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May 11, 2015

Ryan Hostetter
Senior Planner
County of San Luis Obispo
976 Osos Street
San Luis Obispo, CA 93408

Dear Ms. Hostetter:

Subject: Phillips 66 Company Rail Spur Extension and Crude Unloading Project

The Alameda County Water District (ACWD) would like to express our concerns from a water quality perspective regarding the Phillips 66 Company Rail Spur Extension and Crude Unloading Project in San Luis Obispo County. ACWD supplies water to a population of over 340,000 in the cities of Fremont, Newark, and Union City. ACWD was formed in 1914 for the purpose of protecting the water in the Niles Cone Groundwater Basin and conserving the water of the Alameda Creek Watershed. Local runoff along with imported water is percolated into the Niles Cone Groundwater Basin through recharge in Alameda Creek itself and through recharge ponds within the Quarry Lakes Regional Recreational Area and adjacent areas. The water is subsequently recovered through groundwater production wells and provided as potable supply to ACWD's customers. Therefore, it is imperative that ACWD protects the water quality in the watershed and ensures the continued use of the groundwater basin for water supply for ACWD's customers.

The Recirculated Draft Environmental Impact Report (EIR) identified two proposed rail routes that could be used by the Union Pacific Railroad (UPRR) to deliver crude oil to the Phillips 66 Santa Maria Refinery within ACWD's service area (Figure 4.13-5 on page 4.13-9). Both proposed rail routes run adjacent to or cross Alameda Creek, Quarry Lakes Regional Recreational Area, and adjacent areas used by ACWD to recharge the Niles Cone Groundwater Basin. As a result, any train derailment or oil spill within these areas, has the potential to negatively impact the water supply for the cities of Fremont, Newark, and Union City.

In order to protect the quality and quantity of the local water supply within ACWD's service area, ACWD requests that the project proponents take any and all actions necessary to prevent oil spills in the Alameda Creek Watershed and the Niles Cone Groundwater Basin area, and also requests the following:

- A commitment by the project proponents to work with UPRR and federal regulatory agencies, such as the Federal Railroad Administration, to ensure compliance with all required safety measures. Additional safety measures required as a result of the City of Fremont's designation as a High Threat Urban Area as defined in Title 49 of the Code of Federal Regulations should also be included (e.g., those provided in the recent final rule, titled "Hazardous Materials: Enhanced Tank Car Standards and Operational Controls for High-Hazard Flammable Trains," issued by the United States Department of Transportation on May 1, 2015, in order to increase the safety of flammable liquid shipments by rail).
- The inclusion of ACWD on the list of first response agencies along the two proposed rail routes identified above. Mitigation Measure PS.4 of the Recirculated Draft EIR requires as "part of the Applicant's contract with UPRR," various coordination and reporting mechanisms be in place with first response agencies prior to delivery of crude by rail to the Santa Maria Refinery that can assist agencies in the safe containment and removal of any crude oil spill.

Finally, since the Recirculated Draft EIR has not been certified as of the date of this letter, ACWD requests notification of any upcoming public hearings or meetings to discuss or consider the certification of the EIR.

If you have any questions, please contact Michelle Myers, Groundwater Resources Manager, at (510) 668-4454.

Sincerely,



Robert Shaver
General Manager

mam/mh

cc: San Luis Obispo County Board of Supervisors
Alameda County Board of Supervisors
City of Fremont
City of Newark
City of Union City