



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

November 21, 2017

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**TRANSPORTATION CORE SERVICE AREA
APPROVE THE INTRODUCTION OF AN ORDINANCE TO AMEND
THE GAS PIPELINE FRANCHISE GRANTED TO SOUTHERN CALIFORNIA
GAS COMPANY BY ORDINANCE NO. 6765, AS AMENDED,
AND EXECUTE AN AMENDMENT FOR THE GRAFFITI ABATEMENT AND
COORDINATION AGREEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of these actions will amend the gas pipeline franchise granted to Southern California Gas Company and amend the Graffiti Abatement and Coordination Agreement and extend the terms of the franchise and agreement through December 31, 2018.

IT IS RECOMMENDED THAT THE BOARD:

1. Find these transactions categorically exempt from the California Environmental Quality Act.
2. Approve the introduction of an ordinance to amend the gas pipeline franchise granted to Southern California Gas Company by Ordinance No. 6765, as amended, to extend the term of the franchise for one year through December 31, 2018.
3. Introduce, waive reading, and place on the Board of Supervisors' agenda for adoption on November 28, 2017, the ordinance that implements the above recommendation, becoming operative January 1, 2018.

4. Execute Amendment No. 5 to the Graffiti Abatement and Coordination Agreement with Southern California Gas Company to extend the term through December 31, 2018.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions are to adopt an ordinance (Ordinance) to amend the gas pipeline franchise granted to Southern California Gas Company (SoCalGas) to operate within public right of way and to approve Amendment No. 5 to the Graffiti Abatement and Coordination Agreement (Agreement) with SoCalGas to extend the term of the franchise and Agreement through December 31, 2018. Adopting the Ordinance and executing the Agreement will avoid expiration of the franchise and Agreement on December 31, 2017. The Ordinance will allow SoCalGas continued use of the County of Los Angeles right of way in order to provide necessary utility service to the public, provide payment by SoCalGas to the County, and obligate SoCalGas to comply with the franchise terms. The amendment to the Agreement allows for the control and remediation of problems associated with graffiti in the public right of way.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provision of Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability. The revenues received from these transactions will help promote fiscal responsibility while providing continuous utility service to the residents of the County.

FISCAL IMPACT/FINANCING

SoCalGas will continue to pay an annual franchise fee and a municipal public lands-use surcharge pursuant to the California Public Utilities Code. SoCalGas paid an annual franchise fee of over \$1.28 million and a municipal public lands-use surcharge of \$80,485 for the 2016 calendar year. All fees have been deposited into the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 20, 1955, the Board of Supervisors adopted Ordinance No. 6765, granting a 50-year Countywide gas pipeline franchise to SoCalGas that expired on October 20, 2005. The Board has adopted various ordinances to extend the term of the SoCalGas franchise, the most recent is Ordinance No. 2015-0051F, that extended the term of the SoCalGas franchise through December 31, 2017.

On December 15, 2009, the County entered into a Graffiti Abatement and Coordination Agreement with SoCalGas to implement a program for graffiti abatement on SoCalGas' facilities within the public right of way. The Board approved various extensions to the Agreement concurrent with past adopted amendments to the Ordinance.

County Counsel has approved as to form both the Ordinance to amend the SoCalGas franchise (Enclosure A) and the amendment to the Agreement (Enclosure B).

ENVIRONMENTAL DOCUMENTATION

These transactions are categorically exempt from the California Environmental Quality Act, pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 of the California Environmental Quality Act Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These actions will not impact or adversely affect any current services or future projects.

CONCLUSION

It is requested that the Executive Office of the Board send conformed copies of the approved Board recommendations, the adopted SoCalGas Ordinance, and the adopted amendment to the Agreement to the attention of Mr. Geoffrey C. Danker, Franchise and Fees Manager, Southern California Gas Company, 555 West 5th Street, GT21C5, Los Angeles, California 90013; the office of County Counsel; and the Department of Public Works, Survey/Mapping & Property Management Division. Retain a copy for your files.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" and last name "Pestrella" clearly distinguishable.

MARK PESTRELLA

Director

MP:GE:lm

Enclosures

c: Auditor-Controller (Accounting Division—Asset
Management)
Chief Executive Office (Chia-Ann Yen)
County Counsel
Executive Office

**AMENDMENT NO. 5 TO THE GRAFFITI ABATEMENT AND COORDINATION
AGREEMENT BY AND BETWEEN SOUTHERN CALIFORNIA GAS COMPANY AND
THE COUNTY OF LOS ANGELES**

This Amendment to the Graffiti Abatement and Coordination Agreement ("Amendment No. 5" or the "Amendment") by and between Southern California Gas Company, a California Corporation ("SCG"), and the County of Los Angeles ("County"), is hereby made and entered into on the day, month and year it is fully executed by the County hereinbelow.

RECITALS

WHEREAS, the County is a duly organized subdivision of the State of California;

WHEREAS, the County in pertinent part provides law enforcement services to the unincorporated portions of the County of Los Angeles;

WHEREAS, SCG is a regulated public utility operating under the laws of the State of California;

WHEREAS, over the course of time, the County has attempted to control and remediate the problems associated with graffiti in the public rights-of-way and elsewhere;

WHEREAS, SCG's above-ground gas transmission and distribution facilities installed in the public right-of-way are particularly vulnerable to graffiti;

WHEREAS, SCG and the County entered into a Graffiti Abatement and Coordination Agreement on December 15, 2009;

WHEREAS, the Graffiti Abatement and Coordination Agreement, as amended, was to remain in effect through December 31, 2017.

NOW THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the covenants and agreements hereinafter contained, the parties hereto and each of them do agree to amend the Graffiti Abatement and Coordination Agreement as follows:

SECTION 1. Section 12.0 of the Graffiti Abatement and Coordination Agreement is hereby amended as follows:

Section 12.0 Term of Agreement. This Agreement shall remain in effect through December 31, 2018, or until earlier terminated by the mutual written consent of SCG and the County.

SECTION 2. All undefined terms when used herein shall have the same respective meanings as set forth in the Graffiti Abatement and Coordination Agreement unless expressly provided otherwise in this Amendment No. 5.

SECTION 3. Each of the signatories for this Amendment No. 5 personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 5 upon the terms and conditions stated herein and each agrees to indemnify and hold the County harmless from all damages, costs, and expenses that result from a breach of this representation.

SECTION 4. In the event of a conflict between the terms and conditions of this Amendment No. 5 and the terms and conditions of the Graffiti Abatement and

Coordination Agreement, the terms and conditions of this Amendment No. 5 shall prevail. All other terms and conditions contained in the Graffiti Abatement and Coordination Agreement shall remain in full force and effect.

[END OF TERMS]

The foregoing was on this _____ day of _____, 20____, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

COUNTY OF LOS ANGELES

By _____
Mark Ridley-Thomas, Chairman

ATTEST:

LAURIE GLASGOW
Executive Officer of the
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
Deputy

IN WITNESS WHEREOF, Southern California Gas Company has caused this Amendment No. 5 to the Graffiti Abatement and Coordination Agreement to be executed on its behalf, effective on the day, month and year first written above.

**SOUTHERN CALIFORNIA GAS
COMPANY**, a California corporation

By: _____

James I. Cho

Print Name

Senior Vice President Gas Engineering
+ Distribution

Title