

ORDINANCE OF THE CITY OF RIALTO, COUNTY OF
SAN BERNARDINO, STATE OF CALIFORNIA, GRANTING
TO CALNEV PIPE LINES COMPANY A FRANCHISE TO
MAINTAIN AND OPERATE PIPE LINES WITHIN THE
CITY OF RIALTO

The City Council of the City of Rialto does ordain as
follows:

SECTION 1: The right, privilege and franchise are
hereby granted to Calnev Pipe Line Company for a period of
fifty (50) years from and after the granting of this franchise
to maintain, inspect, operate, protect, repair, replace, change
the size of, and remove or abandon-in-place a pipeline or
pipelines, control facilities and other appurtenances, including
any facilities necessary for cathodic protection thereof, for
the transportation of oil, oil products and other fluids in,
under, along, and across the public streets, highways, alleys
and bridges of the City of Rialto, hereinafter referred to
as the "City."

SECTION 2: This franchise and privilege are granted
and shall be held and enjoyed only upon the provisions and
conditions prescribed by law and those contained in this
ordinance. The Grantee must, within thirty (30) days after
the passage of this Ordinance, file with the Clerk of the City
of Rialto, a written acceptance of the terms and conditions of
this Ordinance.

SECTION 3: The Grantee shall, during the life of said
franchise, pay to the City in lawful money of the United States,
two per cent (2%) of the gross annual receipts of the Grantee
arising from the use, operation, or possession of this franchise.

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1 Such percentage shall be payable annually. For the years of
2 commencement of payment and termination of this franchise, said
3 annual payment shall be prorated in accordance with the period
4 of time during such respective calendar years that the liability
5 for the said annual payment commences or terminates as described
6 above.
7

8 In computing the amount of payment due, the portion of
9 the gross annual receipts to which said 2% shall be applicable,
10 shall be based upon the ratio which the capital investment of
11 the pipe line occupying the area covered by this franchise bears
12 to the total capital investment of the Grantee, as more specifi-
13 cally provided pursuant to the attached formula.
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15 As used above, the phrase, "2% of the gross annual
16 receipts of the Grantee arising from the use, operation or
17 possession of this franchise" shall be construed as that similar
18 phrase found in Section 6006 of the California Public Utilities
19 Code and in former Section 3 of Chapter 578, page 777, Statutes
20 of 1905, popularly known as the Broughton Act. The Grantee
21 shall file with the City Clerk of the City of Rialto, within
22 three (3) months after the expiration of the calendar year or
23 fractional calendar year, for which payment is to commence as
24 above stated, and within three (3) months after the expiration
25 of each and every calendar year thereafter, a duly verified
26 statement showing in detail the total gross receipts of said
27 Grantee during the preceding calendar year, or such fractional
28 calendar year, arising from the use, operation or possession
29 of this franchise within the City of Rialto, and within fifteen
30 (15) days after the time for filing the aforesaid statement,
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1 the Grantee shall pay to the City Treasurer of the City of
2 Rialto, in lawful money of the United States, the aforesaid two
3 per cent (2%) of its gross receipts arising from the use,
4 operation or possession of this franchise during said preceding
5 calendar year, or such fractional calendar year. Any neglect,
6 omission or refusal of said Grantee to file said verified
7 statement, or to pay said percentage, at the time or in the
8 manner hereinbefore provided which neglect, omission or refusal
9 shall continue for more than fifteen (15) days following notice
10 thereof to the Grantee from the City, shall be grounds for the
11 declaration of a forfeiture of this franchise and of all rights
12 of the Grantee hereunder.
13

14 SECTION 4: Payment shall be computed using the follow-
15 ing formula:
16

17 A. Mileage in Pipe line System

18 Total Mileage in Distributing System _____

19 Mileage in Streets and Highways _____

20 Percent of Mileage in Streets and
21 Highways to Total Mileage _____%

22 Gross Receipts _____

23 Gross Receipts applicable to Mileage
24 in Streets and Highways _____

25 Total Mileage in Streets and Highways of
26 this Franchise _____

27 Mileage in Streets and Highways of this
28 Franchise _____

29 Percent of mileage of this Franchise to
30 Total Mileage in Streets and Highways _____%

31 B. Gross Receipts applicable to this Franchise _____

32 C. Amount due under this Franchise for period
_____ to _____
at 2% of B _____

1 SECTION 5: Any pipe line maintained under said franchise
2 shall be so placed as not to interfere with the use of said
3 public streets, highways, alleys, or bridges by the traveling
4 public or for public purposes to any greater extent than is
5 reasonably necessary. Any pipe line maintained under said
6 franchise shall be maintained in conformity with instructions
7 given by, and to the satisfaction of, the City Engineer or other
8 appropriate officer of said City, and shall comply with Title XIII
9 Chapter B and all other matters provided in the City of Rialto
10 Municipal Code.
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12 SECTION 6: The City of Rialto reserves the right to
13 improve any highway, street, alley or other public places, or
14 portion thereof, over and within which this franchise is granted,
15 including the widening, change of grade, construction or re-
16 construction of such highway, street, alley or other public
17 places, or any portion thereof, and there is further reserved to
18 the City of Rialto the right to construct, reconstruct, install,
19 repair and maintain in any such highway, street, alley or other
20 public places, or portion thereof, any public improvement.
21

22 If notice in writing is given to the Grantee ten (10)
23 days in advance of the fact that work is to be done pursuant to
24 any right reserved above in this section, specifying the general
25 nature of the work and the area in which the same is to be
26 performed, then the Grantee shall do all things necessary to
27 protect its franchise property, during the progress of such work,
28 and if ordered by the City Council of the City of Rialto,
29 the Grantee shall temporarily disconnect or temporarily remove
30 or shall relocate its franchise property within the highway,
31 street, alley or other public places to such extent, in such
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1 manner, and for such period as shall be necessary to permit the
2 performance of such work in an economical manner, and in accordance
3 with the generally recognized engineering and construction
4 methods, and to permit the maintenance, operation and use of such
5 public improvement or of the highway, street, alley or other
6 public places as so improved. All such things to be done and
7 work to be performed by the Grantee shall be at the sole cost
8 and expense of the Grantee.
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10 In the event that the City of Rialto shall hereinafter
11 construct, install, reconstruct or repair any bridge or artificial
12 support in or underlying any highway, street, alley or other
13 public places in which the Grantee's franchise property is
14 located, and in the event that the cost of such work as may
15 reasonably be required is increased in order to provide for the
16 installation, maintenance or operation of Grantee's franchise
17 property in or on the area covered by or underlain by said
18 bridge or other artificial support, then Grantee shall pay to
19 the City for doing such work the full amount of such increase
20 of cost upon completion of such construction, installation or
21 repair; provided, however, that the Grantee may, in lieu of the
22 foregoing relocate its facilities to avoid such increase of cost.
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25 Any damage done directly or indirectly to any public
26 street, highway, alley or other public places or public improve-
27 ment by the Grantee, in exercising directly or indirectly any
28 right, power or privilege under this franchise, or in performing
29 any duty under or pursuant to the provisions of this Ordinance,
30 shall be promptly repaired by said Grantee, at its sole cost and
31 expense, to the complete satisfaction of the City of Rialto.
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1 SECTION 7: The Grantee shall hold the City of Rialto,
2 its authorized officers, agents and employees, harmless from
3 and against any and all liability or loss resulting from claims
4 for damages by any person arising out of the acts or omissions
5 of the Grantee, its agents or employees in the performance of
6 any work authorized hereunder.
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8 SECTION 8: If the Grantee shall fail, neglect, or
9 refuse to comply with any of the provisions or conditions hereof
10 and shall not, within thirty (30) days after written demand for
11 compliance, begin the work of compliance, or, after such
12 beginning, shall not prosecute the same with due diligence to
13 completion, then the City, by its City Council, may declare
14 this franchise forfeited. If the Grantee shall fail to comply
15 or to commence and diligently proceed toward compliance with
16 any instructions of the City Council or the City Engineer with
17 respect to the location of any of said franchise property or the
18 repair of any damage to streets, alleys, highways or other public
19 places or any public improvement within thirty (30) days after
20 the service of written notice upon the Grantee requiring
21 compliance therewith, then the City Council may immediately
22 do whatever work is necessary to carry out the instructions at
23 the cost and expense of the Grantee, which cost the Grantee
24 shall pay upon demand.
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27 SECTION 9: The Grantee may from time to time surrender
28 this franchise as to all or any part of the pipe line or pipe
29 lines maintained and operated under this franchise by giving
30 thirty (30) days advance written notice of said surrender to
31 the Council of the City of Rialto, designating the portion or
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1 portions of the said pipe line or pipe lines as to which this
2 franchise is surrendered.

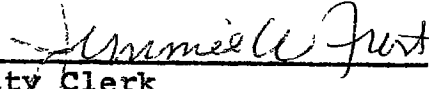
3 SECTION 10: The provisions of this franchise and all
4 rights, obligations and duties shall inure to and be binding
5 upon the Grantee, its successors and assigns. Grantee shall not
6 sell, transfer or assign this franchise or any of the rights or
7 privileges hereby granted without the prior consent of the City
8 Council of the City of Rialto, and except by a duly executed
9 instrument in writing filed in the office of the City Clerk of
10 the City of Rialto. Nothing in this franchise shall be construed
11 to grant to said Grantee, any right to sell, transfer or assign
12 this franchise, or any of the rights or privileges hereby granted,
13 except in the manner aforesaid.
14

15 SECTION 11: The Grantee, during the life of this
16 franchise, shall keep on file with the City Clerk of the City
17 of Rialto and maintain in good standing a corporate surety bond
18 running to the City of Rialto, approved by the City Council in
19 the penal sum of One Thousand Dollars (\$1,000.00), and conditioned
20 that such Grantee shall well and truly observe, fulfill, and
21 perform each term and condition of the franchise, and that in
22 case of any breach of condition of such bond, the whole amount
23 of the penal sum therein named shall be deemed to be liquidated
24 damages and shall be recoverable from the principal and sureties
25 upon said bond. Said bond shall be filed with the City Clerk of
26 the City of Rialto within five (5) days after this franchise is
27 awarded.
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1 SECTION 12: The City Clerk shall certify to the
2 adoption of this Ordinance and cause the same to be published
3 once in the "Rialto Record" and the same shall be in force and
4 effect on and after 30 days after its passage and adoption.
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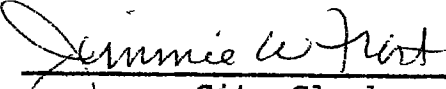
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8 
9 Mayor of the City of Rialto
FRANK LOWELL

10 ATTEST:

11 
12 City Clerk
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16 STATE OF CALIFORNIA)
17 COUNTY OF SAN BERNARDINO) ss
18 CITY OF RIALTO)

19 I, JIMMIE W. FROST, City Clerk of the City of Rialto do
20 hereby certify that the foregoing Ordinance No. 577 was
21 regularly passed and adopted at a regular meeting of the City
22 Council held on the 18th day of March , 1968.
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24
25 
26 City Clerk
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