



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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June 27, 2025

Rachel Van Mullem  
County Counsel  
Santa Barbara County  
105 E. Anapamu Street, Suite 201  
Santa Barbara, CA 93101

Re: Your Request for Advice  
**Our File No. A-25-075**

Dear Ms. Van Mullem:

This letter responds to your request for advice on behalf of Santa Barbara County (“County”) Supervisor Joan Hartmann regarding the conflict of interest provisions of the Political Reform Act (the “Act”) and Government Code Section 1090.<sup>1</sup>

Please note that we are only providing advice under the Act and Section 1090, not under other general conflict of interest prohibitions such as common law conflict of interest. Also, note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

We are required to forward your request regarding Section 1090 and all pertinent facts relating to the request to the Attorney General’s Office and the Santa Barbara County District Attorney’s Office, which we have done. (Section 1097.1(c)(3).) We did not receive a written response from either entity. (Section 1097.1(c)(4).) We are also required to advise you that, for purposes of Section 1090, the following advice “is not admissible in a criminal proceeding against any individual other than the requestor.” (See Section 1097.1(c)(5).)

### QUESTION

Does Supervisor Hartmann, who owns a real property parcel approximately 900 feet from the Las Flores underground crude oil pipeline owned by Sable Offshore Corporation (“Sable”), have a disqualifying financial interest in the County’s decisions regarding Sable’s application for a “Code 25B Permit Amendment” to transfer the existing permits to Sable as the owner, operator and guarantor, as detailed below, and the related litigation on this transfer decision?<sup>2</sup>

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<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

## CONCLUSION

No. Supervisor Hartmann does not have a disqualifying financial interest in the County's decisions regarding Sable's application and the related litigation because it is not reasonably foreseeable that the decisions would have a material effect on the official's parcel's development potential, income producing potential, highest and best use, character, or market value.

Also, Supervisor Hartmann does not have a financial interest in the litigation of the application or a settlement thereof solely because she owns property near the pipelines. Barring additional facts, Section 1090 does not prohibit Supervisor Hartmann from making or participating in the approval of the change of operator, owner or guarantor and permit transfer litigation decisions, and any potential settlement agreement

## FACTS AS PRESENTED BY REQUESTER

Supervisor Hartmann first took office as Third District Supervisor on January 3, 2017. Supervisor Hartmann's family residence is located on approximately 31 acres of land and is part of the Jonata Springs Ranch Homeowners Association. Jonata Springs Ranch is a private gated community that comprises 800 acres divided into 44 individual parcels of 20 acres or more.

The Las Flores Pipeline, "Line 903," is an underground crude oil pipeline that is currently owned by Sable Offshore Corporation ("Sable"). Line 903 runs the entire length of Santa Barbara County, including near Supervisor Hartmann's residence. Because of turns in the pipeline's layout, the distance from the closest points of Line 903 to the closest edge of Supervisor Hartmann's parcel is approximately 900 feet.<sup>3</sup> The closest distance between Supervisor Hartmann's actual residence and Line 903 is approximately 1,040 feet.

Line 903 is part of the Las Flores Pipeline System, which includes Line 901 and has approximately 122 linear miles of crude oil pipeline that runs from the Gaviota Coast in the County to a delivery station in Kern County. The pipelines are part of a larger oil production infrastructure, including: 1) the onshore Santa Ynez Unit ("SYU") facilities, 2) the Pacific Offshore Pipeline Company ("POPCO") Gas Plant, and 3) the Las Flores Pipeline System. These three facilities are

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<sup>2</sup> This advice exclusively concerns the County's decisions regarding the approval of changing the operator, owner, or guarantor and the administrative transfer of existing permits. It does not pertain to new permitting decisions, decisions made by other agencies with jurisdiction over the pipeline's restart, operation or safety, or any other litigation related to the Las Flores Pipeline.

<sup>3</sup> You state that the exact location of the pipeline is uncertain, and that previous estimates of the distance between the pipeline and Supervisor Hartman's property have been incorrect. (See *Ghizzoni* Advice Letter, No. A-17-037.) Based upon the most current information available, including permitting data and aerial images of scars from construction, it is currently estimated that the closest edge of Supervisor Hartmann's parcel to Line 903 is approximately 900 feet, and the closest edge of Supervisor Hartmann's residence to Line 903 is approximately 1,040 feet. We caution that conclusions reached herein are limited to the information provided. If at any time there are indications that Line 903 is in fact closer to Supervisor Hartman's property than currently estimated, Supervisor Hartman should seek additional advice prior to any further involvement in decisions involving Line 903.

existing, operationally interrelated oil and gas facilities, permitted to operate under previously issued County Final Development Plan (“FDP”) Permits and Coastal Development Permits.

The onshore SYU facilities and POPCO Gas Plant are County-permitted facilities that treat crude oil and natural gas from offshore Platforms Hondo, Harmony, and Heritage in the Santa Barbara Channel. The County’s permitting jurisdiction is limited to the onshore SYU facilities and does not include the offshore platforms or offshore infrastructure. When operating, oil produced from the SYU is transported via the common-carrier Las Flores Pipeline System, a County permitted pipeline system. The County does not regulate the *operation* of either Line 901 or Line 903. But the County is the original permit-issuing authority for the pipeline and is responsible for considering changes in ownership or changes in the operation of the pipelines.

Sable Offshore Corporation (“Sable”) acquired the SYU from ExxonMobil Corporation on February 14, 2024, as well as the POPCO and Pacific Pipeline Company, the owners of the Gas Plant and the Las Flores Pipeline System, respectively.

On March 14, 2024, Sable submitted applications to the County’s Planning and Development Department for a “Code 25B Permit Amendment” to transfer the existing permits as follows:

- A Change of Owner, Operator and Guarantor of the onshore SYU facilities permit, No. 87-DP-32cz (RV06), from ExxonMobil Corporation to Sable;
- A Change of Operator and Guarantor of the POPCO Gas Plant permit, No. 93- FDP-015 (AM03), from ExxonMobil Corporation to Sable; and
- A Change of Operator and Guarantor of the Las Flores Pipeline System permit, No. 88-DPF-033 (RV01)z, 88-CP-60 (RV01)(88-DPF-25cz;85-DP-66cz; 83-DP-25cz), from ExxonMobil Pipeline Company to Sable (Operator), and ExxonMobil Corporation to Sable (Guarantor).

The Planning Commission recommended approval of the permit transfers. Appeals were filed for consideration by the Board of Supervisors at its February 25, 2025 meeting. The appeals raised issues regarding Sable’s ability to operate the facilities, its financial capabilities, compliance with permits, and whether the permit transfers are subject to CEQA. They also questioned the County’s actions to ensure that safety standards were met and whether new or revised development plans, conditional use permits, and coastal development permits could be required by the County. The Planning Commission, in its letter to the Board of Supervisors regarding this decision, noted in many instances that the appeal issues were outside the scope of the 25B Permit Amendment process.

For example, the Planning Commission stated that “Processing the Chapter 25B Permit Amendment requests is an administrative action that would not result in any direct or indirect physical changes to the environment. ... the actions are for the administrative transfer of County permits to a new Owner, Guarantor, and Operator only.” The Planning Commission noted that “the

County has historically considered all previously processed 25B Permit Amendments to not constitute as a 'project' [subject to CEQA]." The letter further explained that "Restart of the facilities is not a part of the Chapter 25B Permit Amendment process, nor would the transfer of permits facilitate restart. The three existing facilities are already permitted to operate under each issued Final Development Plan permit." Staff noted that Sable's application for the transfer are consistent with the requirements of findings "regarding the operator's technical capabilities, staffing, safety, and incident records."

The Board voted 2-2 on the matter, and no action was taken. Supervisor Hartmann recused herself from the matter and did not participate in the discussion or vote. As a result of the tie vote, Sable requested reconsideration of the Board's action and has filed a writ of mandate to compel the County to transfer the permits as approved by the Planning Commission.

Line 903 traverses four of the County's nine groundwater basins and four of the County's Groundwater Sustainability Agencies ("GSA"). Supervisor Hartmann's property is located in a Groundwater Basin Central Management Area ("CMA"), governed by the Santa Ynez River Valley Groundwater Basin CMA GSA under a Groundwater Sustainability Plan. Her property gets its water service from the Bobcat Springs Mutual Water Company ("Bobcat MWC"), which provides potable water service to approximately 47 connections and a population of 120, relying on 2 extraction wells as its sole source of water supply. There are 3 retail water agencies servicing the CMA, including the City of Buellton (with 1,836 connections serving a population of 5,464), Bobcat MWC, and Mesa Hills MWC (with 36 connections serving a population of 54), and one wholesale water agency the Central Coast Water Authority. There are also three small-scale water purveyors for the CMA, serving 16 or fewer connections, including the Jonata Homeowners Association, the North Buellton Hills Water Works, and the Hager MWC. In addition, there are approximately 255 groundwater wells, of which 125 are domestic or municipal wells, in the CMA.

In 2015, Line 901 ruptured and released more than 100,000 gallons of crude oil onshore, along the Gaviota Coast area of the County. A federal agency, the Pipeline and Hazardous Materials Safety Administration, issued a series of Corrective Action Orders concerning the Line 901 and Line 903 pipelines. As part of this action, the Pipeline System was shut down, purged and filled with inert gas. All corrective actions are to be completed prior to the restart of the pipelines. The Pipeline System is classified as "active" but remains out of service while the owner/operator works to fulfill the requirements for the safe operation of the pipelines. As noted above, the County has no jurisdiction over the pipeline operations, and the Office of State Fire Marshall ("OSFM") is the regulatory authority responsible for the safety oversight of the pipelines.

## ANALYSIS

### The Act

Section 87100 prohibits any public official from making, participating in making, or otherwise using their official position to influence a governmental decision in which the official has a financial interest. A public official has a "financial interest" in a governmental decision, within the meaning of the Act, if it is reasonably foreseeable that the decision will have a material financial

effect, distinguishable from its effect on the public generally, on one or more of the public official's interests. (Section 87103; Regulation 18700(a).) Section 87103 defines "financial interests" to include, relevant to these facts, an interest in real property in which the official has a direct or indirect interest of \$2,000 or more. (Section 87103(b).)

Supervisor Hartmann has a real property interest in her 31-acre residential parcel located in Jonata Springs Ranch. We examine whether it is reasonably foreseeable that the County's decisions on Sable's application or on the related litigation (the writ of mandate to compel the County's action) will have a material financial effect on her real property.

### *Foreseeability & Materiality*

Regulation 18701(a) states that an effect on an interest is presumed foreseeable if the interest is explicitly involved in the decision. An interest is explicitly involved if it is a named party in, or subject of, the decision. Regulation 18701(a) states that a financial interest is "the subject of" a proceeding under certain criteria, including where the decision affects a real property financial interest as described in the regulation setting forth the real property materiality standard, Regulation 18702.2, items (a)(1)-(6).<sup>4</sup> Where an official's economic interest is not explicitly involved in the governmental decision, as we have here, the applicable standard for determining the foreseeability of a financial effect on the economic interest is found in Regulation 18701(b). It states, "if the financial effect can be recognized as a realistic possibility and more than hypothetical or theoretical, it is reasonably foreseeable. If the financial result cannot be expected absent extraordinary circumstances not subject to the public official's control, it is not reasonably foreseeable."

Relevant to a government decision involving property located more than 500 feet but less than 1,000 feet from the official's parcel, Regulation 18702.2(a)(8) states that the reasonably foreseeable financial effect of a decision on the official's parcel is material if the decision would change the official's parcel's development potential, income producing potential, highest and best use; character (by substantially altering traffic levels, the intensity of use, parking, view, privacy, noise levels, or air quality), or its market value.

At issue is the administrative transfer of existing permits to Sable, the new owner and operator. The County's decisions do not relate to safety or repairs of the pipeline, part of which is located within 900 feet of Supervisor Hartmann's property. Nor do the County's decisions involve impacts to groundwater that serves her property. State and federal agencies have jurisdiction and intervening review over the restart, operation, and safety of the pipeline, and the County's decisions do not relate to the restart or operation of the pipeline. As stated in the Planning Commission's letter to the Board of Supervisors, restarting the pipeline is not a part of the County's decisions, and

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<sup>4</sup> Regulation 18702.2(a)(6) states that an official's property is the "subject of a decision" where that decision involves construction of, or improvements to, streets, water, sewer, storm drainage or similar facilities, and the [official's] parcel will receive new or improved services that provide a benefit or detriment disproportionate to other properties receiving the services. However, this decision does not involve any construction or improvements to the pipeline at issue.

the three existing facilities are already permitted to operate under the existing FDP permits. The decision would transfer the existing permits to Sable, the new owner and operator. As a result, the facts do not indicate that it is reasonably foreseeable that the County's decisions at issue would change the official's parcel's development potential, income producing potential, highest and best use, character, or market value, and Supervisor Hartmann does not have a disqualifying interest in the decision.

Similarly, there is no indication that litigation on the County's ownership/transfer permits issue will impact the above factors regarding Supervisor Harman's property solely because it is located 900 feet from the Line 903 pipeline. Based upon the facts presented and the limited nature of the decision subject to litigation, it is not reasonably foreseeable that the litigation decisions would have a material financial effect on the official's property. Supervisor Hartmann does not have a disqualifying interest in the County's litigation decisions on this issue.

## Section 1090

Section 1090 generally prohibits public officers, while acting in their official capacities, from making contracts in which they are financially interested. Section 1090 is concerned with financial interests, other than remote or minimal interests, that prevent public officials from exercising absolute loyalty and undivided allegiance in furthering the best interests of their agencies. (*Stigall v. City of Taft* (1962) 58 Cal.2d 565, 569.) Section 1090 is intended not only to strike at actual impropriety but also to strike at the appearance of impropriety. (*City of Imperial Beach v. Bailey* (1980) 103 Cal.App.3d 191, 197.)

Under Section 1090, the prohibited act is the making of a contract in which the official has a financial interest. (*People v. Honig* (1996) 48 Cal.App.4th 289, 333.) A contract that violates Section 1090 is void. (*Thomson v. Call* (1985) 38 Cal.3d 633, 646.) The prohibition applies regardless of whether the terms of the contract are fair and equitable to all parties. (*Id.* at pp. 646-649.) Importantly, when Section 1090 applies to one member of a governing body of a public entity, the prohibition cannot be avoided by having the interested board member abstain. Instead, the entire governing body is typically precluded from entering into the contract. (*Id.*, see also *Stigall v. City of Taft*, *supra*, at p. 569; 86 Ops.Cal.Atty.Gen. 138, 139 (2003); 70 Ops.Cal.Atty.Gen. 45, 48 (1987).)

Section 1090 reaches beyond the officials who actually execute the contract. Officials who participate in any way in the making of the contract are also covered by Section 1090. Participation in the making of a contract has been broadly defined by the courts as any act involving preliminary discussions, negotiations, compromises, reasoning, planning, drawing of plans and specifications, and solicitation for bids. (*Millbrae Assn. for Residential Survival v. City of Millbrae* (1968) 262 Cal.App.2d 222, 237; see also *Stigall v. Taft* (*supra*).)

If this litigation results in a settlement agreement, the County Board of Supervisors will participate in the agreement. Section 1090 prohibits any Board member from participating in litigation decisions or negotiations where they have a financial interest in the decision. However, an official has a financial interest in a contract only when there is a sufficient connection between the

contract in question and the interest held by the official. In this matter, Supervisor Hartmann does not have a financial interest in the litigation or a settlement thereof solely because she owns property near the Line 903 pipeline. Barring additional facts, Section 1090 does not prohibit Supervisor Hartmann from making or participating in a settlement agreement to resolve this litigation.

If you have other questions on this matter, please contact me at [KHarrison@fppc.ca.gov](mailto:KHarrison@fppc.ca.gov).

Sincerely,

Dave Bainbridge  
General Counsel

*L. Karen Harrison*

By: L. Karen Harrison  
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