



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:** Planning &  
Development  
**Department No.:** 053  
**For Agenda Of:** February 12, 2019  
**Placement:** Administrative Agenda  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Director(s) Dianne M. Black, Director, Planning and Development, 568-2086  
Contact Info: John Zorovich, Deputy Director, Energy, Minerals & Compliance Division, 568-2519

**SUBJECT:** Authorization of Agreement for Services with Ecology and Environment, Inc. to Complete an Environmental Impact Report and Environmental Impact Statement for the Plains Replacement Pipeline Project located in the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Supervisorial Districts

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management  
As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

- a) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor (Attachment 1) with Ecology and Environment, Inc. (E&E) and partner MRS Environmental (MRS) to complete an Environmental Impact Report and Environmental Impact Statement for Plains' Replacement Pipeline Project (Project) for the period of February 12, 2019 through June 30, 2021 for a base amount of \$999,927.00 and a total contract amount not to exceed \$1,149,916.00.
- b) Approve and authorize the Director of Planning & Development, or designee, to approve up to a 15 percent contingency cost not to exceed \$149,989.00 for services being performed under the Agreement for a total contract amount not to exceed \$1,149,916.00.
- c) Approve and authorize the Director of Planning and Development, or designee, to make immaterial changes in accordance with Section 35 of the Agreement.

- d) Determine that the above actions are not a “project” and are exempt from CEQA pursuant to Section 15378(b)(5), because they are organizational or administrative activities of governments that will not result in direct or indirect physical changes to the environment.

### **Summary Text:**

The Plains Replacement Pipeline Project (Project) is subject to the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) because the Project is proposed to be located on local, State and Federal lands. Plains Pipeline, L.P. (Plains), and the Planning and Development Department (P&D) and the Bureau of Land Management (BLM) agree that an Environmental Impact Report (EIR) is required under Section 15163 of the *Guidelines for Implementation of the California Environmental Quality Act* (CEQA Guidelines) and an Environmental Impact Statement (EIS) is required under the Code of Federal Regulations, Title 40, Chapter 5, Parts 1500-1508.

Appendices 1 and 2 of the attached Agreement for Services include the technical and cost proposals for completing the EIR and EIS. Board authorization of an Agreement is required when the cost of preparing an environmental document will exceed \$100,000.00. The preparation of this EIR and EIS is included in P&D’s current and next fiscal year budgets and therefore, no budget revision is necessary for the contract’s execution.

### **Background:**

Plains is proposing the construction of a new pipeline system to replace the Line 901/903 system which is currently shutdown. The replacement pipeline would be approximately 123.4 miles in length and would span the jurisdictions of SB County, SLO County, Kern County and the BLM. Plains has submitted permit applications to P&D, San Luis Obispo County’s Planning Department (SLO County) and the BLM. Plains did not submit a permit application request to Kern County because Kern County amended their Zoning Ordinance to create development standards and conditions for oil and gas activities within Kern County and certified a corresponding Programmatic EIR for the amendments in 2015. Since the 13 mile segment of the proposed Project within Kern County’s jurisdiction is covered under their Programmatic EIR, they have directed Plains to return for a ministerial permit once SB County and the BLM have taken action on the proposed Project.

The proposed Project includes the in-place abandonment of the existing lines, and the installation and operation of a new 123.4-mile replacement pipeline system within the existing pipeline right-of-way with the exception of three notable deviations. These deviations consist of a reroute to circumvent the City of Buellton and two smaller deviations to bypass sensitive resources along the Gaviota Coast. The proposed Project also includes the construction and installation of: supporting access roads, valve site upgrades, facilities upgrades to the existing pump stations including a new 120,000 barrel crude oil break-out tank at the Sisquoc Pump Station and the construction of one new pump station located in SLO County. The proposed Project also includes a new 3.8 mile natural gas pipeline to supply demand for fuel gas at the expanded Sisquoc Pump Station. Although the natural gas pipeline is a feature of the proposed Project, it will be owned and operated by Southern California Gas Company.

On April 20, 2018, P&D deemed Plains’ application for the proposed Project to be complete for processing. Although CEQA and NEPA both allow for the processing of a joint environmental document, due to federal document limitations and the applicant’s participation in the federal government’s FAST-41 program, the CEQA and NEPA analyses will be completed as two separate

documents. After finalizing two separate Memorandums of Understanding with SLO County and the BLM, on November 22, 2018, P&D issued a Request for Proposals (RFP) for a contractor to prepare both the EIR and EIS. Selecting one contractor under a single contract to prepare both documents will allow for better communication throughout document preparation between Lead Agencies, simplify sharing of technical information and reports, and result in a more consistent project analysis between the two documents. By maintaining control of the EIR/EIS contract, SB County will be able to ensure all identified milestones have been satisfactorily completed before release of payments. Additionally, due to FAST-41 requirements, the EIS will likely be completed within a shorter timeframe than the EIR. Holding the contract will allow SB County to manage the completion of the EIR once the EIS process has been completed.

The RFP was released on November 22, 2018 to a total of fifteen consulting firms; four proposals were received. After the County and BLM evaluated the proposals for adequacy with input from SLO County, Plains selected E&E with partner MRS to prepare the EIR and EIS documents. Tasks involved with the preparation of the environmental documents include, but are not limited to, peer review of technical reports, independent field survey of the project site, independent and objective evaluation of potential project-specific and cumulative impacts, project alternatives and identification of mitigation measures to reduce environmental impacts to the extent feasible.

Once your Board approves the execution of the Agreement for Services, P&D will oversee the consultant’s completion of the EIR and EIS process in coordination with the BLM as the NEPA Lead Agency.

**Fiscal and Facilities:**

Costs for consultant preparation and processing of the EIR and EIS will be fully reimbursed by Plains. The cost of completing the EIR and EIS is for an amount not to exceed \$1,149,916.00, which includes a base cost of \$999,927.00 and a 15 percent contingency amount of \$149,989.00. Prior to E&E commencing work to complete the EIR and EIS, Plains will provide a one-time deposit to P&D in the amount of \$1,149,916.00. Any contingency funds used must be identified by the consultant and approved by P&D Director, or designee, prior to the work commencing. E&E has partnered with a local contractor, MRS, to manage the project. MRS has an office located in the City of Santa Barbara.

P&D will invoice Plains for all staff time necessary to administer the Agreement for Services and related planning actions. Funding for this project is budgeted in the Permitting Budget Program on page D-272 of the fiscal year 2018-19 and will be included in the recommended fiscal year 2019-20 budget.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund	\$ -	\$ -	
State	\$ -	\$ -	
Federal	\$ -	\$ -	
Fees	\$ -	\$ -	
Other:			1,149,916.00
Total	\$ -	\$ -	1,149,916.00

**Key Contract Risks:**

A risk analysis was performed on the proposed contract and was determined to be of high risk due to the contract size, and potentially controversial contract subject. Approximately 17% of the work will be completed by E&E's partner, MRS including project management as well as the preparation of the following sections/resource areas of the EIR and EIS: Air Quality, Greenhouse Gases, Oak Tree Mitigation and Hazards/Risk of Upset. Approximately 3% will be subcontracted to Strategic Research, Inc. for the cultural resources section of the EIR and EIS. E&E did not provide current financial statements and/or tax returns, however the contract amount of \$1,149,916.00 will be covered in full by the applicant in the form of a deposit to the County. Payments to the contractor will be made from the deposited amount upon completion of pre-determined milestones as required by Exhibit B of Attachment 1 and described in Appendix 2 of Attachment 1. Payments will not be made to the contractor until all services for each milestone have been completed, delivered and found to be satisfactory by P&D. This ensures that deposited funds will only be expended upon satisfactory product delivery and performance by E&E. Furthermore, risk is also reduced due to the incorporation of 'termination for convenience' and 'suspension for convenience' clauses in the Agreement for Services (Attachment 1).

**Special Instructions:**

The Clerk of the Board will forward a copy of the Agreement for Services and Minute Order to P&D, Energy, Minerals & Compliance Division, attention Kathryn Lehr.

**Attachments:**

Attachment 1: Agreement for Services of Independent Contractor

Attachment 2: Board Contract Summary

**Authored by:** Kathryn Lehr, Energy, Minerals & Compliance Division Planner