Additionally, ExxonMobil pays a throughput penalty, based on the average daily flow of crude oil through the Culver City pipeline. If in any calendar year, the throughput of crude oil averages more than 95,000 barrels per day, then ExxonMobil must pay the City a throughput penalty in the amount of five cents ($0.05) per barrel in excess of 95,000 times the number of days in that year. The following table summarizes the City's flat fee and throughput penalty receipts since 2004-05:

	2004-05	2005-06	2006-07
Flat Fee	$80,420	$88,151	$90,057
Throughput Penalty	3,504	26,950	0
Total Receipts	**$83,924**	**$115,101**	**$90,057**

Assuming a 3.5% annual increase in the Producer Price Index for All Commodities, the receipts for the next five years of the current franchise agreement are as follows:

	2007-08	2008-09	2009-10	2010-11	2011-12
Flat Fee	$93,210	$96,470	$99,850	$103,345	$106,960
Throughput Penalty	TBD	TBD	TBD	TBD	TBD
Total Receipts	**$93,210**	**$96,470**	**$99,850**	**$103,345**	**$106,960**

Administrative Fee

Based on the estimated staff time to review, research and process ExxonMobil's third option, an administrative fee of $10,000 has been tentatively agreed upon. Staffing cost estimates include direct salary and benefits costs for each staff member involved in the process as well as indirect overhead costs (such as payroll, IT services, workers' comp and liability insurance costs, management oversight, etc.).

ATTACHMENTS:

1. Resolution Extending the Franchise of ExxonMobil Oil Corporation to Operate and Maintain a Certain Pipeline and Appurtenances for the Transportation of Hydrocarbon Substances in the City of Culver City of Culver City

2. Resolution Declaring Intent to Grant a Franchise to Operate and Maintain a Certain Pipeline and Appurtenances for the Transportation of Hydrocarbon Substances and Setting the Time and Place for the Related Public Hearing

MOTION:

City of Culver City, California

City Council Agenda Item Report

1. Adopt a resolution granting a five-year extension of the existing oil pipeline franchise with ExxonMobil; and

2. Adopt a resolution declaring the City Council's intent to consider granting an oil pipeline franchise to ExxonMobil and setting the time and place for the related public hearing.

ExxonMobil Pipeline Company
Torrance Meters
20225 South Van Ness Avenue
Torrance, California 90503
310 212 1762 Telephone
310 328 3954 Facsimile

M.S. Brett
Field Supervisor
Pipeline Operations

cc - City attorney

RECEIVED
2004 JUL 14 AM 11:41
ENGINEERING DIVISION
CITY OF CULVER CITY

ExxonMobil Pipeline

July 9, 2004

City of Culver City
City Engineer
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: QUARTERLY THROUGHPUT REPORT

Pursuant to City Ordinance NO. 92-014, specifically Exhibit "C", Mitigation Measure "CC-22", attached you will find the quarterly throughput report for the second quarter of the **2004** operating year. This report reflects 60°F net barrels (NSV) delivered to ExxonMobil, Torrance CA. Refinery.

Should you have any questions, I can be contacted at (310) 212-1762.

Sincerely,

M. Steve Brett
ExxonMobil Pipeline, West Coast

cc: R.L.Cronin-Fruitt
Debbie Hart

RECEIVED
04 JUL 15 PM 1:54
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

E220

M-70 / Quarterly Report - Deliveries to Torrance - ExxonMobil Oil Corp.

Ist 2004	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	January	2,878,221	92,846		
	February	2,029,878	72,496		
	March	2,390,111	77,100		
	TOTAL	7,298,210		7,298,210	19,995

2nd 2004	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	April	2,766,196	92,207		
	May	3,060,250	98,718		
	June	3,044,493	101,483		
	TOTAL	8,870,940		16,169,150	44,299

3rd 2004	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	July		0		
	August		0		
	September		0		
	TOTAL			16,169,150	44,299

4th 2004	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	October		0		
	November		0		
	December		0		
	TOTAL			16,169,150	44,299

E221

CITY OF CULVER CITY

I N T E R - O F F I C E C O R R E S P O N D E N C E

Date: March 25, 1991

To: Jody Hall-Esser, Community Development Director

From: Colleen Egbert, CEQA Manager

Subject: Mobil M-70 Pipeline Replacement and System Optimizatio Project EIR

Request
I response to your request, staff has prepared this status report on the Mobil M-70 Pipeline Replacement project Environmental Impact Report/Statement (EIR/S). As you know, the City has commented on the proposed project throughout the environmental review process. The City forwarded comments on the draft EIR/S to the City of Los Angeles in a letter dated October 30, 1990 (see attached). Since that time City staff has met with representatives from Mobil Oil to discuss City concerns, and in February 1991, Mobil notified the City that a comprehensive Traffic Management Plan was being developed.

Background
Mobil Oil Corporation proposes to replace and optimize its existing M-70 pipeline system with a new pipeline approximately 92.4 miles long and 16 inches in diameter. Both the existing and proposed pipeline systems connect Mobil's Lebec Pump station in Kern County a to their Torrance refinery in Los Angeles. the Pipeline would transport an annual average of 95,000 barrels per day of crude oil from existing Mobil oil fields in the San Joaquin Valley.

A portion of the pipeline route would travel through Culver City and would require franchise/license agreement and work permits from the City.

Final EIR/S
The Los Angeles City Board of Transportation Commissioners (BTC), at their February 28, 1991 meeting certified that the FEIR/S had been completed in compliance with the California Environmental Quality Act (CEQA). Consideration of project approval was scheduled for their March 28, 1991 meeting.

Project Implementation
Should the proposed project be approved by the BTC, Mobil Corporation would need to approach Culver City to obtain w permits for that portion of the project within the City. Pri to obtaining excavation and other public works permits, Mob will need to contact the City Attorney's office regardi franchise/license requirements.

Colleen Egbert

Colleen Egbert

cemob

attachments:

1. Copy of letter dated October 30, 1990 from City Kenneth Cude, LADOT, regarding City review of th draft EIR/S.

2. Copy of letter dated February 11, 1991 from Mobil Oi Corp. to City Engineer, regarding City concerns, Mobi Traffic Management Plan, and project implementation.

cc: Evelyn Keller, Deputy City Attorney
Jim Davis, City Engineer
Jay Cunningham, City Planner

C-44

1 of 7

CITY OF CULVER CITY
4095 OVERLAND AVENUE • P.O. BOX 507
CULVER CITY, CALIFORNIA 90232-0507

1990 OCT 31 PM 3 21

October 30, 1990

Mr. Kenneth E. Cude
Division Engineer
City of Los Angeles
Department of Transportation
City Hall, Suite 1600
Los Angeles, CA 90012

RE: Draft Environmental Report/Statement, Mobil Oil Corporation Application for M-70 Pipeline Replacement

Dear Mr. Cude:

Thank you for the opportunity to comment on the Draft Environmental Impact Report for the above project.

On December 19, 1989, Culver City sent a letter to the City of Los Angeles on the Notice of Preparation for the proposed project and requested 30 mitigation measures be added to the project.

The City has reviewed the Draft EIR/S and has found that the mitigation measures requested by Culver City are not fully reflected in the proposed mitigation measures. We hereby restate those measures and include one new measure we believe necessary to mitigate the potential impacts from construction and operation of the proposed pipeline and will be required to be conditioned on the project in order for permits for construction to be issued in Culver City. In addition, the City has comments based on its review of the draft document. 44.1

44.1 Responses to specific comments are presented on the following pages.

C-44

OMMENTS

1. Table 3.2.13-2, (Page 3.2-124) "Bus Routes Within the Project Corridor" should be revised to more accurately reflect the affected routes: 44.2

   1) Remove "CC5" from "Cross Street Bus Routes" at Sepulveda Boulevard (pipeline street) Culver (cross street).

   2) Remove "CC5" from Pipeline Street Bus Routes for Culver Boulevard (pipeline street).

   3) Add "CC1" to "Cross Street Bus Routes" for Sepulveda Boulevard (pipeline street), Washington (cross street).

   4) Add "CC4" to "Pipeline Street Bus Routes" for Sepulveda Boulevard (pipeline street), Slauson (cross street).

   5) Add "CC2" to "Cross Street Bus Routes" for Slauson Avenue (pipeline street), Jefferson (cross street).

2. Section 2.8.3, Residential and Commercial Projects, Pages 2.8-4 and 2.8-5, The following project should be added: 44.3

   A restaurant complex comprised of four restaurants (30,000 gross sq. ft.) has been approved for the Kite Site at Slauson, Hannum, and Knightsbridge Avenues. Grading fall 1990, construction 1991.

3. Weekday peak hour traffic is identified as occurring from 7:00 to 9:00 a.m., (page 9.0-12), however, in Culver City, the a.m. peak hour extends to 9:30 a.m. 44.4

4. It is not clear whether the intersection of Slauson Avenue/Sepulveda Boulevard will be analyzed for the feasibility of the boring method rather than the trenching and plating method. The intersection is noted in Table ES-1 (Transportation and Circulation, #1), but not in Table 9-1, #T-8. 44.5

44.2 The suggested revisions have been incorporated into the EIR/S text.

44.3 The suggested revision has been incorporated into the EIR/S text.

44.4 The EIR/S text has been revised to reflect this comment.

44.5 Consideration of boring at Sepulveda Blvd. and Slauson Ave. was eliminated from consideration due to technical considerations regarding the lack of suitable space for a boring pit. As indicated in Mitigation Measure T-2 and Table 9-1, this intersection is considered an appropriate candidate for night-time construction to mitigate traffic impacts. The text of Table ES-1 has been corrected in response to this comment.

C-44

In Table ES-1, the Summary of Proposed Project Impacts and Mitigatigation Measures, the DEIR/S states that Mobil will "adhere to City and State traffic control guidelines and specifications", among other mitigation measures, in order to address transportation and circulation impacts. The following is a restatement of the mitigation measures requested by Culver City as these measures for the most part have not been completely reflected in the DEIR/S and the City wishes to stress that these measures shall be the guidelines and specifications that will be required for the project in Culver City. The note to the left of the number indicates whether the City's mitigation measure is reflected in the DEIR/S.

MITIGATION MEASURES

Mobil Oil Crude Oil Pipeline Repacement Project

[No] 1. Mobil Oil Corporation (Mobil) shall coordinate and consult with City staff to develop construction plans and specifications that will mitigate environmental concerns to the satisfaction of the City Engineer.

[Yes*] 2. Mobil shall develop and implement a traffic control plan to the satisfaction of the City Engineer. The Police Department shall be included in any meetings regarding traffic mitigation. DEIR/S Mitigation Measure T-7 identifies a Traffic Management Plan, Page 9.0-14.

[No] 3. Mobil shall work with City staff to develop a plan for trenching and progressive plating to the satisfaction of the City Engineer.

[No] 4. Mobil shall commit to limiting pipeline storage along the right-of-way to one week at any one spread.

[No] 5. Erosion control measures shall be used to control water runoff and prevent erosion during construction. Such measures will include resurfacing of roadways immediately following backfill operations.

[No] 6. Construction activities shall be managed to reduce unnecessary use of construction equipment.

[No] 7. Construction equipment engines shall be maintained and tuned; engine timing shall be adjusted to reduce NO_x emissions.

44.6

44.6 The City of Culver City may establish any requirements it deems appropriate in its approval of the proposed project, as long as the minimum standards of mitigation specified in the Lead Agency's action on the proposed project are met. Most of the measures listed in this comment are contained in the EIR/S text, and this comment's statement to the contrary is incorrect. The only mitigation measures referenced which are not included in some manner (listed by the numbers used in this comment) are: 4, 5 (Measure E-5 has been modified to incorporate this suggestion), 12 (as it relates specifically to the alley behind Segrell Way), 20 (not specifically stated, but Mobil's responsibility to restore roadways is addressed in Section 2.3.2.6.9), 23, 26, 27, 28, and 29. All of these measures are consistent with the mitigation requirements identified in the EIR/S, and may be applied as approval requirements by the City of Culver City.

E226

C-44

[No] 8. To reduce NO_x and CO emissions from welding machines, unleaded fuel, catalytic convertors, or propane fuel shall be used.

[No] 9. Fugitive dust control measures shall be implemented, using water or chemical dust suppressants.

[No] 10. Low sulfur fuel oil shall be used in diesel burning equipment to reduce SO_x emissions.

[No] 11. Residences and businesses along the pipeline route within a 300 foot radius shall be notified in advance as to the construction schedule and duration; copies shall be provided as evidence of such notification. A Mobile Oil contact name and phone number shall be provided to residents as part of that notification. Comment: According to the DEIR/S only businesses would receive notification.

No] 12. To facilitate safe movement of traffic through construction areas, drivers shall be alerted to unexpected conditions using signs, flagmen, pavement markings, barricades and lights to the satisfaction of the City Engineer. The Transportation Management Plan Page 4.2-81 only calls for advance signing. 44.6

No] 13. If necessary and approved by the City Engineer, lane closures shall be restricted to off-peak hours to reduce congestion. Peak hour traffic periods are 7:00 a.m. to 9:30 a.m., and 3:30 p.m. to 6:00 p.m. At least one traffic lane in each direction will be kept open at all times, with the exception of the alley behind Segrell Way between Berryman Avenue and Sawtelle Boulevard where private driveway access shall be maintained. In the alley south of Berryman Avenue, there shall be at least one lane open at all times, with flagmen.

No] 14. When onstreet parking is temporarily eliminated, signs directing motorists to alternate parking shall be provided by Mobil based upon a parking plan to be approved by the City Engineer.

No] 15. To facilitate the safe movement of pedestrians around construction areas, signs and facilities such as handrails, fences and walkways shall be provided. Pedestrian access to residences and businesses shall be maintained.

44.6 Refer to response on page 3 of this comment.

E22

C-44

[No] 16. Access shall be maintained to all buildings, residences and fire hydrants. The DEIR/S' Mitigation Program would maintain access during weekday peak hours only for single driveways, and would replate after construction.

[No] 17. To reduce the number of vehicles traveling to the site, workers shall meet at the construction contractor's field office or construction yard, and commute to the site using construction equipment and "gang" trucks.

[No] 18. Construction shall occur during off peak-hour daytime hours* unless otherwise specified by the City Engineer to accommodate other environmental or traffic related concerns. Because of traffic some construction work must be done at night at certain intersections. Mobile shall comply with the Culver City Municipal Code Section 22-2D pertaining to construction-related noise discernable at residential boundaries. (* Peak hour traffic periods are 7:00 a.m. to 9:30 a.m., and 3:30 .m. to 6:00 p.m. Comment: The DEIR/S Mitigation Program does not recognize Culver City's a.m. peak hour which extends to 9:30 a.m. 44.6

[No] 19. Heavy construction equipment shall be properly maintained, including prompt replacement of deteriorated intake and exhaust silencers and mufflers, and routine lubrication.

[No] 20. All excavated roads shall be repaved and restored to an equal or better condition than previously existed, to the satisfaction of the City Engineer.

[No] 21. At intersection crossings, Mobil shall trench and plate one lane at a time to prevent intersection closure. Comment: The DEIR/S' Mitigation Program provides only for no lane closures during peak hours.

[No] 22. Access to businesses with access off the alley behind Segrell Way shall be maintained. Comment: The DEIR/S' Mitigation Program would only provide for no closures during peak traffic hours.

44.6 Refer to response on page 3 of this comment.

C-44

44.6 Refer to response on page 3 of this comment.

'o] 23. Any excavation within the alley behind Segrell Way, occurring within 50 feet of Fire Station No. 113 (located at Segrell Way and Berryman Avenue), shall be capable of being covered with plates upon immediate notice by Fire Department personnel.

o] 24. Mobil shall continue to consult with Culver City staff to ensure that the construction methods chosen will properly and effectively address traffic and safety concerns which may arise during the construction process. Comment: The DEIR/S' Mitigation Program provides for advance notification and continual updates, but not consultation.

›] 25. Mobil shall design the propsosed pipeline in strict compliance with Title 49 CFR Part 195 (Transportation of Hazardous Liquids by Pipelines).

›] 26. Mobil shall conduct a detailed engineering resurface survey along the entire finalized route to supplement known utility information shown on enginering drawings.

] 27. Mobile shall provide an onsite foreman to be present at all times during construction.

] 28. No work shall be permitted in Culver City streets between November 1 and January 15 of any given year. Comment: The DEIR/S' Mitigation Measure T-4 notes only the 4-day Thanksgiving holiday period and the week before Christmas.

] 29. Hauling of materials to be disposed of shall be restricted to roadways permitted by the City through application of a Haul Route Permit.

] 30. Prior to abandoning the existing pipeline, Mobil shall cause it to be cleaned and filled with an appropriate substance, such as sand cement slurry, as approved by the City Engineer.

›] 31. The City Transportation Director shall be notified prior to construction and provided with a work schedule outlining the projected amount of time that the Culver City busses will be disrupted. Comment: Mitigation Measure T-16, Mobile would coordinate with City to identify and provide for alternate signed bus stops along pipeline route. The location of temporary bus

44.6

C-44
7 of 7

stops must be reviewed by the Culver City bus route supervisor to insure that the stops are placed in safe areas for the bus to stop with strict regard for passenger safety. Comment: Mitigation Measure T-16, all bus stops would be located outside the construction area.

We will appreciate our comments being addressed in the Final EIR and copies of the Final EIR being forwarded to the City.

If you have any questions, please contact Colleen Egbert, CEQA Manager, at 213/280-5949.

44.6

Sincerely,

Jody Hall-Esser

Jody Hall-Esser
Community Development Director

JHE:mdk

Attachments

cc: Distribution:
Steven Gourley, Mayor
Paul A. Jacobs, Vice Mayor
Mike Balkman, Councilmember
James D. Boulgarides, Councilmember
Jozelle Smith, Councilmember
Dale Jones, Chief Administrative Officer
Pauline C. Dolce, City Clerk
Eleanor Egan, City Attorney
Gary Audet, Municipal Services Director
Mike Olson, Fire Chief
Ted Cooke, Chief of Police
Steve Cunningham Deputy Transportation Director
Jay Cunningham, City Planner
James Davis, City Engineer

44.6 Refer to response on page 3 of this comment.

Cc: Jody Hall-Esser
Eleanor Egan
Jay Cunningham
Colleen Egbert
SAM CEMO
Tom Sorrentino.

Mobil Oil Corporation

WEST COAST PIPE LINES

3700 WEST 190TH STREET
TORRANCE, CALIFORNIA 905

RECEIVED
1991 FEB 14 AM 11:58
ENGINEERING DIVISION
CITY OF CULVER CITY

February 11, 1991

Mr. Jim Davis
City of Culver
4095 Overland Avenue
Culver City, CA. 90230

RE: Mobil's Pipeline Replacement Project

Mr. Davis:

By letter dated October 30, 1990, Ms. Jody Hall-Esser Communi Development Director, City of Culver City, listed thirty-o comments based on your review of Mobil's draft EIR/EIS covering t M-70 Pipeline Replacement Project.

To address your concerns, Mobil Oil is developing a comprehensi Traffic Management plan, and our engineers and staff have met wi Mr. Tom Sorrentino, Traffic Engineering Consultant, and oth persons in your department to coordinate a resolution of yo concerns.

We anticipate final approval and certification of the EIR/EIS February 28, 1991, and intend to immediately proceed with securi the required excavation permits. In addition to the concer specified in your letter to L.A. DOT, would you please advise us any other permit conditions will be incorporated into our excavati permit.

Thank you for your continued cooperation. Should you have ar questions, please contact Edward Jaynes at (213) 212-2971, or me a (213) 212-2965.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt
Rights of Way Coordinator

RCF/gm

(RCF-gm32)

RECEIVED
FEB 19 1991
CULVER CITY

F231

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, CA 90703
(310) 212-1794 Telephone
(310) 212-1788 Facsimile

RECEIVED
02 AUG 27 AM 10:56
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

ExxonMobil
Pipeline

August 23, 2002

VIA NEXT DAY

City of Culver City
Office of the City Attorney
9770 Culver Blvd.
Culver City, CA 90232-0507

Attn: Mr. Joe Pannone

RE: FRANCHISE ORD. NO. 92-014
Our File: R/W 5531-1

We have received the draft Staff Report and proprosed Resolution for the extension of the above captioned franchise agreement. Based on our review of the documents, we provide the following comments.

City Council Agenda Report

1. All references within the body of the document of "**Exxon Mobil Oil Company**" and "**Exxon Mobil**", shall be replaced with "**ExxonMobil Oil Corporation**" and "**ExxonMobil**"
2. Page 1, Line 4, under BACKGROUND, "and a second term expires on November 25, 2002 in **June 01, 2001,....**".
3. Page 2, Paragraph 2, Line 1, under Discussion, "Staff has discussed the status of the **ExxonMobil** pipeline with a Pipeline Safety Engineer"

Resolution No. 2002-R

1. All references within the body of the document of "**Exxon Mobil Oil Company**" and "**Exxon Mobil**", shall be replaced with "**ExxonMobil Oil Corporation**" and "**ExxonMobil**"
2. Page 1, Line 16, should be corrected to read, "terms for a fee as agreed to **by** Mobil Oil Corporation and the City of Culver City; and"
3. Page 1, Line 22, "WHEREAS, on **June 01, 2001**, Mobil Oil Corporation changed its".

We have received notification from your office that our request has been schedule to go before the City Council on September 09, 2002. Unless otherwise notified by your office, ExxonMobil will plan on having a representative present at said meeting.

Very truly yours,

Teri A. Shinde

Teri A. Shinde
Sr. Rights of Way and Claims Specialist
For ExxonMobil Oil Corporation

Enclosures
TAS
(5531_Renew 2002)

F233

RESOLUTION NO. 2002-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING A SECOND EXTENSION OF THE FRANCHISE OF MOBIL OIL CORPORATION TO OPERATE AND MAINTAIN A CERTAIN PIPELINE AND APPURTENANCES FOR THE TRANSPORTATION OF HYDROCARBON SUBSTANCES IN THE CITY OF CULVER CITY.

WHEREAS, on October 26, 1992, the City Council adopted Ordinance No. 92-014, which granted Mobil Oil Corporation a Franchise to operate and maintain a certain pipeline and appurtenances for the transportation of hydrocarbon substances in the City of Culver City; and

WHEREAS, an initial term of five years was specified under the provisions of the Franchise, and that initial term expired on November 25, 1997, with Mobil Oil Corporation having an option to extend the Franchise for three additional five-year terms for a fee as agreed to be Mobil Oil Corporation and the City of Culver City; and

WHEREAS, also under the provisions of the Franchise Mobil Oil Corporation exercised its right to extend the initial term of the Franchise by timely notifying the City, in writing, of its intention and such initial term was extended to November 26, 2002, (the "Extended Term").

WHEREAS, on ________________, Mobil Oil Corporation changed its name to Exxon Mobil Oil Company ("Exxon Mobil").

WHEREAS, again under the provisions of the Franchise, Exxon Mobil desires to exercise its right to an extension of the extended term of the Franchise by timely notifying the City in writing of its intention; and

F234

WHEREAS, Exxon Mobil (under its current and previous name) has been and is in compliance with the terms and conditions of the Franchise; and

WHEREAS, the franchise fees paid by Exxon Mobil (under its current and previous name) are reasonable in light of franchise fees being charged by jurisdictions for rights-of-way of similar size and type charged by Culver City when it recently extended Stocker's Franchise; and

WHEREAS, as verified by the Office of the State Fire Marshal there have not been and are not now in violations of pipeline safety.

NOW, THEREFORE, the City Council of the City of Culver City, California, DOES HEREBY RESOLVE, as follows:

1. Pursuant to the terms of Ordinance No. 92-014, the franchise of Exxon Mobil to operate and maintain a certain pipeline and appurtenances for the transportation of hydrocarbon substances in the City of Culver City is hereby extended for a second additional five-year term beyond the current term, which is due to expire on November 26, 2002 (the "Second Extended Term).

2. The Second Extended Term shall begin on November 26, 2002 and shall expire on November 25, 2007, unless written notification is given by Exxon Mobil to the City as set forth in the Ordinance; provided, that Exxon Mobil is in compliance with the terms and conditions of the Franchise; and provided, further, that the Office of the State Fire Marshal verifies there are no violations of pipeline safety.

3. An administrative fee in the amount of $9,000.00 for processing shall be paid before the Second Extended Term can become effective.

F235

4. The annual franchise fees for the Second Extended Term shall be maintained as provided for in Ordinance No. 92-014, subject to the annual increases to the specified base rate. All other terms and conditions of the Franchise Ordinance shall remain in full force and effect.

APPROVED and ADOPTED this ______day of ________________ 2002.

____
CAROL GROSS, MAYOR
City of Culver City, California

ATTEST:

____
CHRISTOPHER ARMENTA,
City Clerk

APPROVED AS TO FORM:

____
CAROL A. SCHWAB, City Attorney

RMOBILFRANCHISE(mc)

F236

City of Culver City, California

City Council Agenda Item Report

Meeting Date:	Item Number: ________
AGENDA ITEM: Approval and Adoption of a Resolution Approving the Extension of the Pipeline Franchise Held by Exxon Mobil (previously Mobil Oil Corporation) for a Third Five-Year Term With the Same Terms and Provisions as the Current Five-Year Term of the Pipeline Franchise.	
Contact Person/Dept.: Joe Pannone	Phone Number: (310) 253-5660
Fiscal Impact: Yes [] No [X]	General Fund: Yes [] No [X]
Public Hearing: [X] Action Item: []	Attachments: []
Public Notification: Notice has ben provided to the Office of the State Fire Marshal and to Exxon Mobil. Those on the Master Notification List were also informed of the public hearing.	
Department Approval:	CAO Approval:
City Controller Approval:	

RECOMMENDATION:

Staff recommends that the City Council approve and adopt the resolution extending the pipeline franchise held by Exxon Mobil for a third five-year term with the same terms and provisions as the current five-year term.

BACKGROUND:

On October 26, 1992, the City Council adopted Ordinance No. 92-014, which granted a Pipeline Franchise to Mobil Oil Corporation. Under the terms of the franchise, an initial term of five years was specified, expired on November 25, 1997 and a second term expires on November 25, 2002 in ________________, Mobil changed its name to Exxon Mobil. Exxon Mobil has the option to extend the franchise for two additional five-year terms, providing it complies with all of the terms and conditions of the franchise. The fees for each successive five year term are to be agreed to by Exxon Mobil and the City, and are determined to be reasonable in light of franchise fees being charged by jurisdictions for rights-of-way of similar size and type. In addition, under the terms of the franchise, to exercise its right to extend the franchise, Exxon Mobil must notify the City in writing not less than ninety days prior to the expiration of the then current term. Exxon Mobil has provided such notice of intent to the City to extend the term of the franchise for a third five-year term in a timely manner.

F237

City of Culver City, California

City Council Agenda Item Report

DISCUSSION:

Exxon Mobil has been in compliance with all of the terms and conditions of the franchise, and has proposed that the franchise fees for this second term be maintained as provided in the Franchise Ordinance, subject to the annual increases to the specified base rate, which are in direct proportion to changes in the Producer Price Index. The third five-year term will expire, unless extended by Exxon Mobil for a fourth five-year term.

Staff has discussed the status of the Mobil pipeline with a Pipeline Safety Engineer for the Office of the State Fire Marshal of the California Department of Forestry and Fire Protection, who revealed that Exxon Mobil's pipeline is a relatively new pipeline which has been, and continues to be, continuously monitored and tested. This Pipeline Safety Engineer characterized Exxon Mobil's pipeline as the best line in the County.

FISCAL ANALYSIS:

The City will continue to receive the franchise fees being paid by Exxon Mobil. In addition, Exxon Mobil will pay the $9,000 to cover the administration costs for preparing and reviewing this extension request.

ATTACHMENTS:

Resolution.

MOTION:

That the City Council approve and adopt the resolution accepting the extension of the pipeline franchise held by Exxon Mobil for a third five-year term with the same terms and provisions as the current five-year term.

F238

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

RECEIVED
03 MAR 18 AM 11:38
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

ExxonMobil
Pipeline

March 18, 2003

Ms. Carol A. Schwab – City Attorney
Mr. Mark A. Ambrozich – City Attorney
City of Culver City
9770 Culver Blvd.
Culver City, CA. 90232-0507

RE: Ordinance No. 92-014

Dear Ms. Schwab and Mr. Ambrozich:

In compliance with the current terms and conditions of Culver City Ordinance No. 92-014, specifically Mitigation Measure CC-23, enclosed is ExxonMobil Oil Corporation's Check No. 2500028486, issued to the City of Culver City in the amount of $949,091.25.

As stated in our previous correspondence, we request your consideration to modify condition CC-23 of said Ordinance in order to be consistent with the increased throughput allowance approved and authorized by the City of Los Angeles, pursuant to the First Addendum to the Final Environmental Impact Report/Statement for the M-70 Pipeline Replacement and Optimization Project.

Your response to our request to discuss the modification of Mitigation Measure CC-23 will be appreciated. Please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Right of Way Dept.

Enclosure
cc: Mr. Joel Larkin

F239

EXXON MOBIL CORPORATION OR AN AFFILIATED COMPANY

CODE	OUR REFERENCE	DATE	YOUR REFERENCE	NET AMOUNT
0160	1900031409	02/27/03	49301133	949,091.25

PYMT 2002 M-70 ANNUAL AVG. T-PUT, ORD 92-014
Payment made per agreement with ExxonMobil contracting entity.
REFER ANY INQUIRIES TO 1-800-833-1510

* INCLUDE WITH EACH INQUIRY	PAYEE ID NUMBER	CHECK NUMBER	CHECK DATE	CHECK AMOUNT
	6007015	2500028486	03/06/03	949,091.25

EXXON MOBIL CORPORATION OR AN AFFILIATED COMPANY

62-20/311

P O BOX 2519
HOUSTON TX 77252-2519

CHECK NUMBER 2500028486

6007015 DATE 03/06/03

*******$949,091.25*

PAY TO THE ORDER OF
CULVER CITY CA CITY OF
BUSINESS TAX COLLECTOR
9770 CULVER BLVD
CULVER CITY CA 90230-0507

VOID AFTER
SIX MONTHS

F240

CITIBANK
NEW CASTLE, DE 19720-2408

based on the environmental impact report (EIR) ExxonMobil had prepared, was certified by Los Angeles in 1991 and Culver City relied on when the Franchise was approved. The EIR analyzed a pipeline with a maximum throughput of 95,000 average annual barrels per day and determined such a pipeline would not cause significant adverse environmental impacts as mitigated. One of the Culver City mitigations for the Franchise was the penalty if the throughput limitation was ever exceeded. In February, 2001, Los Angeles approved an addendum to the EIR (the "Addendum"), which found that an increase of the throughput to 115,000 annual average barrels per day would likewise not cause any significant environmental impact. The Addendum's findings were based on advances in the use and operation of the M-70 pipeline. Those advances provide a safe and feasible opportunity for ExxonMobil to use the pipeline system to transport more than the original 95,000 annual average barrels per day. On April 12, 2001, ExxonMobil was granted permission, by Los Angeles, to transport 115,000 barrels per day. Based on the foregoing, ExxonMobil has requested Culver City modify the penalty provisions of the Franchise.

For the 2002 calendar year, ExxonMobil's average throughput was 108,401 barrels per day. Based on that, on March 18, 2003, ExxonMobil paid the City a penalty of $949,091.25. That payment showed ExxonMobil's forthright acknowledgement of the overuse and penalty due. Such payment was made even though the Addendum to the EIR had been approved and Los Angeles had increased the throughput to the M-70 pipeline system to 115,000 annual average gallons per day.

DISCUSSION:

Based on Los Angeles' approval and the Addendum, Exxon Mobil requested the City to modify the Franchise to allow that increased flow potential. ExxonMobil's first requested Culver City simply to change the maximum barrels per day permitted to 115,000. Representatives of ExxonMobil met with the City Treasurer and a representative of the City Attorney's Office to discuss the matter. At that time, ExxonMobil explained it had at least two options available if the City Council decided not to modify that provision. One option would be for ExxonMobil to convert the M-70 pipeline into a common carrier, which would mean more than ExxonMobil oil would be transported through the M-70 line. If that was done, then any franchise fees the City could require would be those limited to the minimal amounts set by state law. The other option would be for ExxonMobil to use a common carrier's eminent domain power to purchase the Franchise outright.

During the meeting, all recognized those alternatives would result in significant expenditures of effort, time and money on both sides and likely cause unneeded friction which could be detrimental to the on-going relationship between the City and ExxonMobil. In light of that, the City representatives suggested ExxonMobil provide

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

RECEIVED
03 MAR 26 PM 3:24
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

ExxonMobil
Pipeline

VIA UPS DELIVERY

October 11, 2002

Mr. Mark A. Ambrozich
City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232-0507

RECEIVED
02 OCT 14 PM 3:14
CITY TREASURER
CULVER CITY, CALIF.

RE: Ordinance No. 92-014

Dear Mr. Ambrozich:

In response to your request of September 5, 2002, pertaining to ExxonMobil Oil Corporation's (ExxonMobil) compliance with the City of Culver City's (City) Ordinance No. 92-014, specifically Mitigation Measure CC-22, please be advised that we are prepared to comply with said audit request.

With respect to the above, and pursuant to U.S. Department of Transportation Regulation 195.404, ExxonMobil is required to maintain pipeline operating records for a period of three (3) years. Therefore, consistent with federal law, the daily throughput records of the M-70 pipeline are available for audit for the years 1999, 2000 and 2001. We have selected Price Waterhouse Cooper, an internationally recognized accounting firm with significant crude oil accounting experience, to conduct the audit of the M-70 Pipeline throughput records for the above mentioned years. We anticipate the final audit findings report will be provided to you by mid-December, 2002.

We would like to take this opportunity to advise you that the First Addendum to the Final Environmental Impact Report/Statement for the M-70 Pipeline Replacement and Optimization Project was approved by the City of Los Angeles Department of Transportation (LADOT) on April 12, 2001. The First Addendum allows ExxonMobil to increase the annual average throughput of the M-70 pipeline from 95,000 barrels per day to 115,000 barrels per day (annual average). This increase was approved based on findings that the increased throughput would not present any new or additional significant environmental impacts beyond what was considered in the 1991 Final Environmental Impact Report/Statement. You will recall LADOT is the California Environmental Quality Act (CEQA) lead agency for the project identified above. A copy of the First Addendum along with LADOT's Board Report (dated April 12, 2001) and LADOT's notification to the CA. State Clearinghouse (dated June 28, 2001) is enclosed for your reference.

F242

Ordinance No. 92-014 contains a provision, Mitigation Measure CC-23, that limits the M-70 pipeline throughput to an annual average of 95,000 barrels per day based on the findings in the 1991 Final Environmental Impact Report/Statement. Because the basis for this mitigation measure has now been modified, we believe it is appropriate and supportable for the City of Culver City to also modify Mitigation Measure CC-23 to be consistent with the increased throughput allowance in the amended Final Environmental Impact Report/Statement. We therefore would appreciate you advising us of the process to effectuate such a modification to Mitigation Measure CC-23 found in Ordinance No. 92-014 to increase the allowable annual average throughput of the M-70 pipeline from 95,000 barrels per day to 115,000 barrels per day.

We look forward to hearing from you on the modification to Mitigation Measure CC-23 of Ordinance No. 92-014. In the meantime, if you have any questions or require additional information, please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Rights of Way Dept.

Enclosures

cc: Mr. Joel Larkin – w/o encl.
Mr. Joseph Perez – w/o encl.
Mr. Steve McDaniel – w/o encl.

CulverCity01

F243

2.0 PROPOSED PROJECT

The following paragraphs provide a description of the M-70 pipeline system as well as the proposed project.

2.1 Background

Mobil operates the M-70 pipeline to convey crude oil from the Lebec Pump Station, located in Kern County, California to Mobil's Torrance, California Refinery. Figure 1 shows the location of the M-70 pipeline as presented in the 1991 EIR/S. As part of the project to replace the pipeline, the LADOT and the USFS published an EIR/S that evaluated the impacts resulting from the project construction, operation, and abandonment of the old M-70 pipeline.

One of the assumptions for the preparation of the 1991 EIR/S was that the average annual crude oil throughput of the M-70 pipeline would be 95 thousand barrels per day (TBD). This assumption was based on a variety of factors, including, but not limited to:

- Historic crude throughput;
- Crude slate available for shipment;
- Availability of other crude supplies; and
- Crude processing limitations within the refinery.

This assumption served as the basis for a pipeline throughput cap that was tied to the refinery throughput as reflected in mitigation measure AR-1 of the EIR/S. Changes to the pipeline throughput cap required Mobil to consult with the South Coast Air Quality Management District (SCAQMD) to verify air emissions were maintained at appropriately low levels at the refinery. Based on changes within the refinery and the SCAQMD's evaluation of these changes, the SCAQMD issued letters which stated that the pipeline's throughput restrictions are no longer valid. As such, Mobil proposes to increase the M-70 crude oil throughput from 95 TBD to 115 TBD.

2.2 Description of the Original M-70 Pipeline Replacement Project as Approved

The project, as described in the Final EIR/S and approved by the Board of Transportation Commissioners in February 1991, allowed for the replacement of approximately 92 miles of old multiple diameter pipeline with a new 16-inch state-of-the-art pipeline. The pipeline was installed primarily in city streets or previously disturbed areas to minimize exposure of sensitive resources to impacts from the construction and operation of the pipeline. Several pump stations were upgraded to improve efficiency and reduce air emissions. The pipeline had a special, fusion-bonded, factory-installed coating which was finished by field-applied low emission coating of joints.

F244

11

Mobil Oil Corporation

3700 WEST 190TH STREET
TORRANCE, CALIFORNIA 90509-29

VIA UPS DELIVERY

July 19, 2000

Mr. Robert E. Camou, P. E.
Sr. Transportation Engineer
City of Los Angeles – Department of Transportation
221 North Figueroa Street, Suite 400
Los Angeles, CA 90012

Mr. Mike Wickman
District Ranger – Angeles National Forest
U.S. Forest Service
30800 Bouquet Canyon Road
Saugus, CA 91350

RE: M-70 Throughput Increase
95 TBD to 115 TBD

Dear Mr. Wickman and Mr. Camou:

Please find attached a report that presents the methodology and results of a test Mobil Oil Corporation (Mobil) conducted of our Emergency Shutdown System for the M-70 pipeline system. We conducted this test in response to our meeting on February 23, 2000 with the Los Angeles Department of Transportation (LADOT) staff during which we discussed our request to increase the throughput of the M-70 from 95,000 barrels per day (95 TBD) to 115 TBD. Our request was explained in detail in a letter from Mobil to the LADOT and US Forest Service (USFS) dated December 16, 1999.

Based on the results of this test we have demonstrated that under our normal operating conditions we can shut down the pipeline system and close the required valves within 3 minutes for the Southern portion (South of Newhall) of the system and 6 minutes for the Northern portion (North of Newhall) of the system. In addition, under a reasonable worst case scenario we can shut down the pipeline system and close required valves in less than 9 to 12 minutes for the Southern and Northern portions of the system, respectively.

The M-70 Pipeline Replacement Project Environmental Impact Report/Statement (EIR/S) evaluated, among other issues, the potential volume of a catastrophic spill. The EIR/S based a shut down time of 18 to 23 minutes for the Southern and Northern sections respectively, and a flow rate of roughly 66 barrels per minute (bpm), (which equates to 95TBD). The EIR/S estimated spill volumes at 1188 barrels for the Southern section and 1517 barrels for the Northern section.

F245

ROW 4/11-B

FRANCES T. BANERJEE
GENERAL MANAGER

CITY OF LOS ANGELES

CALIFORNIA

RICHARD J. RIORDAN
MAYOR

DEPARTMENT OF
TRANSPORTATION
221 N. FIGUEROA STREET, SUITE 500
LOS ANGELES, CA 90012
(213) 580-1177
FAX: (213) 580-1188

June 28, 2001

E18

RECEIVED
JUL 05 2001
RIGHT-OF-WAY DEPT.

CERTIFIED MAIL

State Clearinghouse
Office of Planning and Research
1400 Tenth Street
Sacramento, CA

FIRST ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT/STATEMENT FOR THE MOBIL M-70 REPLACEMENT AND OPTIMIZATION PROJECT (STATE CLEARINGHOUSE NUMBER 89010177)

The Los Angeles Department of Transportation is the California Environmental Quality Act (CEQA) lead agency for the project identified above. The Final Environmental Impact Report/Statement for the Mobil M-70 Replacement and Optimization Project was certified in February 1991 and the Notice of Determination was filed with the State Clearinghouse during the same period of time.

Subsequently, a First Addendum to the Final Environmental Impact Report/Statement for the Mobil M-70 Pipeline Replacement and Optimization Project was completed in February 2001. A photocopy of the First Addendum is provided for the State Clearinghouse's records.

If you have any questions, please contact me at (213) 580-1268 (e-mail: syoshik@dot.lacity.org).

Sincerely,

Shozo Yoshikawa

SHOZO YOSHIKAWA
Transportation Engineering Associate

LR01-145.sy
Attachment

cc: Ruth Cronin-Fruitt, ExxonMobil Pipeline Company (without attachment)
cc: W. Gorham - ENSR
W. Messner - EM

F246

53

South Coast
Air Quality Management District
AQMD
21865 E. Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • http://www.aqmd.gov

July 22, 1999

RECEIVED
AUG 1? 1999
RIGHT-OF-WAY DEPT.

Mr. Robert Camou, Supervisor
Los Angeles Department of Transportation
221 N. Figueroa Street, Suite 400
Los Angeles, CA 90012

Mobil M-70 Pipeline EIR Mitigation Measure

Dear Mr. Camou,

The South Coast Air Quality Management District (AQMD) sent a letter to you regarding the matter referenced above on April 8, 1999. That letter presented AQMD's determination that increased crude throughput via the M-70 pipeline would not create a significant adverse air quality impact requiring further conditions on Mobil's refining or pipeline operations.

Subsequently, Mobil Oil Corporation received a letter from Emmanuel I. Fabiyi, Transportation Engineer Associate III, LADOT, requesting that AQMD "submits to LADOT data with a letter which determines the expansion will not adversely affect air quality, certified to by SCAQMD's principals or representative counsel and affirming responsibility for said determination."

Please note that the information requested by LADOT was included in AQMD's April 8 letter, which was signed by Henry Hogo, Manager, Planning, Rule Development, and Area Sources. Mr. Hogo is a management representative of the AQMD. Nevertheless, to facilitate a resolution to this issue, I have included the pertinent information from the April 8 letter under my signature.

F247

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

ExxonMobil
Pipeline

May 23, 2003

Mr. Mark Ambrozich
City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232

RECEIVED
03 MAY 29 AM 11:09
CITY ATTORNEY-RISK MGHT.
CITY OF CULVER CITY

RE: Ordinance No. 92-14

Dear Mr. Ambrozich:

Johann Song and I appreciated the opportunity to meet with you and Mr. Joe Pannone on April 17th, to discuss the terms and conditions of Culver City's (City) Ordinance No. 92-14, specifically Mitigation Measure CC-23.

As you are aware, the above referenced Ordinance provides ExxonMobil Oil Corporation (ExxonMobil) the right to operate and maintain approximately 2.7 miles of our active 16-inch (M-70) crude oil pipeline within the City's jurisdiction. The base annual franchise payment to the City for this right is calculated at a rate of $4.47 per linear foot, plus an annual CPI adjustment. Estimated payment for 2003 is $78,000, which equates to an overall fee of $5.47 per linear foot. This amount is by far the highest franchise fee in California. As a means of comparison, I have compiled a spreadsheet (refer to Attachment 1) that provides you a list of cities, for which ExxonMobil holds pipeline franchise agreements, and their respective franchise fees. In addition, also included in Attachment 1 is the fee structure for a 16-inch diameter common carrier pipeline under the CA. Public Utilities Code.

As we discussed, ExxonMobil is reviewing options that will provide the most economic means of operation for our M-70 pipeline system. Among the options we are considering are: (1) a reduction of the M-70 throughput rate, not to exceed an annual average of 95,000 barrel per day and (2) conversion of the M-70 pipeline to a common carrier status, regulated by the CA. Public Utilities Commission (CPUC).

F248

We believe it would be in the best interest of the City and ExxonMobil to reach an amicable resoluti to the fee structures currently in place under Ordinance No. 92-14. It is our recommendation that t City modify Mitigation Measure CC-23 as follows: "If in any calendar year, the average annı throughput of crude oil exceeds 95,000 barrels per day, ExxonMobil shall pay the City a penalty in t **amount of one cent ($0.01) for each barrel the cumulative amount of crude oil transport through Culver City that year exceeded the annual average of 95,000 barrels per day times t number of days in the year.** Such payment shall be made within 30 days after the 4th quar records provided for in Mitigation Measure CC-22 have been provided to the City.

With respect to the above, based on a projected M-70 pipeline annual average of 110,000 barrels p day, this proposed fee modification would provide the City an additional $54,750.00 per year. Tr "penalty" fee coupled with the annual franchise fee would provide the City an estimated $133,000.((based on 2003 estimated franchise fee payment), which equates to over $9.00 per linear foot. Tr proposed fee modification still provides the City an overall annual payment that greatly exceeds tl franchise fees received by other cities/counties within California. Whereas, the CPUC regulated ra for a 16-inch pipeline is $0.35 per linear foot the annual payment to the City would provide revenue approximately $5,000 per year. Further, any "penalty" fee associated with throughput restrictic would be addressed as a regulatory matter by the CPUC.

We request your consideration of this proposal and look forward to meeting with you and Mr. Pannor to discuss the City's response to our proposal. If you have any questions or require addition information, please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Right of Way Dept.

Rcf0523
Enclosures

cc: Mr. Joe Pannone
Mr. Johann Song

F249

MARK A. AMBROZICH
City Treasurer

CITY OF CULVER CITY

9770 CULVER BOULEVARD, CULVER CITY, CALIFORNIA 90232-0507

(310) 253-5865
FAX (310) 253-5880

RECEIVED
03 JUN 18 AM 11:04
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

June 17, 2003

Ruth Cronin-Fruit
Regional Manager
West Coast Right of Way Department
ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, CA 90703-2103

Re: **Amendment to Penalty Provision of the Culver City/ExxonMobil Pipeline Franchise ("Franchise")**

Dear Ms. Cronin-Fruitt:

We, too, appreciate the time you and Johann Song spent with the City representatives. We also are grateful of the time and effort you and your team spent to put together the proposal for modifying the penalty provision of the Franchise.

As we agreed in that meeting, it seems most productive for ExxonMobil and the City to mutually agree to modify the provision of the Franchise, which establishes penalties when ExxonMobil permits more than an average of 95,000 barrels per day throughput in the M-70 pipeline. We recognize ExxonMobil has at least two options available to it if the City Council decided not to modify that provision. One option, as also outlined in your May 23, 2003, letter, is for ExxonMobil to convert the M-70 pipeline into a common carrier. If that was done, then any franchise fees the City could require are those limited to the minimal amounts set by state law. The other option you discussed when we met was the possibility of using a common carrier's eminent domain power to purchase the Franchise outright.

We all recognized those alternatives would result in significant expenditures of effort, time and money on both sides and likely cause unneeded friction which could be detrimental to the on-going relationship between the City and ExxonMobil. In light of that, we suggested you provide the City with a proposal for the parties to review which would meet your desire to modify the penalty provision of the Franchise and provide some benefit to the City for that modification.

F250
57

ORDINANCE NO. 95-1060

AN ORDINANCE OF THE CITY OF CARSON GRANTING A PUBLIC UTILITY PIPELINE FRANCHISE TO MOBIL PACIFIC PIPELINE COMPANY

THE CITY COUNCIL OF THE CITY OF CARSON DOES ORDAIN AS FOLLOWS:

Section 1. The City Council hereby grants a franchise to Mobil Pacific Pipeline Company ("Franchisee"), a Delaware corporation, for a period of 25 years from and after the date upon which this franchise shall become effective, to lay or construct from time to time, and to maintain, operate, renew, repair, change the size of, remove or abandon in place pipes and pipelines for the collection, transportation or distribution of oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, waste water, mud, steam and other liquid substances not more hazardous than the aforesaid substances together with all manholes, valves, appurtenances and service connections necessary or convenient for the operation of said pipes or pipelines including conduits, cathodic protection devices, wires, cables and other appurtenances necessary or convenient for the exercise of the Franchisee's business as a public utility, in, under, along or across any and all streets within the City of Carson, as approved from time to time by Resolution of the City Council. Said franchise shall be solely for a public utility pipeline system in which the subject pipelines are dedicated to the service of the public. The rates for transportation shall be established pursuant to tariffs filed with the Public Utilities Commission ("Commission") and shall be just, reasonable, and nondiscriminatory. Franchisee's accounts and records are established pursuant to rules and regulations adopted by the Commission and Franchisee has filed an appropriate annual report with the Commission.

Section 2. Franchisee shall pay to the City of Carson the following amounts:

A. Base Annual Fee.

A base annual fee shall be paid within sixty (60) days after the end of each calendar year and during the life of the franchise for each and every year, including the year of granting the franchise, according to the "franchise payment period" as defined in this Chapter, by multiplying the pipe length expressed in feet by the applicable base rate as follows:

Pipe Size (Internal) Diameter in Inches	Base Rate Per Lineal Foot
0-4	$0.088
6	0.132
8	0.176
10	0.220
12	0.264
14	0.308
16	0.352
18	0.396
20	0.440
22	0.484
24	0.528
26	0.572
28	0.616
30	0.660

I hereby certify that this document is a full, true and correct copy of the original on file in this office.

Helen S. Kawagoe
City Clerk, City of Carson, CA
By Hermine E. Green
Deputy

950530 C1360-00999 mbb 0851195

E251

For pipelines with an internal diameter not listed above, the fees shall be in the same proportion to the fees of a 12-inch-diameter pipe as the diameter of the unlisted pipe is to 12 inches. The formula used in arriving at the annual fee shall apply to any existing, replacement, modification or extension of the pipeline.

B. Adjustments.

1. The amount of the fee provided for in subsection A of this Section, shall be adjusted at the time payment is due by multiplying the base fee by the Consumer Price Index, All Urban Consumers for the Los Angeles-Anaheim-Riverside Area as published by the United States Department of Labor, Office of Information for the month of September immediately preceding the month in which payment is due and payable, and divided by the Consumer Price Index for June 30, 1989 (June 30, 1989 = 100.0).

2. In no event shall an annual fee be charged which is less than the base annual fee amount established by subsection A of this Section.

3. The indices specified in paragraph 1 of this subsection B are calculated and published by the United States Department of Labor, Bureau of Labor Statistics. If the Bureau discontinues the calculation or publication of the Consumer Price Index, All Urban Consumers for the Los Angeles-Anaheim-Riverside area (June 30, 1989 = 100), and no transposition table is available to convert to another index, then the amount of each annual adjustment in base fees shall be computed by using a comparable governmental index.

Section 3. Mobil Pacific Pipeline Company shall, within thirty (30) days after passage of this Ordinance, file with the City Clerk of the City of Carson, a written acceptance of the terms and conditions of this Ordinance.

PASSED, APPROVED and ADOPTED this 20th day of June, 1995.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

asst. CITY ATTORNEY

950405 C1380-00999 mbb 0850924(2)

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CARSON)

I, Helen S. Kawagoe, City Clerk of the City of Carson, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing ordinance, being Ordinance No. 95-1060 passed first reading on June 6, 1995, was duly and regularly adopted by the City Council of said City at a regular meeting of said Council, duly and regularly held on the 20th day of June, 1995, and that the same was passed and adopted by the following roll call vote:

AYES:	COUNCIL MEMBERS:	Mayor Mitoma, Calas, O'Neal, and Fajardo
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	Olaes
ABSENT:	COUNCIL MEMBERS:	None

Helen S. Kawagoe
City Clerk, City of Carson, California

F253

3. Maps. Upon written demand from the County of Monterey, the franchise holder shall provide it with maps or drawings which clearly show the sizes, locations, use, and other pertinent details of such holder's franchised facilities.

4. Public Improvements. Upon being given notice in writing, the franchise holder shall promptly and at its own expense protect, support, disconnect, relocate, or remove all pipelines and appurtenances hereby franchised whenever necessary to make way for, or accommodate, a proper governmental use of the roads.

5. Eminent Domain. In the event of the acquisition of the franchised property by the exercise of the power of eminent domain, or by the purchase thereof by a body politic possessing such power, this franchise shall be deemed to have no value.

6. Hold Harmless. The franchise holder shall indemnify and hold harmless the County of Monterey and its officers and employees from all liability for damages to third persons caused or resulting from the exercise or enjoyment of this franchise.

7. Franchise Fees. The franchise holder shall, during the extended life of this franchise, pay to the County of Monterey an annual fee consistent with the provisions set forth in Section 6231.5 of the California Public Utilities Code, as follows:

   A. The length of pipe expressed in feet located within the franchised area shall be multiplied by the applicable base rate, as adjusted pursuant to below subsection 7.B., in accordance with the following schedule:

Pipe size (internal diameter in inches)	Base rate per linear foot
0-4	$ 0.088
6	$ 0.132
8	$ 0.176
10	$ 0.220
12	$ 0.264
14	$ 0.308
16	$ 0.352
18	$ 0.396
20	$ 0.440
22	$ 0.484
24	$ 0.528
26	$ 0.572
28	$ 0.616
30	$ 0.660

   For pipelines with an internal diameter not listed above, the fees shall be in the same proportion to the fees of a 12-inch diameter pipe as the diameter of the unlisted pipe is to 12 inches.

   B. The annual payment for each lineal foot of pipeline shall be computed and revised each calendar year as follows:

      (1) The applicable base rate shall be multiplied by the Consumer Price Index, 1982-84=100, All Urban Consumers, for the San Francisco-Oakland-San Jose area, as published by the United States Department of Labor, Office of Information for the month of September (or August/September if published bi-monthly) immediately preceding the

F254

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

RECEIVED
03 SEP -3 AM 11:25
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

ExxonMobil
Pipeline

VIA UPS DELIVERY

September 2, 2003

Mr. Bob Bruce
Culver City Fire Marshal
9770 Culver Blvd.
Culver City, CA 90232

RE: M-70 Pipeline

Dear Mr. Bruce:

Pursuant to your request, enclosed are copies of ExxonMobil Drawing Nos. 4-A-5248 through 4-A-5264. Said drawings depict the general alignment of ExxonMobil's active 16-inch (M-70) crude oil pipeline through the City of Culver City. Please note, there are several segments of the pipeline that enter the City of Los Angeles jurisdiction and the County of Los Angeles Flood Control jurisdiction, these areas are so identified on the drawings. There is 2.7 miles of the M-70 pipeline that is actually within the jurisdiction of the City of Culver City. This pipeline is operated and maintained pursuant to City of Culver City Ordinance No. 92-014.

The M-70 pipeline is regulated by the State of California, Office of the State Fire Marshal, pursuant to the California Pipeline Safety Act of 1981, as amended January 1, 1990. Should you have any specific questions pertaining to pipeline compliance, please contact Mr. Bob Gorham, Supervising Pipeline Safety Engineer, of the Office of State Fire Marshal at (562) 497-9102.

Should you require additional information, please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Right of Way Dept.

Enclosures
Cc: Mr. Mark Ambrozich
Ms. Carol Schwab
Mr. Bob Gorham
Mr. Johann Song

An **ExxonMobil** Subsidiary

F255

M-70 / Quarterly Report - Deliveries to Torrance - ExxonMobil Oil Corp.

Ist	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	January	3,364,195	108,522		
	February	2,965,585	105,914		
	March	3,325,932	107,288		
	TOTAL	9,655,711		9,655,711	26,454

2nd	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	April	2,988,828	99,628		
	May	3,170,932	102,288		
	June	3,123,009	104,100		
	TOTAL	9,282,768		18,938,479	51,886

3rd	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	July		0		
	August		0		
	September		0		
	TOTAL	-		18,938,479	51,886

4th	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	October		0		
	November		0		
	December		0		
	TOTAL	-		18,938,479	51,886

F256

ExxonMobil Pipeline Compan
12851 East 166th Street
Cerritos, California 90703-2103

ExxonMobil
Pipeline

April 28, 2003

City of Culver City
City Engineer
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: QUARTERLY THROUGHPUT REPORT

Pursuant to City Ordinance NO. 92-014, specifically Exhibit "C", Mitigation Measure "CC-22", attached you will find the annualized throughput report for the first quarter of the **2003** operating year. This report reflects 60°F net barrels (NSV) delivered to ExxonMobil, Torrance CA. Refinery.

Should you have any questions, I can be contacted at (310) 212-1762.

Sincerely,

M S Brett

M. Steve Brett
ExxonMobil Pipeline, West Coast

cc: R.L.Cronin-Fruitt
Debbie Hart

M-70 / Quarterly Report - Deliveries to Torrance - ExxonMobil Oil Corp.

Ist	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	January	3,364,195	108,522		
	February	2,965,585	105,914		
	March	3,325,932	107,288		
	TOTAL	9,655,711		9,655,711	26,454

2nd	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	April		0		
	May		0		
	June		0		
	TOTAL	-		9,655,711	26,454

3rd	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	July		0		
	August		0		
	September		0		
	TOTAL	-		9,655,711	26,454

4th	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2003	October		0		
	November		0		
	December		0		
	TOTAL	-		9,655,711	26,454

F258

ExxonMobil Pipeline Company
Torrance Meters
20225 South Van Ness Avenue
Torrance, California 90503
310 212 1762 Telephone
310 328 3954 Facsimile

RECEIVED

AUG - 5 2002

PUBLIC WORKS

M.S. Brett
Field Supervisor
Pipeline Operations

cc City Attorne
File

ExxonMobil
Pipeline

July 31, 2002

City of Culver City
City Engineer
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: ANNUAL THROUGHPUT REPORT

Pursuant to City Ordinance NO. 92-014, specifically Exhibit "C", Mitigation Measure "CC-22", attached you will find the annualized throughput report for the first quarter of the **2002** operating year. This report reflects 60°F net barrels (NSV) delivered to ExxonMobil, Torrance CA. Refinery.

Should you have any questions, please call me 310-212-1762.

Sincerely,

M S Brett

M. Steve Brett
ExxonMobil Pipeline, West Coast

cc: R.L.Cronin-Fruitt
Debbie Hart

M-70 / Quarterly Report - Deliveries to Torrance Refinery - ExxonMobil Oil Corp.

Ist 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	January	3,423,285.72	110428.57		
	February	2,965,194.93	102248.10		
	March	3,529,287.86	113848.00		
	TOTAL	9,917,768.51		9,917,769	27097.73

2nd 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	April	3,332,285.23	111076.17		
	May	3,518,399.00	113496.74		
	June	3,280,266.00	109342.20		
	TOTAL	10,130,950.23		20,048,719	54777.92

3rd 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	July		0.00		
	August		0.00		
	September		0.00		
	TOTAL	-		20,048,719	54777.92

4th 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	October		0.00		
	November		0.00		
	December		0.00		
	TOTAL	-		20,048,719	54,777.92

F260

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, CA 90703
(310) 212-1794 Telephone
(310) 212-1788 Facsimile

RECEIVED
02 APR 23 AM 11:07
CITY ATTORNEY
CITY OF CULVER CITY

ExxonMobil
Pipeline

April 18, 2002

CERTIFIED MAIL

City of Culver City
City Hall
9770 Culver Blvd.
Culver City, CA 90232-0507

Attn: City Attorney

RE: FRANCHISE ORD. NO. 92-014
Our File: R/W 5531-1

On October 26, 1992, the honorable Culver City Council adopted Ordinance No. 92-014, which granted Mobil Oil Corporation a pipeline franchise, effective November 26, 1992. Under the terms of said franchise, an initial term of five (5) years was specified and expired on November 25, 1997. The subject ordinance provided an option for Mobil to extend the franchise for three additional five (5) year terms, upon receiving Mobil's ninety (90) day advance written notice of intent. On September 22, 1997, the City Council approved and adopted Resolution No. 97-R 080, which exercised the first option for an additional five (5) year period and extended the term of the subject franchise through November 26, 2002.

Pursuant to Section 1.A of said franchise, ExxonMobil Oil Corporation, formerly known as Mobil Oil Corporation, herewith tenders its written desire and intent to exercise its above referenced option for an additional period of five (5) years, expiring on November 25, 2007.

Initial Term	11/26/1992 through 11/25/1997	Granted Ordinance No. 92-014
Option 1	11/26/1997 through 11/25/2002	Exercised (Resolution No. 97-R 080)
Option 2	11/26/2002 through 11/25/2007	Current Request
Option 3	11/26/2007 through 11/25/2012	

Franchise fees for this third term, also referenced in Section 1.A, are recommended to be maintained as provided in Section 7 (Compensation to the City), subject to annual increases to the specified base rate, in direct proportion to changes with the Producer Price Index.

We respectfully request that you advise the undersigned of any necessary procedures, which we may initiat to secure a renewal of the subject pipeline franchise. For your convenience, I am enclosing a copy o Ordinance No. 92-014 and Resolution No. 97-R 080. Additionally, we would request the update of you records to reflect that all future correspondence should be forwarded to the following address.

ExxonMobil Oil Corporation
12851 East 166th Street
Cerritos, CA 90703-2103

We look forward to hearing from you on this matter.

Very truly yours,

Teri A. Shinde

Teri A. Shinde
Sr. Rights of Way and Claims Specialist
For ExxonMobil Oil Corporation

Enclosures
TAS
(5531_Renew 2002)

F262

Mobil Oil Corporation

RECEIVED
1995 JAN 17 AM 10:43
ENGINEERING
CITY OF CULVER CITY

P.O. BOX 900
DALLAS, TEXAS 75221-0900

RECEIVED
JAN 31 1995
CITY ATTORNEY'S OFFICE

January 9, 1995

City of Culver City
4095 Overland Avenue
Culver City, CA 90232

Attention: J. Davis, City Engineer

FOURTH QUARTER 1994
THROUGHPUT REPORT

Gentlemen:

Attached is the third quarter 1994 throughput report for our West Coast pipeline operations in relation to Culver City. Should you have any questions, please call me at (214) 658-2364.

Sincerely,

R. Arredondo

Roy Arredondo
PLOCC Manager
WCPL Operations

RA:st
Attachment

cc: R. L. Cronin-Fruitt, Manager, ROW - Torrance Mobil Refinery
W. H. Dart, Measurement Advisor - Torrance Mobil Refinery
D. J. Fries, W.C. Crude/LPG Manager - Torrance Mobil Refinery

→ CC Norm Her.
1/26

THRUPUT.RPT

F263

CULVER CITY/QUARTERLY THROUGHPUT REPORT (NET)

FOURTH QUARTER 1994 THROUGHPUT REPORT

	TOTAL NET BARRELS RECEIVED	T.B.D.
October	3,014,836	97,253
November	2,905,678	96,856
December	3,060,650	98,731
TOTAL	**8,981,164**	**97,613**

City of Culver City, California

City Council Agenda Item Report

Meeting Date: 8/25/03	Item Number: ______
AGENDA ITEM: Introduction of an Ordinance to Amend a Condition of the Pipeline Franchise Held by ExxonMobil Relating to the Penalty for Exceeding 95,000 Barrels Per Day in the M-70 Pipeline through Culver City.	
Contact Person/Dept.: Mark Ambrozich/Carol Schwab/Joe Pannone	Phone Number: (310) 253-5660
Fiscal Impact: Yes [] No [X]	General Fund: Yes [] No [X]
Public Hearing: [] Action Item: [X]	Attachments: [X]
Public Notification: Notice has been provided to ExxonMobil and those on the Master Notification List.	
Department Approval: Carol Schwab 8/19/03	CAO Approval:
City Controller Approval:	

RECOMMENDATION:

Staff recommends that the City Council introduce for first reading, by title only with further reading waived, an ordinance modifying the penalty provision of the franchise agreement with ExxonMobil, which limits throughput to 95,000 barrels per day.

BACKGROUND:

On October 26, 1992, the City Council adopted Ordinance No. 92-014, which granted a Pipeline Franchise to Mobil Oil Corporation (the "Franchise"). Under the terms of the Franchise, the initial term of five years expired on November 25, 1997. Per the Franchise, that first term was extended through November 25, 2002. On June 1, 2001, Mobil changed its name to ExxonMobil. On September 9, 2002, again per the Franchise, an additional five-year term was granted, which expires on November 25, 2007. ExxonMobil is entitled to one more five-year term extension, provided all terms and conditions of the franchise continue to be met and ExxonMobil requests that extension at least ninety days prior to the expiration of the current term (August 27, 2007).

The Franchise permits ExxonMobil to transport an annual average of 95,000 barrels per day of oil through the M-70 pipeline system as it traverses under Culver City. If ExxonMobil exceeds that limitation, then it must pay the City a fine of $.10 per barrel over the 95,000 limit and $.15 per barrel over 100,000 barrels. (The formula for figuring the penalty is: the number of average barrels transported minus the applicable base amount (95,000 or 100,000 barrels) times the applicable penalty ($.10 or $.15) times 365 (the days in a year).) The 95,000-barrel limitation was

F265

RECEIVED

AUG 12 1991

CHIEF ADMINISTRATIVE OFFICE

CAP ®

COALITION AGAINST THE PIPELINE

P.O. Box 39A60
Los Angeles, CA 90039

Dear ...icial Mayor & Culver City Council for ... M...

RECEIVED
AUG 13 1991
CITY ATTORNEY'S OFFICE

We oppose the proposed Mobil M-70 Replacement Pipeline Project. Mobil Oil claims that the project is a replacement pipeline, yet it will be four times larger overall than the existing line. The project essentially is a new line. This new line will increase the present line's carrying capacity from 63,500 barrels per day (BPD) to 95,000 BPD and to even capacity at 130,000 BPD. The project will continue to carry highly toxic and flammable heated heavy sour crude oil from Mobil's southernmost pumping station of its San Joaquin Valley oil fields at Lebec in Kern County to Mobil's major refinery in Torrance. Though the line travels entirely through Southern California carrying a Southern California resource to a Southern California refinery, the project's principle monitoring and control center will be in Dallas, Texas.

Presently, Mobil proposes to put this new larger pipeline through the Angeles National Forest, Santa Clarita, the San Fernando Valley, Bel Air, West Los Angeles, Westwood, Culver City, Inglewood, Hawthorne, Torrance, and several other cities.

Mobil P/L

The City of Los Angeles' Department of Transportation (D.O.T.) has performed its lead agency portion of the EIR/S process most inadequately. Initially, the D.O.T. offered a negative declaration in regard to the project which seriously jeopardized the D.O.T.'s credibility and ability to review this plan. The D.O.T. failed to provide notice to those directly adversely affected, to those who expressed their intent to participate in the process, and to the public at large as little more than one hundred persons.

I am concerned about the water supply from Sep Filtrat

Mobil has one of the worst safety records of the major oil companies. This gives us little confidence in the project's safety. There is no need for this huge new pipeline that is a replication of the recently defeated Angeles Pipeline. Rather, the pipeline is to maintain and to increase the refining capacity at the Mobil Torrance Refinery. The tragic irony of this is that when the air quality in the Los Angeles Basin does not meet several major state and federal air quality standards, Mobil and our governmental fiduciaries worsen our environment.

We recommend that the present pipeline be repaired in place. If an uniform size is necessary for safety and efficient flow, then make the pipeline an uniform ten or twelve inches in diameter, not sixteen inches. Finally, the EIR/S dismissed the prudent alternatives that the oil be refined in Kern County or Texas. Thank you.

Please notify me when it will be before Council

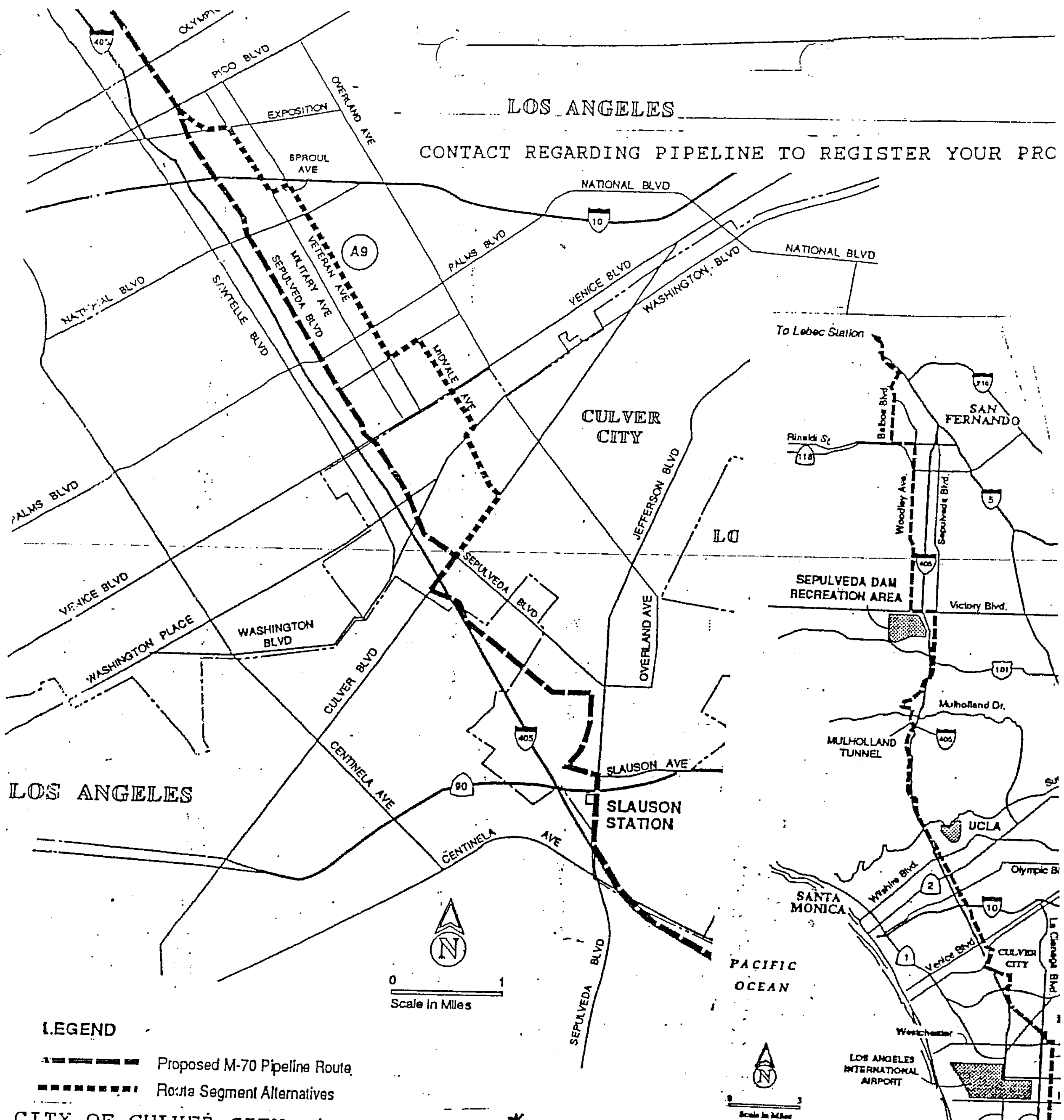
Name: Hank Siskind   HANK SISKIN[illegible]

Address: [redacted]

F266

LOS ANGELES

CONTACT REGARDING PIPELINE TO REGISTER YOUR PRC



CITY OF CULVER CITY: (213) 837-5211 *
CITY OF HAWTHORNE: (213) 970-7902

COUNTY OF LOS ANGELES, L.A. County Board of Supervisors, 500 W. Temple Street, Los Angeles, CA 90012.
Kenneth Hahn, 974-2222; Ed Edelman, 974-3333*;

U.S. CONGRESS, Congressman Howard Berman, (818) 891-0543; Anthony Beilenson, (213) 209-7801, (818) 345-1560; Jilian Dixon, (213) 678-5424; Mel Levine,*(213) 410-9415;

CALIFORNIA STATE SENATE:
(818) 901-5555; Herschel Rosenthal,*(213) 479-5588; Art Torres, (Chair Toxics Committee), (213) 620-2529;*Dianne Watson, (213) 295-6655;
Gwen Moore, (Dem. Whip, Chair of Public Utilities, Energy Regulation and Environment), (213) 292-0605; *

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