

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY



Carl P. Holm, AICP, Director
John Guertin, Acting Deputy Director
Daniel Dobrilovic, Acting Building Official
Mike Novo, AICP, Director of Planning
Benny J. Young, Interim Director of Public Works & Facilities

168 W. Alisal Street, 2nd Floor
Salinas, California 93901
(831)755-4800
www.co.monterey.ca.us/rma

January 28, 2016

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 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 Resource Management Agency to your Planning Commission for the February 4 and 5 public hearings. We typically do not get involved with local land use decisions in other jurisdictions; however, due to the direct impacts this project could pose on our County and our communities, we would like to express our support of your staff's findings and recommendation of denial of the project.

Monterey County Board of Supervisors sent a letter in April of 2015 to San Luis Obispo County stating our opposition to the project, joining several other municipalities and organizations opposing the proposed Phillips 66 project. That letter, which we have attached, stressed the irreparable impacts a derailment could pose on Monterey County. We have significant concern related to impacts to the Elkhorn Slough habitat and many of our older communities that are located along the UPRR coastal line. The letter also highlighted the current conditions of the UPRR within Monterey County, and how under certain conditions such as King Tides, the rail becomes flooded and impassible. With the release of the FEIR and staff report, we maintain our opposition to the project and would like to highlight the following items of concern:

- Alternatives Analysis
- No disclosure of impacts to human exposure of hazardous materials
- Analysis of Coastal Line rail conditions

The FEIR included an additional transportation alternative via pipeline (Section 5.1.2). There were two levels of pipelines offered in the alternative: 1) a large scale pipeline from Canada to SMR, akin to the Keystone Pipeline, and 2) a smaller pipeline from the rail facility in Bakersfield to the Sisquoc Pump Station. The section briefly describes the infeasibility of the larger scale pipeline due to the lack of interest by companies to make the projects profitable. However, little discussion was included regarding the smaller pipeline alternative. The FEIR dropped this alternative due to: 1) the unlikelihood that Phillips 66 could acquire the necessary ROW to construct a pipeline, and 2) that the “pipeline would require additional permits from Federal, State, and local agencies, which are outside of the control of the County.” It should be noted that Monterey County approved a pipeline in 2008 for Chevron to pipe oil from the San Ardo field across the Gabilan Mountain Range to Coalinga, a distance of 57 miles, which lends us to believe a local pipeline is feasible and should not have been dropped from further consideration. If project approval is considered, we ask for this alternative to be considered and analyzed as the preferred project.

The FEIR states that analysis has been conducted to determine the safest rail route from Roseville to the Santa Maria Refinery, however this is not included in the EIR. Our issue with this lack of analysis provided in the EIR is that there are clear safety issues with the Coastal Line through the northern portion of Monterey County, which should be considered a severe deficiency (see photo below). The only evidence provided in the EIR regarding the safety of the Coastal Line is a cited conversation with Roger Clugston, CPUC Manager, stating that the Coastal Line has very few deficiencies, but it does not compare the state of the Coastal Line with the San Joaquin Valley Line. It also states that the UPRR in California has made numerous safety improvements without identifying the location of those improvements, and whether those improvements would benefit this particular route or project. If project approval is considered, we would ask for this analysis for both the Coastal Line and San Joaquin Line to be provided prior to project consideration.



UPRR through Elkhorn Slough during King Tide

The Hazardous Materials Section of the FEIR predominantly discloses the existing regulations regarding transport of hazardous materials from various state, regional, federal agencies. The Hazardous Materials section of CEQA asks if the project would create a significant hazard to the public or environment involving the release of hazardous materials into the environment. It is clear that the project does have the potential to release hazardous materials in the event of a derailment or other accident, but the FEIR does not disclose what those actual health impacts could be on the communities near the UPRR. The fact that the rail line traverses the second largest estuary on the west coast (Elkhorn Slough) on tracks that are sometimes under water, and through a series of communities in our County are of concern. If project approval is considered, we would ask that the following impacts to health and our communities be disclosed:

The long term impacts of exposure to crude oil are potentially harmful, yet there have not been long term studies to confirm this theory. The field is actively monitoring the long term effects of exposure after the Deepwater Horizon Accident (<http://www.cdc.gov/niosh/topics/oilspillresponse/>). Of note for this project, crude oil that is not able to be effectively cleaned up could be a lasting exposure in the community or environment.

The short term (acute) effects of crude oil exposure are well known and include irritation of the eyes, skin and respiratory system, dizziness, confusion, rapid heart rate, cough, shortness of breath, upset stomach, and anemia. Crude oil that stays on the skin for a prolonged period of time can cause redness, edema, and burning of the skin.

First responders to accidents are the most likely to experience the acute effects of exposure to crude oil. Additionally, first responders are susceptible to heat stress, fatigue, traumatic incident stress and chemicals exposures from both the crude oil and the cleaning agents used in the response. Chemical exposures can be worsened if the crude oil is burning and individuals are exposed through smoke (<http://www.cdc.gov/niosh/topics/oilspillresponse/keytopics.html#symptoms>).

Potential accidents can also affect residents who live near the railroad. Depending on the scale of the accident, they could be affected by physical trauma, fire, and chemical exposure. The Phillips 66 Company Rail Spur Extension Project would have crude oil transported on approximately 93 miles of track through Monterey County that has a population density range of 100 - 6,500 residents per square mile (see "Thermal Radiation Hazard Zones" modeling of the Environmental Impact Report or EIR). The cumulative population density at risk of harmful impacts due to an accident within Monterey County alone is 13,500. These residents include some of the County's most vulnerable populations.

The County's vulnerable populations would be disproportionately affected by an accident in their area. Relocation costs, both short and long term, could overwhelm these populations and would need to be covered by the responsible party. Costs to these communities would not only be financial but to the mental health of the

residents due to the increased stress/trauma and the lack of connections to their normal support networks.

To conclude, we express our support of staff's recommendation and findings for denial. This project would impact the state at large, including within Monterey County. We are one of the jurisdictions mentioned in the findings for denial (Exhibit C) that do not have the proper emergency response personnel on staff to respond to an oil spill. Furthermore, it is known that the habitat within the Elkhorn Slough could never fully recover from a catastrophic spill, and given the current rail conditions through this area we believe it is a deficiency that has been overlooked in the FEIR.

Should you have any questions related to these comments, please feel free to contact me at novom@co.monterey.ca.us or by phone at (831) 755-5192.

Sincerely,

A handwritten signature in blue ink that reads "Mike Novo".

Mike Novo, AICP
Planning Director

cc: Monterey County Board of Supervisors
City of Salinas
City of Gonzales
City of Soledad
King City

Enclosure: Monterey County Board of Supervisors Letter

MONTEREY COUNTY



BOARD OF SUPERVISORS

FERNANDO ARMENTA, *District 1*

JOHN M. PHILLIPS, *District 2*

SIMÓN SALINAS, *Chair, District 3*

JANE PARKER, *Vice Chair, District 4*

DAVE POTTER, *District 5*
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:

Monterey County would like 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.

Monterey County would like to add our County to the list of municipalities and organizations against the proposed Phillips 66 project due to the grave impacts an accident would have upon both human life and our sensitive habitat. The greater the number of miles a train travels the greater the risk of accidents, and Monterey County will bear among the greatest number of miles travelled along the route to the Nipomo facility in San Luis Obispo County – and therefore greater risk.

The current objective of the project is to transport Canadian tar sands oil but Phillips 66 is endeavoring to gain greater access to alternate forms of crude oil, so the type of crude may vary over time.

Phillips 66 plans to transport up to 5 trains per week of Canadian tar sands oil consisting of up to 80 cars carrying approximately 23,700 gallons per railcar totaling about 52,000 barrels of oil per train. Each 90 foot long railcar will weigh approximately 210,700 pounds, which is more than a standard load and will require two additional locomotives for the final 15-mile stretch of the trip into San Luis Obispo.

The Nipomo facility is scheduled to operate 24 hours a day 365 days per year for a minimum of 20 years, which means that the increased train traffic could be running for over two decades.

An Environmental Impact Report submitted by Phillips 66 for this project noted that due to the overall length of the proposed rail project there was no specific biological survey to explore environmental ramifications of a spill along the travel route, including Monterey County and the Elkhorn Slough. However the EIR states that in the event of an accident, "If biological resources or natural habitat are affected, the impact would be significant."

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 would be catastrophic.

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 containing hazardous materials.

Within 300 feet of the proposed rail project there are currently a minimum of:

- 167 sensitive plant species documented
- 219 sensitive animal species
- A minimum of 411 streams and rivers
- 578 wetland features
- 20 sensitive habitats

According to the Environmental Impact Report, depending upon the location of an oil spill, there may be no oil spill containment or cleanup equipment immediately available, and it could take some time for emergency response teams to mobilize adequate spill response equipment. Depending upon the location of the spill this could allow enough time for the spill to impact sensitive habitats, and plants and animal species that may occur within these habitats. Therefore, oil spills along the Phillips 66 project tracks could be increasingly significant depending upon the location of the spill.

The significant amount of waterways over which the oil cars will travel greatly increases the severity of a spill radius because the oil will be spread over large distances and impossible to completely clean up. In addition to the clean up difficulty, there are limited environmental containment or cleanup facilities available and it can take some time for clean up response teams times to mobilize.

As oil by rail shipments have increased in recent years, there has been a dramatic increase in the number of incidents involving crude oil by rail. Nationally, rail incidents rose from several per year prior to 2010 to 155 in 2013, and 90 by May of 2014. More crude oil by volume was spilled in rail incidents in 2013 than was spilled in the nearly four decades prior, amounting to 1.15 million gallons of crude oil. In a report released in 2014, the U.S. Department of Transportation predicted there would be an average 10 derailments of trains carrying ethanol or oil every year.

Some examples of recent oil train accidents in the United States are:

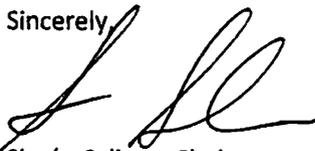
- July 6, 2013 - Sixty-three of the tank cars derailed and, of these, at least 60 released a total of 1.6 million gallons of crude oil. The spilled oil ignited immediately, and the resulting fire engulfed the tank cars and the surrounding area. A total of 47 people died in the accident. Thirty buildings were destroyed and 2,000 people were evacuated. Approximately 26,000 gallons of crude oil was discharged into the Chaudière River.
- November 8, 2013, a train derailed in Aliceville, Alabama. The train was carrying 90 DOT-111 Legacy Tank Cars with Bakken crude oil from North Dakota to a refinery in the Gulf Coast. Approximately 12 of the tank cars released crude oil and caught fire. There were no reported injuries.
- December 30, 2013, a train carrying 106 DOT-111 Legacy Tank Cars with Bakken crude oil collided with a grain train in Casselton, North Dakota. Although both trains were travelling under the speed limit, a total of 34 cars from both trains derailed, including 20 that were carrying Bakken crude oil. The cars exploded and burned for over 24 hours. There were no reported injuries. Over 1,400 residents were evacuated from the scene.
- January 7, 2014 – Plaster Rock, New Brunswick: 17 cars derailed, 5 carrying Canadian crude oil
- January 20, 2014 – Philadelphia, Pennsylvania: 7 cars derailed , 6 carrying Canadian crude oil
- February 13, 2014 – Vandergrift, Pennsylvania: 21 cars derailed, 19 carrying Canadian crude oil
- April 30, 2014 in Lynchburg, Virginia, a train carrying crude oil tank cars derailed. Over 57,000 gallons of Bakken crude oil was released into the James River. There were no reported injuries.
- May 9, 2014 – LaSalle, Colorado: 6 cars carrying crude oil derailed and spilled 6,500 gallons of oil

Local governments throughout California are also publicly opposing the project in the form of letters and resolutions. These include: Davis, the Sacramento Area Council of Governments, Richmond, Oakland, Berkeley, Martinez, San Jose, Ventura County, Moorpark, Oxnard, Camarillo and the City of San Luis Obispo.

Phillips 66 has acknowledged that very few jobs would be created as a result of this project, it is simply an opportunity to access increasing amounts of oil. We do not feel that the increase in project revenue is worth risking both the lives of our citizenry or the integrity of our environment. Please reevaluate your decision to move forward with this project.

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

Sincerely,



Simón Salinas, Chair
Monterey County Board of Supervisors

JMP: js