Agenda Item No: 1.g

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: February 17, 2026

Submitted by: Matthew Di Mario

From: Public Works

Subject:
RESOLUTION RELATED TO A FRANCHISE WITH CRIMSON CALIFORNIA PIPELINE, L.P. FOR THE OPERATION AND MAINTENANCE OF VARIOUS PIPELINE LOCATIONS IN THE CITY

Financial Impact:
Fiscal Impact:
There is no fiscal impact associated with the recommended action.

Summary:
On September 7, 1999, Placentia City Council granted a franchise for the operation and maintenance of 846 linear feet of 6-inch pipeline in the City under Ordinance No. 99-O-122. This franchise was initially granted to Tosco Corporation, but due to company purchases and acquisitions, Resolution No. R-2006-07, authorized the transfer of the franchise to ConocoPhillips Company. On July 1, 2008, ConocoPhillips Company sold its pipeline system to Crimson California Pipeline, L.P. (Crimson), and Resolution No. R-2009-13, granted Crimson the franchise.

The current franchise has expired, and Crimson is requesting the City grant a new franchise for an additional 25 years. A public hearing is required to adopt an Ordinance for the approval of the franchise. A Resolution was previously approved by City Council on December 2, 2025, via Resolution No. R-2025-72, but the Public Hearing on January 13, 2026, was canceled due to staff discovering that there are more pipelines which are subject to a franchise agreement. If approved, Resolution No. R-2026-09 will supersede R-2025-72. This item recommends that the City Council adopt Resolution No. R-2026-09, to set a public hearing at a future date of March 17, 2026, for the first reading of the Ordinance.

Recommendation:
Recommended Action: It is recommended that the City Council:
Adopt Resolution No. R-2026-09, a Resolution of the City Council of the City of Placentia, California, declaring its intention to grant a pipeline franchise to Crimson California Pipeline L.P., a California Limited Partnership, and setting the time when protests may be heard by the legislative body to the proposed franchise and directing the City Clerk to give notice thereof.

Strategic Plan Statement:
There is no specific strategic planning goal or objective associated with this agenda item.

Discussion:
On September 7, 1999, Placentia City Council granted a franchise for the operation and maintenance of 846 linear feet of 6-inch pipeline in the City under Ordinance No. 99-O-122. This franchise was initially granted to Tosco Corporation, but due to company purchases and acquisitions, Resolution No. R-2006-07, authorized the transfer of the franchise to ConocoPhillips Company. On July 1, 2008, ConocoPhillips Company sold its pipeline system to Crimson California Pipeline, L.P. (Crimson) and Resolution No. R-2009-13, granted Crimson the franchise. The current franchise has expired, and Crimson is requesting the City grant a new franchise for an additional 25 years. A public hearing is required to adopt an Ordinance for the approval of the franchise. A Resolution was previously approved by City Council on December 2, 2025, via Resolution No. R-2025-72, but the Public Hearing on January 13, 2026, was canceled due to staff discovering that there are more pipelines which are subject to a franchise agreement. If approved, Resolution No. R-2026-09 will supersede R-2025-72.

A new franchise would allow Crimson to operate and maintain various sections of the pipeline in the City. There are four pipeline locations subject to the proposed franchise agreement. The first pipeline is the Yorba Linda line. This is a 6-inch pipeline located south of Bastanchury Road and runs along Berkenstock Lane, Kilmer Drive, Hemingway Avenue, Faulkner Drive, and Bastanchury Road. This Yorba Linda line totals 3,231 linear feet. The second pipeline is the Richfield to Sterns line, a 6-inch pipeline totaling 13,153 linear feet. This section of pipeline is located along Valencia Avenue, Palm Drive, and Rose Drive. The third pipeline is the REDU Gathering line, totaling 8,941 linear feet. This 6-inch pipeline includes the streets of Van Buren, Cherry, Lincoln, Orangethorpe, Richfield, and Orchard. The Chapman Line is the last pipeline that is subject to the franchise. This is a 6-inch pipeline located on Alta Vista Street at the north end of the Alta Vista and Rose intersection, totaling 199 linear feet. The proposed franchise agreement totals 25,524 linear feet of pipeline throughout the City. Exhibit A shows all pipeline locations in detail. This item recommends that the City Council adopt Resolution No. R-2026-09, to set a public hearing at a future date of March 17, 2026, for the first reading of the Ordinance.

Fiscal Impact Summary:
There is no fiscal impact associated with the recommended action. Upon execution of the franchise agreement, Crimson will pay an annual franchise fee to the City of $9,063.06. This fee is to be those fees prescribed by the California Public Utilities Code, Section 6231.5, provided that the rate is subject to increase to the maximum rate established in subsequent amendments of the California Public Utilities Code. The fee collected will be allocated to the General Fund.

Attachments
Attachment 1 - Resolution No. R-2026-09
Attachment 1 - Exhibit A
Attachment 2 - Ordinance No. O-2026-__