

ORDINANCE NO. 2000-05-017

AN ORDINANCE FOR THE SHORT TERM EXTENSION OF A FRANCHISE TO OLYMPIC PIPELINE COMPANY FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A PIPELINE IN, THROUGH AND UNDER CERTAIN STREETS AND PUBLIC PROPERTY WITHIN THE CITY.

WHEREAS the City of Bellingham (hereinafter "City") granted to Olympic Pipeline Company (hereinafter called "Olympic") an Interim Franchise for a petroleum pipeline on December 6, 1999, and

WHEREAS the City and Olympic are continuing to negotiate the terms of a long-term franchise; and

WHEREAS the Interim Franchise should be extended for a period of 6 weeks to allow negotiations to continue;

NOW, THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1: The Interim Franchise granted in Ordinance No. 1999-12-079, is hereby renewed and extended for 6 weeks to June 15, 2000, subject to all of the terms contained therein, and in the Master Agreement and License Agreement referenced therein, except as modified herein. In addition, Olympic shall pay to the City a franchise fee in the amount of \$15,000 at the time of acceptance of this franchise extension. Olympic shall proceed immediately with the management audit required by the Franchise and agreements referenced herein. During the term of this extension the following matters shall be addressed and, at the end of the 6 week period, evidence of resolution shall be provided to the Council:

All outstanding issues relating to:

1. Surge analysis
2. SCADA and communications systems
3. Valve placement study
4. Back-up major leak detection system
5. Right-of-way enforcement
6. Pig runs
7. Reports on operations relating to safety issues, and
8. Alternative route study

Engineers, technical experts and other appropriate representatives of both Olympic and the City shall participate in working to resolve these issues. Olympic shall provide a report to the Council at least

once per month, of all activities related to resolution of these issues and negotiation of a long-term franchise agreement.

At the end of the 6 week period Olympic shall provide the Council with a timeline and explanation for any items listed above which remain to be completed. If this ordinance becomes effective after May 4, 2000, it shall operate retroactively to May 4, 2000.

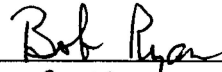
Section 2: The Interim Franchise granted herein shall expire on June 15, 2000, or upon the adoption of a long-term franchise ordinance, whichever occurs first. In the event Olympic fails to provide the City with written acceptance of this franchise extension, together with payment of the fee, within 10 days of adoption of this ordinance, this ordinance shall be null and void.

PASSED by Council this 8th day of May, 2000.



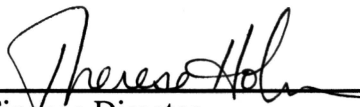
Council President

APPROVED by me this 11th day of May, 2000.



Mayor Pro Tempore

Attest:



Finance Director

Approved as to form:



Office of the City Attorney

Published:

May 12, 2000



OLYMPIC PIPE LINE COMPANY

2319 LIND AVE. S.W.
P.O. BOX 1800
RENTON, WASHINGTON 98057
(425) 235-7736



*Rec'd: Renie Hill
12:46 pm*

Mayor Mark Asmundson
City of Bellingham
210 Lottie Street
Bellingham, WA 98225

Dear Mayor Asmundson,

This will confirm Olympic Pipe Line's acceptance of the terms of the Olympic Pipe Line franchise extension. Enclosed is the \$15,000.00 franchise fee.

Very truly yours,

Ed Remer for Carl Gast

Carl Gast
Vice President
Olympic Pipe Line Company