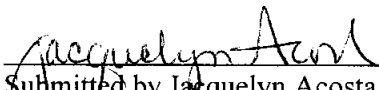





City of Carson Report to Mayor and City Council

January 18, 2011
New Business Consent

SUBJECT: CONSIDERATION OF RESOLUTION NO. 11-004 DECLARING COUNCIL'S INTENTION TO GRANT A PUBLIC UTILITY PIPELINE FRANCHISE TO CRIMSON CALIFORNIA PIPELINE L. P.


Submitted by Jacquelyn Acosta
Administrative Services General Manager


Approved by Clifford W. Graves
Interim City Manager

I. SUMMARY

Crimson California Pipeline L. P. is requesting that the City Council consider granting them a pipeline franchise in order that they may continue to operate pipelines acquired from ConocoPhillips Pipeline Company and Equilon California Pipeline Company LLC.

Section 6232 of the Public Utilities Code requires that the matter be set for public hearing.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE further reading and ADOPT Resolution No. 11-004, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DECLARING ITS INTENTION TO GRANT A PUBLIC UTILITY PIPELINE FRANCHISE TO CRIMSON CALIFORNIA PIPELINE L. P."
2. SET the matter for public hearing on March 1, 2011.

III. ALTERNATIVES

1. SELECT another date for the public hearing.
2. TAKE another action the Council deems appropriate.

IV. BACKGROUND

The City Council is being requested to set a public hearing to consider granting a pipeline franchise to Crimson California Pipeline L. P. The applicant wishes to operate and maintain 15,422 feet of existing pipelines previously operated by ConocoPhillips Pipeline Company under Ordinance No. 99-1175 and 70 feet of pipeline previously operated by Equilon California Pipeline Company LLC under Ordinance No. 00-1209.

V. FISCAL IMPACT

None at this time.

10.

VI. EXHIBITS

1. Resolution No. 11-004. (pgs. 3 - 6)

Document5

Prepared by: Yuko M Dunham, Revenue Manager

TO:Rev122210

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

Action taken by City Council

Date_____ Action_____

RESOLUTION NO. 11-004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DECLARING ITS INTENTION TO GRANT A PUBLIC UTILITY PIPELINE FRANCHISE TO CRIMSON CALIFORNIA PIPELINE, L.P.

The City Council of the City of Carson hereby finds and resolves:

Section 1. Recitals.

A. Crimson California Pipeline L.P. ("Crimson" herein), a California limited partnership, has filed with the City Council an application requesting approval of a public utility pipeline franchise.

B. The City Council has determined that the public good requires approval of Crimson's public utility pipeline franchise.

Section 2. Declaration of Intent. The City Council hereby declares its intention to grant Crimson a public utility pipeline franchise. The character of the Crimson franchise, and the terms and conditions upon which it is proposed to be granted, are described in the form of notice set forth in Section 4 below.

Section 3. Consideration of Objections. All persons having any objection to the approval of the Crimson franchise may appear before the City Council and be heard thereon in the Council Chambers located at Carson City Hall, 701 E. Carson Street, Carson, California, **on March 1, 2011 at 6:00 p.m.**, or as soon thereafter as the matter may be heard. Any time not later than the hour set for hearing objections, any person interested may make written protest stating objections against the approval of the Crimson franchise. Any such protest shall be signed by the protestant and delivered to the City Clerk. At the time set for hearing objections, the City Council shall proceed to hear and pass upon all protests so made.

Section 4. Publication of Notice. The City Clerk is hereby directed to publish at least once in the *Our Weekly*, a newspaper of general circulation printed and published nearest to the city of Carson, a notice substantially in the words and figures set forth below. Such notice shall be published within fifteen (15) days after the passage of this Resolution.

"NOTICE OF INTENTION TO GRANT A FRANCHISE

"NOTICE IS HEREBY GIVEN that Crimson (hereinafter referred to as "Franchisee"), a California limited partnership, has filed an application with the City Council of the city of Carson requesting that the City Council grant it a public utility franchise for a period of twenty-five (25) years from and after the date upon which the franchise grant shall become effective, to lay or construct from time to time, and to maintain, operate, renew, repair, change the size of, remove or abandon in place pipes and pipelines for the collection, transportation or distribution of oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, wastewater, mud, steam and other liquid substances not more hazardous than the aforementioned substances, together with all manholes, valves, appurtenances and service connections necessary or

EXHIBIT NO. 01

[More]

convenient for the operation of such pipes or pipelines including conduits, cathodic protection devices, wires, cables and other appurtenances necessary or convenient for the exercise of the Franchisee's business, in, under, along or across any and all streets within the city of Carson, as approved from time to time by Resolution of the City Council. The franchise shall be solely for a public utility pipeline system. The public utility franchise requested encompasses multiple and various pipelines that total 20,094 feet in length, and vary from six to ten inches in diameter as further specified in the application(s) for the pipeline franchise.

"If the franchise shall be granted, pursuant to Carson Municipal Code Section 6830, the Franchisee will pay the city of Carson the fees set forth below or the franchise will be forfeited:

- A. Base Annual Fee. A base annual fee shall be paid within sixty (60) days after the end of each calendar year and during the life of the franchise for each and every year, including the year of granting the franchise, according to the "franchise payment period" as defined in this Chapter, by multiplying the pipe length expressed in feet, by the applicable base rate as follows:

Pipe Size (Internal) Diameter in Inches	Base Rate Per Lineal Foot
0 – 4	\$0.088
6	0.132
8	0.176
10	0.220
12	0.264
14	0.308
16	0.352
18	0.396
20	0.440
22	0.484
24	0.528
26	0.572
28	0.616
30	0.660

B. Adjustments.

- The amount of the fee provided for in subsection A of this Section shall be adjusted at the time payment is due by multiplying the base fee by the Consumer Price Index, All

Urban Consumers for the Los Angeles-Anaheim-Riverside Area as published by the United States Department of Labor, Office of Information for the month of September immediately preceding the month in which payment is due and payable, and divided by the Consumer Price Index for June 30, 1989 (June 30, 1989 = 100.0).

2. In no event shall an annual fee be charged which is less than the base annual fee amount established by subsection A of this Section.
3. The indices specified in subsection (B) (1) of this Section are calculated and published by the United States Department of Labor, Bureau of Labor Statistics. If the Bureau discontinues the calculation or publication of the Consumer Price Index, All Urban Consumers for the Los Angeles-Anaheim-Riverside area (June 30, 1989 = 100), and no transposition table is available to convert to another index, then the amount of each annual adjustment in base fees shall be computed by using a comparable governmental index.

Pursuant to Carson Municipal Code section 6819 all facilities erected, constructed, laid, operated or maintained by the grantee in the streets, including services connected with the grantee's facilities, whether installed by the grantee or not, in the area described in and by virtue of the authority provided by the ordinance granting the franchise, prior to the effective date of said ordinance, except those maintained under prior right other than franchise, shall become subject to all the terms and conditions of such ordinance upon such effective date.

Franchisee shall assume and pay all costs and base annual fees due and owing as of the date of the transfer, assignment, or sale to Franchisee by prior franchise grantors.

The City Council of the city of Carson proposes to grant the Franchisee's franchise for a period of twenty-five (25) years from and after the date upon which the franchise approval shall become effective, or until it is voluntarily surrendered or abandoned by the Franchisee, or until the State or some municipal or public corporation thereunto duly authorized by law shall purchase by voluntary agreement or shall condemn and take under the power of eminent domain all property actually used and useful in the exercise of such franchise and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or until such franchise is forfeited for noncompliance with its terms by the Franchisee.

"NOTICE IS FURTHER GIVEN that the Franchisee shall file a bond, with a corporate surety authorized to conduct a surety business in the state of California, and in a form approved by the City Attorney for the city of Carson, in the penal sum of One Hundred Thousand Dollars (\$100,000.00), conditioned that the Franchisee shall well and truly observe, fulfill, and perform each condition of the franchise and that in case of any breach of condition of the bond, the whole amount of the penal sum therein named shall be recoverable from the principal and surety upon such bond. Such bond shall be filed with the Revenue Manager of the City on or before the effective date of the ordinance granting the franchise. If such bond is not filed, or if it does not receive the approval of the City Attorney, then the franchise may be refused or forfeited and any money paid to the City in connection therewith shall be retained by

the City. The Franchisee will also be required to obtain insurance as provided in Carson Municipal Code Section 6809.”

“NOTICE IS FURTHER GIVEN that all persons having any objection to the grant of the subject franchise may appear before the City Council and be heard thereon in the Council Chambers located at Carson City Hall, 701 E. Carson Street, Carson, California, on March 1, 2011 at 6:00 p.m., or as soon thereafter as the matter may be heard. At any time not later than the hour set for hearing objections, any person interested may make written protest stating objections against the approval of the subject franchise. Any such protest shall be signed by the protestant and delivered to the City Clerk. At the time set for hearing objections, the City Council shall proceed to hear and pass upon all protests so made.”

“For further particulars, reference is hereby made to the application which is on file in the office of the City Clerk, and also to the resolution adopted by the City Council on the 18th day of January, 2011, declaring its intention to grant the subject franchise.”

PASSED, APPROVED, AND ADOPTED this 18th day of January 2011.

Mayor Jim Dear

ATTEST:

City Clerk Helen S. Kawagoe, MMC

APPROVED AS TO FORM:

City Attorney

