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August 10, 2023

Honorable City Council
City Hall c/o: Office of the City Clerk
200 N. Spring St., Room 395
Los Angeles, CA 90012

Honorable Members of the City Council:

SUBJECT: RESPONSE TO PROPOSED ORDINANCE TO AMEND LOS ANGELES
ADMINISTRATIVE CODE SECTIONS 13.25, 13.25.1, AND 13.26 OF ARTICLE 7,
CHAPTER 1, DIVISION 13 (CF No. 21-0065)

Pursuant to City Council Rule 38, the Board of Public Works (BPW) welcomes the opportunity to provide commentary on the proposed ordinance prepared and presented by the Office of the City Attorney relative to amending the Los Angeles Administrative Code Sections 13.25, 13.25.1, and 13.26 to increase pipeline franchise application deposits and options towards full cost recovery in our pipeline franchise administration function (CF 21-0065).

The BPW concurs will the proposed increase to the pipeline franchise application amount from \$6,000 to \$10,000 and to require an applicant to deposit additional funds if the responsible department determines that additional funds are needed to cover the costs of processing the application. In addition to processing the application, the BPW, Office of Petroleum and Natural Gas Administration and Safety also maintains the pipeline franchise for compliance against State and local laws/ordinance requirements, such as: annual verification of insurance and bond coverages; as-needed performance/payment bond claims, renewals, and exonerations; desk top compliance audits and reviews; response to records/claims made on pipeline franchise activity; review/update of pipeline maps/schedules; request for abandonment, or sell/transfer of pipelines between approved or potential new franchisee(s). These activities should be part of the cost recovery schedule.

Therefore, the following are proposed amendments for your consideration (see bold/underline):

Section 13.25.1(B):

In addition to the deposits established in Subsection A above, each applicant and each existing franchise grantee who makes an application for additional franchise facilities pursuant to the terms and conditions of its franchise shall deposit with the City that sum estimated by the responsible City department to be sufficient to reimburse the City for the costs of conducting the CEQA environmental review of the application **and/or maintaining the pipeline franchise.**

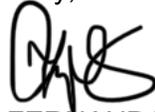


Section 13.25.1(B)(3):

The costs that are to be reimbursed for each City department shall consist of the actual costs of the City which include, but are not limited to: wages, including overtime, retirement, compensated time off, and other benefits; bureau/division overhead, departmental overhead, and general City overhead, which are incurred in connection with the employees assigned to perform the environmental review and , process an application, and/or maintenance of a pipeline franchise; the direct costs of material and equipment required to perform the review and process an application and/or maintenance of a pipeline franchise; the reasonable out-of-pocket costs incurred by any employee assigned to perform the review or process an application and/or maintenance of a pipeline franchise; and the cost of hiring outside consultants necessary to provide the City with special expertise.

Should you have any questions with regard to this matter, please contact our Petroleum Administrator, Erica Blyther, at Erica.Blyther@lacity.org or myself at (213) 978-0250 or Fernando.Campos@lacity.org.

Sincerely,



DR. FERNANDO CAMPOS
Executive Officer, Board of Public Works

cc: Aura Garcia, President, Board of Public Works Randall Winston, Deputy Mayor, Public Works
Yolanda Chavez, Asst. City Admin. Officer, CAO David Hirano, Ch. Administrative Analyst, CAO