



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

December 12, 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:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

33 December 12, 2017

LORI GLASGOW  
EXECUTIVE OFFICER

**TRANSPORTATION CORE SERVICE AREA  
APPROVE THE INTRODUCTION OF AN ORDINANCE TO AMEND THE PROPRIETARY  
PETROLEUM PIPELINE FRANCHISE GRANTED TO  
MATRIX PIPELINE, L.P. BY ORDINANCE NO. 2007-0105F  
(SUPERVISORIAL DISTRICT 4)  
(3 VOTES)**

### **SUBJECT**

Approval of these actions will amend the proprietary petroleum pipeline franchise granted to Matrix Pipeline, L.P., to extend the terms of the franchise through January 13, 2023, impose testing and reporting requirements pertaining to hazardous materials pipelines in compliance with applicable existing laws, and make other minor revisions to clarify certain terms and conditions of the franchise.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find this transaction categorically exempt from the California Environmental Quality Act.
2. Approve the introduction of an ordinance to amend the proprietary petroleum pipeline franchise granted to Matrix Pipeline, L.P. by Ordinance No. 2007-0105F, to extend the terms of the franchise through January 13, 2023, impose testing and reporting requirements pertaining to hazardous materials pipelines in compliance with applicable existing laws, and make other minor revisions to clarify certain terms and conditions of the franchise.
3. Introduce, waive reading, and place on the Board of Supervisors' agenda for adoption on December 19, 2017, the ordinance that implements the above recommendation, becoming operative on January 18, 2018.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions are to adopt an Ordinance to amend the proprietary petroleum pipeline franchise granted to Matrix Pipeline, L.P. (Matrix), to extend the terms of the franchise through January 13, 2023, and will allow the County to impose testing and reporting requirements pertaining to hazardous materials pipelines in compliance with applicable existing laws. It will also allow Matrix continued use of the County of Los Angeles right of way in order to provide necessary services, provide payment to the County, and obligate Matrix to comply with the franchise terms.

## **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 petroleum services to the residents of the County.

## **FISCAL IMPACT/FINANCING**

Matrix will pay the County a one-time fee of \$5,000 to process an Ordinance to amend the Matrix franchise, and Matrix will continue to pay an annual franchise fee calculated using the volume of space occupied (\$1.50 per cubic foot) within the road right of way, adjusted upward annually using the Producers Price Index.

For the 2016 calendar year, Matrix reported total annual fees of \$1,147. However, Matrix paid the County's required minimum annual franchise fee of \$2,500 for the 2016 calendar year, which has been deposited into the County General Fund.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On November 6, 2007, the Board of Supervisors adopted Ordinance No. 2007-0105F, which will expire on January 13, 2018.

Upon the Board's adoption of the enclosed Ordinance, the terms of the Matrix franchise will be extended to January 13, 2023.

County Counsel has prepared and approved the Ordinance to amend the Matrix franchise.

## **ENVIRONMENTAL DOCUMENTATION**

These transactions are categorically exempt under 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 recommendation and the adopted Matrix Ordinance to Mr. Rob Rainbolt, Land Consultant, Matrix Pipeline, L.P., 320 James Way, Suite 210, Pismo Beach, California 93449; 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" written in a larger, more prominent script than the last name "Pestrella".

MARK PESTRELLA

Director

MP:GE:mr

Enclosures

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