

county of ventura

**PUBLIC WORKS
AGENCY
JEFF PRATT
Agency Director**

December 4, 2018

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Central Services Department
J. Tabin Cosio, Director
Engineering Services Department
Christopher E. Cooper, Director
Transportation Department
David L. Fleisch, Director
Water & Sanitation Department
Michaela Brown, Director
Watershed Protection District
Glenn Shephard, Director

Subject: Adoption of a Resolution Consenting to Assignment of Oil Pipeline Franchise No. 1.10.102 from Ellwood Pipeline, Inc., to ARTPS, L.L.C., a Texas Limited Liability Company. Supervisorial Districts Nos. 1 and 3

Recommendation:

That your Board adopt the attached Resolution Consenting to the Assignment of County Oil Pipeline Franchise No. 1.10.102 from Ellwood Pipeline, Inc. to ARTPS, L.L.C. (Resolution).

Fiscal/Mandates Impacts:

Mandatory:	No
Source of Funding:	ARTPS, L.L.C.
Funding Match Required:	None
Impact on Other Departments:	None

Summary of Revenues and Costs:

	<u>FY 2018-19</u>	<u>FY 2019-20</u>
Revenue	\$5,000	\$ 868
Costs		
Direct	\$2,995	\$ -
Indirect-Agency/Dept	\$1,800	\$ -
Indirect-County CAP	<u>\$ 205</u>	<u>\$ -</u>
Total Costs	\$5,000	
Net Costs	\$ 0	(\$868)
Recovered Indirect Costs	\$2,005	\$ -



Current FY 2018-19 Budget Projection for Public Works Service ISF – Unit 4412				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 842,300	\$ 842,300	\$ 842,300	\$0
Revenue	\$ 909,500	\$ 909,500	\$ 909,500	\$0
Operating Gain/(Loss)	\$ 67,200	\$ 67,200	\$ 67,200	\$0

Sufficient appropriations are included within the FY 2018-19 Public Works Service ISF Adopted Budget.

Discussion:

In 2007, your Board granted a private oil pipeline franchise, Franchise No. 1.10.102, to Ellwood Pipeline, Inc. (Ellwood), for a 20-year term. Ellwood paid an annual franchise fee based upon the total linear feet of pipeline that it operates pursuant to said franchise. For calendar year 2017, this annual franchise fee totaled \$1,029.81.

In 2017, Ellwood filed for Chapter 11 bankruptcy. The bankruptcy court approved the sale of Ellwood's pipeline assets to ARTPS, effective June 1, 2018. As part of the process to finalize the transfer of Ellwood's pipeline assets to ARTPS, ARTPS has completed the County's Application for Assignment of Oil Pipeline Franchise. Your Board's approval of the attached Resolution will assign Franchise No. 1.10.102 from Ellwood to ARTPS.

The Resolution contains specific conditions that ARTPS must comply with before the assignment becomes effective. These conditions are as follows:

1. ARTPS must file with the Public Works Agency a surety bond running to the County in the penal sum of \$10,000. The surety bond must be in a form approved by the County; and
2. ARTPS must provide the Public Works Agency with written acceptance of the terms of Franchise No. 1.10.102 and agreement to be bound by all terms and conditions of the attached Resolution and Ventura County Ordinance No. 4223, the County's Oil Pipeline Ordinance.

As required by the County's Oil Pipeline Ordinance, ARTPS has provided the Public Works Agency with a Certificate of Liability Insurance in the minimum amount of \$20 million.



This item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions regarding this item, please call Charles E. Alvarez, Manager of the Real Estate Services Division, at 654-2402, or the undersigned at 654-2084.

Respectfully,



J. Tabin Cosio
Director, Central Services Department

Attachment:

Resolution

