

RESOLUTION NO. 7770

CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE DECLARING THE CITY'S INTENTION TO GRANT A TEN-YEAR TERM FRANCHISE AGREEMENT TO LT PIPELINE, INC., A CALIFORNIA CORPORATION, TO LAY AND USE PIPES, DITCHES, FLUMES, CONDUITS AND APPURTENANCES FOR TRANSMITTING AND DISTRIBUTING OIL OR PRODUCTS THEREOF, FOR ANY AND ALL PURPOSES IN, ALONG, ACROSS, UPON AND UNDER THE PUBLIC STREETS, WAYS, ALLEYS AND PLACES, AS THE SAME NOW OR MAY HEREAFTER EXIST, WITHIN THE CITY OF SOUTH GATE, AND SETTING A PUBLIC HEARING FOR AUGUST 8, 2017, TO CONSIDER THE INTRODUCTION OF AN ORDINANCE GRANTING THE PROPOSED FRANCHISE AGREEMENT

**WHEREAS**, LT Pipeline, Inc., a California corporation, which is a subsidiary of Lunday-Thagard Company, a California corporation ("LT"), has requested, in accordance with California Public Utility Code Section 6231, that the City of South Gate ("City") grant LT a franchise ("Franchise") for the right and privilege to lay and use one active 27,915.92 lineal foot pipeline, which is four-inches (4") in diameter, and of which 2,367.64 lineal feet (0.45-mile) traverses within the City's jurisdiction, located beneath Southern Avenue at the east City limit, then making a right from Southern Avenue for approximately seven hundred fifty (750) feet under Garfield Avenue and terminating at Lunday-Thagard Refinery, dba World Oil Refining, 9301 Garfield Avenue ("Line 35"); and

**WHEREAS**, LT acknowledges that it acquired ownership of Line 35 effective August 17, 2010, pursuant to a certain Asset Purchase and Sale Agreement executed between itself and prior owner/operator of Line 35, Pacific Pipeline System, LLC, a Delaware limited liability company;

**WHEREAS**, the City Council, with the adoption of Ordinance No. 2279, granted LT a five (5) year franchise pertaining to Line 35 on March 10, 2011, which Ordinance expired on August 17, 2015; and

**WHEREAS**, LT wishes to enter into a ten (10) year franchise agreement with the City retroactive to August 17, 2015, relative to Line 35; and

**WHEREAS**, the City, pursuant to applicable federal, state and local law, is authorized to grant franchises within the City; and

**WHEREAS**, before the City can award a franchise, California Public Utility Code Section 6232 *et seq.* requires the City Council pass a resolution declaring its intent to grant a franchise and to set a public hearing at which all persons having any objection to the granting thereof may appear before the City Council and be heard thereon;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The above recitals are all true and correct.

**SECTION 2.** In accordance with Public Utility Code Section 6232 *et seq.*, the City Council of the City of South Gate declares its intent to grant a franchise to LT, for it to operate and maintain Line 35, for a period of ten (10) years, commencing retroactively on August 17, 2015 and expiring on August 17, 2025.

**SECTION 3.** The terms and conditions of the franchise will be in accordance with California Public Utilities Code Section 6201 *et seq.* and will be substantially similar to Ordinance No. 2279. The proposed ordinance will set the franchise payment, the term, and the rules and requirements under which LT franchise will be required to operate the Pipeline. A copy of the draft proposed ordinance is attached as Exhibit A to this Resolution.

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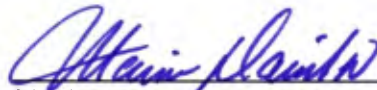
**SECTION 4.** The public hearing at which the City Council of the City of South Gate shall consider the proposed franchise for first reading and at which the City Council shall hear all objections and other related comments will take place on August 8, 2017 at 6:30 p.m., or as shortly thereafter as the schedule permits, in the City Council Chambers at 8650 California Avenue, South Gate, CA 90280.

**SECTION 5.** The City Clerk is hereby authorized and directed to give notice as required by law by causing a copy of this Resolution to be published in *The Press*, a newspaper of general circulation within the City of South Gate; said publication to be completed not less than fifteen (15) days after the adoption of this Resolution.


**SECTION 6.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 11 day of July 2017.

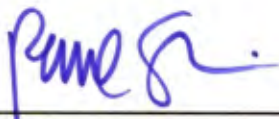
**CITY OF SOUTH GATE:**

  
\_\_\_\_\_  
Maria Davila, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas, City Attorney

# EXHIBIT A

ORDINANCE NO. \_\_\_\_\_

## CITY OF SOUTH GATE LOS ANGELES COUNTY, CALIFORNIA

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE GRANTING A TEN (10) YEAR FRANCHISE TO LT PIPELINE, INC., A CALIFORNIA CORPORATION, TO LAY AND USE PIPELINES AND APPURTENANCES IN, ON, ALONG, ACROSS, UPON AND UNDER THE PUBLIC STREETS, AS THE SAME NOW OR MAY HEREAFTER EXIST, WITHIN THE CITY FOR THE PURPOSE OF TRANSMITTING AND DISTRIBUTING OIL OR PRODUCTS THEREOF, FOR ANY LAWFUL PURPOSE**

**WHEREAS**, LT Pipeline, Inc., a California corporation, which is a subsidiary of Lunday-Thagard Company, a California corporation ("LT"), has requested, in accordance with California Public Utility Code Section 6231, that the City of South Gate ("City") grant LT a franchise ("Franchise") for the right and privilege to lay and use one active 27,915.92 lineal foot pipeline, which is four-inches (4") in diameter, and of which 2,367.64 lineal feet (0.45-mile) traverses within the City's jurisdiction, located beneath Southern Avenue at the east City limit, then making a right from Southern Avenue for approximately seven hundred fifty (750) feet under Garfield Avenue and terminating at Lunday-Thagard Refinery, dba World Oil Refining, 9301 Garfield Avenue ("Line 35"); and

**WHEREAS**, LT acknowledges that it acquired ownership of Line 35 effective August 17, 2010, pursuant to a certain Asset Purchase and Sale Agreement executed between itself and prior owner/operator of Line 35, Pacific Pipeline System, LLC, a Delaware limited liability company;

**WHEREAS**, the City Council, with the adoption of Ordinance No. 2279, granted LT a five (5) year franchise pertaining to Line 35 on March 10, 2011, which Ordinance expired on August 17, 2015; and

**WHEREAS**, LT wishes to enter into a ten (10) year franchise agreement with the City retroactive to August 17, 2015, relative to Line 35; and

**WHEREAS**, the City, pursuant to applicable federal, state and local law, is authorized to grant franchises within the City; and

**WHEREAS**, on July 11, 2017, the City Council adopted Resolution No. \_\_\_\_\_ declaring its intention to grant said Franchise to LT; and

**WHEREAS**, after proper notice, the City Council has conducted a public hearing regarding the granting of said Franchise; and

**WHEREAS**, on July 20, 2017, a Notice of Public Hearing was published in *The Press*, a newspaper meeting the statutory qualifications for publishing such notices; and

**WHEREAS**, on August 8, 2017, following a public hearing on said Franchise, the City Council introduced Ordinance No. \_\_\_\_\_ ("Ordinance");

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1: Definitions.** Whenever in this Ordinance the words or phrases hereinafter in this Section defined are used, it is intended that they shall have the respective meanings assigned to them in the following definitions (unless, in the given instance, the context wherein they are used shall clearly import a different meaning):

- A) The word "**City**" shall mean the City of South Gate, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form.
- B) The word "**Franchise**" shall mean and include any authorization by the City to transmit and distribute thereof for any and all purposes in, on, along, under, across, upon and/or under the Streets in the City by means of Pipelines and Appurtenances, and other facilities for conducting, transporting, conveying, and carrying oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, waste water, mud and other liquid substances for any and all purposes.
- C) The word "**Grantee**" shall mean LT Pipeline, Inc., a California corporation, which is a subsidiary of Lunday-Thagard Company, a California corporation ("LT"), which is the entity to whom the Franchise contemplated in this Ordinance is granted, and its lawful successors or assigns.
- D) The phrase "**Lay and Use**" shall mean to lay, construct, excavate, erect, install, operate, maintain, use, repair, replace, relocate or remove.
- E) The phrase "**Pipeline Franchise Ordinance**" shall mean that certain pipeline franchise Ordinance adopted by the City Council and codified at Chapters 13.02 through 13.18, inclusive, of the South Gate Municipal Code.
- F) The phrase "**Pipelines and Appurtenances**" shall mean one or more pipes and/or pipelines used for conducting, transporting, conveying and carrying oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, waste water, mud and other liquid substances, together with any appurtenant or related appliance, attachment, cable, cathodic protective device, conduit, equipment, fitting, gauge, main, manhole, meter, pump, regulator, service, trap, valve, vault, vent or wire, where located under, along, across or upon the Streets.
- G) The phrase "**Streets**" shall mean the public streets, ways, alleys and places within the City as the same now or may hereafter exist, and in which the City has the opportunity to grant a franchise.

**SECTION 2: Grant of Franchise.** The right, privilege and franchise, subject to all terms and conditions contained in this Ordinance, and pursuant to the provisions of the Division 3, Chapter 2 of the California Public Utilities Code, known as the Franchise Act of 1937, is hereby granted to Grantee, to use a system of Pipelines and Appurtenances for the purpose of conducting, transporting, conveying and carrying oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, waste water, mud and other liquid substances under and across the City's right-of-way upon the terms and conditions set forth in Section 3, below. The City acknowledges that Grantee owns and maintains one four-inch (4") active pipeline of total length of 27,915.92 lineal feet, known as Line 35, of which approximately 2,367.64 lineal feet traverses within the City; the City expressly agrees that among other rights granted to Grantee by way of this Ordinance and as part of this Franchise, Grantee retains the right to Lay and Use such existing pipes.

**SECTION 3: Conditions.** The rights granted herein shall be subject to (a) the terms and conditions set forth in this Ordinance, and (b) construction of Pipelines and Appurtenances by Grantee, at Grantee's expense and at such time or times as directed by the City.

**SECTION 4: Term.** The Franchise shall be for a term of ten (10) years commencing retroactively on August 17, 2015 and expiring August 16, 2025, or until such earlier time that:

- A) The Franchise is voluntarily surrendered or abandoned by Grantee, or assigned, transferred, sold or leased without the prior express written consent of the City which assignment shall not be unreasonably withheld; or
- B) The State of California, the City, or some other municipal or public entity duly authorized by law shall purchase the Franchise area ("Franchise Area"), which shall be defined as that portion of Line 35, with a length of 2,367.64 lineal feet located beneath Southern Avenue at the east City limit, then making a right from Southern Avenue for approximately seven hundred fifty (750) feet under Garfield Avenue, and terminating at Lunday-Thagard Refinery, dba World Oil Refining, 9301 Garfield Avenue, by voluntary agreement, or shall condemn and take the Franchise Area under the power of eminent domain; or
- C) The Franchise is forfeited by Grantee due to Grantee's noncompliance with the terms and conditions of this Ordinance and/or the Franchise.

**SECTION 5: Insurance.**

- A) Grantee shall immediately obtain and provide satisfactory evidence of having policies of liability and worker's compensation insurance from companies authorized to transact business in the State of California by the Insurance Commissioner of California as provided by Section 13.08.050 of Chapter 13.08, Division I of Title 13.

- B) Grantee shall immediately file with the City Clerk either certified copies of the policies or a certificate of insurance for each of the required policies executed by the company issuing the policy, certifying that the policy is in force and as provided by Section 13.08.050 of Chapter 13.08, Division I of Title 13.
- C) Grantee shall immediately file and thereafter at all times during the life of the Franchise keep on file with the City Clerk a corporate surety bond running to the City or public entity which may become entitled to the benefits herein reserved in the Franchise by virtue of future incorporations or annexations, in the penal sum of ten thousand dollars (\$10,000) or such other sum as may be specifically provided for in this Ordinance granting the Franchise, with surety to be approved by the City Attorney, conditioned that Grantee shall well and truly observe, fulfill and perform each condition of the Franchise and that in case of any breach of condition of the bond after thirty (30) days' notice to cure has expired, the whole amount of the penal sum shall be deemed to be liquidated damages and shall be recoverable from the principal and sureties of the bond. If the bond is not to be filed prior to the date in which this Ordinance is passed, approved, and adopted, then the award of the Franchise may be set aside and this Ordinance granting the Franchise repealed at any time prior to the filing of the bond and any money paid in consideration for the award of the Franchise shall be deemed forfeited. In the event that the bond, after it has been so filed, shall at any time during the life of the Franchise, in the reasonable opinion of the City Attorney, becomes insufficient, Grantee agrees to renew the bond, with sureties to be approved by the City Attorney, within thirty (30) days after written notice to do so from the City Attorney.
- D) As an alternate to the filing of a bond, Grantee may deposit with the City Clerk and assign to the City savings and loan certificates or shares, or both, in the same amount as required on such bond.

**SECTION 6: Fee.** Grantee shall pay to the City the following fees pursuant to the following requirements:

- A) An initial franchise fee of twenty-two thousand five hundred and ten dollars (\$22,510.00) pursuant to Section 13.10.010 of Chapter 13.10, Division 1, of Title 13 of the South Gate Municipal Code, prior to the adoption of this Ordinance.
- B) A base annual fee for times hereafter specified, in lawful money of the United States, as provided for in the Section 6231.5 of the California Public Utility Code, which annual fee shall be computed as follows;

1. The length of pipe expressed in feet located within the franchised area shall be multiplied by the applicable base rate, as adjusted pursuant to subdivision (d), in accordance with the following schedule:

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

- C) 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.
- D) The annual payment for each lineal foot of pipeline shall be computed and revised each calendar year as follows:
  - (a) The applicable base rate shall be multiplied by the Consumer Price Index for the Los Angeles County, 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, which is declared to be 128.7. Under no circumstances shall the multiplying factor be less than one.
  - (b) If the United States Department of Labor, Office of Information, discontinues the preparation or publication of a Consumer Price Index for the Los Angeles County, and if no translation table prepared by the Department of Labor is available so as to make those statistics which are then available applicable to the index of June 30, 1989, the City shall prescribe a rate of payment which shall, in its judgment, vary from the rates specified in this Section in approximate proportion as commodity consumer prices then current vary from commodity consumer prices current in December 1988. On this point, the determination by the City shall be final and conclusive.
- E) Initial construction charges relative to any new Pipelines and Appurtenances laid during the term of the Franchise, shall be calculated at a rate of one hundred dollars (\$100) per mile, or fraction thereof, as provided at the time and in the amounts specified in Section 13.10.040 of Chapter 13.10, Division 1, of Title 13 of the South Gate Municipal Code.
- F) Fees pursuant to Section 13.10.060 of the Chapter 13.10, Division 1, of Title 13 of the South Gate Municipal Code shall be due and payable annually during the term of the Franchise and subject to adjustment in accordance with Paragraphs B and D of Section 6, within three (3) months after the expiration of the calendar



year. A rate of ten percent (10%) per annum, or fraction thereof beyond thirty (30) days after the payment due date and following ten (10) days after receipt by Grantee of written notice of such delinquency, may be charged as additional consideration.

- G) Any neglect, omission or refusal by Grantee to make any such payment as and when due, or to file any related statement, certification or verification as to the required payment reasonably required by the City, at the times or in the manner required herein and in the Pipeline Franchise Ordinance, shall be grounds for the declaration of a forfeiture of the Franchise and of all rights hereunder after thirty (30) days' notice to cure has expired as provided for in Section 12.
- H) Grantee shall file with the City Clerk, within three (3) months after the expiration of the calendar year following the effective date of its Franchise, a verified statement setting forth in detail, Grantee's computation of the annual fee which is payable for the preceding Franchise payment period of the annual fee. Any neglect, omission or refusal by Grantee to file the verified statement, or to pay the annual fee, at the times or in the manner herein provided, shall constitute grounds for the declaration of forfeiture of this Franchise and of all rights of Grantee hereunder.
- I) In the event of abandonment of facilities with the approval of the City as provided for elsewhere in this Ordinance, or in the event of removal of such facilities by Grantee, the payments otherwise due to the City for occupancy of the Streets by such facilities shall be prorated for the calendar year in which such removal or abandonment occurs, as of the end of the calendar month in which the facilities were removed and/or abandoned.

**SECTION 7: Plans.** Within ninety (90) days following the date in which any Pipelines and Appurtenances have been laid or constructed under this Franchise, Grantee shall file a plan or plans in such forms as may be required by the City Engineer, showing the accurate location and size of all Pipelines and Appurtenances then in place within the Franchise Area. Upon installation of any Pipelines and Appurtenances, or upon change or removal of all or any portion thereof, Grantee shall file a revised map or maps showing the location and size of all such additional, changed or removed Pipelines and Appurtenances as of that day.

**SECTION 8: Additional Conditions.** Grantee of this Franchise shall:

- A) Construct, install, test, and maintain all Pipelines and Appurtenances in accordance with and in conformity with all City, county, state and federal ordinances, statutes, rules, regulations and other laws (whether now existing or hereafter adopted) applicable to the installation, location, use, maintenance and/or removal of the Pipelines and Appurtenances;
- B) Pay to the City, on demand, the cost of all repairs to public property made necessary by any operations of Grantee under this Franchise, including restoring the Streets to their original condition upon the removal of all or any portion of the Pipelines and Appurtenances, or upon the termination or non-renewal of the Franchise;

- C) Indemnify and hold harmless the City, its officers and employees from any and all liability for damages proximately resulting from Grantee's acts and/or omissions under this Franchise; and be liable to the City for all damages proximately resulting from the failure of said Grantee well and faithfully to observe and perform each and every provision of this Franchise;
- D) Install, remove or relocate, at the request of the City and without expense to the City, any Pipelines and Appurtenances installed, used and maintained under this Franchise if and when made necessary by any lawful change of grade, alignment or width of the affected Streets;
- E) Construct, install, use, operate, repair or modify any Pipelines and Appurtenances for the transportation of flammable or combustible liquids, in a manner prescribed by the California State Fire Marshall, and/or Chief of Los Angeles Fire Department in accordance with Chapter 13.14 Division 1, of the Title 13 of the South Gate Municipal Code;
- F) Conduct pipeline testing as required by the California State Fire Marshall and the Pipeline Safety Act of 1981, California Government Code Section 51010, et seq. Upon request of the City, Grantee shall provide a summary of the most recent testing to include the date the test occurred and the locations of any planned pipeline maintenance activities necessitating excavation of any Streets; and
- G) Submit a written petition of Franchise renewal to the City at least ninety (90) days prior to the expiration date of this Franchise as granted by the Ordinance.

**SECTION 9: Permits.** Grantee shall obtain an excavation permit, and pay the applicable fee therefore, prior to commencing any excavation in the right-of-way. Grantee may obtain an excavation permit by filing a set of excavation plans with the City Engineer, which plans shall be subject to the City Engineer's review and approval. The excavation plans shall show the location of the proposed excavation, as well as the location of all known existing Pipelines and Appurtenances, and other facilities in, on, along, across, upon and/or under any Streets or public property in which the Franchise property is located with an adequate description of the proposed work, including an estimate of the duration of the interference with any street traffic. The issuance of any excavation permit for the construction or installation of a pipeline for the transmission of flammable or combustible liquids, gases or hazardous materials, shall be as prescribed by the fire Chief of the Los Angeles County Fire Department in accordance with Chapter 13.14, Division 1, of Title 13 of the South Gate Municipal Code.

- A) Where it is necessary to lay underground pipes through, under or across any portion of a paved or macadamized street, such work, where practicable and economically feasible, shall be done by a tunnel or bore so as not to disturb the foundation of such paved or macadamized street. If the same cannot be done, or if it is necessary to cut the street in order to access existing pipes and appurtenances, such work shall be done pursuant to an excavation permit, as provided in above paragraph, to be issued by the City Engineer upon application therefore.

- B) All work shall be subject to inspection by the City Engineer. All street coverings or openings, valves, vaults and manholes shall at all times be kept flush with the surface of the streets; provided, however, that vents for underground vaults and manholes may, subject to the prior approval of the City Engineer, extend above the surface of the streets when such vents are located in parkways, between the curb and the property line. Grantee shall provide adequate traffic safety barriers, signs, devices and traffic safety warning equipment in accordance with City ordinances, rules or regulations, and shall comply with such additional safety measures as the City Engineer may direct.

#### **SECTION 10: Emergency Equipment.**

- A) Grantee shall develop and maintain an emergency response plan, satisfactory to the City Engineer, which covers all Franchise operations within the City. An emergency response plan meeting the requirements of federal and state law, and containing the information contained in this Section shall be acceptable. The emergency response plan shall include a 24-hour notification program and proof of arrangements capable of providing emergency response services, including but not limited to traffic control, street excavation, pipeline repair, and supplies and services as necessary, within two (2) hours of notification of any problem, as well as such other information as the City Engineer shall reasonably require. Subject to the requirements of the California State Fire Marshall, repairs to a public street, alley or parkway shall be completed within seventy-two (72) hours unless otherwise authorized by the City Engineer. Emergency work for temporary repair shall be completed within seventy-two (72) hours to restore the area to a safe condition until such time as a permanent improvement can be achieved. Completion of permanent work or any remaining corrective work shall then be completed within a reasonable schedule satisfactory to the City Engineer. The City Engineer shall be notified ten (10) days in advance of any proposed change in such arrangements. Grantee's emergency response plan shall be submitted to the City Engineer within thirty (30) days after the effective date of the Franchise.
- B) Whenever any of the Pipelines and Appurtenances break or leak so as to cause the release of oil or products thereof into the public right-of-way, Grantee, and any other person(s) using or controlling the Pipelines and Appurtenances, shall immediately notify the City's Police Department and Public Works Department and shall implement precautionary safety measures including traffic control, system shutdown, valve closures, and public notification. In the event of an emergency which threatens life, health, safety or property, and where it is not possible to obtain an excavation permit prior to commencement of the work, Grantee may commence such work; provided, however, that within seventy-two (72) hours thereafter, Grantee shall make application to the City Engineer for an excavation permit in accordance with the procedures specified herein. The City Engineer may impose conditions upon the issuance of the excavation permit, and all work shall be subject to inspection. Adequate traffic safety barriers shall be maintained at all times, and any damaged portion of the Streets shall be restored to its original condition.

- C) If any portion of any Streets is damaged by reason of defects in any of the Pipes and Appurtenances maintained or constructed by Grantee, or by reason of any other cause attributable to or arising from the operation of any Pipes and Appurtenances constructed or maintained by Grantee, Grantee shall, at its sole cost and expense, promptly repair all damage and restore the Streets to the condition existing before such damage occurred. All such work shall be done under the direction of the City Engineer, and to the reasonable satisfaction of the City Engineer. Grantee shall repair such damage and restore the Streets within three (3) working days after written demand therefore by the City Engineer, or such other period as the City Engineer may authorize when required for the protection of the public health and safety.
- D) If Grantee, after reasonable notice, fails or refuses to pave, surface, grade, repave, resurface or regrade as required by the provisions of this Franchise, the City may cause the work to be done and shall keep an itemized account of all costs, including reasonable administrative overhead expenses. Grantee shall pay such costs to the City within thirty (30) days after presentation to Grantee of an itemized account of such costs.

#### **SECTION 11: Records.**

- A) Grantee acknowledges that the City's records may not be complete and that Pipelines and Appurtenances previously unknown to the City are frequently discovered. Consequently, by granting this Franchise or by approving any excavation permit requested by Grantee, the City does not warrant the accuracy of information supplied to Grantee by the City regarding the location or existence of other facilities. Nothing herein shall be deemed to make the City, or any officer, agent or employee of the City, responsible or liable to Grantee or to any other person(s) by virtue of the City's approval of excavation permits and/or plans, regardless of whether any information is supplied by the City to Grantee pertaining to the location of existing Pipelines and Appurtenances, and other facilities or other improvements in, on, along, across, upon, and/or under any Streets or other public property.
- B) Grantee shall keep and preserve, within the County of Los Angeles for a period of five (5) years, subsequent to the date of the most recent Franchise fee determination as ascertained by an audit made by the City or on its behalf, all the records necessary to determine the amount of such Franchise fee.
- C) Grantee shall permit the City or its duly authorized representatives to examine all Pipelines and Appurtenances at all reasonable times, and after the City's delivery to Grantee of thirty (30) days advance written notice, Grantee shall permit the City or its duly authorized representatives to examine any and all books, accounts, papers, maps, and other records kept or maintained by Grantee or under its control and associated with the Pipelines and Appurtenances and/or necessary for the purpose of determining the Franchise fees with respect thereto. Within three (3) days following the City's written request, Grantee shall provide copies of such records via electronic portal in view-only format.

**SECTION 12: Failure to Comply.**

- A) If Grantee shall fail, neglect or refuse to comply with any of the provisions or conditions of this Franchise, and shall not, within thirty (30) days after written demand for compliance, begin the work of compliance, or after commencing such compliance shall fail to prosecute the same with due diligence to completion, then the City, acting by and through its legislative body, may declare this Franchise forfeited.
- B) In the event of noncompliance by Grantee with any of the conditions hereof, the City may, in addition to all other remedies provided for herein, bring suit for the forfeiture or termination of this Franchise.

**SECTION 13: Removal or Abandonment of Facilities.**

- A) At the expiration, revocation or termination of this Franchise or of the permanent discontinuance of the use of all or a portion of its facilities, Grantee shall, within thirty (30) days thereafter, make written application to the City's Director of Public Works for authority either to: (1) abandon all or a portion of such facilities in place; or (2) remove all or a portion of such facilities. Through such application, Grantee shall describe the facilities desired to be abandoned; their location, with reference to City highways; and the physical condition of such facilities, with reasonable accuracy. The Director of Public Works shall determine whether any abandonment or removal which is thereby proposed may be effected without detriment to the public interest and under what conditions such proposed abandonment or removal may be effected. The Director of Public Works shall then notify Grantee of his or her determinations.
- B) Within thirty (30) days after receipt of such notice, the Grantee shall apply for a permit from the Public Works Department to abandon or remove the facility.
- C) Grantee shall, within ninety (90) days after obtaining such permit, commence and diligently prosecute to completion the work authorized by the permit.

**SECTION 14: Effective Date.** This Ordinance shall take effect and be in force thirty (30) days after its adoption and upon written acceptance thereof is filed by the Grantee with the City Clerk of the City. Grantee shall, within thirty (30) days after the passage of this Ordinance granting the Franchise, file with the City Clerk a written acceptance of the terms and conditions of this Ordinance.

**SECTION 15: Publication Expenses.** Grantee of this Franchise shall pay to the City a sum of money sufficient to reimburse it for all publication expenses incurred by it in connection with the granting of this Franchise; said payment to be made within thirty (30) days after the City shall have furnished said Grantee with a written statement of such expenses.

[Remainder of page left blank intentionally]

**SECTION 16: Posting of Ordinance.** The City Clerk shall certify to the adoption of this Ordinance and shall cause same to be published as required by law.

**PASSED, APPROVED AND ADOPTED** this \_\_\_ day of \_\_\_\_\_ 2017.

**CITY OF SOUTH GATE:**

\_\_\_\_\_  
Maria Davila, Mayor

**ATTEST:**

\_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas, City Attorney

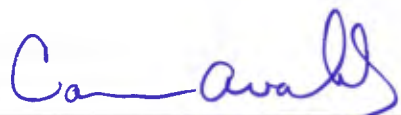
**RESOLUTION CERTIFICATION PAGE**

**STATE OF CALIFORNIA            )**  
**COUNTY OF LOS ANGELES    )     SS**  
**CITY OF SOUTH GATE         )**

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 7770 was adopted by the City Council at their Regular Meeting held on July 11, 2017, by the following vote:

Ayes:            Council Members:    Davila, Bernal, Diaz and Rios  
Noes:            Council Members:    None  
Absent:          Council Members:    Morales  
Abstain:         Council Members:    None

Witness my hand and the seal of said City on July 13, 2017.

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
City of South Gate, California