



**Contra  
Costa  
County**

To: Board of Supervisors  
From: Julia R. Bueren, Public Works Director/Chief Engineer  
Date: November 8, 2016

Subject: Granting of a Pipeline Franchise to Equilon Enterprises, LLC d/b/a Shell Oil Products US

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**RECOMMENDATION(S):**

ADOPT Resolution No. 2016/619 granting a pipeline franchise to Equilon Enterprises LLC, d/b/a Shell Oil Products US ("Equilon"), 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 and Martinez, as recommended by the Public Works Director.

**FISCAL IMPACT:**

The pipeline franchise will generate approximately \$13,300.00 per year commencing with calendar year 2016. 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: **11/08/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Mary N. Piepho, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V 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: November 8, 2016

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

By: Stephanie Mello, 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).

Equilon has filed written documentation with the County, dated November 7, 2014, wherein it has requested the granting of a pipeline franchise for the transportation of crude oil and nitrogen gas pursuant to the terms and conditions of County Ordinance No. 2013-19 and County Resolution No. 2013/305. Equilon 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. 2016/619 will grant a pipeline franchise to Equilon for the pipelines shown in the table below for an initial term of 10 years. The pipelines were previously covered under an existing County pipeline franchise agreement which has since expired.

<b>Pipeline Name</b>	<b>Type</b>	<b>Diameter</b>	<b>Length</b>
Martinez Pipeline	Nitrogen Gas	4"	445 ft
Martinez Pipeline	Nitrogen Gas	5"	9,441 ft
Martinez Pipeline	Nitrogen Gas	6"	7,324 ft
Vine Hill Crude	Crude Oil	10"	3,439 ft

## CONSEQUENCE OF NEGATIVE ACTION:

Equilon 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.

## CHILDREN'S IMPACT STATEMENT:

## ATTACHMENTS

Resolution No. 2016/619

Exhibit 1