

April 7, 2015

Honorable Debbie Arnold, Chair  
San Luis Obispo County Board of Supervisors  
County Government Center, Room D-430  
San Luis Obispo, CA 93408

Mr. Ken Topping, Chair  
San Luis Obispo County Planning Commission  
976 Osos Street, Room 200  
San Luis Obispo, CA 93401

Mr. James Bergman, Director  
San Luis Obispo County Planning and Building Department  
976 Osos Street, Room 200  
San Luis Obispo, CA 93401

Dear Chair Arnold, Chair Topping, and Planning Director Bergman:

Thank you for providing Monterey County with the opportunity to submit comments on the Phillips 66 Company Rail Spur Extension Project. Please provide this letter from the Monterey County Board of Supervisors to your Planning Commission and Board of Supervisors as part of deliberations on the project.

The project being considered by San Luis Obispo County is modification of the existing rail spur currently on the southwest side of the Santa Maria Refinery, to allow the delivery of crude oil by train. We understand that approximately one train (with 80 fully loaded cars) per weekday, on average, would deliver oil to the new rail spur for processing at the existing refinery. One of the basic project objectives outlined in the project Draft Environmental Impact Report (DEIR) is to “avoid or minimize environmental and community impacts and mitigate any unavoidable impacts to the maximum extent feasible.” Monterey County provides this letter to express our concerns related to environmental and community impacts that are identified in the DEIR as potential impacts in our county.

Your DEIR identifies significant and unavoidable environmental impacts related to the following impact categories, all of which are identified as potential impacts within Monterey County:

- Agricultural Resources
- Air Quality/Greenhouse Gasses
- Biological Resources
- Cultural Resources
- Hazards and Hazardous Materials

- Public Services and Utilities
- Water Resources

These significant and unavoidable impacts are further described by the following statements in the DEIR for impacts along the rail line outside San Luis Obispo County:

- "...pollutant emissions that exceed thresholds..."
- "...toxic emissions that exceed thresholds..."
- "...spill that impacts sensitive plant and wildlife species and wetlands."

These statements accurately describe impacts that would occur within each county along the rail line, including Monterey County. In addition to the air quality impacts to the communities in Monterey County, DEIR Figure 4.4-2 shows that Monterey County has the third largest occurrence of sensitive biological resources of all the counties through which the rail line runs.

The rail line that runs through Monterey County traverses many communities such as Chualar, San Ardo, Bradley, San Lucas, Castroville, and Pajaro, as well as the cities of Salinas, Gonzales, Soledad, and King City where any accident could be catastrophic. Rail lines tend to run through older areas of a community and could include some significant environmental justice issues related to increased air pollution, noise and the possibility of a catastrophic accident. In addition, air quality, hazardous material, and public service impacts, not to mention potential harm to the population and environment, would significantly affect these communities in the event of a derailment/spill.

In northern Monterey County, the Union Pacific Railroad tracks traverse the Elkhorn Slough National Estuarine Research Reserve, with the tracks bisecting sensitive slough and mud flat areas, all considered Environmentally Sensitive Habitat areas under the Coastal Act and the Monterey County Local Coastal Program. Accidental spills or a catastrophic release at the slough would not only have devastating impacts to a significant sea otter population that resides in the slough, but would also have devastating and long lasting effects to the ecosystem of the slough, the second largest estuarine habitat in the state. Wildlife habitats in the slough provide a rich ecosystem for hundreds of birds, marine invertebrates, and fish species. Additionally the slough supports numerous endangered species including the southern sea otter, western snowy plover, and tidewater goby.

In addition, the rail line through the slough is under water during King Tides and, with sea level rise, will be under water more frequently in the future. This track condition could be a concern for rail transport through this area, especially related to fully loaded rail cars of hazardous materials.

Monterey County is concerned with the proposal as described and asks that San Luis Obispo County and/or the project applicant consider other alternatives. Perhaps we are missing a nuance about the pipeline connection to the Rodeo refinery. We note that a pipeline connects the two oil refinery areas. Although we did not find a complete

discussion on this, we assume that the pipeline is not being used to bring crude oil to the San Luis Obispo County site, but only to deliver refined product to Rodeo. We ask that two alternatives be considered related to this connection:

1. The alternatives analysis should provide a thorough discussion of a pipeline alternative that does not require use of rail transport. If a new pipeline is required, while construction impacts would likely be more significant, long-term operational effects could be greatly diminished and the risk of a rail accident in several counties would be eliminated from the proposal.
2. We do not understand why trains would pass Rodeo on their way to Santa Maria, where the product is then refined and transported by pipeline back to Rodeo. We ask that an alternative of refining the product in the Rodeo area be considered. This alternative avoids many environmental effects over many counties, while potentially increasing effects in the Rodeo area. An analysis of this should be done, although we understand this would essentially be the “No Project” alternative for CEQA purposes. The analysis could be presented as part of the staff report. We understand that this may not be beneficial to the applicant, but from a public standpoint, significant and unavoidable impacts are avoided.

We also think it is important that you understand whether you are preempted from requiring some of the mitigation measures prior to making a decision on the project. That information will help you understand the full environmental effects of the project on the environment, including the people and habitat of several other counties. One of the purposes of CEQA is to fully inform decision makers and the public of the effects of a possible decision. Knowing if these mitigation measures can be implemented is critical to understanding the project impacts.

Should you have any questions related to these comments, please feel free to contact Mike Novo, Planning Director, at [novom@co.monterey.ca.us](mailto:novom@co.monterey.ca.us) or by phone at (831) 755-5192.

Sincerely,

Simón Salinas, Chair  
Monterey County Board of Supervisors