

ORDINANCE NO. 2001-09-071

**AN ORDINANCE FOR THE SHORT TERM EXTENSION OF A FRANCHISE TO OLYMPIC PIPE LINE 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 the "City") granted to Olympic Pipe Line Company (hereinafter "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 seven (7) 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 seven (7) weeks to and including November 12, 2001, 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 \$17,500 at the time of acceptance of this franchise extension. If Olympic and the City execute a long-term franchise before the expiration of this extension, Olympic shall be credited the remaining pro-rata share of this \$17,500 toward Olympic's annual long-term franchise fee. Olympic shall continue with the management audit required by the Franchise and agreements referenced therein. During the term of this extension, the parties shall continue their efforts to reach an agreement regarding a long-term franchise and related document(s), if any.

Engineers, technical experts and other appropriate representatives of both Olympic and the City shall participate in working to resolve these issues.

If this ordinance becomes effective after September 24, 2001, it shall operate retroactively to September 24, 2001.

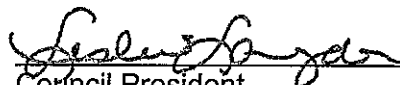
**Section 2:**

(a) Olympic and the City have agreed to a backup major leak detection system (the "system"). Olympic agrees that it will not operate the pipeline at any time if it is out of compliance with the system.


(b) Olympic and the City have agreed to a list of safety critical equipment, which is attached hereto and incorporated herein as Exhibit 1. Olympic agrees that it shall notify the City within two working days if any of the safety critical equipment is activated or removed from service.

**Section 3:** The Interim Franchise granted herein shall expire on November 12, 2001, 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 ten (10) days of adoption of this ordinance, this ordinance shall be null and void.

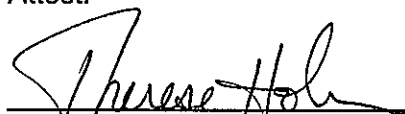
PASSED by Council this 24TH day of SEPTEMBER, 2001.

  
\_\_\_\_\_  
Council President

APPROVED by me this 8<sup>th</sup> day of October, 2001.

  
\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form:

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

Published:

9/27/2001 \_\_\_\_\_  
\_\_\_\_\_

## Exhibit 1 to Short Term Extension - Critical Safety Equipment Settings

<u>Critical Equipment</u>	<u>Tag #</u>	<u>Notification to City of Bellingham Required</u>	<u>Maximum Settings @ 80%/100% MOP (psig)</u>
<b>Ferndale Mainline Station</b>			
Pump Unit No 1	Unit No. 1	If Impeller Size Increased***	Maintain Max Impeller Size = 20.75"
Pump Unit No 2	Unit No. 2	If Impeller Size Increased***	Maintain Max Impeller Size = 17.5"
Pump Unit No 3	Unit No. 3	If Impeller Size Increased***	Maintain Max Impeller Size = 17.375"
Ferndale Station Discharge	PSH 304	Ferndale Station High Pressure setpoint exceeded	1096 / 1370
Ferndale Station Discharge	PAH 304B	Ferndale Station High Pressure setpoint exceeded	1096 / 1370
<b>Mainline Remote Block Valves</b>			
MP 7	PSH 07-16	Valve Closure Inhibited *	1000 /1200
MP 7	PAH U716	Valve Closure Inhibited **	1000 /1200
MP 12	PSH 12-16	Valve Closure Inhibited *	825 / 1000
MP 12	PAH U1216	Valve Closure Inhibited **	825 / 1000
MP 16	PSH 16-16	Valve Closure Inhibited *	725 / 850
MP 16	PAH U1616	Valve Closure Inhibited **	725 / 850
MP 28	PSH 28-16	Valve Closure Inhibited *	500 / 600
MP 28	PAH U2816	Valve Closure Inhibited **	500 / 600
MP 34	PSH 34-16	Valve Closure Inhibited *	500 / 550
MP 34	PAH U3416	Valve Closure Inhibited **	500 / 550
<b>Bayview Terminal Bypass</b>			
Bayview Bypass Inlet	PAHH -1901	Bayview Bypass High Pressure setpoint exceeded	950 /950
Mainline Relief Valve	SRV 2229	Valve Operation	950 / 950
<b>Major Rupture Detection System</b>			
		Alarm activation or removal from service	10,000 BBL/hr

(\*) - Pressure switch alarm with valve travel closure  
 (\*\*) - Pressure transmitter PLC alarm with valve travel closure  
 (\*\*\*) - Must demonstrate normal & upset operating pressure conditions will not exceed 110% MOP.