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Date: 11/24/2014 09:48 AM  
Subject: Phillips 66 - resubmitted DEIR

Mr. Murry Wilson, SLO Planning Department

In review of the resubmitted DEIR for the Phillips 66 project, the following comments are submitted for your consideration.

Firstly the document states numerous times that certain operations pertaining to the mainline rail cannot be mitigated by the DEIR or are under the jurisdiction of the County. The jurisdiction for the mainline is under the Federal Government. As such it would seem appropriate that a NEPA document should be prepared in addition to the DEIR so that the Federal government also reviews and approves impacts and mitigations regarding impacts to their jurisdiction by the Phillips 66 proposal.

HOR-01

The DEIR has stated that significant impacts regarding air quality and public safety cannot be mitigated by the County due to lack of jurisdiction. The railroad and major oil companies have additionally filed suit to ensure that only the Federal government has jurisdiction of mainline matters regarding public safety and air quality. The Board of Supervisors should not approve any changes in operation for Phillips 66 until mitigation can be implemented.

HOR-02

The existing Phillips 66 plant on the Nipomo Mesa was built in the 1950's at a time when CEQA did not exist. Many of the operations would not meet current environmental standards today. The change in operation of bringing in crude from outside sources radically changes the operational processes for the plant and therefore the DEIR should evaluate the total operation of the plant. The current DEIR is deficient in this respect in that it only reviews additional impacts of the rail spur.

HOR-03

The DEIR clearly indicates that the No Project Alternative is Environmentally Superior alternative and should be the alternative recommended by Planning staff and selected by our elected County Supervisors to ensure protection of the surround residential, business, educational and hospital facilities.

HOR-04

The following comments relate to information presented in specific sections of the DEIR.

1. Section 2.0 Project Description - describes only the portion of the Phillips 66 site containing the proposed rail spur. The section indicates that Phillips intends to import cheaper crude oils (tar sands) that will also modify the processing operation at the plant. Imported oils are thicker and contain much

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more contaminants than local crude oils. As such additional impacts to water, water treatment, air pollution, sulfur and coke production, negative economic impacts to existing local crude oil producers will occur. The DEIR does not address these additional impacts quantitatively nor are mitigation measures identified.

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(cont.)

2. Section 4.1 Population and Housing - Since inception of the Phillips 66 plant in the 1950's, the County of San Luis Obispo has redirected its focus on land use on the Nipomo Mesa from agricultural open space/ Industrial to Residential. The economic benefit of this development provides much more revenue to the County thru property taxes, sales taxes and job creation than the Phillips 66 plant provides. The existing Phillips 66 operation is today only marginally compatible with the surrounding development and most likely would not be approved if being proposed today. The change of operations tip the balance of compatibility such that the threat of explosions, resulting evacuations, long term impacts to business, jobs and property values, make the proposed expansion highly undesirable.

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3. Section 4.3 Air Quality - The DEIR clearly states air quality impacts would significantly increase due to the proposed project. These impacts would compound the existing impacts due to the dust control issues in the area. The DEIR also indicates that mitigation of air quality impacts are outside the jurisdiction of the County and therefore mitigation cannot be implemented. The No Project Alternative is the only selection left to the County to remain in control of land use impacts. Odors are also not addressed as part of the DEIR. Currently odors from the plant are carried daily downwind to residential areas. These odors range from mild to very strong. Even if air quality standards are not exceeded, these odors represent a nuisance which should be mitigated by the DEIR. Currently Coke and Sulfur stockpiles are stored outside exposed to prevailing coastal winds. These winds blow stockpiled materials inland into residential areas. The DEIR has not addressed the stockpiled materials and should evaluate mitigation measures including enclosure of stockpiles.

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4. Section 4.7 Hazards and Hazardous Materials - The DEIR indicates a significant impact due to the threats of accidents, spills, and contamination by the proposed rail project. Yet, the County has no jurisdiction to mitigate these impacts. Additionally the County must be the responder to any accident and bear the costs. The County has insufficient funds to train emergency personnel to address accidents resulting from the proposed change, and cannot add mitigation measures to develop funding sources from the applicant. The economic impacts of an accident from response costs, injury, damage to existing structures, evacuation costs, loss of business and decrease in property value would far outstrip any economic benefits being proposed by Phillips 66. Mitigation in the DEIR needs to be identified for emergency response.

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5. Section 4.12 - Transportation and Circulation - The DEIR does not assess the impacts on the transportation of byproducts from the plant. The refining of imported crude oil, i.e. tar sands, will result in an increase in sulfur and coke production and has not been analyzed or quantified in the DEIR. The haul routes from the plant are currently PCH from the plant entrance to Willow Road and Willow Road from PCH to US101. These are narrow scenic roadways passing at times through residential areas. The current roadways do not have sufficient travel

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lane widths, turning pockets, and emergency shoulder/bicycle lane widths to accommodate truck haul routes. The impacts have not been analyzed in the DEIR and mitigation measure to improve these haul routes should be identified to ensure the safety of roadway users due to the impact of haul operations.

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(cont.)

6. Section 4.13 Water Resources - The DEIR has indicated no impact to water resources but has inadequately evaluated it's uses to draw this conclusion. The new facility will rely on steam to remove oil from the tank cars requiring addition water and water treatment. The processing will change due to the change in crude being processed and needs to be clearly evaluated to determine required water usage. The current plant operation treats all process water and releases it to an ocean outfall.

Water shortages in San Luis Obispo County should require a more innovative solution to this issue than merely doing it the way it was done in the 1950's. The current water treated at this plant is approximately 200 acre feet/year. This is same amount of water treated at the Monarch Dunes community and reused to irrigate golf course and open space areas.

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Woodlands Water Association has approached Phillips 66 to redirect the ocean outfall to the Woodlands treatment plant on the other side of PCH but cooperation from Phillips 66 has not be forthcoming. The diversion of treated water would be better used by the adjacent community for irrigation and provide a more innovative solution to water needs and groundwater management for the County.

Section 5.0 Alternatives - This section clearly indicates that the No Project Alternative is the environmentally superior alternate. Phillips has claimed that without import of crude the plant will run out of local oil. This statement is not supported by data, in fact, delivery of local crude to the plant has stayed the same or better over the past 10 years.

Improved methods used for extraction of local oil should ensure that supplies remain constant into the future. If Phillips 66 is allowed to import cheaper crudes, local producers may not be able to compete having a negative impact on local economy. Phillips also claims that the expansion will provide more jobs. Quantitatively Phillips estimates that an addition 12 permanent jobs will be created. The impacts of an accident and negative impacts on local oil producers will have an impact on jobs that will far overshadow the 12 new jobs being proposed and should not portrayed as an economic benefit in the DEIR.

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Conclusions:

In deliberation, I can only encourage the Board of Supervisors to look beyond the meager economic benefits touted by Phillips 66 and focus instead on the threats this project brings to the entire County. The trade off is clear and is well stated in the DEIR : The Environmentally Super Alternative is the No Project Alternative. The No Project Alternative is more compatible with surrounding land uses, economic vitality, public safety and the reputation of our County as a place that protects our environment and values safety and wellbeing of its citizens and visitors.

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Thankyou for your consideration.