



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

June 19, 2018

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

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

41 June 19, 2018

CELIA ZAVALA  
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**TRANSPORTATION CORE SERVICE AREA  
APPROVE THE INTRODUCTION OF AN ORDINANCE TO AMEND  
THE PROPRIETARY PETROLEUM PIPELINE FRANCHISE GRANTED TO  
BREA CANON OIL CO., INC., BY ORDINANCE NO. 2008-0034F  
(SUPERVISORIAL DISTRICTS 2 AND 4)  
(3 VOTES)**

**SUBJECT**

Public Works is seeking approval to introduce an ordinance to amend the proprietary petroleum pipeline franchise granted to Brea Canon Oil Co., Inc., to extend the term of the franchise through August 4, 2023, impose testing and reporting requirements pertaining to hazardous materials pipelines and their 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 Brea Canon Oil Co., Inc., by Ordinance No. 2008-0034F to extend the term of the franchise through August 4, 2023, impose testing and reporting requirements pertaining to hazardous materials pipelines and their 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 June 26, 2018, the ordinance that implements the above recommendation, becoming operative on August 5, 2018.

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

The recommended actions are to adopt an ordinance to amend the proprietary petroleum pipeline franchise granted to Brea Canon Oil Co., Inc. (Brea) on June 4, 2008, as Ordinance No. 2008-0034F (Ordinance) and expires on August 4, 2018. The amendment will extend the term of the franchise through August 4, 2023, and allow the County of Los Angeles to impose testing and reporting requirements pertaining to hazardous materials pipelines and their compliance with applicable existing laws. It will also allow Brea's continued use of the County right of way, provide payment to the County, and obligate Brea 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**

Brea will pay the County a one-time granting fee of \$5,000 and 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 and adjusted annually using the Producer's Price Index.

For the 2017 calendar year, Brea reported total annual fees of \$5,650.82, which has been deposited into the County General Fund.

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

On June 4, 2008, the Board of Supervisors adopted Ordinance No. 2008-0034F (Ordinance), which will expire on August 4, 2018.

Upon the Board's adoption of the enclosed Ordinance, the terms of the Brea franchise will be extended to August 4, 2023.

The pipelines owned and operated by Brea in the franchise area are regulated by the Divisions of Oil, Gas, and Geothermal Resources.

County Counsel has prepared and approved the Ordinance as to form to amend the Brea 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 recommendations and the adopted Ordinance to the attention of Mr. Rey Javier, Vice President, Brea Canon Oil Co., Inc., 23903 South Normandie Avenue, Harbor City, California 90710, the office of County Counsel; and the Department of Public Works, Survey/Mapping & Property Management Division. Retain a copy for your files.

Respectfully submitted,



MARK PESTRELLA

Director

MP:JTS:lm

Enclosures

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