



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 22-556

November 08, 2022

Introduced: 10/19/2022

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Adopt a resolution:

- a. Retroactively extending a Private Purpose Franchise Agreement with ExxonMobil Oil Corporation (formerly Mobil Oil Corporation) for a period of ten years from May 17, 2021, through May 16, 2031;
- b. Authorizing the Clerk of the Board to submit a copy of the resolution retroactively extending the Private Purpose Franchise Agreement and a copy of Resolution No. 00-272 to the County Auditor-Controller for annual billing; and
- c. Authorizing the County Auditor-Controller to allocate all fees collected through this franchise to the General Fund.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution:

- a. Retroactively extending a Private Purpose Franchise Agreement with ExxonMobil Oil Corporation (formerly Mobil Oil Corporation) for a period of ten years from May 16, 2021, through May 15, 2031;
- b. Authorizing the Clerk of the Board to submit a copy of the resolution extending the Private Purpose Franchise Agreement and a copy of Resolution No. 00-272 to the County Auditor-Controller for annual billing; and
- c. Authorizing the County Auditor-Controller to allocate all fees collected through this franchise to the General Fund.

SUMMARY:

On June 13, 2000, the Board adopted Resolution No. 00-272, extending a Private Purpose Franchise to Mobil Oil Corporation, under which Mobil Oil Corporation was authorized to operate and maintain certain pipelines within the County's unincorporated public Right-of-Way for a period of ten years from May 17, 2000, through May 16, 2010. On May 25, 2010, the Board approved Amendment No. 1 to this franchise extending the term through November 16, 2010. On November 9, 2010, the Board approved Amendment No. 2 to this franchise extending the term through May 16, 2011. On May 10, 2011, the board approved Amendment No. 3 to this franchise extending the term through May 16, 2021.

As the franchise granted by this resolution is set to expire on May 16, 2021, and ExxonMobil Oil Corporation (formerly Mobil Oil Corporation) desires to continue operating and maintaining these underground pipelines and its appurtenances, staff recommends that the term of said Franchise Resolution No. 00-272 (Attachment A) be retroactively extended for ten years from May 17, 2021, through May 16, 2031.

DISCUSSION:

ExxonMobil Oil Corporation (Franchisee) was authorized to operate and maintain approximately 10.36 miles of 4-inch, 10-inch and 12-inch diameter pipelines within the unincorporated Public Right-of-Way of Monterey County. Franchisee requested the extension of their existing Franchise Agreement with the County for a period of ten years, from May 17, 2021, through May 16, 2031. Staff has reviewed historical operating data provided by the Franchisee and determined that the M-120 crude oil line is currently idle and the 10"/12" diameter M-121 natural gas line has been purged with Nitrogen and removed from service.

By extending the terms of the existing Franchise Agreement, the Franchisee will preserve the option to reactivate these lines in the future and will retain title to and financial/legal liability for these pipelines. Department staff confirmed that Franchisee is self-insured. The pipelines have been located in the County Right-of-Way for many years; it is appropriate to continue the Franchise Agreement at this time.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved the resolution extending the Private Purpose Franchise to ExxonMobil Oil Corporation as to form. Copies of Resolution No. 00-272, and the Resolution extending the Franchise Agreement, assuming approval by the Board, will be forwarded to the County Auditor-Controller.

FINANCING:

There is an annual positive impact to the General Fund. Fees will continue to be collected annually in accordance with the terms and conditions of the Franchise Agreement. The fees will be deposited in the General Fund. A land use fee of \$5,948.50 was collected for the preparation and processing of the extension of the Franchise Agreement.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors' Strategic Initiative for Economic Development and Public Safety.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Armando Fernandez, PE, Senior Civil Engineer
Reviewed by: Joshua Bowling, CBO, CCEO, HCD Chief of Building Services
Approved by: Randy Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks
Approved by: Erik Lundquist, ACIP, HCD Director



The following attachments are on file with the Clerk of the Board:
Attachment A - Board Resolution

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The following attachments are on file with the Clerk of the Board:
Attachment A - Board Resolution

Attachment B - Resolution No. 00-272

Attachment C - Location Map