



**Contra
Costa
County**

To: Board of Supervisors
From: Julia R. Bueren, Public Works Director/Chief Engineer
Date: March 29, 2016

Subject: Granting of a Pipeline Franchise to Chevron U.S.A. Inc.

RECOMMENDATION(S):

ADOPT Resolution No. 2016/13 granting a pipeline franchise to Chevron U.S.A. Inc., a Pennsylvania Corporation pursuant to the terms and conditions of County Ordinance No. 2013-19 and County Resolution No. 2013/305 for pipelines located in the unincorporated area of the County near Bay Point, Brentwood, Byron, Martinez, Richmond, and Pittsburg as recommended by the Public Works Director.

FISCAL IMPACT:

The pipeline franchise will generate approximately \$2,350.00 per year in revenue to the General Fund, commencing with calendar year 2015. The annual franchise payment will be calculated at the rate of \$1.77 per cubic foot of pipeline within the County right-of-way. The number of cubic feet of pipeline subject to the franchise fee rate will be calculated by taking the area of the inside diameter of the pipeline plus 1" and multiplying it by the length of the pipeline within the County right-of-way. The annual franchise fee rate of \$1.77 per cubic foot will be increased annually by the change in the Consumer Price Index, all Urban Consumers for the San Francisco-Oakland-San Jose Area (1982-84 = 100), with December 2012 (239.53) as the base CPI month.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/29/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
Supervisor
Candace Andersen, District II
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: Mary N. Piepho, District III
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 29, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Carrie Ricci,
925-313-2235

cc:

BACKGROUND:

On August 13, 2013, this Board adopted Ordinance No. 2013-19 (establishing regulations for granting pipeline franchises in County rights-of-way) and Resolution No. 2013/305 (establishing pipeline franchise fee amounts).

Chevron U.S.A. Inc. has filed a written application with the County, dated April 8, 2014, wherein it has requested the granting of a pipeline franchise for the transportation of petroleum products and natural gas pursuant to the terms and conditions of County Ordinance No. 2013-19 and County Resolution No. 2013/305. Chevron USA, Inc. also provided a \$5,000 deposit to cover all administrative costs associated with the granting of this pipeline franchise as required by Ordinance No. 2013-19 and Resolution No. 2013/305.

Approval of Resolution No. 2016/13 will grant a pipeline franchise to Chevron U.S.A. Inc. for the pipelines shown in the table below for an initial term of 10 years.

Pipeline Name	Type	Diameter	Length
Bay Area Products Line (BAPL)	Petroleum Products	8"	790 ft
Bay Area Products Line (BAPL)	Petroleum Products	10"	379 ft
Northern California Gas (NCG) System	Natural Gas	12"	341 ft
Northern California Gas (NCG) System	Natural Gas	18"	154 ft

CONSEQUENCE OF NEGATIVE ACTION:

Chevron USA, Inc. will not obtain the required authorization to operate and maintain their pipelines within the County right-of-way and will not be subject to the requirements of the County's pipeline franchise ordinance.

ATTACHMENTS

Resolution No. 2016/13

Chevron USA Inc - Exhibit 1