

RESOLUTION NO. 24-0077

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DECLARING ITS INTENTION TO GRANT AN EXTENSION OF AN EXISTING FRANCHISE TO ZENITH ENERGY WEST COAST TERMINALS LLC AND SETTING THE PUBLIC HEARING ON THE ADOPTION OF THIS ORDINANCE FOR JULY 16, 2024

THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The City Council of the City of Manhattan Beach does hereby find, determine and declare that:

- a) On July 20, 1999, the City of Manhattan Beach ("City") adopted Ordinance No. 2002 granting a 25-year franchise ("franchise") to Southern California Edison ("SCE"), pursuant to the Franchise Act of 1937 (commencing with Public Utilities Code Section 6201 et seq.) and established franchise fees to be consistent with fees set out in Public Utilities Code Section 6231.5, to construct, maintain and use pipes and appurtenances for conducting, transporting, conveying and carrying gas, oil, petroleum products, water and waste water and other substances on, along, in, under and across certain specified public streets and places within the City.
- b) The term of the franchise granted pursuant to Ordinance No. 2002 is 25 years.
- c) Zenith Energy West Coast Terminals LLC (hereinafter "Zenith" or "Grantee"), a public utility regulated by the California Public Utilities Commission, as successor in interest to SCE, has filed an application with the City of Manhattan Beach, requesting that the existing franchise be extended.
- d) If the extension is granted, the franchise shall require that the Grantee comply with the Manhattan Beach Municipal Code, the Franchise Act of 1937, and the terms and conditions of the ordinance, including but not limited to, the requirement to pay to the City during the life of the franchise, the sum provided by law as set forth in Public Utilities Code Section 6231.5.
- e) The City has determined that it is in the City's best interest to grant the extension of the franchise.
- f) The City Council proposes to extend the term of the franchise for a period of twenty-five (25) years from and after the effective date of the adoption of the Ordinance extending the franchise, or until it is voluntarily surrendered or abandoned by the Grantee, or until the State or some municipal or public corporation purchase by voluntary agreement or condemns and takes under the power of eminent domain, all property actually used and useful in the exercise of the franchise and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or until such franchise is forfeited for noncompliance with its terms by Grantee.

SECTION 2. Declaration of Intent to Grant Extension of Franchise. As provided in Public Utilities Code Section 6232, the City Council of the City of Manhattan Beach does hereby declare its intent to hold a public hearing and to approve an extension of the franchise described in Section 1 of this Resolution.

SECTION 3. Setting the Public Hearing.

- a) The City Council of the City of Manhattan Beach does hereby set the public hearing on the granting of the proposed extension of the franchise for the date, time and place set forth below:

Date: July 16, 2024
Time: 6:00 p.m. or as soon thereafter as the matter may be heard
Location: City of Manhattan Beach Council Chambers
1400 Highland Ave
Manhattan Beach, CA 90266

- b) All persons having any objection to the proposal to grant an extension of the franchise may appear before the City Council and be heard thereon at the date, time and location of the public hearing.
c) At any time not later than the hour set for the public hearing of objections, any person interested may make written protest stating objections against granting the proposed extension of the franchise. The protest shall be signed by the protestant and be delivered to the City Clerk. At the time set for hearing objections the legislative body shall proceed to hear and pass upon all protests so made and its decision shall be final and conclusive, subject to the right of referendum of the people.
d) The City Council may adjourn the hearing from time to time.
e) The City Clerk is hereby authorized and directed to publish a notice of the public hearing described in this Resolution along with the information contained in this Resolution, as provided in Exhibit A, attached hereto, at least one time within fifteen (15) days of the date of the adoption of this Resolution in a newspaper of general circulation within the City of Manhattan Beach.

SECTION 4. Certification. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED on June 18, 2024.

AYES: Lesser, Napolitano, Montgomery, Howorth, and Mayor Franklin.
NOES: None.
ABSENT: None.
ABSTAIN: None.



JOE FRANKLIN
Mayor

ATTEST:



LIZA TAMURA
City Clerk

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) SS.
)
CITY OF MANHATTAN BEACH)

I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing resolution, being Resolution No. 24-0077 duly and regularly introduced before and adopted by the City Council of said City at a regular meeting of said Council, duly and regularly held on the 18th day of June, 2024 and that the same was so passed and adopted by the following vote, to wit:

Ayes: Lesser, Napolitano, Montgomery, Howorth, and Mayor Franklin.
Noes: None.
Absent: None.
Abstain: None.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of said City this 19th day of June, 2024.



City Clerk of the City of
Manhattan Beach, California

(SEAL)

Exhibit A

FORM OF NOTICE

**NOTICE OF INTENTION TO
CONSIDER GRANTING AN EXTENSION OF A FRANCHISE**

NOTICE IS HEREBY GIVEN that Zenith Energy West Coast Terminals LLC (the "Grantee"), has filed an application with the City of Manhattan Beach requesting that the City Council grant an extension of its franchise for a term of twenty-five (25) years from and after the date upon which the existing franchise will expire. The extension of the franchise, if approved, would grant Grantee the right and privilege to lay, maintain and use pipes and appurtenances for conducting, transporting, conveying and carrying gas, oil, petroleum products, water and waste water and other substances under, along, across or upon certain specified public streets and places within the City of Manhattan Beach as described under the existing franchise, for twenty-five (25) years from and after the effective date of the Ordinance extending the franchise.

The Grantee shall also pay to the City within thirty (30) days after receiving a statement therefor, all administrative and other costs incurred by the City in processing the application for a franchise, and for any and all advertising and publishing costs, including the cost of publishing the ordinance, if necessary, incurred in connection with the granting of the franchise.

NOTICE IS FURTHER GIVEN that any and all persons having any objection to the granting of said franchise may appear before the City Council of the City of Manhattan Beach at the City of Manhattan Beach Council Chambers located at 1400 Highland Avenue, Manhattan Beach, CA 90266, at 6:00 p.m. on July 16, 2024 and be heard thereon; and at any time not later than the hour set for hearing objections, any person interested may make written protest stating objections against the granting of the extension of said franchise, which protest must be signed by the protestor and be delivered to the City Clerk. The City Council at the time set for hearing said objections shall proceed to hear and pass upon all written protests so made.

If the extension to the franchise is granted to Grantee, Grantee will pay to the City the following fees computed in accordance with Public Utilities Code Section 6231.5:

- 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 extension of the franchise in the following amounts, as adjusted in accordance with Subsections B through D, below:

<u>Pipelines with an Internal Diameter of</u>	<u>Base Rate Per Linear Foot</u>
0-4 inches	\$0.088
6 inches	\$0.132
8 inches	\$0.176
10 inches	\$0.220
12 inches	\$0.264
14 inches	\$0.308
16 inches	\$0.352
18 inches	\$0.396
20 inches	\$0.440
22 inches	\$0.484
24 inches	\$0.528
26 inches	\$0.572
28 inches	\$0.616
30 inches	\$0.660

For pipelines with an internal diameter not listed above, the fees shall be in the same proportion to the fees of a twelve (12) inch diameter pipe as the diameter of the unlisted pipe is to twelve (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 each fee or charge specified in Subsections A and B 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-Long Beach-Anaheim Area for the month of September immediately preceding the month in which payment is due and payable, and divided by the Consumer Price Index, All Urban Consumers for the Los Angeles-Long Beach-Anaheim Area for June 30, 1989 (1982-84=100). Under no circumstances shall the multiplying factor be less than one.

(2) In no event shall any fee be charged which is less than each base fee amount established by Subsections A and B, above, for the immediately preceding year.

(3) The indices specified in Subsection A, above, are calculated and published by the United States Department of Labor, Bureau of Labor Statistics. If the United States Department of Labor, Office of Information discontinues the preparation or publication of a Consumer Price Index for the area, and if no translation table prepared by the Department of Labor 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. On this point, the determination by the municipality shall be final and conclusive.

C. Publication and Administrative Issuance Costs. The Grantee shall pay to the City within thirty (30) days after receiving a statement thereof, all administrative, legal and other costs incurred by the City in processing the application for a franchise, including but not limited to, the preparation of any reports, statements or studies pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) and any similar federal statute or any successor statute, and for any and all advertising and publishing costs, including the cost of publishing this notice and the ordinance incurred in connection with the extension and granting of this franchise.

D. Term. The City Council proposes to extend the term of the franchise for a period of twenty-five (25) years from and after the effective date of the approval of the Ordinance, or until it is voluntarily surrendered or abandoned by the Grantee, or until the State or some municipal or public corporation purchase by voluntary agreement or condemns and takes under the power of eminent domain, all property actually used and useful in the exercise of the franchise and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or until such franchise is forfeited for noncompliance with its terms by Grantee.

For further particulars, reference is hereby made to the Ordinance No. 2002 and the ordinance extending the franchise, which are on file in the office of said City Clerk and also to Resolution No, 24-0077 adopted by the City Council on June 18, 2024, declaring its intention to consider granting approval of the extension of said franchise.

Dated: June 18, 2024

LIZA TAMURA
City Clerk
City of Manhattan Beach