



**Contra
Costa
County**

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: January 10, 2017

Subject: Granting of a Pipeline Franchise to California Resources Corporation

RECOMMENDATION(S):

ADOPT Resolution No. 2017/5 granting a pipeline franchise to California Resources 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 areas of Antioch, Bay Point, Brentwood and Byron, as recommended by the Public Works Director.

FISCAL IMPACT:

The pipeline franchise will generate approximately \$78,500 per year in revenue to the General Fund, 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: **01/10/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, 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: January 10, 2017

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).

California Resources Corporation has filed a written application with the County, dated November 10, 2014 wherein it has requested the granting of a pipeline franchise for the transportation of natural gas pursuant to the terms and conditions of County Ordinance No. 2013-19 and County Resolution No. 2013/305. California Resources Corporation 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. 2017/5 will grant a pipeline franchise to California Resources Corporation for the pipelines shown in the table below for an initial term of 10 years. The pipelines were previously covered under two existing County pipeline franchise agreements. One agreement has since expired and the other will not expire until 2017, however California Resources Corporation requested both pipelines be under one franchise agreement. Resolution No. 2013/127 which does not expire until 2017 will be terminated when Resolution No. 2017/5 is approved.

Pipeline Name	Type	Diameter	Length
Ryer Discharge	Natural Gas	12"	1,400 ft
Union Island	Natural Gas	12"	42,743 ft

CONSEQUENCE OF NEGATIVE ACTION:

California Resources Corporation will not obtain the required authorization to operate and maintain their pipelines within the County right-of-way.

ATTACHMENTS

Resolution No. 2017/5

Exhibit 1