

July 18, 1996  
MMc

Introduced By: RON SIMS  
Greg Nickels

Proposed No.: 96-531

ORDINANCE NO. **12404**

AN ORDINANCE approving a franchise for Water District 20 to construct, operate and maintain a sewer system in council Districts 5 and 8, authorizing the Executive to execute the franchise agreement, and declaring an emergency.

STATEMENT OF FACTS:

1. Water District 20 has filed an application for a franchise in council districts 5 and 8 to construct, operate and maintain a sewer system to serve residential, multi-family and commercial areas in accordance with R.C.W. 36.55.010 and K.C.C. 6.27.
2. The District's comprehensive plan was approved on March 18, 1996, by county council ordinance 12175.
3. The application has been referred to the relevant county departments for review, and no issues have been identified.
4. The King County executive has recommended approval of the franchise.
5. The Utilities Technical Review Committee reviewed and approved the district's franchise, legal description and map on October 25, 1995.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The granting of a franchise to the Water District 20 to construct, operate and maintain a water system within King County is hereby approved. The King County executive is authorized to enter into and execute the water system franchise, which by this reference is fully incorporated herein. Said franchise shall include all of the general and special conditions required by the county.

1            SECTION 2. If within 30 days after the granting of this  
 2 franchise, the applicant shall have failed to sign the  
 3 written acceptance incorporated herein, then the rights and  
 4 privileges granted herein shall be forfeited and said  
 5 franchise shall be null and void.

6            SECTION 3. The county council finds as a fact and  
 7 declares that an emergency exists and that this ordinance is  
 8 necessary for the immediate preservation of public peace,  
 9 health or safety or for the support of county government and  
 10 its existing public institutions.

11            INTRODUCED AND READ for the first time this 24<sup>th</sup>  
 12 day of June, 1996.

13            PASSED by a vote of 11 to 0 this 29<sup>th</sup> day of  
 14 July, 1996.

15            KING COUNTY COUNCIL  
 16            KING COUNTY, WASHINGTON

17            Gene Hague  
 18            Chair

19            ATTEST:

20            Edna Francis  
 21            Deputy Clerk of the Council

22            APPROVED this 7<sup>th</sup> day of August, 1996.

23            Ray Luke  
 24            King County Executive

25            Attachments:

26            A. Franchise Agreement

FRANCHISE NO. **12404**

In the matter of the application for a franchise to operate, maintain, repair, and construct water mains and service lines, and appurtenances in, over, along, and under County roads and rights-of-way in King County, Washington.

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The application of WATER DISTRICT 20 for a franchise to operate, maintain, repair and construct water mains and service lines, and appurtenances in, over, along, and under County roads and rights-of-way located within the area described in attached Exhibit "A" has been heard on this 29<sup>th</sup> day of July, 1996. All of the property described in Exhibit "A" lies outside the limits of any incorporated Town or City.

Legal notice of the franchise application and of the hearing has been given as is required by law.

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The King County Council, having considered the interests proposed and advanced, and finding that the granting of this franchise is in the public interest, ORDERS that a franchise be granted to WATER DISTRICT 20, the Grantee. This franchise grants the right, privilege, authority and franchise to operate, maintain, repair and construct main(s) and service lines and appurtenances as a part of its distribution system in, over, along, and under County roads and rights-of-way located within the area described in Exhibit "A".

12404

This franchise is granted subject to all of the terms and conditions contained within, and shall expire in twenty-five years on July 29, 2021.

Dated this 29th day of July, 1996.

KING COUNTY, WASHINGTON

BY [Signature]

TITLE Executive

The undersigned accepts all the rights, privileges, and duties of this franchise subject to all terms, conditions, stipulations, and obligations contained within.

WATER DISTRICT 20  
GRANTEE

BY [Signature]

TITLE Gen Mgr

Dated this 20 day of August, 1996.

Exhibit "A"

Portion of Township 23 and 24 North, Range 4 East, W.M., described as follows:

Beginning at the northwest corner of Section 5 of said Township 23; thence south along the west line of said Section 5 to the north line of Section 7 of said Township 23; thence west along said north line to the west line of the N E 1/4 of the N E 1/4 of said Section 7; thence south along said west line to the north line of the S W 1/4 of the N E 1/4 of said Section 7; thence west along said north line to the west line of the N E 1/4 of said Section 7; thence south along said west line to the north line of the S W 1/4 of the S W 1/4 of the N E 1/4 of said Section 7; thence east along said north line to the east line of said S W 1/4 of the S W 1/4 of the N E 1/4; thence south along said east line and along the east line of the N W 1/4 of the N W 1/4 of the S E 1/4 of said Section 7 to the south line of said N W 1/4 of the N W 1/4 of the S E 1/4; thence west along said south line of the west line of the S E 1/4 of Section 7; thence south along said west line to the easterly extension of the south line of Block 12 of Jordan's Acre Gardens as recorded in Volume 7, Page 84 of Plats; thence west along said easterly extension along said south line of Block 12 and along the south line of Block 11 of said Jordan's Acre Gardens to the eastern margin of Ambaum Boulevard S W, said eastern margin being the corporate line boundary line for the City of Burien; thence south along said eastern margin to the north margin of S W 128th Street, said north margin also being the corporate boundary for the City of Burien; thence east along said north margin of S W 128th Street and South 128th Street and its easterly extension, said easterly extension also being on the south line of Section 9 of said Township 23 to its intersection with its corporate boundary of the City of Tukwila; thence north, northwesterly, easterly and northwesterly along said corporate boundary line all being in said Section 9, to its intersection with the north margin of easterly extension of Director Street (if extended) aka to the south and east corporate boundary of the City of Seattle being located in the S W 1/4 of Section 33, Township 24 North, Range 4 East, W.M.; thence west along said corporate boundary to its intersection with the east margin of 12th Avenue South; thence south along the southerly extension of the east margin of 12th Avenue South, said southerly extension also being the corporate boundary line for the City of Seattle, to its intersection with the north line of said plat of Moore's 5-Acre Tracts south line of the City's corporate boundary; thence west along said north line, following the corporate boundary line for the City of Seattle to the west line of the Excelsior Acre Tracts, as recorded in Volume 8 of Plats, page 93, records of King County, Washington; thence north following the corporate boundary line for the City of Seattle along said west line of Excelsior Acre Tracts to the north line of the South 1/2 of the S W 1/4 of Section 32 of said Township 24 North; thence west following the corporate boundary line for the City of Seattle, along said north line to its intersection with the easterly margin of State Road 509; thence southerly following the corporate boundary line for the City of Seattle, along said easterly margin of State Road 509 to its intersection with the north line of Section 5 of said Township 23 North; thence west along said north line to the POINT OF BEGINNING.

AND INCLUDING that area annexed to King County Water District 20, approved by King County Council under Ordinance 11276 formally known as Annexation 93-1, described as follows:

All that portion of the West 1/2 of the West 1/2 of the East 1/2 of Section 7, Township 23 North, Range 4 East, W.M., situated in King County, Washington, described as follows:

Beginning at the northeast corner of the S W 1/4 of the S W 1/4 of the N E 1/4 of said Section 7; thence south along the east line of said S W 1/4 of the S W 1/4 of the N E 1/4 and along the east line of the N W 1/4 of the N W 1/4 of the S E 1/4 of said Section 7, to the south line thereof; thence west along said south line of the N W 1/4 of the N W 1/4 of the S E 1/4 to its intersection with the southerly extension of the east line of the plat of Goetzman, recorded in volume 60 of Plats, page 58, Records of King County, Washington; thence North  $1^{\circ}27'04''$  East along said southerly extension and east line of said plat of Goetzman to the north line of said plat; thence South  $89^{\circ}54' 54.2''$  East along said north line, 1.09 feet, to the west line of the plat of Hidden Meadow, recorded in Volume 72 of Plats, page 70, Records of King County, Washington; Thence north along said west line and its northerly extension, 350.04 feet, more or less, to the northern margin of S W 120th Street; thence east along said northern margin, to its intersection with the west line of the east 323.5 feet of the S W 1/4 of the S W 1/4 of the N E 1/4 of said Section 7; thence north along said west line to the north line thereof; thence east along said north line to the true point of beginning.

AND EXCLUDING those areas within the above described boundaries which were annexed to the City of Seattle under Seattle Ordinance 113271.

AND ALSO EXCLUDING those areas within the above described boundaries which were annexed to the City of Tukwila under Tukwila Ordinance 1574.

TERMS AND CONDITIONS APPLICABLE TO  
UTILITIES FRANCHISES GRANTED BY KING COUNTY

THIS FRANCHISE is subject to the following terms and conditions:

1. DEFINITIONS

County Road Rights-of-Way. The term "County Road Rights-of-Way" includes any road, street, avenue, or alley located within the area described in the attached Exhibit "A".

Director. The term "Director" refers to the chief executive of the King County Department of Public Works.

Grantee. The term "Grantee" refers to Water District 20 its successors and those assignees approved pursuant to paragraph 16 herein.

Utility. The term "utility" refers either to the Grantee or, depending on the context, to any other person, firm, or corporation, public or private, which may hold a franchise to maintain and operate similar facilities in, under, over, across, and along any of the County property described in Exhibit "A".

Council. The term "Council" refers to the King County Council, acting in its official capacity.

Other Governing Body. The term "Other Governing Body" refers to any public official or other public board or body as may have the power and jurisdiction to permit or regulate the installation and maintenance of utilities and other facilities in, under, over, across, and along any of the county property described in Exhibit "A".

2. ACCEPTANCE BY GRANTEES OF TERMS AND CONDITIONS

The full acceptance of this franchise and all of its terms and conditions shall be filed with the Clerk of the Council within thirty (30) days from \_\_\_\_\_, 19\_\_\_\_, by the Grantee. Full acceptance of this franchise is a condition precedent to its taking effect, and unless this franchise is accepted within the time specified, this grant will be null and void and have no force or effect.

3. NON-EXCLUSIVE FRANCHISE

This franchise is not exclusive. It does not prohibit King County from granting franchises for other public or private utilities, in, under, over, across, and along any County property, including County road rights-of-way.

This franchise does not prevent or prohibit King County from constructing, altering, maintaining or using any County road rights-of-way covered by this franchise. King County retains full power to make all changes, relocations, repair, maintenance, etc. as it may deem fit.

4. JURISDICTION

This franchise is intended to convey limited rights and interest only as to those roads and rights of way in which King County has an actual interest. It is not a warranty of title or of interest in County road rights-of-way.

Whenever any of the County road rights-of-way as designated in this franchise, by reason of the subsequent incorporation of any Town or City or extension of the limits of any Town or City, shall later fall within the City or Town limits, this franchise shall continue in force and effect until such time as the incorporation and/or annexation is complete according to applicable State law, after which time the County will no longer have any responsibility for maintenance of any County roads, rights-of-way or other County property within the area of annexation/incorporation.

None of the rights granted to the Grantee shall affect the jurisdiction of King County over County road rights-of-way or the County's power to perform work upon its roadways, rights-of-way or appurtenant drainage facilities including by constructing, altering, renewing, paving, widening, grading, blasting or excavating.

5. REGULATION OF USE AND CONTROL

This franchise does not deprive King County of any powers, rights, or privileges it now has or may later acquire in the future to regulate the use of and to control the County road rights-of-way covered by this franchise.

6. EMINENT DOMAIN

This franchise and the limited rights and interests for the operation, maintenance, repair, and construction of Grantee's transmission and service lines and appurtenances are subject to the exercise of eminent domain. In the event of an exercise of eminent domain by King County, the value to be attributed to all the rights and interests granted under this franchise shall not exceed the actual amount the Grantee paid to King County in obtaining this franchise.



7. ENFORCEMENT

Failure of King County to enforce any provision of this agreement does not constitute a waiver of its right to enforce that provision or any other provision of this agreement.

8. INDEMNITY AND HOLD HARMLESS

The Grantee agrees to indemnify and hold harmless King County as provided herein to the maximum extent possible under law. Accordingly, the Grantee agrees for itself, its successors, and assigns to defend, indemnify and hold harmless King County, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof, for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Grantee's exercise of rights and privileges granted by this franchise. The Grantee's obligations under this section shall include:

(a) Indemnification for such claims whether or not they arise from the sole negligence of either the County or the Grantee, the concurrent negligence of both parties, or the negligence of one or more third parties.

(b) The duty to promptly accept tender of defense and provide defense to the County at the Grantee's own expense.

(c) Indemnification of claims made by the Grantee's own employees or agents.

(d) Waiver of the Grantee's immunity under the industrial insurance provisions of Title 51 RCW, which waiver has been mutually negotiated by the parties.

In the event it is necessary for the County to incur attorney's fees, legal expenses, or other costs to enforce the provisions of this section, all such fees, expenses and costs shall be recoverable from the Grantee.

In the event it is determined that RCW 4.24.115 applies to this franchise agreement, the Grantee agrees to defend, hold harmless and indemnify King County to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of King County to the full extent of Grantee's negligence. Grantee agrees to defend, indemnify and hold harmless the County for claims by Grantee's employees and agrees to waiver of its immunity under Title 51 RCW, which waiver has been mutually negotiated by the parties.

**9. VACATION**

If at any time King County vacates any County road rights-of-way covered by this franchise, King County will not be held liable for any damages or loss to the Grantee by reason of such vacation. King County may, after giving thirty (30) day's written notice to the Grantee, terminate this franchise with respect to any County road rights-of-way vacated.

**10. INSTALLATION, REPAIR, REMOVAL OR RELOCATION**

The Grantee shall, at no expense to the County, repair all existing facilities that it owns within County road rights-of-way, including all appurtenant facilities and service lines connecting its system to users, if such repair is required by the County for any reasonable purpose.

The Grantee shall, at no expense to the County, adjust, remove or relocate existing facilities within County road rights-of-way, including all appurtenant facilities and service lines connecting its system to users, if the County determines such adjustment, removal or relocation is reasonably necessary to allow for an improvement or alteration planned by the County in such road right-of-way. The County shall give the Grantee written notice of such requirement as soon as practicable, at the beginning of the pre-design stage for projects that are part of the County's capital improvement program, including such available information as is reasonably necessary for the grantee to plan for such adjustment, removal or relocation.

For projects that are a part of the County's capital improvement program, in addition to any other notice given to the Grantee, the County shall provide a vertical and horizontal profile of the roadway and drainage facilities within it, both existing and as proposed by the County, and the proposed construction schedule; notwithstanding any permit conditions that may later be applied to the County project, this initial design information shall be given at least 180 days before construction is scheduled to begin, except in cases of urgent construction or emergencies. The Grantee shall respond to this notice, and to any later notices of revised designs based on permit conditions, within no more than thirty (30) days by providing to the County the best available information as to the location of all of the Grantee's facilities, including all appurtenant facilities and service lines connecting its system to users and all facilities that it has abandoned, within the area proposed for the public works project.

The County shall offer the Grantee the opportunity to participate in the preparation of bid documents for the selection of a contractor to perform the public works project as well as all required adjustments, removals or relocations of the Grantee's facilities. Such bid documents shall provide for an appropriate cost allocation between the parties. The County shall have sole authority to choose the contractor to perform such work. The Grantee and the County may negotiate an agreement for the Grantee to pay the County for its allocation of costs, but neither party shall be bound to enter into such an agreement. Under such an agreement, in addition to the Grantee's allocation of contractor costs, the Grantee shall reimburse the county for costs, such as for inspections or soils testing, related to the Grantee's work and reasonably incurred

by the County in the administration of such joint construction contracts. Such costs shall be calculated as the direct salary cost of the time of County professional and technical personnel spent productively engaged in such work, plus overhead costs at the standard rate charged by the County on other similar projects, including joint projects with other County agencies.

#### 11. REQUIREMENT OF CONSTRUCTION PERMITS

The Grantee has the right, privilege and authority to enter the County road rights-of-way for the purpose of operating, maintaining, repairing or constructing its transmission and service lines and appurtenances on the condition that it obtains permits approved by the Director and Property Services Division and, when applicable, by the Department of Development and Environmental Services. Applications for work permits shall be presented to the Property Services Division which may require copies of plans, blueprints, cross-sections, or further detailing of work to be done. Any work done, whether by Grantee, its contractors, or third parties will include necessary paving, patching, grading and any other reasonably necessary repair or restoration to the County road rights-of-way. All work shall be done to the satisfaction of the Director.

All equipment, lines and appurtenances which are used in the operation, maintenance, repair or construction of the Grantee's service and which are located within the County road rights-of-way and owned by the Grantee shall be considered to be part of the Grantee's system and shall be the responsibility of the Grantee. All permits for the operation, maintenance, repair or construction of said system shall be applied for and given in the name of the Grantee, who will be responsible for all work done under the permit. The Grantee remains responsible whether the work is done by the Grantee, its contractors, or by third parties.

The Grantee shall, at no expense to the County, assume the following obligations with respect to facilities connected to its system that are within County road rights-of-way and which it does not own, including appurtenant facilities and service lines connecting its system to users:

(a) The Grantee shall apply for, upon request and on behalf of the owner of the facilities, a County right-of-way construction permit for any repairs required for such facilities; provided such owner agrees to reimburse the Grantee for all costs incurred by the Grantee and any other reasonable conditions the Grantee requires as a precondition to applying for the permit. All work to be performed in the County right-of-way shall comply with all conditions of the County permit and all applicable County requirements. The Grantee may at its option perform any part of the repair with its own forces or require the owner to employ a contractor for that purpose, provided such contractor is approved by the County;

(b) In the event that the County determines emergency repair of such facilities is necessary to halt or prevent significant damage to County road rights-of-way or significant threats to the health, safety or welfare of parties other than the owner or the occupants of the building served by such facilities, the Grantee shall take prompt remedial action to correct the emergency to the County's approval, which the County shall not unreasonably withhold;

(c) When the County or its contractor provides notice to the Grantee, pursuant to R.C.W. 19.122, of its intent to excavate within County road rights-of-way, the Grantee shall provide to the County or its contractor the best information available from the Grantee's records or, where reasonable, from the use of locating equipment as to the location of such facilities, including surface markings where these would reasonably be of use in the excavation. If the Grantee fails to make good faith efforts to provide the above information within the deadlines provided by R.C.W. 19.122, the Grantee shall hold the County harmless for all reasonable costs that result from damage to such facilities if such damages occurs as a result of the failure to provide such information. Nothing in this subsection is intended or shall be construed to create any rights in any third party or to form the basis for any obligation or liability on the part of the County or the Grantee toward any third party, nor is anything in this subsection intended or to be construed to alter the rights and responsibilities of the parties under R.C.W. 19.122, as amended.

## 12. RESTORATION OF COUNTY ROAD RIGHTS-OF-WAY

After work on, under or adjacent to County road rights-of-way, the Grantee is responsible for and will leave all County road rights-of-way in as good a condition as they were in before any work was done. In the event that the Grantee, its contractors, or third parties working under permit should fail to restore County road rights-of-way to the satisfaction of the Director, King County may make such repairs or restorations as are necessary to return the County road rights-of-way to its pre-work condition. Upon presentation of an itemized bill for repairs or restorations, including the costs of labor and equipment, the Grantee will pay the bill within thirty (30) days. If suit is brought upon the Grantee's failure to pay for repair and restoration, and if judgment in such a suit is entered in favor of King County, then the Grantee shall pay all of the actual costs, including interest from the date the bill was presented, disbursements, and attorney's fees and litigation related costs incurred

## 13. PERFORMANCE OF WORK

The Grantee covenants that in consideration for the rights and privileges granted by this franchise, all work performed by the Grantee on County road rights-of-way shall conform to all County requirements including, but not limited to, the requirements of the current edition of the County Road Standards in force when the work is performed and all traffic control shall also conform to the current edition of the annual of Uniform Traffic Control Devices in force when the work is performed.

#### 14. BLASTING REQUIREMENTS

The right to operate, maintain, repair and construct Grantee's transmission and service lines and appurtenances granted by this franchise, does not preclude King County, its agents or contractors from blasting, grading, or doing other road work contiguous to the Grantee's lines, and appurtenances. When practical, the Grantee will be given forty-eight (48) hours notice of any blasting or excavating so that the Grantee may protect its lines and appurtenances.

#### 15. SURVEY MARKERS AND MONUMENTS

Before any work is performed under this franchise, the Grantee shall establish two or more reference marks to all monuments and markers of every nature relating to subdivisions, plats, rights of way, and all other surveys. The reference points shall be located so that they will not be disturbed during any of Grantee's operations under this franchise. The method of referencing monuments or other markers or points shall be approved by the Director before placement. The replacement of all markers or monuments disturbed during any construction of the Grantee shall be made as promptly as conditions permit and as ordered by the Director. The cost of monuments or markers lost, destroyed, or disturbed and the expense of replacement with approved markers or monuments shall be borne by the Grantee.

#### 16. ASSIGNMENT

The Grantee shall not have the right to assign this franchise without the consent of the Metropolitan King County Council given by Motion. No assignment shall be effective unless an acceptance by the assignee of all rights, conditions, terms, provisions, and responsibilities contained within the franchise, as well as surety bonds which the Council deems necessary to be posted are received. Council approval of the assignment may be made subject to the assignee's acceptance of new or modified terms of the franchise.

#### 17. PENALTY FOR VIOLATION OF CONDITIONS

If the Grantee shall violate or fail to comply with any of the material terms, conditions or responsibilities of this franchise through neglect or failure to obey or comply with any notice given the Grantee under the provisions of this franchise, the Council may revoke the franchise. King County shall provide the Grantee by written notice of its intent to revoke this franchise. A public hearing shall be scheduled within 45 days following the notification. The decision to revoke this franchise will become effective 90 days following the public hearing if the County, by ordinance or motion, finds the revocation of this franchise to be in the public interest. During the 45 days following the notification, the Grantee shall have the opportunity to remedy the failure to comply.

#### 18. EXPIRATION AND RENEWAL

To the extent described in Exhibit "A", all rights granted by this franchise to County road rights-of-way outside incorporated Towns and Cities apply to all existing County road rights-of-Way improved and unimproved and to all County road rights-of-way acquired by King County during the term of this franchise.

If the Grantee has initiated a renewal of this franchise before it expires, the County may, at its sole discretion, extend the term of the franchise on a month-to-month basis for up to one year. Should the County elect to extend the franchise, written notice shall be provided to the Grantee before the franchise expiration date.

If the Grantee has not applied for a renewal of this franchise before it expires, King County has the right to remove or relocate any lines and appurtenances of the Grantee as is reasonably necessary for the public's health, welfare, safety, or convenience including, but not limited to, the safe operation of County roads, franchise holders, or for the construction, renewing, altering, or improving of any County road rights-of-way, or for the installation of lines and/or facilities of other franchise holders.

Grantee shall be liable for the costs incurred in any removal or relocation of its lines and appurtenances under this section. Costs include the expense of labor and equipment, provided that any removal is effected within two (2) years from the expiration date of this franchise.

Upon expiration of this franchise, the Grantee shall continue to be responsible for the operation and maintenance of existing facilities in the County road rights-of-way but shall not have the right to provide additional services. This section and sections 8, 10-13 and 15 of this franchise shall continue in force until such time as the lines are removed from County road rights-of-way or abandoned in place with the approval of the County Road Engineer.

#### 19. RESERVATION OF RIGHTS

King County specifically reserves for itself the right to impose a utility tax on the Grantee if such taxing authority is granted by State of Washington and the local option is exercised by the King County Council.

King County also specifically reserves the right to exercise authority it has or may acquire in the future to secure and receive fair market compensation for the use of its property, pursuant to an ordinance. If King County elects to exercise such authority, the fair market compensation requirement for Grantee shall be imposed by ordinance not less than one hundred eighty (180) days after written notice ("Compensation Notice") is delivered to the Grantee, said Compensation Notice identifying with specificity the definition, terms and/or formula to be used in determining such fair market compensation. Acceptance of King

County's definition terms and/or formula identified in the Compensation Notice will occur if the Grantee accepts in writing within thirty (30) days of receipt of the Compensation Notice; or, if Grantee takes no action in writing within thirty (30) days of receipt of the Compensation Notice; in which case the applicable ordinance that the King County Council passes will be determinative.

Nothing in this section shall be construed as an agreement by the Grantee of King County's right to exercise authority it has or may acquire in the future to secure and receive fair market compensation for the use of property. Nothing in this section shall be construed to prohibit the Grantee from challenging, in King County Superior Court or a court of competent jurisdiction, the legality of such right.

Grantee's rejection of the definition, terms, and /or formula identified in the Compensation Notice will only occur if such rejection is in written form, identifying with specificity the grounds for such rejection, and delivered to King County within thirty (30) days after receipt of the Compensation Notice, in which case the below identified arbitration terms will apply:

(a) The Grantee and King County will select one arbitrator each, and the two selected arbitrators will select a third arbitrator. If the two arbitrators have not selected a third arbitrator within thirty (30) days after the selection of the last selection of the two, either the Grantee or King County may apply to the presiding judge of the King County Superior Court for the appointment of a third arbitrator. The three arbitrators will determine the method for determining the fair market compensation for the County property used by the Grantee. The arbitration procedure employed shall be consistent with the rules and procedures of the American Arbitration Association. The decision of a majority of the arbitrators will bind both the Grantee and King County. At the conclusion of the arbitration, the arbitrators will submit written reports to the Grantee and King County which shall contain all pertinent evidence that led to their conclusion together with an explanation of their reasoning for such conclusion.

(b) The fees of the arbitrators selected by each party shall be paid by that party, and the fees of the third arbitrator shall be paid one-half by the County and the Grantee. The other costs of the proceeding shall be shared equally by the County and the Franchisee.

(c) In event that the question of fair market compensation is not resolved prior to the effective date specified by the ordinance authorizing said compensation, the arbitration decision will be applied retroactively to the effective date in the ordinance. The Grantee will pay the retroactive sum plus interest in the amount of twelve percent (12%) per annum.

Nothing in this franchise may be construed to limit the exercise of authority now or later possessed by the County or any other governing body having competent jurisdiction to fix just, reasonable and compensatory rates or other requirements for services under this

franchise. Nothing in this section shall be construed to prohibit the Grantee from challenging, in King County Superior Court or a court of competent jurisdiction, the authority of the County or any other governing body to fix rates or other requirements for services.

#### 20. COMPLIANCE WITH LAWS

Grantee shall conform to all applicable federal, state and local laws and regulations including, but not limited to, the State Environmental Policy Act and King County environmental standards and ordinances.

#### 21. NON-DISCRIMINATION CLAUSE

In all hiring or employment made possible or resulting from this franchise agreement, there shall be no discrimination against any employee or applicant for employment because of sex, sexual orientation, age, race, color, creed, national origin, marital status or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

No person shall be denied, or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this agreement on the grounds of sex, sexual orientation, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap.

Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part, of the agreement by the County and may result in ineligibility for further County agreements.

The Grantee shall make the best efforts to make opportunities for employment and/or contracting services available to women and minority persons. The Grantee recognizes that King County has a policy of promoting affirmative action, equal opportunity and has resources available to assist Grantee in these efforts.

#### 22. RIGHT OF APPEAL

Decisions, requirements, or approvals of the Director are binding on the parties to this document. Appeals from the Director's determinations will be made by filing a complaint with the King County Superior Court.



## 23. SEVERANCE

This agreement gives effect to purposes and uses which are consistent with economical and efficient services rendered in the public interest. If any provision of this franchise, or its application is determined to be invalid by a court of law, then the remaining provisions of this franchise shall continue and remain valid unless the dominant purpose of the franchise would be prevented or the public interest is no longer served.

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