion until the next regularly scheduled meeting.

ARTICLE VIII FINANCE AND BUDGET

The Consortium Board is authorized to accept grants and such other financial opportunities as may arise in order to accomplish the purposes of the Consortium consistent with Chapter 39.34 RCW. The Consortium is empowered to receive all funds and assets allocated to it by its members. The Consortium Board may establish partnerships with public and private corporations or entities as allowed by law. The Consortium Board shall recommend an annual budget for adoption by the Consortium Members.

A. Ownership of Property. The Consortium may own real and personal properties. Ownership of assets, such as fiber strands, equipment or software, shall be defined in the allocation noted within any Consortium Project Agreement to which the Member is signatory. Assets deemed surplus by participants in a Project Agreement shall be held by the Consortium in an Asset Bank administered by the Consortium Board for the benefit of the Consortium Members. Future allocation of surplus assets shall be at the discretion of the Consortium Board. Existing assets owned by the Consortium Members may be transferred to the Consortium for the benefit of Consortium Members at the owner's discretion.

B. Retained Responsibility and Authority. Consortium Members retain the responsibility and authority for managing and maintaining their own internal Fiber Optic systems, including security and privacy of all data which may be linked to the Consortium's network.

C. Fiscal Agent. The Fiscal Agent refers to that agency or government that performs all accounting services for the Consortium as it may require, in accordance with the requirements of Chapter 39.34 RCW. The Consortium Board shall appoint a Fiscal Agent for the Consortium. The Fiscal Agent shall have a non-voting, ex officio seat on the Consortium Board if the agency is not serving on a Consortium Board seat.

D. Intergovernmental Cooperation. The Consortium will cooperate with federal, state, county, and other local agencies to maximize use of any grant funds or other resources and enhance the effectiveness of the Consortium systems, programs and projects.

E. Voting Members. Voting Members shall contribute to the Consortium in accordance with the fee policy adopted by the Consortium Membership.

**ARTICLE IX.
CONSTITUENCY**

There shall be no constituency of the Consortium.

**ARTICLE X
AMENDMENT OF CHARTER AND BYLAWS**

Section 1. Amendments to Bylaws. The Board may propose amendments to the Bylaws for consideration and voting by the general membership at a general membership meeting. Amendments to the Bylaws shall be deemed approved if the amendment proposal receives affirmative votes from a majority of all Voting Members.

Section 2. Amendments to Charter. Proposals to amend this Charter shall be submitted to the Board for review. If the Board recommends approval of the Charter amendment, the amendment proposal shall be submitted to the governing bodies of the Consortium Members. The proposed amendment shall not be effective until approved by the governing bodies of at least 75% of all Voting Members.

**ARTICLE XI
COMMENCEMENT**

The Consortium shall commence its existence effective upon the issuance of its Charter as sealed and attested by the City Clerk of the City of Kirkland, as provided in the Ordinance adopting this Charter.

**ARTICLE XII
DISSOLUTION**

Dissolution of the Consortium shall be in the form and manner set forth in the Interlocal Agreement and as may be required by state law.

CERTIFICATE

I, the undersigned, City Clerk of the City of Kirkland, Washington, do hereby certify that the attached CHARTER OF THE COMMUNITY CONNECTIVITY CONSORTIUM, A WASHINGTON PUBLIC CORPORATION is a true and correct original of such Charter as authorized by Ordinance No. _____ of the City of _____, this ____ day of _____, 2011.

City Clerk of the City of _____, Washington