

RESOLUTION NO. _____ (2022 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, DECLARING THE CITY'S INTENT TO APPROVE A FRANCHISE ORDINANCE, SUPERSEDING ORDINANCE 1564 (2011 SERIES), TO OPERATE AND MAINTAIN PIPELINES FOR THE TRANSPORTATION OF OIL AND OTHER SPECIFIED MATERIALS IN THE CITY OF SAN LUIS OBISPO BY PHILLIPS 66 PIPELINE LLC AND SETTING A PUBLIC HEARING FOR FEBRUARY 15, 2022

WHEREAS, the City of San Luis Obispo adopted Ordinance No. 1391 on July 10, 2001 granting a franchise to Union Pipeline Company, a California Corporation for a term of 10 years for the transportation and distribution of oil and other specified materials in the City of San Luis Obispo; and

WHEREAS, on April 17, 2007 the City Council adopted Ordinance No. 1504 transferring the franchise agreement from Union Pipeline Company to Conoco-Phillips; and

WHEREAS, on June 21, 2011, the City of San Luis Obispo adopted Ordinance No. 1564 for a new franchise agreement to replace the existing franchise agreement approved by Ordinance No. 1391 and set to expire on July 9, 2011; and

WHEREAS, On February 5, 2013 the City Council adopted Ordinance No. 1587 transferring the franchise from ConocoPhillips to Phillips 66 Pipeline LLC; and

WHEREAS, On June 24, 2021 Phillips 66 Pipeline LLC applied to the City of San Luis Obispo for a new franchise agreement to replace the existing franchise agreement approved by Ordinance No. 1564; and

WHEREAS, Phillips 66 Pipeline LLC is currently operating pipelines for the transportation of oil and other specified materials within the City of San Luis Obispo; and

WHEREAS, the new franchise agreement will include the following key provisions;

Purpose: To maintain and operate pipelines for the transportation of oil and hydrocarbons within the City of San Luis Obispo.

Type: Non-exclusive

Term: 3-years

Fees: Annual franchise fee to the City in accordance with Public Utilities Code Section 6231.5 (a fee ranging from \$0.088 to \$0.660, adjusted per the Consumer Price Index, per lineal foot based on pipeline diameter)

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Bond: One-million dollars faithful performance bond.

Insurance: Ten million dollars liability insurance

Indemnity: Phillips 66 Pipeline LLC to indemnify the City of any and all damages to persons or property arising out of operations under the franchise. Includes indemnity for joint acts with the City.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. Pursuant to Section 1002 of the City Charter of the City of San Luis Obispo, the City Council hereby declares its intention to consent to the granting of a franchise to maintain and operate pipelines for the transportation of oil and other specified materials within the City of San Luis Obispo to Phillips 66 Pipeline LLC.

SECTION 2. A public hearing will be held on February 15, 2022 at 6:00 p.m. The City Clerk shall publish this resolution within fifteen (15) days of its passage in a newspaper in the City of San Luis Obispo. Any persons having an interest in the franchise approval or any objection to the approval of the franchise may appear before the Council to be heard thereon.

Upon motion of _____, seconded by _____, and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was adopted this ____ day of _____ 2022.

Mayor Erica A. Stewart

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk

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