

**ORDINANCE NO. 2000-06-032**

**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 July 27, 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, all outstanding issues relating to the following matters shall be addressed and, at the end of the 6 week period, evidence of resolution shall be provided to the Council:

- 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 June 15, 2000, it shall operate retroactively to June 15, 2000.

**Section 2:** Olympic may not resume operations until:

(a) Olympic and the Department of Public Works (working with the City's consulting engineers) have reached an agreement on the design and installation schedule for the backup major leak detection system. Further, Olympic agrees that it will not operate the pipeline at any time that it is out of compliance with the agreed schedule.

(b) Olympic and the Department of Public Works (working with the City's consulting engineers) will agree to a list of safety critical equipment. Olympic agrees that it will notify the City within 48 hours if any of the safety critical equipment is activated or removed from service. At a minimum, the list of safety critical equipment will include the two relief valves at Bayview, the pressure safety switches at the three remote operated valves, and the backup major leak detection system alarms.

**Section 3:** The Interim Franchise granted herein shall expire on July 27, 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.

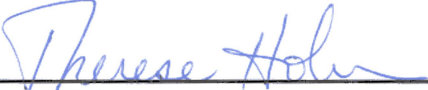
PASSED by Council this 26TH day of JUNE, 2000.

  
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Council President

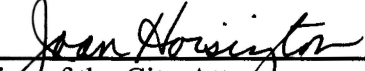
APPROVED by me this 17<sup>th</sup> day of July, 2000.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
Finance Director

Approved as to form:

  
\_\_\_\_\_  
Office of the City Attorney

Published:

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