



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 San Pablo Bay Pipeline Company, LLC

RECOMMENDATION(S):

ADOPT Resolution No. 2016/623 granting a pipeline franchise to San Pablo Bay Pipeline Company, LLC, pursuant to the terms and conditions of County Ordinance No. 2013-19 and County Resolution No. 2013/305 for pipelines located in the unincorporated areas of the County near Brentwood, Clayton, Crockett, Martinez, North Richmond, Pittsburg, and Rodeo, as recommended by the Public Works Director.

FISCAL IMPACT:

The pipeline franchise will generate approximately \$84,000 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).

San Pablo Bay Pipeline Company, LLC has filed a written application 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. San Pablo Bay Pipeline Company, LLC 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. 2016/623 will grant a pipeline franchise to San Pablo Bay Pipeline Company, LLC for the pipelines shown in the table below for an initial term of 10 years. The San Pablo nitrogen gas pipelines were previously covered under an existing County pipeline franchise agreement which has since expired. The Brentwood Crude and Coalinga Avon crude oil pipelines were installed under various permits.

| Pipeline Name | Type | Diameter | Length |
|----------------------|--------------|-----------------|---------------|
| San :Pablo Pipeline | Nitrogen Gas | 12" | 280 ft |
| San Pablo Pipeline | Nitrogen Gas | 16" | 25,216 ft |
| Brentwood Crude | Crude Oil | 3" | 68 ft |
| Coalinga Avon | Crude Oil | 20" | 1,409 ft |

CONSEQUENCE OF NEGATIVE ACTION:

San Pablo Bay Pipeline Company, LLC 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 County's pipeline franchise ordinance.

CHILDREN'S IMPACT STATEMENT:

ATTACHMENTS

Resolution No. 2016/623

Exhibit 1