

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



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

Agenda Number:
Prepared on: August 22, 2002
Department: Planning and Development
Department No.: 053
Agenda Date: September 10, 2002
Placement: Departmental
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If Yes, date from:
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TO: Board of Supervisors

FROM: Steve Chase, Deputy Director
Planning and Development, Energy Division

STAFF CONTACT: Alice McCurdy, Energy Specialist (568-2542)
Joddi Leipner, Planner III (568-2514)

SUBJECT: Appeal of the Sisquoc Pipeline Bi-Directional Flow Project and
Expansion, Planning and Development Case Number 91-DP-003
RV05

Recommendation(s):

That the Board of Supervisors consider the appeal of Brien Vierra, agent for the Applicant Tosco Refining Company and uphold the Planning Commission's action to approve the Sisquoc Pipeline Bi-Directional Flow Project. Your Board's motions should include the following:

1. Adopt the required findings for the project specified in Attachment A of the June 20, 2002 Planning Commission staff report, including CEQA findings;
2. Certify the Environmental Impact Report (01-EIR-04) as modified by the June 20, 2002 Errata sheet for purposes of the Sisquoc Pipeline Bi-Directional Flow Project and adopt the mitigation monitoring program contained in the conditions of approval (Attachment C of the June 20, 2002 Planning Commission staff report);
3. Deny the appeal; and
4. Uphold the Planning Commission's action to approve the Sisquoc Pipeline Bi-Directional Flow Project (91-DP-003 RV05).

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with actions required by law or by routine business necessity.

Executive Summary and Discussion:

I. Background on the Sisquoc Pipeline Project

Tosco operates the UNOCAP Sisquoc Pipeline known as Line 300 between the All American Sisquoc Pump Station, the UNOCAP Santa Maria Pump Station, and the UNOCAP Summit Pump Station. The Sisquoc Pump Station is located about 6,000 feet north of Santa Maria Mesa Road near the town of Sisquoc. The pipeline extends approximately 10.5 miles to the Santa Maria Pump Station on Battles Road east of Santa Maria. The County Planning Commission approved the UNOCAP Sisquoc Pipeline on April 1, 1992.

Oil from the All American Pipeline is transported westward in Line 300 to the Santa Maria refinery in San Luis Obispo County. Movements from Sisquoc Pump Station to Santa Maria Pump Station currently occur at approximately 30,000 to 40,000 bpd. The pipeline from the Sisquoc Pump Station to Santa Maria Pump Station is currently permitted by the County to operate at a maximum throughput of 40,000 bpd¹; therefore, the line is operating close to its permitted capacity.

The Tosco Sisquoc pipeline connects the All American Pipeline (“AAPL”) to the Santa Maria Refinery located in San Luis Obispo County. Currently the pipeline only flows in one direction, or northward from the AAPL to the Santa Maria Refinery. This restriction was imposed on the project when it was constructed. The purpose for this restriction was to eliminate the potential to increase tankering activities at the former Avila Beach Pump Station. At the time of the original permit approval, there was concern that the Sisquoc pipeline could facilitate the tankering of Alaskan North Slope crude oil into Avila Beach for delivery to Texas refineries. As the Union Oil Company has dismantled the Avila Beach Pump Station, and all tankering activities at Avila Beach have ceased, the restriction is now unnecessary.

Reversal of the flow would require only minor piping and valve changes at the pump stations and would not result in any new environmental impacts. The proposed project would provide operational flexibility by allowing oil from the Tosco Pt. Pedernales project to flow to the AAPL and be processed at other refineries if the capacity of the Santa Maria Refinery is exceeded. The flexibility to ship more oil to other markets via pipeline rather than by tanker or other means of transportation is consistent with the County’s oil transportation policies.

¹ The applicant is currently seeking County approval to increase the throughput of the line from 40,000 to 84,000 bpd. The applicant has received approval in an increase in throughput from 40,000 to 84,000 bpd for the section of the pipeline between the Santa Maria Pump Station and the Summit Pump Station.

II. Proposed Sisquoc Pipeline Bi-Directional Flow Project

A. Project Description

This project would allow reversed flow of the existing UNOCAP 12-inch Sisquoc pipeline located in northern Santa Barbara County between Suey Junction and the Sisquoc Pump Stations. If production rates exceed local refining capacity, or in the event of an upset at the Santa Maria Refinery, Sisquoc pipeline flow would be reversed on an as-needed basis. Flow reversal of the line would require installing a manually operated isolation valve on the 10/12-inch Santa Maria Pipeline at the Suey Junction in the City of Santa Maria as well as upgrades at Santa Maria Pump Station, Sisquoc Pump Station, and the SCADA system. The Santa Maria Pump Station is located at 1580 East Battles Road just north of Betteravia Road and east of Highway 101 in the City of Santa Maria, on Assessor Parcel numbers 128-093-002 and 128-093-005. The Sisquoc Pump Station is located approximately one mile north of Santa Maria Mesa Road near the town of Sisquoc, Assessor Parcel number 129-260-029.

B. Planning Commission Hearing

The Planning Commission considered the Sisquoc Pipeline Bi-Directional Flow Project at a special hearing on June 20, 2002. At that hearing the project was approved 4-0, with one commissioner absent. The Planning Commission Action Letter is included as Attachment D.

III. Appeal Issues and Responses

A. Appeal Summary

The applicant is not appealing the decision to approve the proposed project but is appealing the Planning Commission's certification of 01-EIR-04. This EIR addresses impacts of the proposed project as well as the Tranquillon Ridge Oil and Gas Development Project and the LOGP Produced Water Treatment Upgrade and Expansion Project. The applicant contends that the environmental baseline used to assess the Tranquillon Ridge Project is inaccurate and therefore the EIR is inadequate as an informational document. The Tranquillon Ridge Project involves the Tosco Pt. Pedernales project as well as the Nuevo (formerly Torch) Pt. Pedernales Project. The applicant also contends that for the Tranquillon Ridge Project, had the EIR used the Pt. Pedernales permitted operating levels as the environmental baseline, the EIR findings and mitigation measures would have been significantly different and less onerous for the Tosco Pt. Pedernales Project.

B. Discussion

The applicant is not appealing the project approval but is appealing the certification of the EIR with respect to its use on the Tranquillon Ridge application. However, the proposed Sisquoc Pipeline Bi-Directional Flow Project was analyzed in the same EIR,

and the County can not issue an approval of the project without a CEQA document and without CEQA findings. The EIR findings made for the Sisquoc Pipeline Bi-Directional Flow Project (included in Attachment A of the June 20, 2002 Planning Commission Staff Report [Attachment C of this Board Letter]) were specific to this project. Because the actions to adopt the findings and certify the EIR were only made in the context of this project, they only apply to Sisquoc Pipeline Bi-Directional Flow Project. Appropriate CEQA findings and certification of the EIR for purposes of the Tranquillon Ridge Project would need to be made in the context of a decision maker action specifically on that project. Issues related to Nuevo's objections regarding certification of the EIR for the Tranquillon Ridge Project are discussed as a part of the Board appeal staff report for that project. Therefore, staff recommends that the Board uphold the Planning Commission's action to approve the Sisquoc Pipeline Bi-Directional Flow Project and certify 01-EIR-04.

Mandates and Service Levels:

The appeal was filed pursuant to Section 25-327.3 of Article III of Chapter 35 of the County Code, which states that the decisions of the Planning Commission may be appealed to the Board Supervisors within 10 days after the Planning Commission's action.

Fiscal and Facilities Impacts:

A \$2000.00 filing fee is required and was submitted in support of the applicant's appeal of Planning Commission decision.

Special Instructions:

The Clerk of the Board shall complete legal noticing for the project in the following newspapers of general circulation in the County of Santa Barbara: Santa Barbara News Press, Lompoc Record, and Santa Maria Times. Noticing shall occur at least ten (10) days prior to the hearing. The Clerk of the Board shall prepare a typed final hearing notice for Planning and Development's distribution. Planning and Development shall provide publishing of a display notice of at least one-eighth page for the project in the following newspapers of general circulation in the County of Santa Barbara: Santa Barbara News Press, Lompoc Record, and Santa Maria Times. Noticing shall occur ten (10) days prior to the hearing.

The Clerk of the Board shall forward a copy of the Minute Order to Planning and Development Hearing Support, Attention: Cintia Mendoza.

Planning and Development will prepare all final action letters and otherwise notify all concerned parties of the Board of Supervisor's final action.

Concurrence:

N/A

Attachments (Board of Supervisor's Distribution only):

- A. Applicant's July 1, 2002 Appeal Letter
- B. 01-EIR-04 and June 20, 2002 Errata Sheet
- C. Planning Commission staff report dated June 20, 2002
- D. Planning Commission action letter dated July 5, 2002
- E. Public Comment Letters

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Attachment A
Applicant's July 1, 2002 Appeal Letter
(Board of Supervisor's Distribution only)

Attachment B
01-EIR-04

(Bound Separately, Board of Supervisor's Distribution only)

Attachment C
June 20, 2002 Planning Commission Staff Report
(Board of Supervisor's Distribution only)

Attachment D
Planning Commission Action Letter
(Board of Supervisor's Distribution only)

Attachment E
Public Comment Letters
(Board of Supervisor's Distribution only)