

## **Attachment 2**

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#### **Resolution Granting a Private Pipeline Franchise to ERG Resources, LLC**

**BOARD OF SUPERVISORS OF THE  
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

**Resolution No. 17-50**

In The Matter Of the Proposed Grant of	)	<b>RESOLUTION GRANTING A</b>
a Private Franchise to ERG OPERATING,	)	<b>PRIVATE PIPELINE FRANCHISE</b>
COMPANY, LLC, for the Purpose of	)	CALIFORNIA GOVERNMENT CODE
Operating and Maintaining an Existing	)	SECTION 26001 ET. SEQ. and
Pipeline System Within Certain Public	)	SANTA BARBARA COUNTY
Rights-of-Way In Unincorporated	)	CODE SECTION 2-82.1
Santa Barbara County	)	

**WHEREAS**, on March 23, 1970, the Santa Barbara County Board of Supervisors adopted Ordinance 2071, granting to TEXACO, INC., a franchise for the purpose of installing pipelines within certain public rights-of-way in unincorporated portions of the County of Santa Barbara (hereinafter "County"); and

**WHEREAS**, ERG OPERATING COMPANY, LLC, (hereinafter "ERG"), a Texas Limited Liability Company, presently holds title to the pipeline system installed pursuant to Ordinance 2071 and depicted on Exhibit "A" of the franchise agreement, attached hereto and incorporated herein; and

**WHEREAS**, ERG operates its pipeline system under a permit with the County's Energy and Minerals Division of Planning and Development and various Road Encroachment Permits issued by the County's Public Works Department; and

**WHEREAS**, Ordinance 2071 expired on March 23, 2010, and ERG has been holding over under the terms and conditions of that Ordinance, including paying the required franchise fees and operating the pipeline system pursuant to all required permits and applicable rules and regulations; and

**WHEREAS**, ERG has filed with the County an application for a new private franchise for the purpose of operating and maintaining its existing private pipeline system to be used for their private use to transport oil, gas, petroleum, produced water, and other substances transportable by pipelines between ERG facilities on opposite sides of Cat Canyon Road and Palmer Road; and

**WHEREAS**, the private franchise granted by this Resolution, and attached hereto, grants ERG OPERATING COMPANY, LLC, and its successors, the right to operate and maintain the existing pipeline system, as shown on Exhibit A of the private franchise; and

**WHEREAS**, the Director of the County's Public Works Department, in his capacity as road commissioner, has evaluated ERG's application for a private franchise and determined that occupancy or use of ERG's existing pipeline system in Cat Canyon Road and Palmer Road in the unincorporated County will neither unduly impair the condition of such public places nor unreasonably and unnecessarily obstruct or inconvenience the traveling public; and

WHEREAS, County Counsel has notified the Board that the requirements prescribed by County Code § 2-82.1 have been met; and

WHEREAS, the Board of Supervisors has determined that it is in the best interest of the public to grant to ERG for a period of twenty (20) years a private franchise for the continued use of its existing pipeline system.

NOW, THEREFORE, BE IT RESOLVED, the Santa Barbara County Board of Supervisors does hereby find, determine and order as follows:

1. The above recitals are true and correct and incorporated herein; and
2. ERG is hereby granted a private franchise for a term of twenty (20) years according and subject to the terms and conditions of the Private Franchise Agreement attached hereto and incorporated herein.

Passed and adopted by the Board of Supervisors of the County of Santa Barbara, State of California, this 14th day of March 2017, by the following vote:

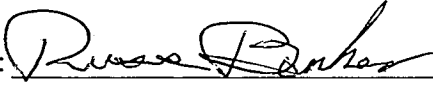
**AYES:** Supervisors Williams, Wolf, Hartmann, Adam, and Lavagnino

**NOES:** None

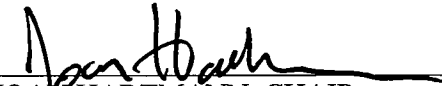
**ABSENT:** None

**ABSTAINED:** None

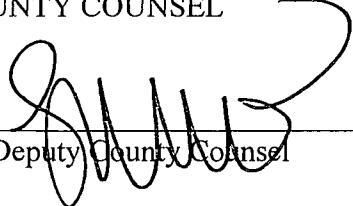
ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

By:   
Deputy

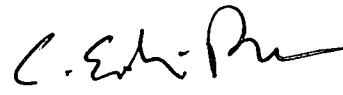
COUNTY OF SANTA BARBARA

  
JOAN HARTMANN, CHAIR  
BOARD OF SUPERVISORS

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By:   
Deputy County Counsel

APPROVED AS TO ACCOUNTING:  
THEODORE A. FALLATI, C.P.A.  
AUDITOR-CONTROLLER

By:   
Deputy