

CLEARANCES	Initial	Date	Date Received in Council Office:	Agenda date	Assigned to:
Originator: County Executive	MS	5/2/96	RECEIVED MAY 22 1996 WHATCOM COUNTY COUNCIL	May 28	Intorduction
Division Head:				6/25/96	Hearing
Dept. Head:					
Prosecutor:	RAW	5/16/96			
Purchasing/Budget:					
Executive: Pete Kremen	PK	5-21			

SUBJECT:

Granting a 25 Year Non-Exclusive Franchise to Trans Mountain Oil Pipe Line Corporation

ATTACHMENTS:

Franchise

Please complete sections of box as appropriate & explain the item below.

Related County contract #:	Should Clerk schedule a hearing? NO / / YES /X / Requested date: June 11, 1996
Amount budgeted for this item/project:\$	Is it (or will it be) within budget? YES /X / NO / / (Please explain below)
Budget line item number(s):	

ORIGINATOR'S RECOMMENDED ACTION:

For Council Introduction

COMMITTEE ACTION TAKEN:

COUNCIL ACTION TAKEN:

1996 - 208 5/28/96: Introduced

6/25/96: Amended & Adopted 7 - 0

nance or Resolution Number (this item only):

1 SPONSORED BY: Consent

2 PROPOSED BY: Executive

3 INTRODUCTION DATE: 5/28/96

1 ORDINANCE NO. 96-027

2 AN ORDINANCE IN THE MATTER OF GRANTING A NON-
3 EXCLUSIVE FRANCHISE TO TRANS MOUNTAIN OIL PIPE
4 LINE CORPORATION FOR A PERIOD OF 25 YEARS
5 PURSUANT TO STATE LAW AND SECTION 9.30 OF THE
6 WHATCOM COUNTY HOME RULE CHARTER, TO OPERATE
7 AND MAINTAIN OIL TRANSMISSION PIPELINES ALONG
8 ROADS AND OTHER COUNTY PROPERTY WITHIN THE
9 UNINCORPORATED AREAS OF WHATCOM COUNTY
10

11 WHEREAS, the Home Rule Charter for Whatcom County authorizes the County
12 Council to grant non-exclusive franchises for a fixed term not to exceed 25 years for the use of
13 any street, road or public place; and

14 WHEREAS, R.C.W. Chapter 36.55 and Section 36.55.010 provides that the County
15 Council may grant franchises to persons or private or municipal corporations to use that right-
16 of-way of County roads in their respective counties for the construction and maintenance of
17 water works, gas pipes, telephones, telegraph and electrical light lines, sewers and other such
18 facilities and including cable television wires and other cable television facilities; and

19 WHEREAS, Trans Mountain Oil Pipe Line Corporation has applied for a 25-year
20 nonexclusive franchise for installation, operation, maintenance and repair of Oil Transmission
21 Pipelines in and along certain roads in Whatcom County, Washington, and notice of this
22 hearing having been duly published on the 8 day of June, 1996, in the Bellingham
23 Herald, and 15 day of June, 1996, in the Bellingham Herald, the official newspaper for
24 Whatcom County, and that it appearing to the County Council that notice of said hearing
25 having been given as required by law and that it is in the public interest to grant the franchise
26 for a period of 25 years; and
27

28 WHEREAS, Trans Mountain Oil Pipe Line Corporation has agreed to the addition of
29 certain administrative provisions to the franchise as provided herein; and

30 NOW, THEREFORE, BE IT ORDAINED by the Council of Whatcom County,
31 Washington:

1 Section 1. Franchise Granted.

2 (a) A non-exclusive franchise for Trans Mountain Oil Pipe Line Corporation, located
3 in the County of Whatcom, its successors and assignees, referred to as the grantee, is hereby
4 granted for a period of 25 years, the non-exclusive rights and privilege to construct, erect,
5 operate, maintain, and repair Oil Transmission Lines and all necessary appurtenances in, along
6 and across county roads or portions thereof as named herein.

7 (b) The rights and privileges granted herein shall apply to all roads and public ways
8 and county property in Whatcom County, Washington.

9 Section 2. Acceptance of Franchise.

10 (a) No franchise hereunder shall become effective for any purpose unless and until
11 written acceptance therefore shall have been filed with the Whatcom County Council and the
12 Director of Public Works and such written acceptance shall be in form and substance as shall
13 be prescribed and approved by the County Prosecuting Attorney and operate as an acceptance
14 of each and every term and condition and limitation contained in this ordinance, and in such
15 franchise;

16 (b) Such written acceptance shall be filed by Grantee not later than the thirtieth day
17 following the effective date of the ordinance granting such franchise; and in default of the
18 filing of such acceptance as herein required, Grantee shall be deemed to have rejected the
19 same.

20 Section 3. Entering Rights of Way.

21 The Grantee, its successors and assignees, shall have the right and authority to enter
22 upon the above-mentioned county roads, rights-of-way and other county property as designated
23 hereinbefore, for the purposes of constructing, operating, maintaining and repairing oil
24 transmission lines and facilities and operating and maintaining such lines and facilities.

25 Section 4. Construction Standards.

26 All construction and installation work along and under county roads or rights-of-way or
27 other County property outside the corporate limits of any incorporated town shall be subject to
28 the approval and pass the inspection of the Director of Public Works or designee and shall
29 conform to all applicable County and State codes or regulations, and the County expressly
30 reserves the right to prescribe how and where oil transmission lines shall be installed and may

1 from time to time, upon reasonable notice and for reasonable purposes, require the removal
2 and replacement thereof in the public interest, at the expense of the franchise holder.

3
4 Section 5. Maintenance and Restoration

5 (a) Restoration. In case of disturbance of any road, public way, paved area or public
6 improvement, the Grantee shall, at its own cost and expense and in accordance with the
7 requirements of local law, restore such road, public way, paved area or public improvement to
8 substantially the same condition as existed before the work involving such disturbance took
9 place.

10 (b) Maintenance. The Grantee shall maintain all above ground improvements that it
11 places on County right-of-way pursuant to this franchise. In order to avoid interference with
12 the County's ability to maintain the right-of-way, the Grantee shall provide a clear zone of five
13 (5) feet on all sides of such improvements.

14 If the Grantee fails to comply with this provision, and by its failure, property is
15 damaged, then the Grantee shall be responsible for all damages caused thereby.

16 (c) Disputes. In any dispute over the adequacy of restoration or maintenance relative to
17 this Section, final determination shall be the prerogative of the Public Works Department of
18 Whatcom County.

19 Section 6. Construction Application.

20 (a) Prior to commencement of construction of said oil transmission lines, Grantee shall
21 first file with the Director of Public Works its application for permit to do such work, together
22 with plans and specifications in duplicate showing the position and location of all such lines
23 and facilities sought to be constructed, laid, installed or erected at that time, showing their
24 relative position to existing county roads, rights-of-way or other county property upon plans
25 drawn to scale, hereinafter collectively referred to as the "map of definite location."

26 (b) The transmission lines and appurtenant facilities shall be laid in exact conformity
27 with said map of definite location, except in instances in which deviation may be allowed
28 thereafter in writing by the Director of Public Works pursuant to application by Grantee. The
29 plans and specifications shall specify the class and type of material and equipment to be used,
30 manner of excavation, construction, installation, backfill, erection of temporary structures,
31 erection of permanent structures, traffic control, traffic turn-outs and road obstruction, etc.

1 No such construction shall be commenced without the Grantee first securing a written permit
2 from the Director of Public Works, including approval endorsed on one set of plans and
3 specifications returned to the Grantee. All such work shall be subject to the approval of and
4 shall pass the inspection of the Director of Public Works or designee. The Grantee shall pay
5 all actual and necessary costs of and expenses incurred in the examination, inspection and
6 approval of such work on account of granting said permits.

7 Section 7. Construction on Roadways/Other County Property.

8 (a) In any work which requires breaking of soil of the county roads, rights-of-way or
9 other county property subject to this franchise for the purpose of laying, relaying, connecting,
10 disconnecting and repairing the said transmission lines and facilities, and making connections
11 between the same to structures and buildings of consumers or making connections to other
12 facilities of the Grantee now in existence or hereafter constructed, the Grantee shall be
13 governed by and conform to the general rules adopted by the officers charged with the
14 supervision and care of such county roads, rights-of-way, and other county property; and the
15 Grantee at its own expense and with all convenient speed shall complete the work for which
16 the soil has been broken and forthwith replace the work and make good the county road,
17 rights-of-way or other county property and leave the same in as good condition as before the
18 work was commenced.

19 (b) Applications for permits referred to in Section 6 above shall be accompanied by
20 specifications for the restoration of the county road, rights-of-way or other county property
21 and to the same condition it was prior to such breaking, and such specifications must be
22 approved by the Director of Public Works before such breaking of the soil is commenced.
23 Provided, that the Director of Public Works may require a performance bond in the sum
24 sufficient to guarantee that such county roads, rights-of-way or other county property shall be
25 restored to the same condition as they were prior to the breaking of the soil. Said bond shall
26 be in addition to any other such requirements contained herein.

27 (c) The Director of Public Works may at any time order, or have done, any and all
28 work that it considers necessary to restore to a safe condition any such county road, rights-of-
29 way or other county property left by the Grantee or his agents in a condition dangerous to life
30 or property, and the Grantee upon demand shall pay the County all costs of such work.

1 8. Construction - Other Lines and Facilities.

2 (a) All construction or installation of such transmission lines or distribution systems,
3 service, repair or relocation of same, performed above, along or within the county rights-of-
4 way or other county property subject to this franchise shall be done in such a manner as not to
5 interfere with the construction and maintenance of other utilities' lines, public or private,
6 drains, drainage ditches and structure, irrigation ditches and structures located therein, nor
7 with the grading or improvement of such county roads, rights-of-way or other county
8 property.

9 (b) The owners of all utilities, public or private, installed prior in time to the line and
10 facilities of the Grantee shall have preference as to the positioning and location of such utilities
11 so installed with respect to the Grantee. Such preference shall continue in the event of the
12 necessity of relocating or changing the grade of any such county road or right-of-way. A
13 relocating utility shall not necessitate the relocation of another utility that otherwise would not
14 require relocation.

15 Section 9. Construction - Public Safety and Inconvenience.

16 All work done under this franchise shall be done in a thorough and workmanlike
17 manner. In the laying of transmission lines and the construction of rights-of-way or other
18 county property, the Grantee shall leave such trenches, ditches and tunnels in such a way as to
19 interfere as little as possible with public travel and shall take all due and necessary precautions
20 to guard the same, so that damage or injury shall not occur or arise by reason of such work;
21 and where any of such trenches, ditches, or tunnels are left open at night, the Grantee shall
22 place warning lights and barricades at such a position as to give adequate warning of such
23 work. The Grantee shall be liable for any injury to person or persons or damage to property
24 sustained through its carelessness or neglect, or through any failure or neglect to properly
25 guard or give warning of any trenches, ditches or tunnels dug or maintained by the Grantee.

26 Section 10. County Rights Reserved.

27 The County of Whatcom in granting this franchise, does not waive any rights which it
28 has now or may hereafter acquire with respect to county roads, rights-of-way or other county
29 property and this franchise shall not be construed to deprive the County of any powers, rights
30 or privileges which it now has or may hereafter acquire to regulate the use of and to control
31 the county roads, rights-of-way or other County property covered by this franchise. This
32 franchise shall be subject to the power of eminent domain, and in any proceeding under
33 eminent domain, the franchise itself shall have no value.

1 Section 11. Relocation of Lines and Facilities.

2 (a) If at any time the County of Whatcom shall improve or change any county road,
3 right-of-way or other county property subject to this franchise by grading or regrading,
4 planking or paving the same, changing the grade, altering, changing, repairing or relocating
5 the same or by constructing drainage facilities, or in the event that such county road, right-of-
6 of way or other county property subject to this franchise shall become a Primary State
7 Highway as provided by law, the Grantee upon written notice from the Director of Public
8 Works or the Director of Highways, shall at its sole expense, within a reasonable time,
9 change the location or readjust the elevation of its transmission lines and other facilities so that
10 the same shall not interfere with such County work and so that such lines and facilities shall
11 conform to such new grades or routes as may be established. The County of Whatcom shall in
12 no way be held liable for any damage to said Grantee that may occur by reason of any of the
13 County's improvements, changes or works above enumerated.

14 (b) All work to be performed by the Grantee under this section shall be under the
15 direction and approval, and shall pass the inspection of the Director of Public Works or
16 designee. The Grantee shall pay all actual and necessary costs and expenses incurred in the
17 examination, inspection and approval of such work.

18 Section 12. County Road Work Permitted.

19 The laying, construction, operation and maintenance of the Grantee's transmission lines
20 and facilities authorized by this franchise shall not preclude the County of Whatcom, its agents
21 or its contractors from blasting, grading, excavating or doing other necessary road work
22 contiguous to the said lines and facilities of the Grantee provided that the Grantee shall be
23 given 30 days notice of said blasting or other work in order that the Grantee may protect its
24 lines and facilities. Providing further that in the event of the declaration of an emergency by
25 the County Executive or County Council, the time of notice to the grantee may be reduced to
26 not less than 48 hours.

27 Section 13. Monuments and Survey Markers.

28 (a) Before any work is performed under this franchise which may affect any existing
29 monuments or markers of any nature relating to subdivisions, plats, roads and all other
30 surveys, the Grantee shall reference all such monuments and markers. The reference points
31 shall be so located that they will not be disturbed during the Grantee's operations under this
32 franchise. The method of referencing these monuments or other points to be referenced shall
33 be approved by the Director of Public Works. The replacement of all such monuments or

1 other points to be referenced shall be approved by the Director of Public Works. The
2 replacement of all such monuments or markers disturbed during construction shall be made as
3 expeditiously as conditions permit, and as directed by the Director of Public Works. The cost
4 of monuments or other markers lost, destroyed or disturbed, and the expense of replacement
5 by approved monuments shall be borne by the Grantee.

6 (b) A complete set of reference notes for monuments and other ties shall be filed with
7 the Whatcom County Director of Public Works.

8 Section 14. Vacations.

9 If at any time the County of Whatcom shall vacate any county road, right-of-way or
10 other county property which is subject to the rights granted by this franchise and said vacation
11 shall be for the purpose of acquiring the fee of other property interest in said road, rights-of-
12 way or other county property for the use of Whatcom County, in either its propriety or
13 governmental capacity, then the Council of Whatcom County may at its option and by giving
14 thirty (30) days written notice to the Grantee, terminate this franchise with reference to such
15 county road, right-of-way or other county property so vacated, and the County of Whatcom
16 shall not be liable for any damages or loss to the Grantee by reason of such termination. Prior
17 to vacation, Grantee shall be granted a minimum of a width which matches that of the abutting
18 pipe line easements.

19 Section 15. Indemnification.

20 (a) The Grantee by acceptance of the privileges granted hereunder, does hereby agree
21 and covenant to indemnify, defend, and save harmless Whatcom County and those persons
22 who were, are now, or shall be duly elected or appointed officials or members or employees
23 thereof, against and from any loss, damage, costs, charges, expenses, liability, claims,
24 demands or judgments whatsoever kind or nature whether to persons or property, arising
25 wholly or partially out of any act, action, neglect, omissions or default on the part of the
26 Grantee, his sub-contractors and/or employees which may occur by reason of construction,
27 operation and maintenance of the Grantee's said transmission or distribution lines and
28 facilities. In case that suit or action is brought against the County of Whatcom for damages
29 arising out of or by reason of the above-mentioned causes, the Grantee will upon notice of the
30 filing of a claim or the commencement of said action, appear and defend the same at its sole
31 cost and expense, and in case judgment shall be rendered against the County of Whatcom in
32 suit or action, the Grantee will fully satisfy said judgment within ninety (90) days after said
33 suit or action shall have finally been determined, if determined adversely to Whatcom County.
34 Upon the Grantee's failure to satisfy said judgment within a ninety (90) day period, this

1 franchise shall at once cease and terminate and the County of Whatcom shall have a lien upon
2 the transmission lines and all other facilities used in its construction, operation and
3 maintenance of the Grantee's transmission system which may be enforced against the property
4 for the full amount of any such judgment so taken against Whatcom County.

5 (b) Acceptance by the County of any work performed by the Grantee at the time of
6 completion shall not be grounds for avoidance of this covenant.

7 Section 16. Non-Exclusive Franchise.

8 This franchise shall not be deemed to be an exclusive franchise. It shall in no manner
9 prohibit the County of Whatcom from granting other franchises of a like nature or franchises
10 for other public or private utilities under, along, across, over and upon any of the county
11 roads, rights-of-way, or other County property subject to franchise, and shall in no way
12 prevent or prohibit the County of Whatcom from construction, altering, maintaining, using or
13 vacating any of said roads, rights-of-way, drainage structures or facilities, irrigation structure
14 or facilities, or any other County property or affect its jurisdiction over them with full power
15 to make all necessary changes, relocations, repairs, maintenance as the County may deem fit.

16 Section 17. Successors and Assignees.

17 All the provisions, conditions, regulations and requirements herein contained shall be
18 binding upon the successors and assignees of the Grantee, and all privileges, as well as all
19 obligations and liabilities of the Grantee shall inure to its successors and assignees equally as if
20 they were specifically mentioned wherever the Grantee is mentioned herein.

21 Section 18. Transferability.

22 Neither this franchise nor any interest therein shall be sold, transferred or assigned
23 without the previous consent in writing of the Council of Whatcom County, such consent not
24 be unreasonably withheld.

25 Section 19. Incorporation.

26 Whenever any of the county roads, rights-of-way or other county property as
27 designated in this franchise, by reason of the subsequent incorporation of any town or city, or
28 extension of the limits of any town or city shall fall within the city or town limits this franchise
29 shall continue in force and affect as to all county roads, rights-of-way or other county property
30 not so included in city or town limits.

1 Section 20. Enforcement/Remedies.

2 If the Grantee shall willfully violate, or fail to comply with any of the provisions of this
3 franchise through willful or unreasonable neglect, or fail to heed or comply with any notice
4 given the Grantee under the provisions of this franchise, then the said Grantee shall forfeit all
5 rights conferred hereunder, and this franchise may be revoked or annulled by the Council of
6 Whatcom County. In addition to any rights implied or set out elsewhere in this ordinance, the
7 Council reserves the right to require the Grantee to specifically comply with the terms and
8 conditions of the franchise ordinance, and this franchise may be terminated at any time if the
9 Grantee's lines and facilities are not operated or maintained in accordance with such statute,
10 order or regulation.

11 Section 21. Reservation of Home Rule Charter Rights.

12 This franchise is subject to the provisions of the Home Rule Charter for Whatcom
13 County and, in particular, Section 9.30 thereof which provides as follows: All franchises
14 granted by the County Council shall be for a fixed term not to exceed twenty-five (25) years
15 and no exclusive franchise shall be granted for the use of any street, road, or public place. All
16 franchises shall be subject to the power of eminent domain and the right of the Council or the
17 people acting for themselves through the initiative or referendum to repeal, amend or modify
18 the franchise in the interest of the public; and every ordinance granting a franchise shall
19 contain a reservation of these rights. In any proceeding under eminent domain the franchise
20 itself shall have no value.

21 Section 22. Compliance with Laws and Regulations.

22 This franchise is subject to, and the Grantee shall comply with all applicable Federal,
23 State, County or municipal laws, regulations and policies affecting performance under this
24 franchise.

25 Section 23. Insurance.

26
27 (a) Upon acceptance of such franchise, the Grantee shall file with the Whatcom County
28 Council, and shall thereafter, during the entire term of such franchise, maintain in full force
29 and effect, a corporate insurance policy or other adequate surety agreement in the amount of
30 THREE MILLION DOLLARS (\$3,000,000.00) for the property damage coverage, and ONE
31 MILLION DOLLARS (\$1,000,000.00) for public liability coverage, so as to protect the
32 County against damages or costs as set forth in Section 15 above, and there shall be
33 recoverable, jointly and separately from the principal and surety, any such damages or costs

1 suffered or incurred by the County, including attorneys' fees and costs of any action, or
2 proceedings, and including the full amount of any compensation, indemnification, cost of
3 removal of any property or other costs which may be incurred up to the full principal amount
4 of such insurance policy; and said condition shall be a continuing obligation during the entire
5 term of such franchise and thereafter until Grantee shall have satisfied in full any and all
6 obligations to the County and any user which arise out of or pertain to said franchise. Neither
7 the provisions of this section, nor any insurance policy accepted by the County pursuant
8 hereto, nor any damages recovered by the County thereunder, shall be construed to excuse
9 faithful performance by the Grantee, or limit the liability of the Grantee under any franchise
10 issued pursuant to this ordinance.

11 (b) The County reserves the right to have its legislative body review the dollar amount
12 of said insurance policy and adjust the amount of coverage as deemed appropriate upon an
13 annual basis.

14 Section 24. License, Tax and Other Charges.

15 No privileges or rights granted hereunder shall exempt Grantee from any future
16 uniform rent, license, tax charge or impost which may hereafter be required by the Grantor,
17 for revenue or as reimbursement for use and occupancy of public ways, and failure to timely
18 remit any sums properly due thereby, shall be cause for forfeiture of rights hereunder.

19 Section 25. Severability.

20 If any portion of the ordinance is deemed invalid the remainder will remain in effect.

21 Section 26. Titles.

22 The section titles used herein are for reference only and should not be used for the
23 purpose of interpreting this ordinance.

24 Section 27. Previous Franchises.

25 As a result of this franchise, all previously granted franchises by and between
26 Whatcom County and Trans Mountain Oil Pipe Line Corporation shall be considered null and
27 void.

1 ADOPTED this 25 day of June, 1996.

2 ATTEST :
3

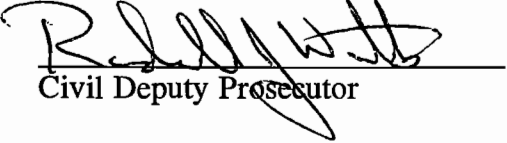
WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

4 
5 Dana Brown-Davis, Council Clerk


Ward Nelson, Council Chair,

6 APPROVED AS TO FORM:

Approved Denied

7 
8 Civil Deputy Prosecutor


Pete Kremen, County Executive

9 Date: 7/1/96