

**CITY OF HUNTINGTON BEACH
LEGAL NOTICE**

**ORDINANCE NO. 3974
Adopted by the City Council on APRIL 1, 2013**

“AN ORDINANCE OF THE CITY OF HUNTINGTON BEACH GRANTING TO OXY USA, INC. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN A PIPELINE SYSTEM FOR THE TRANSPORTATION OF OIL”

SYNOPSIS:

The Franchise Agreement between the City and OXY USA Inc. authorizes the installation, operation and maintenance of a new pipeline system used for the transportation of oil, gas, and other hydrocarbon substances. The pipeline system shall consist of approximately 1,407 linear feet of 6-inch diameter pipe. The pipeline will run from the OXY facility located at intersection Pacific Coast Highway and 19th Street, through the alleyway located between Pacific Coast Highway and Walnut Avenue to the OXY facility located at the intersection of Pacific Coast Highway and Goldenwest Street.

The Franchise Agreement also calls for the abandonment of an existing OXY pipeline system. The existing pipeline runs from the OXY facility located at intersection Pacific Coast Highway and 19th Street, through Walnut Avenue to the OXY facility located at the intersection of Pacific Coast Highway and Goldenwest Street.

The Agreement incorporates the changes made to Chapter 3.44 - Pipeline Franchises of the Huntington Beach Municipal Code in 2010. Terms of the proposed Franchise Agreement include:

- o Agreement Period: 20 years with two 10 year options to extend
- o Base Grant Fee: \$5,000
- o Base Annual Fee: 2013 fee estimated at \$1,260
- o Base Construction Fee: \$1,000
- o Removal or Abandonment of Facilities Fee: \$21,105
- o Corporate Surety Bond of \$100,000
- o Liability, Environmental and Workers Compensation Insurance

Prior to commencing construction, OXY will work with Public Works, Fire, and State Fire Marshall to obtain all necessary permits/approvals. The pipeline will be installed at a depth 35 feet below ground utilizing horizontal drilling eliminating the need for trenching.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting held April 1, 2013 by the following roll call vote:

AYES: Sullivan, Hardy, Harper, Boardman, Shaw, Katapodis

NOES: None

ABSTAIN: None

ABSENT: Carchio

THE FULL TEXT OF THE ORDINANCE IS AVAILABLE IN THE CITY CLERK'S OFFICE.

This ordinance will be effective after the Grantee files a written acceptance of the franchise and an agreement to comply with the terms and conditions with the City Clerk.

**CITY OF HUNTINGTON BEACH
2000 MAIN STREET
HUNTINGTON BEACH, CA 92648
714-536-5227
JOAN L. FLYNN, CITY CLERK**