



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Board of Supervisors
Department No.: 011
For Agenda Of: September 1, 2015
Placement: Departmental
Estimated Time: 1 hour
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Board Member(s) Doreen Farr, Third District and Salud Carbajal, First District
Contact Info: Chris Henson, Chief of Staff, Third District, 568-2197;
Jeremy Tittle, Chief of Staff, First District, 568-2186
SUBJECT: Phillips 66 Rail Spur Extension Project

Ch. Tom P.F.
ROC

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

1. Authorize the Chair to send a letter urging the San Luis Obispo County Planning Commission and San Luis Obispo Board of Supervisors to deny the Phillips 66 Company's application for its Rail Spur Extension Project; and,
2. Determine that the proposed action is not a project and is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15378(b)(2) as an administrative activity.

Summary Text: This item is before you today to receive information about the potential impacts the proposed Phillips 66 project may have on Santa Barbara County residents' health and safety and consider taking an opposition position on the project. Phillips 66 has submitted an application to San Luis Obispo (SLO) County that would allow for the modification of the existing rail spur of the Santa Maria Refinery (SMR) located near Nipomo. The proposed modifications include construction of tracks and unloading facilities that would allow Phillips 66 to receive crude oil at the refinery via train, including raw materials from various North American sources. Approval of this project would present considerable risks to Santa Barbara County residents and the environment, as the proposed project would result in up to five additional oil trains per week traveling the Santa Barbara County coastal rail line. This route includes heavily populated urban areas and Highway 101, one of the two major interstate highways connecting Southern California to Northern California.

Background:

The number of trains transporting petroleum products throughout the United States has increased dramatically over the last decade. The number of shipments of crude oil by rail car in the U.S. has increased by 8,358 percent since 2006, according to the U.S. Energy Information Administration and Association of American Railroads. Consequently this surge in shipments of crude oil by rail has resulted in an increased frequency of oil spills by American trains, including an all-time high of 141 “unintentional releases” in 2014, according to the federal Pipeline and Hazardous Materials Safety Administration (PHMSA). In 2015 alone there have been numerous oil train derailments in West Virginia, Illinois, Ontario, and North Dakota, all of which have resulted in large blast areas and devastation to infrastructure and natural resources. For example, in February of this year, tanker cars carrying 3 million gallons of crude derailed in West Virginia resulting in 19 tanker cars catching fire, hundreds of evacuations, shutdown of a nearby water treatment plant and oil leaking into a river tributary. In addition, the Lac-Mégantic disaster on July 6, 2013 resulted in the loss of 47 lives and an explosion that destroyed more than 30 buildings.

Locally, Phillips 66 has submitted an application to SLO County to allow for the modification of the existing rail spur of the Santa Maria Refinery (SMR) which would allow Phillips 66 to receive crude oil at the refinery via train, including raw materials from various North American sources (currently the SMR only receives crude oil via pipeline). Trains would likely enter California from Oregon, Nevada and Arizona (via main Union Pacific Railroad routes) and would travel the Coast Line route through Santa Barbara County from Los Angeles, as there are no alternative routes that lead to SMR from the south.

Transportation of crude presents many known risks, including explosion, derailment, air pollution, toxic emissions, fire, and spill. If approved, this project would enable unloading of up to five unit trains per week, or an estimated 250 trains annually. Unit trains include 73-80 railcars (1.4 miles long each) and would carry between 44,762 - 52,142 barrels of crude oil per unit train. The average daily delivery of crude oil would be 37,142 barrels per day (bpd) and each train would take an estimated 10-12 hours to unload at the SMR. Phillips 66 has submitted an application to increase the permitted levels of crude oil processing (throughput) at the Refinery facility to 48,950 bpd, which is an increase of 10% over currently permitted volumes (current throughput permit limits at the refinery are capped at 44,500 bpd by SLO County Department of Planning and Building and 48,000 bpd by SLO County Air Pollution Control District).

Santa Barbara County could potentially experience an increase in crude oil delivered to and shipped via pipeline from Santa Maria Pump Station and an increase in crude trucked from onshore sources to the Santa Maria Pump Station in Santa Barbara County which pumps crude oil in a pipeline directly to the Santa Maria Refinery. Analysis in the project EIR indicates that there would be an increase of 9,904 truck trips per year from onshore sources to the Santa Maria Pump Station. This equates to an increase of 27 new truck trips per day of crude oil from onshore facilities to the Santa Maria Pump Station (current Santa Barbara County Air Pollution Control District throughput limits at the Santa Maria Pump Station are capped at 26,000 bpd via truck and 84,000 bpd via pipeline). Additionally, statewide impacts include, but are not limited to, increases in the volume of crude transported north of the SMR via pipeline to the Rodeo Refinery (Bay Area) and increases in volume of crude transported south of SMR via truck or rail to consumers and/or for export.

The Phillips 66 proposed project has generated considerable local and state-wide concerns among citizens and affected local governments. The SLO County Planning Commission has received over

20,000 public comments on the Environmental Impact Report to date, 40 of which are from cities and local governmental entities. Many local jurisdictions have voted to formally oppose the Rail Spur Project including Ventura County, and the Cities of Moorpark, Oxnard, Carpinteria, Santa Barbara, Goleta, and San Luis Obispo, as well as the individual supervisorial offices of the Third and First District. A diverse array of local and statewide stakeholders has also spoken out against increased oil train shipments including groups representing teachers, nurses, firefighters, and environmental interests. In addition, many area residents, community associations and advocacy groups have contacted us about their concerns.

Transportation of crude oil through Santa Barbara County presents health and safety risks to local residents, our environment and local economy. The proposed project is of great concern, due in part to the highly toxic, volatile and carbon intensive nature of crude oil and the proximity of the proposed route to highly populated areas. The potential blast zone (2 mile wide evacuation area along the train route) includes the communities of Carpinteria, Summerland, Montecito, Santa Barbara, Goleta, Casmalia, Vandenberg Air Force Base and Guadalupe. It is estimated that approximately 25 million Americans residents reside in the potential oil train blast zone, including 125,000 Santa Barbara County residents¹ (this estimate of SBC residents within the blast zone does not take into account temporary residents not included in the census count, including tourists and university students). Not only does the planned route go directly through the heart of local Santa Barbara communities, but also some of the most sensitive ecological areas and public parks along our coast, including Jalama, Gaviota, Refugio and El Capitan Beach Parks, Naples, the Guadalupe Dunes and the Carpinteria Salt Marsh and Bluffs Park, as well as our pristine and productive private ranches. An oil train accident or derailment has the potential to contaminate our oceans, water supply and directly impact diverse local species and habitats. Additionally, a fire or blast could impact many local schools, Santa Barbara City College and Cottage Hospital.

The proposed project is inconsistent with local and state policies and public opinion, which are moving toward clean energy and less reliance on oil. This is evidenced by recent, locally supported initiatives such as Community Choice Energy. Further, the recent Plains Pipeline oil spill underscores the severe and widespread impacts of accidents and the devastating economic and environmental consequences of such events. It is critical for Santa Barbara County to join with other local jurisdictions throughout the State and take a strong stand against oil train shipments through our local communities. Although the SLO County Planning Commission and Board of Supervisors have not yet set dates to consider the proposed project, it is imperative for Santa Barbara County to voice our many concerns early in this process, as the proposed project will have significant impacts locally.

Given the aforementioned considerations, we ask the Board to take a position of opposition on the Phillips 66 Santa Maria Rail Spur Expansion project.

Attachments:

Attachment A: Phillips 66 Santa Maria Refinery Rail Project Public Draft EIR Exec Summary
Attachment B: Phillips 66 Santa Maria Refinery Throughput Increase FEIR Exec Summary
Attachment C: League of Cities Article "A Growing Risk: Oil Trains Raise Safety and Environmental Concerns"

¹ This calculation was based on a U.S. Department of Transportation tool for emergency response, which includes one mile evacuation zone in the case of an oil train fire or half mile in the case of a spill, and census data.

Authored by:

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Eric Friedman