

**Attachment 1**

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**Resolution Granting a Public Pipeline  
Franchise to ERG Resources, LLC**



# County of Santa Barbara

## BOARD OF SUPERVISORS

### Minute Order

January 9, 2018

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**Present:** 4 - Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino  
**Absent 1 -** Supervisor Williams

GENERAL SERVICES

File Reference No. 18-00031

**RE:** HEARING - Consider recommendations regarding ERG Operating Company, LLC Foxen Petroleum Pipeline (R/P File No.: 003822), Santa Maria, Fifth District, as follows: (EST. TIME: 1 HR.)

a) Consider the application for a Public Pipeline Franchise to ERG Operating Company, LLC and the introduction (first reading) of an Ordinance granting the franchise, as follows:

i) Consider public comments and protests regarding the proposed public pipeline franchise granting, including those written protests received by the Clerk of the Board prior to the public hearing;

ii) Consider the determination made by the Director of the Public Works Department that the occupancy or use of the public places designated in the franchise will not unduly impair or obstruct the County Road System, or unreasonable and unnecessarily obstruct or inconvenience the traveling public;

iii) Determine that it is in the public interest to grant the Public Franchise to ERG Operating Company, LLC for the Foxen Petroleum Pipeline;

iv) Approve the introduction (First Reading) of an Ordinance granting a Public Franchise to ERG Operating Company, LLC for a twenty (20) year term to allow ERG the use of portions of County road right-of-way known as Santa Maria Mesa Road, Andrew Street, Stewart Street, and Foxen Canyon Road, in the unincorporated area of the County of Santa Barbara for the construction, operation and maintenance of the Foxen Petroleum Pipeline, a new common carrier pipeline, to connect ERG's oil production facilities to the existing Sisquoc Pump Station and Pipeline operated by Phillips 66;

v) Read the title of the Ordinance into the record and waive full reading of the Ordinance; and

vi) Continue to the Administrative Agenda of February 6, 2018, to consider recommendations, as follows:

1) Approve the adoption (Second Reading) of the Ordinance granting the Public Pipeline Franchise to ERG to facilitate ERG's Foxen Petroleum Pipeline Project; and

2) Find that pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15162, there are no substantial changes proposed in the recommended actions regarding a public franchise for the Foxen Petroleum Pipeline Project that will require major revisions to the Environmental Impact Report (13EIR-00000-00002), certified by the Santa Barbara County Planning Commission on March 11, 2015, on file with the State Clearinghouse as file No. 2013061011; no substantial changes have occurred with respect to the circumstances under which the project is undertaken; and there is no new information of substantial importance that has come to light regarding environmental effects of the project or of the sufficiency or feasibility of mitigation measures; and therefore approval of the recommended actions is within the scope of the project covered by the previously certified EIR and no new environmental document is required.



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**COUNTY EXECUTIVE OFFICER'S RECOMMENDATION:**

**A motion was made by Supervisor Wolf, seconded by Supervisor Lavagnino, that this matter be Acted on as follows:**

**a) Adopted.**

**RESOLUTION NO. 18-9**

**b) i) through vi) 1) and 2) Set hearing for January 30, 2018 in Santa Barbara (EST. TIME: 1 HR.).**

**The motion carried by the following vote:**

**Ayes: 4 - Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino**

**Absent: 1 - Supervisor Williams**

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

**Resolution No. 18-9**

In the Matter of the Proposed Grant of a Public Franchise to ERG Operating Company, LLC, for the Purpose of Transporting Petroleum Products by Pipeline Within Public Right-of-Way in the Certain Unincorporated Area of Santa Barbara County

**NOTICE AND RESOLUTION OF  
INTENT TO GRANT PUBLIC  
FRANCHISE**

CALIFORNIA PUBLIC UTILITY  
CODE SECTION 6231 ET. AL. and  
SANTA BARBARA COUNTY  
CODE SECTION 2-82

**WHEREAS**, ERG Operating Company, LLC (hereinafter “ERG”), a privately owned subsidiary of ERG Resources, LLC, has applied to the County of Santa Barbara (hereinafter “County”), for a public franchise for a term of twenty years, for the purpose of transporting hydrocarbon substances within certain public right-of-way in unincorporated portions of the County, as shown on Exhibit “A”, attached hereto and by reference made a part hereof; and

**WHEREAS**, the proposed Foxen Petroleum Pipeline will consist of two eight (8) inch diameter pipelines approximately 2.9 mile long, for the transportation of hydrocarbon substances (oil) where 2.08 miles of the pipeline are located within public right-of-way, along portions of Santa Maria Mesa Road, Andrew Street, Stewart Street, and Foxen Canyon Road; and

**WHEREAS**, the public franchise agreement will set forth the fees to be paid by ERG to the County in accordance with Santa Barbara County Code Section 2-82, and California Public Utilities Code Section 6231, et al., as well as other terms and conditions to be met by ERG, including insurance, indemnification and a performance bond to ensure the faithful compliance with those terms and conditions; and

**WHEREAS**, the Director of the County’s Public Works Department has evaluated the application and determined that the installation and use of the pipelines will not negatively impact the County’s road system; and

**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
2. The construction, operation, and maintenance of the two eight-inch pipelines will run approximately 2.9 miles, of which 10,960 lineal feet (2.08 miles) of each pipeline will be located within County public right-of-way. A map of the proposed public pipeline is attached hereto and incorporated herein by reference as Exhibit "A"; and
3. Pursuant to California Public Utilities Code Section 6232, County hereby declares its intention to grant the franchise applied for; and
4. The Clerk of the Board is hereby directed to publish in the Santa Maria Times on January 9, 2018, the Public Notice of the sale of the franchise, attached hereto as Exhibit "B"; which establishes January 30, 2018, at 9:00 A.M., or shortly thereafter, in the County of Santa Barbara Board of Supervisors Hearing Room, located in Santa Barbara, California, as the time and place for the introduction and First Hearing on the proposed Ordinance; and February 6, 2018, at 9:00 A.M., or shortly thereafter, in the County of Santa Barbara Board of Supervisors Hearing Room, located in Santa Barbara, California, as the time and place for the Second Hearing and proposed adoption of the Ordinance.

Passed and adopted by the Board of Supervisors of the County of Santa Barbara, State of California, this 9th day of January 2018, by the following vote:

**AYES:** Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino

**NOES:** None

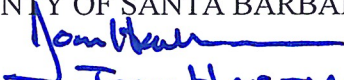
**ABSENT:** Supervisor Williams

**ABSTAINED:** None

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

By:   
Deputy

COUNTY OF SANTA BARBARA

  
Joan Hartmann  
~~Das Williams~~, Chair  
Board of Supervisors

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By:   
Deputy County Counsel