

Agreement Regarding Telecommunications Service

This Agreement Regarding Fiber Optic Service ("Contract") is date this day of 2021, and is made by and between Public Utility District No. 1 of Mason County, Washington (Mason PUD 1) and Public Utility District No. 1 of Jefferson County, Washington (Jefferson PUD).

RECITALS:

- A. Mason PUD 1 and Jefferson PUD are municipal corporations organized and operating under Title 54 Revised Code of Washington (RCW);
- B. The boundaries of Mason PUD 1 are within Mason County, Washington and Jefferson PUD are within Washington;
- C. Mason PUD 1 and Jefferson PUD are both engaged in the business of distributing electricity, but Mason PUD 1 serves electricity to customers from the Mason/Jefferson County line up to Mount Walker, per interlocal agreement (INSERT DATE);
- D. RCW 54.16.330 authorizes either district to "construct, purchase, acquire, develop, finance, lease, license, handle, add to, contract for, interconnect, alter, improve, repair, operate and maintain any telecommunications facilities within or without the district's limits...";
- E. RCW 54.16.090 authorizes Mason PUD 1 and Jefferson PUD to enter into any contract or agreement for carrying out any of the powers authorized by Title 54 RCW;
- F. RCW 54.16.200 authorizes Mason PUD 1 and Jefferson PUD to exercise jointly all powers granted to each individual district;
- G. PUD 1 has secured a CERB grant from the Washington State Department of Commerce to construct and operate a 3.7 mile section of broadband along Highway 101 from approximately the location of Mike's Beach Resort on U.S. Hwy 101 in Mason County to Forest Drive in Jefferson County;
- H. Jefferson PUD has no current plans to provide wholesale telecommunications services utilizing fiber optics to the area of Forrest Drive in Brinnon. Jefferson PUD has therefore determined that it is in the best interests of the residents and businesses to facilitate Mason PUD 1's construction, ownership and operation of wholesale telecommunications services within the boundaries of Jefferson PUD for this specific CERB project. Jefferson PUD therefore authorizes and approves Mason PUD 1 to construct, own, manage and operate such telecommunications services in accordance with this Contract.
- I. Mason PUD 1 and Jefferson PUD have determined that the acts authorized in this Contract are necessary for economic development and enhanced telecommunications within the boundaries of Jefferson PUD.

- J. Chapter 39.34 RCS authorizes the districts to enter into interlocal governmental agreements between one another and become enforceable upon being recorded at the Mason County Auditor's Office.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter provided the parties agree as follows:

1. Jefferson PUD hereby consents, approves, authorizes and acquiesces in Mason PUD 1's construction, ownership, operation, management, repair, maintenance and/or expansion of telecommunications services located within the boundaries of Jefferson PUD for the purposes of the CERB-funded "Hood Canal-101 Broadband Project". Mason PUD 1 shall determine in the sole discretion the terms under which it will provide services, if at all.
3. This Contract shall terminate six months after one party gives the other party written notice of its intent to terminate. Termination of this Contract, however, shall not affect any right or ability then established by Mason PUD 1 in any telecommunications services, and Mason PUD 1 shall continue to own, operate, manage, repair, maintain, or expand any such service. Thus, the termination of this Contract merely prevents Mason PUD 1 from entering into new arrangements with third parties (from and after the termination date) for the ownership and/or operation of telecommunications services within Jefferson PUD to the extent that the approval of Jefferson PUD would be required before Mason PUD 1 could lawfully enter into such arrangements. This Contract shall terminate on the date that is 25 years after the date first written above, unless earlier terminated in accordance with this Contract.
4. Nothing in this Contract is intended nor shall it be construed to create any rights in third parties.
5. Each Party shall either file or post this Agreement in compliance with RCW 39.34.040

PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY, WASHINGTON

By_____ Its_____

PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

By_____ Its_____