



GENERAL SERVICES DEPARTMENT MEMO

Date: February 8, 2017

To: Honorable Joan Hartmann, Chair, and Members of the Board of Supervisors

From: Janette D. Pell *Janette D. Pell*
General Services Director

Subject: Application for a Private Franchise Agreement for ERG Operating Company, LLC

cc: Mona Miyasato, CEO
Matthew P. Pontes, Assistant CEO
Mike Ghizzoni, County Counsel
Scott McGolpin, Public Works Department Director
Peter Cantle, Planning & Development
Don Grady, General Services Real Property Manager

On January 6, 2017, ERG Operating Company, LLC (“ERG”) submitted their Application for a Private Pipeline Franchise Agreement. The application was submitted in accordance with Santa Barbara County Code Section 2-82.1, *Private Franchises*. The item is docketed for the February 14, 2017 Administrative Agenda to set the **Departmental Hearing for March 14, 2017**, for the Board to consider adoption of a Resolution Granting a Private Pipeline Franchise to ERG.

The Private Franchise Agreement would replace their expired franchise agreement and allow for the continued operation and maintenance of the existing pipeline system along and under the County road ways of Palmer Road and Cat Canyon Road, in the unincorporated area of Santa Barbara County, on the border of Fourth and Fifth Districts. This pipeline system includes 16 pipeline crossings containing 67 individual pipelines, as well as one (1) idle produced water pipeline. The pipeline crossings carry product from ERG’s facilities on one side of the road to their facilities on the other side of the road, and is therefore subject to a “Private Franchise”, as opposed to a “Public Franchise” that would apply to pipelines that deliver product to customers.

A hearing was originally set on the County Board of Supervisors Departmental Agenda for May 12, 2015, for the Board’s consideration of the Private Franchise; however, on May 5, 2015, ERG had requested the item be withdrawn. The renewed application includes the components required by County Code 2-82.1; as well as a brief history and status of the ERG facilities, maps and as-built plans for the existing pipeline network, a statement of ERG’s qualifications and financial background, and an audited financial statement.

If you have any questions or would like additional information prior to the scheduled Board actions, please contact Don Grady, Real Property Manager, at 568-3065.