DAVE CORTESE
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January 28, 2016

County of San Luis Obispo Planning Commissioners
% Ramona Hedges, County of San Luis Obispo Planning Commission Secretary
976 Osos Street, Room 300
San Luis Obispo, CA 93408

RE: Phillips 66 Proposed Rail Spur Project (County Project Number: DRC2012-00095)

Dear Planning Commissioners:

On behalf of the County of Santa Clara Board of Supervisors, I write to express our continued opposition to the proposed Phillips 66 Company Rail Spur Extension and Crude Oil Unloading Facility Project (Rail Spur Project). In August of last year, our Board unanimously adopted a Resolution opposing the Rail Spur Project based on the risks it would pose to our community, including those potential significant environmental impacts that were identified in the October 2014 Draft Environmental Impact Report for heavily populated areas along the route. Our County expressed these concerns in letters to the Commission and the County of San Luis Obispo Board of Supervisors in August of 2015.

Based on our assessment of the Final Environmental Impact Report released in December 2015 for the Rail Spur Project, no substantive changes have been made to mitigate the concerns that were previously raised by our County. As a result, and for the reasons identified in the attached comments from our Department of Planning and Development regarding our concerns on the Final EIR prepared for the project and the County of San Luis Obispo Department of Planning and Building's Staff Report and Findings for Denial, I ask on behalf of the County of Santa Clara Board of Supervisors that you do not certify the Final Environmental Impact Report and deny Phillips 66's application for a Development Plan / Coastal Development Permit for the Rail Spur Project.

The safety and health of our County's residents would be threatened if the Rail Spur Project is built and becomes operational, and the environmental risks and hazards would be significant. It is for these reasons our Board strongly oppose this project and requests that it be denied.

Sincerely,

Dave Cortese
President, Board of Supervisors

cc: County of San Luis Obispo Board of Supervisors
Ryan Hostetter, Project Manager, Department of Planning and Building
County of Santa Clara Board of Supervisors
Jeffrey V. Smith, County Executive, County of Santa Clara

County of Santa Clara

Department of Planning and Development
County Government Center, East Wing
70 West Hedding Street, 7th Floor
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January 27, 2016

County of San Luis Obispo Planning Commissioners
% Ramona Hedges, County of San Luis Obispo Planning Commission Secretary
976 Osos Street, Room 300
San Luis Obispo, CA 93408

RE: Phillips 66 Proposed Rail Spur Project (County Project Number: DRC2012-00095)

Dear Planning Commissioners:

The Santa Clara County Planning and Development Department has reviewed the Final EIR on the Phillips 66 Company Rail Spur Extension and Crude Unloading Project (December 2015; SCH #2013071028) and finds it deficient in the following areas:

Recreation Impacts from an Oil Spill Along the UPRR Main Line

The conclusion of *less than significant* understates the impact of REC.2 ("The Rail Spur Project would affect access to existing trails, parks, or recreational opportunities") (pages 4.8-26 through 4.8-28). A significant number of recreational opportunities (including parks, schools, and trails) are located along the Union Pacific Rail Road (UPRR) mainline route within Santa Clara County. The FEIR concludes that, given the low probability of a spill impacting recreational areas and that loss of access to a recreational area would be temporary, the impact would be less than significant. However, the County disagrees that loss of access to a recreational area would necessarily be temporary in the event of a spill, and the FEIR has not presented substantial evidence to support this assertion. Depending upon the nature and extent of the spill and the fact that damage could be catastrophic, the resource may not be available for public use for years and may not even be recoverable. In contrast, the FEIR identifies Impact # CR.6 (disturbance and destruction of cultural resources along the mainline routes) as a significant and unavoidable despite a similar low

probability of a spill affecting these resources when compared to potential impacts to recreational resources.

Air Quality Impacts from an Oil Spill along the UPRR Main Line
The FEIR identifies significant and unavoidable impacts (AQ.3 and AQ.5) to air quality (criteria pollutants and toxic air contaminants, respectively) from increased operation of diesel-powered locomotives along the mainline rail routes associated with the proposed Rail Spur Project. However, the FEIR fails to disclose and analyze these same types of emissions from fires that could result from a rupture of oil-containing rail car along these same routes. The smoke emitted from oil combustion contains sulfur dioxide, nitrogen dioxide, polynuclear aromatic hydrocarbons, carbon monoxide, and particulates (PM_{10} and smaller). Some of these pollutants are a hazard to human health and all are regulated by the Bay Area Air Quality Management District. In contrast, the FEIR identifies a significant and unavoidable water quality impact from a rupture or leak from a rail car on the UPRR mainline track (WR.3). The FEIR provides no explanation as to why potential impacts to air quality from the same type of upset scenario does not also warrant an impact discussion.

Project Consistency with Habitat Conservation Plans along the UPRR Main Line
In Section 4.4.4 of the Biological Resources chapter, the FEIR evaluates consistency with habitat conservation plans (HCPs) within San Luis Obispo County. However, there is no discussion of potential project inconsistency with HCPs in other County's through which the oil shipments would be passing, including Santa Clara County. The Santa Clara Valley Habitat Plan (Habitat Plan) was adopted in 2013 and covers most of South Santa Clara County. The UPRR mainline track crosses several conservation analysis zones that contain lands targeted for acquisition and addition to the Habitat Plan's Reserve System.

We greatly appreciate the opportunity to provide you with this important feedback regarding the Final EIR prior to its certification. Please contact Dave Rader in our office at (408) 299-5779 for any follow up questions regarding these comments.

Sincerely,

Rob Eastwood, AICP
Planning Manager
County of Santa Clara, Department of Planning and Development