



Monterey County

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Board Report

Legistar File Number: 15-0314

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Authorize the Chair of the Board of Supervisors to sign and send a letter to the County of San Luis Obispo addressing the County of Monterey's concerns related to transport of crude oil by rail through Monterey County related to expansion of the Phillips 66 refinery operations permit in San Luis Obispo County.

(REF150022, County-wide, Phillips 66 Refinery Rail Spur)

PROJECT INFORMATION:

Planning File Number: REF150022

Owner: N/A

Project Location: County-wide

APN: County-wide

Agent: N/A

Plan Area: County-wide

Flagged and Staked: N/A

CEQA Action: N/A

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Chair to sign and send a letter to the County of San Luis Obispo addressing the County of Monterey's concerns related to transport of crude oil by rail through Monterey County related to expansion of the Phillips 66 refinery operations permit in San Luis Obispo County.

SUMMARY/DISCUSSION:

At the March 17, 2015 Board of Supervisors meeting, Supervisor Phillips raised a concern regarding a project in San Luis Obispo County that would affect Monterey County, if approved. Pursuant to a subsequent meeting Supervisor Phillips had with staff, staff is presenting the attached letter for Board consideration addressing County concerns with project impacts. San Luis Obispo County, as lead agency, has prepared a Draft Environmental Impact Report for the proposed Phillips 66 Company Rail Spur Extension Project. The proposed project, located in Nipomo next to the Phillips 66 refinery, would extend a spur from the existing Union Pacific Railroad system to allow crude oil to be transported to the refinery by train. Currently, the refinery receives all crude oil by pipeline to the facility from various places in California; however, the company proposes this rail extension to allow crude oil to be transported to the refinery by train from areas outside of California. One of the routes for transporting oil is through Monterey County.

The Draft EIR states that the project operations would include the unloading of five trains per week, with an annual maximum number of trains to be approximately 250 (one trip per

weekday). The trains would carry 80 railcars each carrying 27,300 gallons of crude oil, totaling 52,000 barrels of crude oil (approximately 2.2 million gallons) per unit train. The Union Pacific Railroad (UPRR) system, proposed to be used for this transport, enters California from Oregon, Nevada, and Arizona and would mainly deliver crude oil to San Luis Obispo from Roseville to the north (through Monterey County), and Colton from the south (through Santa Barbara County).

San Luis Obispo County first released a Draft EIR in 2013, and re-circulated a Draft EIR in 2014. That public comment period is now closed; however, due to a significant amount of comment letters received including letters from multiple cities and counties, San Luis Obispo is still accepting post comment period letters. San Luis Obispo County is in the process of reviewing and responding to comment letters as part of preparation of a Final EIR. At this time no hearing date is scheduled for the San Luis Obispo County Planning Commission.

The UPRR system traverses Monterey County through the Salinas Valley and various small communities such as Chualar, San Ardo, Bradley, San Lucas, Castroville, and Pajaro, as well as the cities of Salinas, Gonzales, Soledad, and King City. The railroad system also bisects sensitive environmental habitats such as the Elkhorn Slough National Estuarine Reserve, and travels alongside numerous miles of prime, active farmland. The Draft EIR concluded that in the event of a derailment and/or spill, there would be significant and unavoidable impacts to areas along the mainline of the UPRR in the following areas: public services and utilities, agricultural resources, water resources, cultural resources, biological resources, and hazardous materials. Additionally, ongoing operational activities of trains along the mainline of the rail system would result in significant and unavoidable impacts to air quality and greenhouse gas emissions. Due to the proximity of the rail line to these communities, and the potential impacts to the population and environment, the risks of this project raise significant concerns for Monterey County.

The existing refinery currently receives all crude oil by pipeline. Two alternatives to the project that were not considered in the Draft EIR are: 1) a pipeline alternative that does not require the use of rail transport; and 2) utilization of an existing Rodeo facility, located in the San Francisco Bay Area and already connected to the Nipomo refinery by pipeline, for refining of the product. While these alternatives may have their own impacts, the Draft EIR did not consider these and would result in less significant and unavoidable impacts and avoid environmental effects to the counties through which the trains are proposed to travel.

The attached letter (Attachment A) has been drafted to capture the County of Monterey's comments regarding the proposed project. The proposed letter addresses the following concerns:

- Potential impact on existing communities, habitat, and prime farmland
- Potential sea level rise surrounding the existing rail line through the Elkhorn Slough National Estuarine Research Reserve
- Request for additional alternatives analysis

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project and/or have comments:

RMA-Public Works
North County Fire Protection District

FINANCING:

Funding for staff time associated with preparation of this letter is included in the FY14-15 Adopted Budget for RMA-Planning.

Prepared by: Grace Bogdan, Assistant Planner ext. 6414
Approved by: Mike Novo, Director, RMA-Planning, ext. 5192 *mw*
Carl P. Holm, AICP, Acting Director, Resource Management Agency *CM*

This report was prepared with assistance by Mike Novo, Director of RMA-Planning

cc: Front Counter Copy; California Coastal Commission; Jacqueline Onciano, RMA Services Manager; The Open Monterey Project (Molly Erickson); LandWatch (Amy White); Elkhorn Slough National Estuarine Research Reserve, North County Fire Protection District; Office of Emergency Services; City of King City; City of Soledad; City of Gonzales; City of Greenfield; City of Salinas; Cal-Fire Central Valley; Friends, Artists, and Neighbors of Elkhorn Slough (FANS); Elkhorn Slough Foundation; MBUAPCD; Project File REF150022

The following attachments on file with the Clerk of the Board:

Attachment A-Monterey County comment letter to San Luis Obispo County