



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: General Services  
Department No.: 063  
For Agenda Of: November 13, 2012  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** General Services Bob Nisbet, Director (805) 560-1011  
Contact Info: Ronn Carlentine, Real Property Mgr. (805) 568-3078  
**SUBJECT: Ellwood Pipeline Inc.'s Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement; First District**

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**County Counsel Concurrence**

As to form Yes

**Other Concurrence:** Risk Manager

As to form Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the attached original and duplicate original Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement between the County of Santa Barbara and Ellwood Pipeline Inc., for Ellwood's continued use of two existing submerged gas and oil pipelines in the offshore county boundaries of Carpinteria, for an annual rent of \$12,615.44 with an annual rent adjustment of two percent (2%) (First District); and
- b) Determine that the proposed action is therefore exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15301; approve and direct staff to file and post the attached Notice of Exemption on that basis.

**Summary Text:**

This Board action will permit Ellwood Pipeline Inc. to continue use of two existing submerged gas and oil pipelines in the offshore County boundaries of Carpinteria. Approval of the Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement will enable Ellwood Pipeline Inc. to continue use of these pipelines from the former lessee under the terms and conditions of Lease dated September 27, 1965 and expiring September 27, 2015.

**Background:**

In 1931, the State of California entrusted and granted to the County of Santa Barbara certain tidelands and submerged lands extending from Sandy Land point to Rincon Creek.

In 1970, the City of Carpinteria approved the annexation of a portion of the submerged lands that were previously deeded to the County in 1931. Subsequently and over the years, the City of Carpinteria has entered into a lease amendment with Ellwood Pipeline Inc. for submerged pipelines in the offshore City of Carpinteria boundaries of Carpinteria. Ellwood Pipeline Inc. agreed to the terms and conditions of that lease amendment.

County staff is proposing the Consent to Assignment and First Amendment to the Lease and enter into a similar Lease Amendment to allow Ellwood Pipeline Inc. to continue its existing use of submerged pipelines in the offshore County boundaries of Carpinteria.

The purpose of the Lease is to allow Ellwood Pipeline Inc. the right to operate, maintain, repair, replace, and remove two existing submerged pipelines that connects Venoco's Platform Grace in the Outer Continental Shelf Santa Clara Unit Field and Venoco's Platform Gail in the Sockeye Field to the Venoco's Carpinteria Oil and Gas Processing Facility located on-shore in Carpinteria. Ellwood Pipeline, Inc. is a wholly owned subsidiary of Venoco.

The Lease Amendment will include two submerged pipelines; One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124') for the collection, transportation or distribution of natural gas, and which lies in a fifty foot (50') wide corridor under, along or across the County's submerged lands; and One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124'), for the collection, transportation or distribution of hydrocarbon substances (oil and natural gas) and water and which lies in a fifty foot (50') wide corridor under, along or across the County's submerged lands.

The original 1965 Lease with Standard Oil Company included two (2) pipelines situated in County submerged lands' jurisdiction, approximately 18,306 linear feet offshore within a fifty (50) foot corridor. Since the City of Carpinteria offshore boundaries of submerged lands were created, approximately 12,161 linear feet, the County's submerged lands' jurisdiction has been reduced to approximately 6,124 linear feet within the fifty (50) foot corridor. Therefore, the Consent to Assignment and First Amendment to the Lease with Ellwood Pipeline Inc. reflects a reduction in linear feet within the County's submerged land jurisdiction.

Production from Platform Gail is sent by pipeline to connect into pipelines at Platform Grace. Oil and gas production from Platform Grace, combined with the production from Platform Gail, is then sent by pipeline to the on-shore Carpinteria Oil and Gas Processing Facility in Carpinteria.

In the event Ellwood Pipeline Inc. desires to transport a different product than permitted herein, or to expand or modify the pipelines, Ellwood Pipeline Inc. shall notify the County of its intention a minimum of sixty (60) days in advance of any such change. Upon such notice, County may re-evaluate the terms and conditions of this Lease.

The Board's action will consent to Ellwood Pipeline Inc. and require Ellwood Pipeline Inc. that no further assignments will be permitted without consent of County. Also, Ellwood Pipeline assumes performance and agrees to be bound by all of the terms, conditions, and covenants of said Lease. The amendment Lease sets forth indemnification, insurance requirements, and a \$100,000 bond.

These pipelines and the onshore processing facility are situated outside of the County's land-use jurisdiction. Safe operation of the pipelines is regulated by the U.S. Department of Transportation and the State of California Fire Marshall.

The Board action will not change the current use of Ellwood's operation or facility. There are no proposals submitted to alter its current use. Therefore, this project is exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines, Section 15301 – Class 1, consisting of the operation, maintenance, licensing, of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

**Fiscal and Facilities Impacts:**

The annual Lease payment shall commence at \$12,615.44 and shall be annually adjusted by two percent (2%). These funds shall be deposited in Fund 0001, Department 063, and Program 1207. There will be no direct facilities impacts.

**Special Instructions:**

After Board action, please distribute as follows:

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| 1. Original First Amendment to Lease Agreement                       | Clerk of the Board Files                                |
| 2. Duplicate Original First Amendment Lease Agreement & Minute Order | Office of Real Estate Services<br>Attn: Ronn Carlentine |

NOTE: The Clerk shall post the NOE upon Board approval.

**Attachments:**

1. Original and (1) duplicate original Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement
2. Notice of Exemption

**Authored by:**

RC, Office of Real Estate Services