Mr. Murry Wilson
SLO County Planning Department

Murray,

I am writing in response to the request for comments on the Recirculated PHILLIPS 66 RAIL TERMINAL PROJECT EIR.

I am a resident on the Nipomo Mesa and have been here for seven years. During that period I have worried about the Phillips refinery but have been content until recently because they seem to have been a good neighbor. I have talked to many Mesa residents who have been here much longer than I have and they seem to echo the same sentiment.

However, there have been some recent changes which have resulted in this proposed project that I have some concerns about:

1. Phillips Revised Business Model - It appears that the Phillips management has a new business direction that will result in major changes to the way the plant currently operates. I feel that their new business direction means that they will no longer be a good neighbor. While the people at the plant seem to hear our concerns, I believe that the Phillips management which this plant reports to does not have our best interest at heart. They have their own profit objectives at heart. I don't feel that the continued operation of the plant under their new direction is in the best interest of the residents of the Mesa, San Luis Obispo County and the State of California MUJ-01

2. Jobs/Tax base/County Revenue – We all recognize that there are a number of jobs at the Refinery and that it and the employees provide revenue to the County and local businesses. The growth of communities on the Mesa is also creating a significant, new revenue source for the County and local businesses. I feel that there is a financial tradeoff here that should be considered as part of the project evaluation. The question I have is whether the Phillips Refinery and the jobs they provide sacrosanct or whether the growth of revenue from the Mesa would allow consideration of shutting down the Refinery if it creates the issues that have been identified in the EIR. MUJ-02

3. Unmitigated Class I Issues – There is a very scary list of Class I issues identified in the EIR. These issues cannot be mitigated. It appears that Phillips is saying we should not worry about these issues because they cannot be mitigated – there is nothing they can do about them. I would ask – How many projects have the County Planning Commission and the County approved that have 5 Class I issues that cannot be mitigated? I would think one issue would be enough to issue a "No Project" response. I believe that Phillips is hiding behind the State Law versus Federal Law issue. MUJ-03

4. Violations of the San Luis Obispo Land Use Policies – The County has done a great service to the residents by creating Land Use policies to protect the residents of the County, County assets and the County itself. My concern is with the Land Use policies as they relate to the health and welfare of the residents. This project contains many violations of the County Land Use Policies. I don't understand how a project that contains these violations could ever be seriously considered. Again I would ask – How many projects have the County Planning Commission and the County approved that have as many Land Use Policy violations? MUJ-04

5. Air Quality on the Mesa – The current air quality on the Mesa violates California air standards between 50 and 100 times per year. It also violates US EPA standards 2 to 3 times per year. This project is going to greatly exacerbate the problem. What happens to this project or the operation of the plant if the project is approved and the US EPA standards are violated significantly more than the 2 to 3 times per year. EPA could/should step in and require that air quality be reduced to meet federal standards. This could potentially result in the shutdown of the Refinery as the only solution to the problem. It is hard to MUJ-05

predict what might happen but I have heard that EPA will not sit still for a long time with violations occurring and when they address the problem, they will come down hard and ask for immediate action. MUJ-05 cont

There are a number of other items that could be addressed. However, I feel that I have covered enough to lead one to a No Project vote.

Thank you for your consideration.

Jim Murray

MUJ-01	The comment does not identify a specific environmental analysis or CEQA issue relative to the EIR and compliance with CEQA. The commenter's statements about the new Phillips 66 corporate management and profits are included in the FEIR for the decision-makers' consideration as part of the County's deliberations on the proposed project.
MUJ-02	This comment does not identify a specific environmental analysis or CEQA issue relative to the EIR and compliance with CEQA. The comments about jobs at the SMR vs. future growth in revenue from expansion on the Mesa are included in the FEIR for the decision-makers' consideration as part of the County's deliberations on the proposed project. With regard to jobs, CEQA does not require an evaluation of economic or social impacts, and states that "economic or social effects of a project shall not be treated as significant effects on the environment" unless those effects result in physical changes to the environment (CEQA Guidelines Section 15131). Although the Project could affect a significant number of local jobs, these effects would not constitute or cause a physical change in the environment above those already described and discussed in the RDEIR.
MUJ-03	The Class I impacts identified in the RDEIR are the impacts that cannot be fully mitigated to a level of less than significant, and are therefore the impacts that are of most concern. When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record (CEQA Guidelines 15093). The County will need to develop a statement of overriding consideration only if the decision makers decide to approve the proposed project. The County has approved projects in the past which have had a statement of overriding consideration.
MUJ-04	The comment does not request changes in the RDEIR's analysis of the Project's consistency with applicable plans and policies or potential land use conflicts. Therefore, no revisions or additional information is required. While the RDEIR discusses potential inconsistencies with applicable planning documents, the decision of whether a proposed project is consistent with a particular plan or policy must ultimately be made by the local decision-making body. The comment has been included in the FEIR for the decision-makers' consideration as part of the County's deliberations on the proposed project.
MUJ-05	A study performed by the SLOCAPCD, the South County Phase 2 Particulate Study, evaluated whether impacts from off-road vehicle activities at the Oceano Dunes State Vehicle Recreational Area (ODSVRA), the Phillips Refinery coke piles, and adjacent agricultural fields were contributing to the particulate problems on the Nipomo Mesa (SLOC APCD 2010). The Phase 2 portion of

	the study concluded that off-road vehicle activity in the ODSVRA is a major contributing factor to the PM concentrations observed on the Nipomo Mesa and that neither the petroleum coke piles at the Phillips facility nor agricultural fields or activities in and around the area are a significant source of ambient PM on the Nipomo Mesa. PM is the pollutant that has created the violations in the past. The composition of the particulates is predominately natural crustal particles. The SLOCAPCD has determined that the dune complex along the coast of the Five Cities area is the source of the high particulate matter levels measured at the South Coast stations (SLOCAPCD Annual Emissions Report, 2013). The SMR has a coke dust plan to reduce coke dust and it does involve watering. However, the proposed Project is not anticipated to increase coke handling or contribute to dust particulate levels in the area.