



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Request From Mayor Schneider And Mayor Pro Tempore Hart
Regarding Phillips 66 Rail Extension Project Proposal

RECOMMENDATION:

That Council consider the request from Mayor Schneider and Mayor Pro Tempore Hart to send correspondence to the San Luis Obispo County Planning Commission and Board of Supervisors to express concerns about the Phillips 66 Rail Spur Extension Project regarding the safety impacts of the increased frequency of oil trains along freight corridors and request denying the Project.

DISCUSSION:

Attached is a memorandum from Mayor Schneider and Mayor Pro Tempore Hart requesting that Council discuss the Phillips 66 Rail Spur Extension Project proposal, which includes the frequency of oil trains on freight lines and the potential safety impacts should a derailment occur along the corridor.

ATTACHMENT: Memorandum from Mayor Schneider and Mayor Pro Tempore Hart

PREPARED BY: Jennifer Jennings, Administrator's Office Supervisor

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office



City of Santa Barbara
Mayor and Council Office

Memorandum

DATE: July 8, 2015

TO: Paul Casey, City Administrator

FROM: Mayor Helene Schneider
Mayor Pro-Tem Gregg Hart

SUBJECT: Request from Mayor Schneider and
Mayor Pro-Tem Hart Regarding Phillips 66 Rail Spur Extension
Project proposal to the San Luis Obispo County Planning
Commission and Board of Supervisors

Pursuant to Council Resolution 05-073 regarding the Conduct of City Council Meetings, we request that an item be placed on the Santa Barbara City Council Agenda regarding a presentation and public hearing about the Phillips 66 Rail Spur Extension Project proposal to the San Luis Obispo County Planning Commission and Board of Supervisors.

- Summary of information to be presented:

A description of the Phillips 66 Rail Spur Extension Project that includes the frequency of oil trains on freight lines and the potential safety impacts should a derailment occur along the corridor. Detailed information of the Project's Environmental Impact Report can be found online at:

http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips_66_Company_Rail_Spur_Extension_Project.htm

- Statement of Specific Action:

That the Santa Barbara City Council send written correspondence to the San Luis Obispo County Planning Commission and Board of Supervisors expressing concerns about the safety impacts of the increased frequency of oil trains along freight corridors and a request to deny the project.

- Statement of the Reasons Why it is Appropriate and Within the Jurisdiction of the Council to Consider this Subject Matter and to Take the Requested Action:

The coastal freight rail corridor exists along a significant area within the City of Santa Barbara, in both commercial and residential areas. Local jurisdictions throughout California where freight rail lines exist are reviewing this proposal as it pertains to the public safety of their residents (see attachments). The City of Santa Barbara should also review this project as it pertains to local public safety.

Attachments:

- March 23, 2015 letter from Mayor Schneider to U.S. Transportation Secretary Foxx on federal Rail Safety Standards
- Moorpark City Council Agenda Report: 12/07/2014
- Letter from Ventura County Board of Supervisors Chair Kathy Long: 01/13/2015
- Ventura Unified School District Board of Education Resolution: 02/10/2015
- San Leandro Unified School District letter
- Letter from San Luis Obispo Mayor Jan Marx: 02/19/2015
- Letter from Simi Valley Mayor Robert O. Huber: 03/02/2015
- Letter from Santa Cruz County Bd of Supervisors Chair Greg Caput: 03/10/2015
- Council Agenda Report from City of Carpinteria: 04/13/2015
- Letter from Goleta Water District President Lauren Hanson: 05/12/2015
- Council Agenda Report from City of Goleta: 05/19/2015

cc: Mayor and Council
City Attorney



City of Santa Barbara

Office of Mayor

H.Schneider@SantaBarbaraCA.gov

www.SantaBarbaraCA.gov

March 23, 2015

Helene Schneider
Mayor

The Honorable Anthony R. Foxx, Secretary of Transportation
Office of the Assistant Secretary for Administration
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, D. C. 20590

City Hall
735 Anacapa Street
Santa Barbara, CA
93101-1990

RE: Rail Safety – Expedited Action Requested

Dear Secretary Foxx:

Mailing Address:
P.O. Box 1990
Santa Barbara, CA
93102-1990

On behalf of the City of Santa Barbara, I urge priority action to address rail safety improvements as identified recently by the League of California Cities. In the March 6, 2015 letter sent to you from the League, I support the recently adopted policy goals for safety improvements related to the transport of crude oil and other hazardous materials by rail. I agree that implementation of these rail safety improvements should be expedited at the federal level to accomplish improved rail safety as soon as possible.

Tel: 805.564.5323
Fax: 805.564.5475

The continued increase in the transport of crude oil by rail, combined with recent rail accidents involving oil spills and resulting fires, has served to heighten concerns about rail safety among many of our citizens. The twenty-mile stretch of rail from Carpinteria to Goleta, passes directly through the City of Santa Barbara passing through both residential neighborhoods and transecting one of the most economically viable tourism destinations in California. For the span of this stretch of rail, the distance from the Pacific Ocean ranges approximately from a quarter of a mile to two miles. This coastal area is the gateway to the Channel Islands National Marine Sanctuary and contains the harbor for a commercial fishing fleet worth roughly thirty million a year to the local economy. The economic and environmental consequences of a derailment or other accident have the potential to be catastrophic to the City of Santa Barbara.

The Board of Directors of the League of California Cities at its February 20, 2015 meeting adopted ten specific recommendations as official policy on this issue. The City of Santa Barbara strongly recommends that the Department of Transportation include these recommendations for improved rail safety in the final rule for the Safe Transportation of Crude Oil and Flammable Materials. The League recommends that the federal agencies with appropriate jurisdiction (primarily the National Transportation Safety Board, the Federal Railroad Administration, and the Pipeline and Hazardous Materials Safety Administration) take the following actions to improve rail safety with respect to the transport of Bakken crude oil and other hazardous materials by rail:

1. **Mandate Electronically Controlled Braking Systems:** Require installation of electronically controlled, pneumatic braking systems (ECP) on trains carrying Bakken crude and ethanol by a date certain. This technology allows for faster and more efficient braking to a full stop.



Please consider the environment before printing this letter.

2. Expedite retrofit or phase-out of tank cars failing to meet current safety standards: Require phase-out or retrofitting of older, DOT-111 tank cars manufactured prior to October 2011, to be completed by a date certain. The Association of American Railroads adopted higher manufacturing standards requiring greater structural integrity for these tank cars which took effect at that time to facilitate safer transport of flammable liquids, including ethanol and all crude oil.
3. Mandate Provision of Real-Time Information to first responders in event of accidents: Require via federal regulations that railroads and producers of petroleum and other hazardous materials shipped by rail make available to first responders, via a secure access portal on their websites, the cargo manifest information, or "consist," on trains containing these substances. This information ideally should also be accessible via mobile applications, allowing rapid access by first responders to cargo manifest information in real time, particularly in accidents where the manifest is not available on the train.
4. Federal funding for first responders: Increase federal funding for training and equipment purchases for first responders, to improve their ability to respond to hazardous materials accidents.
5. Mandatory Speed Limits: Impose mandatory maximum speed limits in all areas.
6. Mandate Stricter Reporting Requirements: Lower the threshold for the number of tank cars that trigger a reporting requirement to the California Energy Commission and the State Emergency Response Commission, from 33 to 20. Currently petroleum producers and railroads only have to submit reports of trains carrying Bakken crude oil if the train includes 33 or more tank cars. Each tank car holds 34,500 gallons. This will lower the trigger for the reporting requirement from shipments of 1.1 million gallons or more, to shipment of 690,000 gallons or more.
7. Identity priority routes for positive train control (PTC): PTC is an advanced technology incorporating GPS tracking to automatically stop or slow trains before an accident can occur. It is specifically designed to prevent train-on-train collisions, derailments due to excessive speed, and unauthorized movement of trains. Require PTC to be employed on all rail lines used for the transport of hazardous materials, with a date certain by which the technology will be online.
8. Mandate railroad industry compliance with Individual Voluntary Agreement negotiated with the U.S. Department of Transportation by codifying the following actions as requirements: (Note: The requirements below have been voluntarily agreed to by railroads, but there is currently no legal or regulatory requirement for their compliance. Such requirements should be codified, given their significant impact on rail safety)
 - Reduced speed for crude oil trains with older tank cars going through urban areas
 - Analyses to determine the safest routes for crude oil trains

- Increased track inspections
 - Enhanced braking systems (electronically controlled pneumatic brakes) ECP
 - Installation of wayside defective bearing detectors along tracks
 - Better emergency response plans
 - Improved emergency response training
 - Working with communities through which oil trains must move to address community concerns
9. Clear methodology for funding: Devise a clear methodology on how funds are to be distributed, to ensure that sufficient funds pass through that state and county agencies to the local agencies involved in first response.
10. Regulate the parking and storage of tank cars: Mandate improved safety regulations addressing the storage or parking of tank cars in populated areas.

Enacting stricter safety standards at the federal level now can serve to protect lives, the economy, and the environmental resources of our city and the nation. Please act on our behalf.

Sincerely,



Helene Schneider,
Mayor

cc: Dianne Feinstein, United States Senator
Barbara Boxer, United States Senator
Lois Capps, United States Congresswoman
Hannah-Beth Jackson, California State Senator
Das Williams, California State Assembly Member
Dave Mullinax, League of California Cities
Federal Railroad Administration, Chief Counsel FRA.Legal@dot.gov
National Transportation Safety Board, Western Pacific Regional Office

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David A. Bobardt, Community Development Director 

DATE: December 7, 2014 (CC Meeting of 12/17/2014)

SUBJECT: Consider Submitting Letter to San Luis Obispo County Planning Commission Opposing Proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project (Continued from December 3, 2014 Meeting)

BACKGROUND/DISCUSSION

The City Council continued this agenda item to this meeting from its December 3, 2014 meeting at the request of Councilmember Millhouse, who could not be at the previous meeting, but expressed a desire to participate in the discussion. Staff did not make a presentation at the December 3rd meeting and no speakers were present for this item. A copy of the original staff report is attached.

STAFF RECOMMENDATION

Authorize Mayor to submit letter on behalf of City to the San Luis Obispo County Planning Commission opposing the Phillips 66 Santa Maria Refinery Rail Spur Extension project based on its significant hazard impact related to the risk for release of crude oil that results in a fire or explosion in the vicinity of a populated area along the Union Pacific mainline tracks.

Attachment: December 3, 2014 Staff Report with Attachments

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David A. Bobardt, Community Development Director 

DATE: November 17, 2014 (CC Meeting of 12/3/2014)

SUBJECT: Consider Submitting Letter to San Luis Obispo County Planning Commission Opposing Proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project

BACKGROUND/DISCUSSION

The San Luis Obispo County Department of Planning and Building recently completed a recirculated Draft Environmental Impact Report (EIR) for a project that would extend an existing rail spur of the Union Pacific rail mainline by an additional 6,915 feet to serve the Phillips 66 Company Santa Maria Refinery, which is located approximately 3.5 miles west of the community of Nipomo in San Luis Obispo County. Staff reviewed the recirculated Draft EIR for this project (excerpts attached), which was circulated from October 9 to November 24, 2014. Staff did not have a concern with the analysis or methodology of the recirculated Draft EIR. However, the EIR does identify a significant hazard impact related to the risk for release of crude oil that results in a fire or explosion in the vicinity of a populated area along the Union Pacific mainline tracks. Because this significant hazard impact could affect Moorpark residents and businesses, staff recommends a letter of opposition to the project be sent to the San Luis Obispo County Planning Commission, the decision makers on this request. A hearing before the San Luis Obispo County Planning Commission is tentatively scheduled in late January or early February, 2015.

Although the Santa Maria Refinery is approximately 125 miles from the City of Moorpark, ~~the construction of a rail spur would allow for up to 5 deliveries of oil per week on unit trains (freight trains carrying a single type of freight, in this case crude oil) with 80 tanker cars that are 90 feet long each. Combined with 3 engines and 2 buffer cars, these trains would be approximately 1.4 miles long. These unit trains would come to the refinery spur line either from the north through Roseville, or from the south,~~

through Colton, depending on where the oil is coming from and which line is available. The route from the south passes through Moorpark on the Union Pacific mainline tracks. Empty trains would return the same route after being unloaded.

The risk analysis in the EIR indicates a small probability of an incident that would result in a release of 100 gallons or more of oil, once every 22.8 years over the entire route from Colton to the refinery, with the risk in any single city being substantially less. Nonetheless, the result of an incident that would result in a fire or explosion could be devastating to any locality. Mitigation that has been identified includes upgraded tank cars and positive train control, however, such mitigation may be pre-empted by federal law at the present time. Even if this mitigation were implemented, the impacts would still be considered potentially significant, according to the EIR.

Moorpark has 5 at-grade public street crossings and 3 private crossings on the Union Pacific mainline tracks. Residential, commercial, and industrial uses are all located adjacent to the tracks. A local incident with a 1.4 mile long unit train could affect up to 3 street crossings at the same time, and could impact nearby residents, businesses, and emergency vehicle access.

STAFF RECOMMENDATION

Authorize Mayor to submit letter on behalf of City to the San Luis Obispo County Planning Commission opposing the Phillips 66 Santa Maria Refinery Rail Spur Extension project based on its significant hazard impact related to the risk for release of crude oil that results in a fire or explosion in the vicinity of a populated area along the Union Pacific mainline tracks.

Attachment: Recirculated Draft EIR Excerpts



MEMBERS OF THE BOARD
STEVE BENNETT
LINDA PARKS
KATHY I. LONG
PETER C. FOY
JOHN C. ZARAGOZA

BOARD OF SUPERVISORS
COUNTY OF VENTURA

GOVERNMENT CENTER, HALL OF ADMINISTRATION
800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

January 13th, 2015

San Luis Obispo County Planning Commission
c/o Murry Wilson of the San Luis Obispo County Department of Planning and Building
976 Osos St., Rm. 200, San Luis Obispo VIA E-MAIL

RE: Phillips 66 Company Rail Spur Extension Project – Request for Denial

Dear Planning Commissioners:

The subject project EIR concludes that the project would cause a significant and unavoidable rail accident hazard risk. The Commission action that would avoid this significant public safety risk is denial of the project.

The EIR identifies that trains accessing the project from the Colton rail yard would traverse Ventura County, traveling through the heart of many heavily populated areas, crossing many creeks and rivers, and crossing or running along many critical roads and highways. A rail accident involving oil spills, fire, or explosion could have disastrous life safety, health, environmental, and economic consequences in Ventura County.

On January 13th, the Ventura County Board of Supervisors voted to respectfully request that, in order to protect public safety and the environment, your commission vote to deny the project.

Cordially,

A handwritten signature in cursive script that reads "Kathy I. Long".

Kathy I. Long

Chair, Board of Supervisors

**VENTURA UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
RESOLUTION #15-05
Regarding Santa Maria Phillips 66 Rail Refinery Project**

WHEREAS, school district governing boards have the obligation to provide a safe and healthy learning environment for all students and to urge the San Luis Obispo County Planning Commission and Board of Supervisors to reject the Santa Maria Phillips 66 Rail Refinery Project. As representatives of schools located along the proposed rail route, we would be directly impacted by these oil trains, and do not support the project for reasons outlined below.

WHEREAS, The Phillips 66 oil train project would bring mile-long oil trains right through many California communities and next to dozens of schools. School employees are state-mandated disaster workers while on the job, and we are not at all equipped to deal with the dangers posed by this project or to adequately protect the lives and the wellbeing of our students. This project creates unacceptable risks for our students, teachers, and staff.

WHEREAS, The draft Environmental Impact Report (EIR) does not adequately assess the risks of an oil train disaster; the draft only evaluates rail-accident rates from 2003 to 2012 and spill rates between 2005 and 2009, omitting crucial data about accident frequency and magnitude in 2013 and 2014. This is troubling because we know that more crude spilled from trains in 2013 than during the past four decades combined. The EIR must look at recent data, which reflects the increased quantities of crude being transported in old and unsafe tank cars. The draft EIR uses outdated data that drastically underestimates the danger of a derailment or spill, which could put our school communities and children at severe risk. While school employees are state-mandated disaster workers while on the job, we are not at all prepared for the accidents that could happen from these heavy, dangerous trains containing hazardous oil.

WHEREAS, The EIR's worst-case scenario estimates a spill of 180,000 gallons, or roughly six tank cars of crude. This is most definitely a miscalculation because crude trains have 100 or more tank cars, carrying millions of gallons. Such a spill would certainly be more than 180,000 gallons. In fact, the oil trains in this project would be carrying almost 3 million gallons each. A spill would devastate our schools, scarce water resources, sensitive ecosystems, homes and local economies.

WHEREAS, The toxic air emissions that will accompany this project pose an unacceptable risk to public health. In its latest environmental review Phillips 66 admits that its proposed oil train facility will create "significant and unavoidable" levels of air pollution along the rail route, with sulfur dioxide and other toxic chemicals leaked that increase risk of cancer, heart disease, respiratory disease and premature death. This is unacceptable risk to the health of school children and educators close to the tracks.

NOW THEREFORE, BE IT RESOLVED, that the Board of Education of the Ventura Unified School District strongly opposes this project for all the above stated reasons. We urge the San Luis Obispo County Planning Commission and Board of Supervisors to soundly reject the Phillips 66 proposed oil train project. We strongly encourage you to act and advocate for the people expressing grave concerns about the impacts this project would have on our communities.

APPROVED, PASSED AND ADOPTED by the Board of Education of the Ventura Unified School District of Ventura, California this 10th day of February, 2015 by the following vote:

AYES: 5
NOES: 0

ABSENT: 0
ABSTAIN: 0



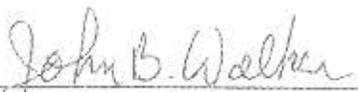
President, Board of Education



Vice President, Board of Education



Member, Board of Education

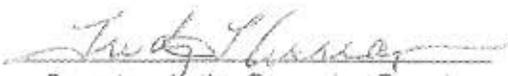


Member, Board of Education



Member, Board of Education

ATTEST:



Secretary to the Governing Board
VUSD Superintendent



San Leandro Unified School District
Office of the Superintendent

Board of Education

Liana Proia
President

Don Carey
Vice-President

Lincoln J. Rosato
Member

Reyn Gonzalez
Member

Lincoln James
Member

Debra Leancy
Member

Bob Sheridan
Member

Mike McLaughlin, Ed.D.
Superintendent of Schools

Anna Mucetti, Ed.D.
Deputy Superintendent
Educational Services

John Thompson, Ed.D.
Assistant Superintendent
Human Resources

Mike Martinelli
Assistant Superintendent
Business & Operations

Mr. Murray Wilson
Department of Planning and Building
San Luis Obispo County
976 Osos Street, Room 300
San Luis Obispo, CA 93408

RE: Phillips 66 Rail Spur Project

Dear Planning Commissioners,

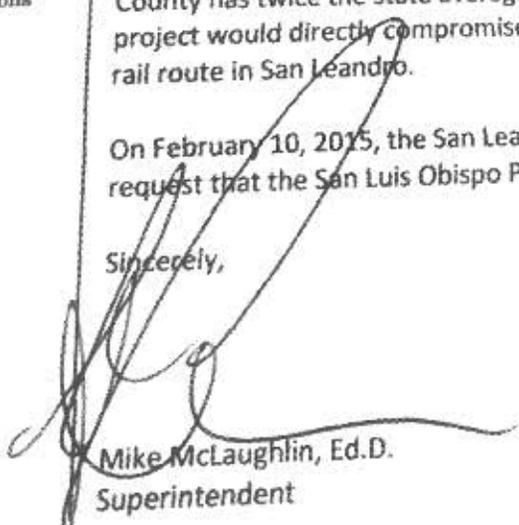
The San Leandro Unified School District Board would like to state our concerns regarding the Phillips 66 oil train offloading facility expansion in San Luis Obispo County. The Board is particularly concerned with the increase in oil-train traffic generated by this project through many densely populated areas, including San Leandro, and the risk it poses to our schools along the rail route.

The most significant impact identified in the Revised Draft Environmental Impact Report (RDEIR) is accidents on the main rail line that could result in oil spills, fires, and explosions near populated areas. Our current rail system is designed to connect residents to their destinations throughout the entire Bay Area, not to move large quantities of hazardous materials like crude oil. Additionally, more than ten schools in the City of San Leandro, and the San Leandro Unified School District Board building, are within the one-mile US Department of Transportation Potential Impact Zone in the case of an oil train derailment or fire.

The RDEIR also did not evaluate the relative air quality or greenhouse gas emissions for the entire project area, which includes oil transport through San Leandro from Canada to the San Luis Obispo County facility. The diesel emissions from operational activities of trains along the route would generate toxic pollutant emissions that exceed thresholds, increasing the risk of cancer, heart disease, and respiratory disease, especially in the very young. There is already a high incidence of childhood asthma in San Leandro - asthma hospitalization rate in Alameda County has twice the state average and is the third-highest in California. Therefore, this project would directly compromise the health and safety our school communities along the rail route in San Leandro.

On February 10, 2015, the San Leandro Unified School District Board voted to respectfully request that the San Luis Obispo Planning Commission vote to deny the project.

Sincerely,


Mike McLaughlin, Ed.D.
Superintendent



Office of the City Council

990 Palm Street, San Luis Obispo, CA 93401-3249
805.781.7114
skcity.org

February 19, 2015

San Luis Obispo County Planning Commission
976 Osos Street, Room 200
San Luis Obispo, CA 93408

Dear Planning Commissioners:

I am writing at the unanimous direction of the San Luis Obispo City Council to urge you to deny the application of the Phillips 66 Santa Maria Refinery in Nipomo, which wishes to upgrade its facility to allow for crude oil deliveries by rail for processing. This project would significantly increase the exposure of our residents, neighbors, business people and natural resources to the threat of explosions, fire, contamination and other dangerous conditions which would result from this project. Please consider this letter part of the public record of the hearing at which you consider this matter.

As you know, trains delivering crude for this project would use Union Pacific rail tracks, which go right through the heart of our City and which are used by both passenger trains and freight trains. Given the increasing record of crude-oil rail accidents in recent years, such an event would have catastrophic effects if it occurred in any populated or habitat area. The primary source of the petroleum anticipated to be transported by rail through our county is from the Canadian tar sands and Bakken (North Dakota) formations, which the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration has determined is more flammable than traditional heavy crude oil. When oil trains carrying this more hazardous oil derail, not only does the oil spill, but it also often explodes and bursts into flame. Frequent newscasts show us that as oil-by-train transport has increased, so has damage, hazardous contamination and loss of life from explosions.

The City of San Luis Obispo is situated in an especially vulnerable area, due to the curvature of the rail line and rail cross over as the line passes through our densely populated residential and commercial areas. Furthermore, the line going over the Cuesta Grade to the immediate north of the City transverses thousands of acres of sensitive wildlife habitat in the City's greenbelt, as well as the campus and agricultural land of Cal Poly University. This rough mountainous terrain is classified by Cal Fire as having a very high danger of wildfire due to the fact that it is virtually inaccessible and has dense forest with century old native trees. Furthermore, the more than century old wooden bridges over which such trains would have to pass are uninspected and not designed to safely support such hazardous freight.

The City has previously conveyed its deep concerns regarding this expansion project in EIR comments dated January 27, 2014, attached for your convenience. The project would result in a significant increase in rail traffic, increase in the length of locomotives, and volatility of freight being carried through our City, which would present long term threats to the public



Office of the City Council

990 Palm Street, San Luis Obispo, CA 93401-3249
805.781.7114
skcity.org

safety of our residents. Our fire fighters and emergency response or hazmat teams are not funded nor equipped to deal with the magnitude of a rail disaster, which would become more likely if this project were approved. The longer, slower trains which would go through our city would also affect multiple intersections and impact vehicle traffic and pedestrian safety in these areas.

The City's 2015 legislative platform also states these concerns, as do the following policies, adopted in December 2014 as part of the Land Use and Circulation Element update (Resolution 10586):

12.2.4 Railroad Hazards Reduction.

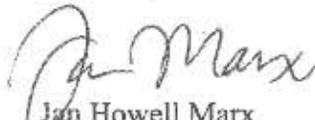
The City shall monitor and respond to changes, or proposed changes in passenger and freight rail traffic that may impact the safety and well-being of residents of the community including the transport of combustible materials.

12.2.5 Transport of Combustible Materials

The City shall discourage the transportation of oil and other combustible hydrocarbons through the City.

For all of reasons stated above, the City of San Luis Obispo requests the Planning Commission to reject this project and thereby protect the health, safety and welfare of San Luis Obispo County residents, including over 46,000 City residents.

Sincerely


Jan Howell Marx
Mayor

Cc: San Luis Obispo City Council
San Luis Obispo County Board of Supervisors
State Senator Bill Monning
Assemblyman Katcho Achadjian
US Congresswoman Lois Capps

March 2, 2015

San Luis Obispo County Planning Commission
c/o James Bergman, Director of Planning and Building
976 Los Osos Street, Room 200
San Luis Obispo, CA 93408

RE: Proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project

Dear Honorable Chair and Commissioners:

On behalf of the City of Simi Valley, the City Council has reconsidered the proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project, and I would like to express our serious concern and bring to your attention our opposition to the Project.

According to the Recirculated Draft Environmental Impact Report (RDEIR), there exist unmitigated significant hazards and hazardous materials impacts associated with the transport of crude oil by rail that would result in risk of derailment and spillage of crude oil, including impacts to fire protection and emergency response services along the mainline due to spill or derailment. Simi Valley has nine at grade rail crossings in our community. Adjacent to the railroad tracks are homes, parks, businesses, and an elementary school. A derailment, accident, explosion, oil spill, or fire could have disastrous life safety, health, environmental, and economic consequences for the residents and businesses in Simi Valley.

Even without the risk posed by the extreme proximity of rail lines to our residents and businesses, local emergency responders are not prepared for the scale or disaster represented by a major oil train derailment, and current oil-by-rail safety standards, like electronically controlled braking systems and phase out of older cars, have not kept pace with increased oil-train traffic. The RDEIR also did not evaluate the relative air quality or greenhouse gas emissions for the entire project area.

Further, the February 16, 2015, derailment and explosion of an oil train in Rockland, West Virginia, a train comprised solely of CPC-1232 tanker cars, and travelling under the speed limit for the section of the track on which it was traveling, is a clear indication that the use of these cars as mitigation is inadequate to protect the public from rail oil spills.

The City of Simi Valley requests that additional environmental and risk analysis be completed, particularly for the communities like Simi Valley that the oil trains will travel through to serve the Phillips facility.

For these reasons, the City of Simi Valley respectfully opposes the Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project. Thank you for your consideration of this project's potential impacts to the residents of Simi Valley. Should you have any questions, please feel free to contact the Assistant to the City Manager, Samantha Argabrite, at (805) 583-6707.

Sincerely,

Robert O. Huber
Mayor

cc: City Council
City Manager

Clerk - file - #26 - 3/10/15



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
(831) 454-2200 • FAX: (831) 454-3282 TDD: (831) 454-2123

JOHN LEOPOLD
FIRST DISTRICT

ZACH FRIEND
SECOND DISTRICT

RYAN COONERTY
THIRD DISTRICT

GREG CAPUT
FOURTH DISTRICT

BRUCE MCPHERSON
FIFTH DISTRICT

March 10, 2015

Chairperson and Members
San Luis Obispo County Planning Commission
County Government Center
1055 Monterey Street
San Luis Obispo, CA 93408

**RE: OPPOSITION TO THE PROPOSED PHILLIPS 66
COMPANY RAIL SPUR EXTENSION PROJECT**

Dear Members of the Commission:

I am writing at the direction of the Santa Cruz County Board of Supervisors to express our opposition to the proposed Phillips 66 Company Rail Spur Extension Project.

Our community recognizes the environmental hazards and community risks associated with oil transportation and oil exploration techniques such as hydraulic fracturing. In our county, local voters expressed strongly that they did not want oil derricks off our coast, and the County supported legislation to regulate the type of container ships carrying oil along our coastline. Last year, the Santa Cruz County Board of Supervisors also unanimously banned hydraulic fracturing, or "fracking," in our county.

Members of our Board have been contacted by local residents and residents of other communities who are extremely concerned about the proposal by Phillips 66 to haul oil to a location in San Luis Obispo County by train. Phillips 66 wants to expand a train terminal in San Luis Obispo County to bring nearly three million gallons of toxic tar sands oil, each day, in mile-and-a-half long trains to their refinery in Nipomo. Phillips 66 admits that the plan will include transport of "significant and unavoidable" levels of toxic sulfur dioxide and cancer-causing chemicals. These are the heaviest trains on the tracks, running over our water supplies and through our towns across the state. While the trains won't run directly through our county, they will run over the Pajaro River, which is one of the most valuable water resources in our county.

March 10, 2015

Page 2

Transporting the crude oil proposed in this project by rail will involve as many as five trains per week with up to 80 tank cars, each carrying 26,000 - 28,000 gallons of crude oil (2.2 million gallons total) on their way to the San Luis Obispo County facility.

With the growing number of reports of hazards associated with oil tanker transfer by rail, communities along the proposed railway route are beginning to understand that we all have a stake in the Phillips 66 proposal. Just last month, a train carrying crude in West Virginia exploded, dumping over 70,000 barrels of oil onto the ground and into the nearby Kanawha River. This happened in spite of using new tanker cars built to withstand accidents better than older models. At least 12 derailments have occurred since early 2013, the most devastating in Lac-Megantic, Quebec, in July 2013, when a runaway train carrying Bakken crude derailed and set off an inferno that killed 47 people.

In Santa Cruz County, the Pajaro River flows through mountains, redwood forests, urban areas, and agricultural lands on its way to the Monterey Bay — the centerpiece of the nation's largest federally protected National Marine Sanctuary. The lower Pajaro River region includes working farms, businesses, and residential areas encompassing the City of Watsonville and parts of Santa Cruz and Monterey counties. Our county depends on the river for sustenance, recreation, and economic development. The hazards of a rail spill or explosion place the Pajaro River in danger, and the impacts of such a catastrophe could be widespread.

Accordingly, I am writing to express our Board's opposition to the proposed Phillips 66 Company Rail Spur Extension Project.

Sincerely,



GREG CAPUT, Chairman
Board of Supervisors

GC:ted

cc: San Benito Rising
Executive Director, Coastal Watershed Council

2261A6

50th Year



Golden Jubilee

City of Carpinteria

COUNCIL AGENDA STAFF REPORT April 13, 2015

ITEM FOR COUNCIL CONSIDERATION

Sending a letter requesting that the San Luis Obispo County Planning Commission deny the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension Project.

STAFF RECOMMENDATION

Action Item X ; Non-Action Item

Approve and authorize the Mayor to sign on behalf of the City Council the proposed letter to the San Luis Obispo County Planning Commission.

Motion: I move to approve and authorize the Mayor to sign on behalf of the City Council the proposed letter to the San Luis Obispo County Planning Commission.

BACKGROUND

San Luis Obispo County is processing a development permit application for the Santa Maria Refinery Rail Spur Project (Project). The application was submitted by the Phillips 66 Company for various improvements necessary to accommodate expanded railroad service to and from the Santa Maria Refinery, which the company operates near Nipomo in southwestern San Luis Obispo County. The Project environmental impact report (EIR) process was initiated by the County in 2013, and the public comment period on the recirculated draft EIR closed in November 2014. The County expects public hearings to be scheduled for consideration of the proposed final EIR and the Project permit this summer. Project information, including the Draft Recirculated EIR and comment letters can be found on the County website at:

[http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips_66 Company Rail Spur Extension Project.htm](http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips_66_Company_Rail_Spur_Extension_Project.htm). Attached to this report are several excerpts from the Draft Recirculated EIR including the Executive Summary, Project Description and Project Impact Summary Tables.

The primary environmental effect of the Project in Carpinteria will be an increase in the number of trains carrying hazardous material, i.e., crude oil, on the UPRR mainline that

bisects the City. The Draft EIR estimates that the Project would result in up to five unit trains per week (a unit train has 80 tank cars) and up to 250 trains per year. Each rail car has an estimated capacity of 27,300 gallons and each unit train 2.18 million gallons.

At its meeting of February 23, 2015, the City Council received public comment and a letter from Jim Taylor, representing the Carpinteria Valley Association, requesting that the City Council oppose the Project. A series of significant accidents, related news reports, and reports issued by various federal and state agencies studying the safety of oil-by rail transportation, have made oil-by-rail an issue of national concern. The February 2015 issue of Western Cities Magazine, the magazine of the League of California Cities, included a cover story on the issue of oil train safety and the League has recommended a list of 10 advocacy points for use by California cities in seeking improved rail safety.

In response to the Carpinteria Valley Association request, the City Council requested an agenda matter be scheduled to discuss oil transport by rail and associated risks to Carpinteria. On March 23, staff presented a report on oil-by-rail and the City Council approved a letter (attached) for transmittal to the U.S. Department of Transportation and federal representatives that advocates for a number of measures aimed at improving the safety of rail transportation of hazardous materials and, in particular, oil-by-rail transit. During the public comment period concerning the matter, the City Council received many requests for the City to also take a position against the Project. The Council directed staff to schedule the matter for consideration on its next agenda.

To date, many public agencies have commented on the Project and/or requested that it be denied. All comment letters, including those of public agencies requesting denial, can be found on the San Luis Obispo County website. Public agencies in the region that have filed letters in opposition to the project include Ventura City and County, Ventura School District, Moorpark, Simi Valley, Camarillo, Oxnard, and San Luis Obispo City. Also, First District Supervisor, Salud Carbajal submitted a letter of concern regarding the project. Finally, the City of Guadalupe City Council received a report on the subject and declined to take a position on the Project.

Staff has prepared a draft letter requesting that the San Luis Obispo County Planning Commission deny the Project and this agenda matter is intended to provide the City Council with an opportunity to approve the letter for transmittal to the County under the Mayor's signature.

DISCUSSION

As was reported and discussed during the oil-by-rail report to the City Council on March 23, oil-by-rail transportation has increased substantially in recent years as have related catastrophic accidents.¹ Local governments, such as the County of San Luis Obispo,

¹ The Project Draft EIR reports a 423% increase in crude oil carried by rail between 2011 and 2012

are preempted by federal law from regulating the mainline UPRR railroad operations affected by the Project. Also as reported at the March 23 meeting, federal and state regulations as well as railroad industry measures implemented to date have been ineffective and are in need of substantial reform.²

The Draft Recirculated EIR identifies 11 Significant and Unavoidable (Class I) environmental impacts that are expected to result from the Project. Under the California Environmental Quality Act (CEQA), where Class I impacts have been identified through the EIR process a development permit cannot be approved by the lead agency (in this case, the County of San Luis Obispo) unless certain findings are made.

California Public Resources Code §21081. Necessary findings where environmental impact report identifies effects.

Pursuant to the policy stated in Sections 21002 and 21002.1, no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

(a) The public agency makes one or more of the following findings with respect to each significant effect:

(1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

(2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.

(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

(b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.

Several of the Class I impacts identified in the Draft EIR, including the increased risk of a hazardous materials spill along the UPRR mainline, affect Carpinteria. The project Draft EIR states in part "...the County as CEQA Lead Agency, and other state and local responsible agencies may be preempted from imposing mitigation measures, conditions or regulations by federal law..." It is apparent from the Draft EIR that such mitigation and conditions will be necessary in order to address the identified Project impacts.

² "Oil by Rail Safety in California: Preliminary Findings and Recommendations", State of California Interagency Rail Safety Working Group, June 2014

The need to establish and carry out mitigation measures and/or project conditions through the Project permit approval and operations monitoring will be frustrated, if not entirely stymied, by the federal preemption, which is expected to preclude the implementation of any mitigation measures or project conditions that affect railroad operations on the UPRR mainline. UPRR confirms this issue in its letter of November 24, 2014, to San Luis Obispo County (attached), citing, among other things, actions being taken by the railroad industry and federal regulators to improve rail transportation safety and making clear that it believes San Luis Obispo County is preempted from regulating railroad operations and that the "UP will not agree to any limitation on the volume of product it ships or the frequency, route or configuration of such shipments."

As such, staff has determined that the project poses an unacceptable risk to Carpinteria as the City is located along the route that would be used to transport oil to the Project site.

POLICY CONSISTENCY

The Phillips 66 Santa Maria Refinery Rail Spur Extension Project will result in a greater amount of rail traffic carrying oil and will increase risks of a hazardous materials spill, among other impacts. The City's request that San Luis Obispo County deny a project determined to have the potential to increase risk of hazards in the City of Carpinteria can be found consistent with City policies aimed at improving public safety and mitigating rail hazards.

The City of Carpinteria City Council has responded in the past to railroad development and operations that it found would be a detriment to public health and safety. In 2000 the City Council upheld on appeal the City Planning Commission's denial of a railroad siding in the City finding, in part, that the project would impact sensitive environmental resources such as the Harbor Seal haulout and exacerbate existing constraints on public access to the coast. Also, in 1999, the City Council wrote letters in opposition to a proposal by UPRR to raise the passenger and freight train speed limits through Carpinteria.

The following General Plan and Local Coastal Plan Safety Element policies are applicable:

Objective S-6: Minimize the potential risks and reduce the loss of life, property and the economic and social dislocations resulting from hazardous materials accidents at large industrial facilities, at facilities handling acutely hazardous materials, and along transportation corridors.

Policies:

S-6a. The City should maintain lists of facilities in the planning area that involve the use, storage, and/or transportation of hazardous materials.

S-6b. City policies concerning the use, storage, transportation and disposal of hazardous materials, and regarding underground or above-ground storage tanks shall reflect the County of Santa Barbara and the State Regional Water Quality Control Board policies and requirements and shall ensure that the use, storage, transportation and disposal of hazardous materials does not result in hazardous discharge or runoff.

S-6c. The City should consider the presence of large industrial facilities, facilities that handle acutely hazardous materials or pesticides, and railroad and utilities right-of-ways in land use planning.

S-6d. The City shall support protective measures against the spillage of hazardous materials, including crude oil, gas and petroleum products, and shall support effective containment and cleanup facilities and procedures for accidental spills that occur.

S-6e. Where feasible, new hazardous industrial development shall be located away from existing developed areas.

Implementation Policies:

22. Development of parcels that include the Rincon crude oil pipeline, the Gas Company's natural gas pipeline, a railroad right-of-way, or any other corridor or easement that contain similar uses that have the potential for hazardous materials leaks and/or catastrophic events, shall avoid the placement of habitable structures in such close proximity to the lines that public health and safety is put at risk.

26. Train speeds through Carpinteria should be maintained at levels that serve to minimize the potential for derailed train cars to leave the railroad right of way as a result of an accident.

FINANCIAL CONSIDERATIONS

A hazardous materials release that results in long-term damage to infrastructure, the environment, and/or local businesses can have long-term negative impacts on the local economy and related revenues, e.g., sales tax. Further, local response to any major disaster can be financially crippling to a city, even if federal disaster recovery funds are available and obtained. Advocating for denial of a project application that would be expected to lead to an increase in the risk of a catastrophic hazardous materials incident in the City is a way the City can take action to address such financial risk.

LEGAL

The City of Carpinteria does not have permit authority over the subject project, including the operation of the portion of Union Pacific Railroad track that bisects the City and which will be affected by the project. The City may submit comments and requests to

the County of San Luis Obispo and the California Coastal Commission, which have permit authority.

OPTIONS

1. Approve and send the letter requesting San Luis Obispo County Planning Commission deny the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension project
2. Amend the proposed letter
3. Decline to send a letter.

PRINCIPAL PARTIES EXPECTED AT MEETING

Carpinteria Valley Association Representatives

ATTACHMENTS

- A. Draft Letter Regarding Phillips 66 Santa Maria Refinery Rail Spur Extension Project
- B. Letter request from Carpinteria Valley Association, dated, February 23, 2015
- C. San Luis Obispo County Draft Environmental Impact Report Excerpts including:
 1. Executive Summary
 2. Project Description
 3. Impacts Summary Table
- D. Union Pacific Railroad comment letter on Draft EIR, dated November 24, 2014

Staff contact: Dave Durlinger
(805 684-5405, daved@ci.carpinteria.ca.us)



Signature

CITY of CARPINTERIA, CALIFORNIA



Golden Gate

April 7, 2015

San Luis Obispo County Planning Commission
c/o James A. Bergmann, Director of Planning and Building
976 Los Osos Street, Room 200
San Luis Obispo, CA 93408

Re: Request for denial of the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension Project

Dear Chair and Commissioners:

As Mayor of the City of Carpinteria, I write to you on behalf of the Carpinteria City Council to request that the Planning Commission deny the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension Project due to the 11 Significant and Unavoidable (Class I) environmental impacts, identified in the project draft environmental impact report (DEIR). In particular, we object to the project due to the increased risk of a crude oil train derailment in our community.

Carpinteria is located on the coast in southeast Santa Barbara County and is bisected by the Union Pacific Railroad mainline studied in the DEIR and subject to project impacts. Thousands of Carpinterians live, work and go to school adjacent to this rail line. An oil train derailment in Carpinteria poses a significant risk of loss of life in our community.

Carpinteria is home to a variety of coastal resources that are of regional and statewide significance include an estuary, near shore ocean reefs, a harbor seal haulout/sanctuary, popular tourist destinations such as the Carpinteria downtown shopping district and the Carpinteria State Beach campground. All of these important resources are located adjacent to the UPRR railroad tracks and, in the event of an oil train derailment in Carpinteria, would put these resources at a significant risk of being damaged or destroyed.

As you know, in its letter of November 24, 2014, UPRR takes the position that federal regulations preempt local government agencies such as the San Luis Obispo County from regulating railroad operations. Yet, the regulation of rail transportation, as promulgated and carried out by the rail industry and federal regulatory agencies has proven to be inadequate to effectively address the risks represented by oil-by-rail transportation. Nationwide, the lack of effective federal or state regulations and the inability to establish local regulations has resulted in a dangerous void in oversight with, as we have seen over and over again, disastrous results. This inadequate system of regulatory oversight, the threat of federal preemption, and the posture of UPRR concerning the establishment of project mitigation or conditions that may be deemed to affect railroad operations make clear that the significant environmental impacts identified cannot be adequately addressed.

For these reasons, we respectfully request the Commission deny the proposed Phillips 66 Santa Maria Refinery project.

Sincerely,

Gregg A. Carty
Mayor

c: San Luis Obispo County Board of Supervisors
California Coastal Commission



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DIRECTORS
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MEG WEST, *DIRECTOR*

GENERAL MANAGER
JOHN D. MCINNES

May 12, 2015

Honorable Debbie Arnold, Chair
San Luis Obispo County Board of Supervisors
County Government Center, Room D-430
San Luis Obispo, CA 93408

Honorable Ken Topping, Chair
San Luis Obispo County Planning Commission
976 Los Osos Street, #200
San Luis Obispo, CA 93401

Re: Phillips 66 Rail Spur Extension Project

Dear Chairs and Members,

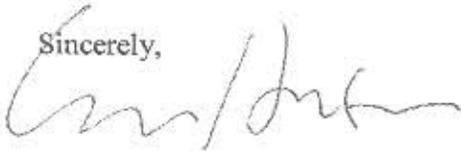
As President of the Goleta Water District (District) I am writing to express the serious concern of the District Board of Directors regarding the potential environmental impacts that the proposed Phillips 66 Rail Spur Extension Project could have on the Goleta Groundwater Basin. The District service area spans approximately 29,000 acres along the South Coast of Santa Barbara County between the ocean and the foothills west from Santa Barbara to El Capitan. The rail route through Santa Barbara County crosses a significant portion of the Goleta Groundwater Basin. The District provides safe and reliable water service to over 87,000 residents in the Goleta Valley and during this time of extraordinary drought is increasingly reliant on groundwater to provide adequate supplies for drinking, health and safety.

As you are aware, the project facilitates a large increase in the number of oil trains along the coastal corridor. The Draft Environmental Impact Report (DEIR) evaluates a range of potential impacts of the rail project, including the possibility of a major accident and spill. Spills along the mainline tracks were found to be significant and unavoidable (Class I) in the event that a spill occurred where it could affect water resources. The District recognizes that such an accident has the potential to cause catastrophic damage to our community's groundwater basin and watershed. The DEIR should cite and analyze the potential significant adverse impact that a derailment, spill, or explosion event would have on basins, creek systems and watersheds along the proposed transit route to protect the irreplaceable public resources.

The District has relied on the groundwater basin and its ability to provide for the health and well-being of the community for over 40 years. Likewise, District customers have invested millions of dollars to sustainably manage the basin. Currently the District has stored over 50,000 acre-feet of water in the basin to be used as a drought resource now and into the future. Financially, the District will spend over \$13 million on new infrastructure over the next 5 years to expand extraction, injection and monitoring capacity.

Recognizing the serious nature of the matter, the District Board of Directors asks that the San Luis Obispo County Planning Commission and Board of Supervisors take a hard look at the impacts of a potential spill on the groundwater basins of communities like the Goleta Valley that depend on local aquifers to provide water to residents, and whose water supply is put at grave and unacceptable risk by this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren Hanson", written over a light blue horizontal line.

Lauren Hanson
President
Goleta Water District



TO: Mayor and Councilmembers
FROM: Jennifer Carman, Planning & Environmental Review Director
CONTACT: Anne Wells, Advance Planning Manager
SUBJECT: Phillips 66 Santa Maria Refinery Rail Project

RECOMMENDATION:

Provide staff with direction on submitting a comment letter to the San Luis Obispo County Planning Commission stating health, safety, and environmental concerns regarding the Phillips 66 Santa Maria Refinery Rail Project (Attachment 1).

BACKGROUND:

Phillips 66 Company (Phillips 66) has applied to San Luis Obispo County (County) for the Santa Maria Refinery Rail Spur Project (Project). The Project proposes to expand the capacity at the existing Santa Maria Refinery, located in Nipomo, San Luis Obispo County, to accept crude oil from outside of the region, by rail transport. Rail transport to the refinery includes two routes, one of which runs through Goleta.

DISCUSSION:

A Draft Environmental Impact Report (EIR) for the Project was released in November 2013 followed by a Revised Draft EIR in October 2014. Over 11,000 comment letters were reportedly received by the County on the Revised Draft EIR. According to the Revised Draft EIR, the Project increases the capacity of the Santa Maria Refinery to receive crude oil by train through various proposed modifications. Each train is approximately one mile in length and could carry more than two million gallons of unrefined crude oil. The Revised Draft EIR indicates that an average of five trains per week and up to 250 trains per year will deliver crude oil to the refinery.

The oil transport trains would be operated by Union Pacific Railroad (UPRR) and would arrive at the Santa Maria Refinery from the north or the south, through the City, depending on the route taken. The movement of those trains to and from the site is largely regulated by federal law under the Interstate Commerce Commission Termination Act of 1995 and the Commerce Clause of the United States Constitution, as stated in the Revised Draft EIR.

The Revised Draft EIR identifies a number of potential impacts resulting from the Project. Most relevant to the City are the hazards and hazardous materials impacts as rail transport of crude has the potential for oil spills, fires, or explosions along the railroad, including the segment of the track passing through the City of Goleta on the south side of Highway 101. Refer to Attachment 2 for the Revised Draft EIR Executive Summary, Project Description, and Impacts Summary Table for more information.

Impacts associated with a mile long train, holding more than two million gallons of unrefined crude oil potentially passing through Goleta, are numerous. The risk of spill, fire, or explosion and related public safety and environmental damage was the most serious potential impact identified by staff during the review of the EIR. A number of other cities have similar concerns and have passed resolutions and/or sent letters opposing the Project. The cities of Carpinteria, Oxnard, Ventura, and Camarillo for example, have recently done this. Additionally, State Senator Hannah-Beth Jackson requested denial of the Project. Although the City found the risk of upset to be minimal in approving the Cortona Apartments Project, this quantity and frequency of crude oil was not part of that analysis.

To assist the San Luis Obispo County decision-makers better understand the concerns of impacted communities, the City could submit a comment letter stating the details of our concerns. Staff prepared a draft comment letter for your consideration, focusing on the public safety and environmental risks associated with the rail transport component of the Project (Attachment 1).

San Luis Obispo County has jurisdiction over approval of the Project and pursuant to the California Environmental Quality Act (CEQA) is the Lead Agency for the environmental review of the Project. The County Planning Commission has the review and approval authority to grant or deny the Project and EIR. The Project and EIR is anticipated to be on the Planning Commission's agenda in the near future.

FISCAL IMPACTS:

There are no direct fiscal impacts associated with this item.

ALTERNATIVES:

The City Council may elect not to send a letter or to make amendments to the letter.

Legal Review By:

Approved By:



Tim W. Giles
City Attorney



Michelle Greene
City Manager

ATTACHMENTS:

1. Draft Letter from the City to the San Luis Obispo County Planning Commission Regarding the Phillips 66 Santa Maria Refinery Rail Project
2. Phillips 66 Santa Maria Refinery Rail Project Revised Draft EIR Executive Summary, Project Description, and Impacts Summary Table



May 19, 2015

CITY COUNCIL

Paula Perotte
Mayor

Jim Farr
Mayor Pro Tempore

Roger S. Aceves
Councilmember

Michael T. Bennett
Councilmember

Tony Vallejo
Councilmember

CITY MANAGER
Michelle Greene

Honorable Planning Commissioners
San Luis Obispo County
c/o James A. Bergman, Director of Planning and Building
976 Los Osos Street, Room 200
San Luis Obispo, CA 93408

RE: Phillips 66 Santa Maria Refinery Rail Project

Dear Honorable Chair and Commissioners:

The purpose of this letter is to relay the City of Goleta's concern for public safety and the environmental risks and public safety arising from the proposed Phillips 66 Santa Maria Refinery Rail Project ("Project"). We respectfully request that the City's concerns be included as part of your evaluation of the merits of the Project.

The Project, however, proposes to expand the capacity of the Santa Maria Refinery located in Nipomo, California, to accept crude oil from outside of the region, transported into the refinery via rail, as opposed to pipeline transport. The Project directly affects the City of Goleta and our residents.

The proposed transport to market includes two routes, one of which runs through the center of Goleta. The hazards associated with crude oil rail transport are well documented within the environmental impact report for the Project and puts our public, sensitive creek habitats, and environment at unnecessary risk.

Each crude oil train could carry more than two million gallons of crude oil, exposing our community to almost 11,000,000 gallons of hazardous and potentially explosive oil product each week. The trains traveling through Goleta and the region would stretch over a mile long, paralleling major transportation corridors such as Highway 101 and Hollister Avenue, through the densely populated Old Town area of Goleta, and adjacent to our high-tech business center and research

park area. Hundreds of homes exist or are currently under construction adjacent to the rail corridor with hundreds more soon to be constructed in the same vicinity. The rail line parallels Ellwood Elementary School, a fire station under pre-construction design, a proposed California Highway Patrol facility, an electrical peaker plant, an oil and gas processing plant, and underground oil and gas pipelines.

Equally significant, the rail intersects each of the City's twelve sensitive creeks just upstream from the Pacific Ocean. The creeks connect to the ocean via biologically rich estuaries, hosting numerous special status plants, fish, birds, and other wildlife species. The creeks are important to both ecosystem health and community values.

In summary, our concern regarding rail transport of volatile crude oil threatens the safety of our children, residents, businesses, critical infrastructure, and our creeks and the estuaries. Note that the existing pipeline transport of crude oil has numerous monitoring and control points that enable our well-trained emergency responders to minimize and manage incident response. These same emergency responders do not have the resources to adequately respond to the scale of emergency that would occur in the event of a crude oil train derailment not to mention the direct threat to public safety infrastructure. The potential for a large-scale disaster resulting from this Project is a reality that must be addressed.

The transport of large quantities of volatile crude oil on a mile-long train through our City is simply too risky and unnecessary, particularly in light of California's existing well-controlled maze of underground transport pipelines. The risk of derailment and related public safety and environmental damage makes this Project unsupportable by the City and we respectfully request that you deny the Project, as it is currently defined.

Thank you for your consideration of our concerns and request regarding this Project. Please ensure that we are aware of future public meetings related to the Project and do not hesitate to contact me at (805)961-7500 or the City's staff contact, Anne Wells, at (805)961-7557 or awells@cityofgoleta.org if you have questions or comments regarding this letter.

Sincerely,

Paula Perotte
Mayor

cc: Hannah-Beth Jackson, California State Senator
Das Williams, California Assembly Member
Goleta City Councilmembers
Michelle Greene, Goleta City Manager
Tim Giles, Goleta City Attorney



Phillips 66 Rail Spur Project: SLO County

July 28, 2015



Proposed Project

- ◆ Phillips 66 proposes to extend the existing rail spur on from the southwest side of the refinery extending east to add an unloading facility, on-site pipelines, and replacement coke rail loading tracks.
- ◆ Additionally, an existing agricultural road would be improved as an unpaved eastern Emergency Vehicle Access route between the eastern end of the rail spur and State Route 1.



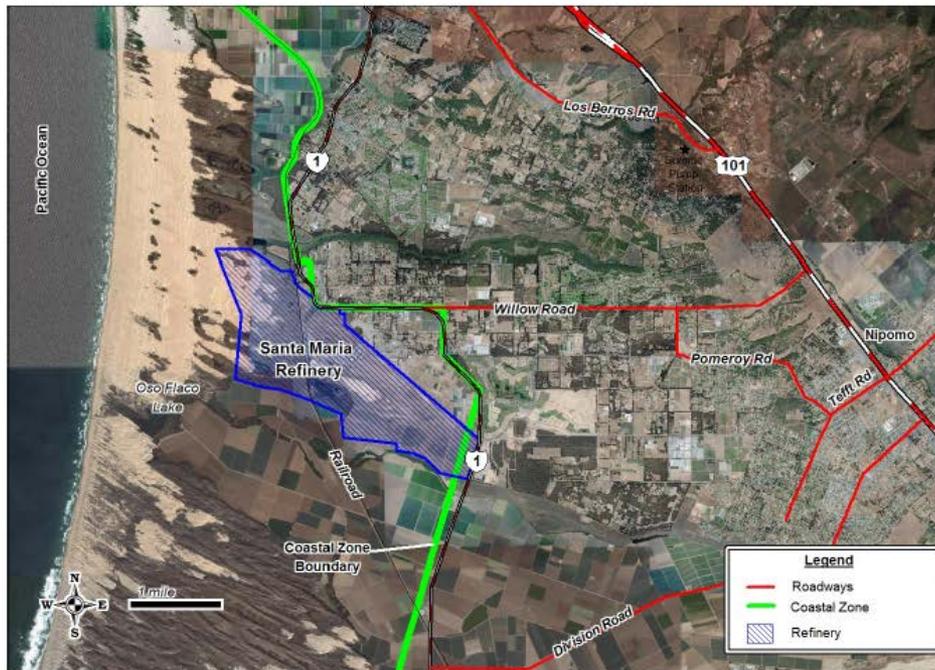
Proposed Project – con't.

- ◆ The tracks and unloading facilities would be designed to accommodate trains of approximately 80 tank cars and associated locomotives in unit trains or manifest train configurations. These trains would deliver crude oil to the facility for processing.
- ◆ The unloaded material would be transferred to the existing storage tanks via a new pipeline that would be constructed across the existing coke storage area and along an existing internal refinery road.

Santa Maria Refinery Location

2.0 Project Description

Figure 2-1 Santa Maria Refinery Location



Note: While the UPRR tracks pass through the refinery property, Phillips 66 does not own the railroad right-of-way. This property is owned by UPRR.
Source: MRS.



Objectives of Proposed Project as defined by Applicant

- ◆ Allow the refinery to obtain a range of competitively priced crude oil by providing the capability to obtain raw material from North American sources that are served by rail
- ◆ Extend the existing rail spur within the refinery and install the necessary infrastructure to safely and efficiently transfer crude oil from rail cars to the existing refinery storage tanks for processing
- ◆ Avoid and minimize environmental and community impacts, and mitigate any unavoidable impacts to the maximum extent feasible.



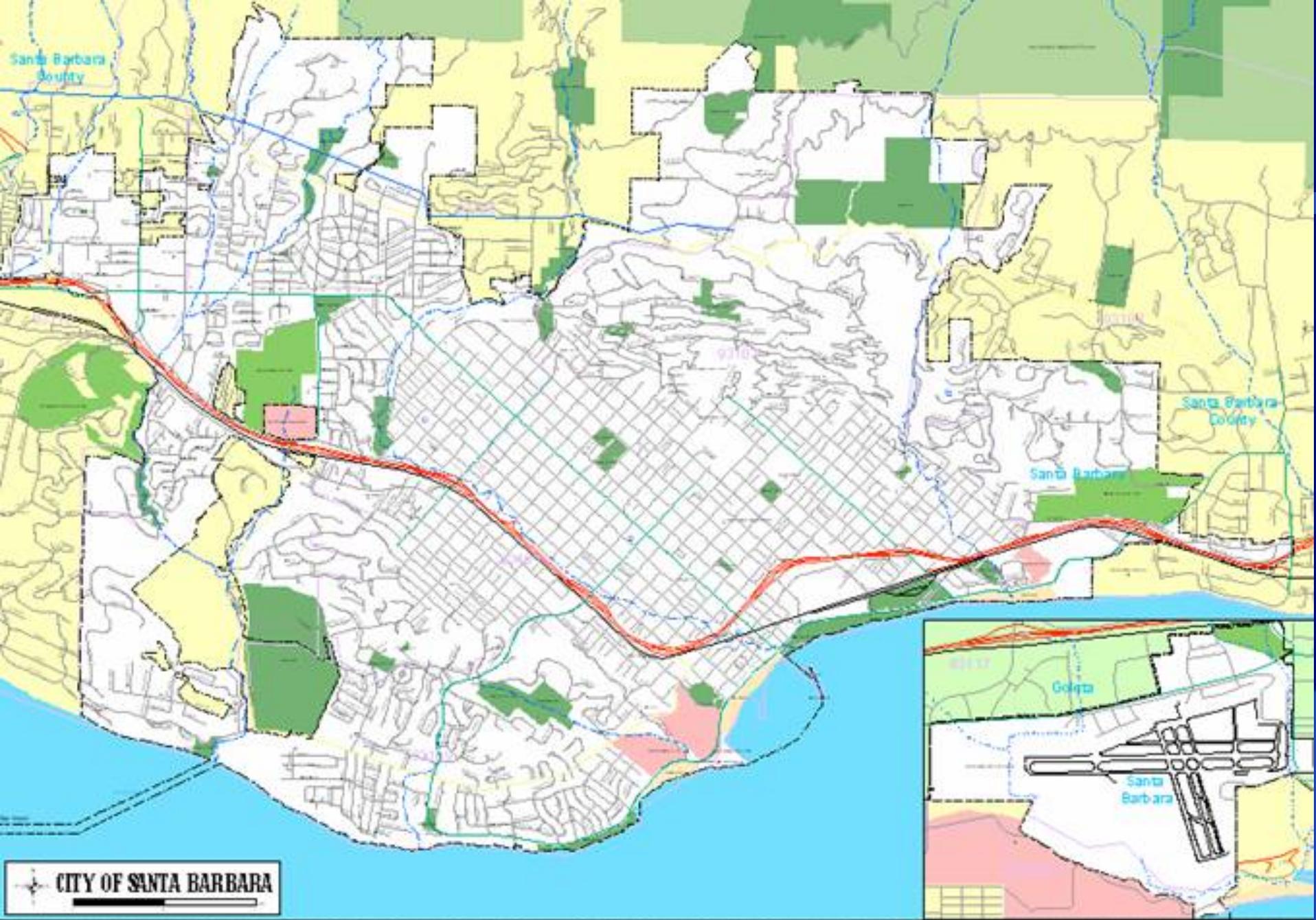
Objectives of Proposed Project as defined by Applicant

- ◆ Develop a project that is consistent with the objectives of the San Luis Obispo County General Plan and Local Coastal Program.
- ◆ Design, construct, and operate a project that complies with all local, state, and federal regulatory requirements.
- ◆ Maximize the use of existing infrastructure and resources to support the economic vitality of the County and State..



Rail Spur Modifications

- ◆ The unloading facility would be designed around “train slots” (a track that can contain an entire unit train).
- ◆ Phillips 66 would unload up to five trains per week.
- ◆ Phillips 66 estimates that a complete 80-car train would be unloaded within 10 to 12 hours, including time for positioning and preparing the train for departure.





Local Public Safety Concerns

- ◆ The risk of spill, fire, or explosion and related public safety and environmental damage was the most serious potential impact identified by staff during the review of the EIR.



Neighboring Cities' Opposition

- ◆ A number of other cities have similar concerns and have passed resolutions and/or sent letters opposing the Project, including:
 - Carpinteria
 - Goleta
 - Oxnard
 - Ventura
 - Camarillo
 - Moorpark
 - San Luis Obispo



Recommendation:

- ◆ That the Santa Barbara City Council send written correspondence to the San Luis Obispo County Planning Commission and Board of Supervisors expressing concerns about the safety impacts of the increased frequency of oil trains along freight corridors and a request to deny the project.



Phillips 66 Rail Spur Project: SLO County

July 28, 2015