

ATTACHMENT A: FINDINGS OF APPROVAL

1.0 CEQA FINDINGS

1.1 CEQA EXEMPTION

The Board of Supervisors finds that the proposed project is not subject to the requirements of the California Environmental Quality Act (CEQA), as it does not constitute a “project”, as defined by CEQA Guidelines Section 15378(b)(5). Please see Attachment C, Notice of Exemption.

2.0 ADMINISTRATIVE FINDINGS

The Board Agenda Letter dated September 19, 2023 for the Appeal of the Planning Commission Approval of the Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System (formerly Plains All American Lines 901/903), Final Development Plan (FDP) Permit No. 88-DPF-033 (RV01)z, 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz) is incorporated by reference herein.

2.1 CHANGE OF OWNER, OPERATOR, OR GUARANTOR FOR CERTAIN OIL AND GAS FACILITIES

2.1.1 Findings required for Change of Owner. *In compliance with Section 25B-9(a) of the County Code, prior to the approval of an application for a change of owner, the director shall make the following findings:*

(1) Fees and Exactions. All outstanding county required fees and exactions due for the facility have been paid.

The requirements of this finding are satisfied. Planning and Development has verified with Accounting staff that no outstanding payments are due for the facility, or related planning and compliance cases.

(2) Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new owner(s) and will remain in full effect following the ownership change.

The requirements of this finding are satisfied. Previously required bonds and endowments under the FDP Permit have been satisfied and none remain outstanding. The FDP Permit does not require the Owner, Guarantor, Operator to carry insurance or other financial responsibility (e.g. surety bond) to cover oil spills or other damages, or for the final abandonment of the pipelines. After final abandonment, the Owner will

continue to pay property taxes until site restoration is complete in accordance with FDP Permit Condition O-1.

(3) Acceptance of Permit. The proposed owner has provided a letter from a responsible official representing the proposed owner formally accepting all conditions and requirements of the permit.

The requirements of this finding are satisfied. PPC and EMPCo provided a signed and notarized Agreement to Comply with Conditions of Approval dated November 1, 2022 accepting all conditions and requirements of the permit. The Agreement was recorded with the County Clerk-Recorder's office on May 8, 2023 as an official record. The Agreement is provided in Attachment D of the Planning Commission Staff Report dated June 6, 2023, and is included herein by reference.

(4) Facility Safety Audit. The current owner or operator has provided a copy of the most recent county-conducted comprehensive safety audit of the physical facility, along with a description of the status of implementing its recommendations, to the new or proposed new owner(s). A safety inspection maintenance and quality assurance program (SIMQAP) audit approved by the appropriate county official shall satisfy this requirement.

The requirements of this finding are satisfied. The 1988 settlement agreement between the County and Celeron Pipeline Company/Getty Trading and Transportation Company determined that the County does not have the jurisdiction to regulate any aspect of the design, construction, or operation of the pipeline which was already covered by the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) under 49 C.F.R. Part 195 (*Transportation of Hazardous Liquids by Pipeline*). The settlement agreement determined that this authority rests exclusively with PHMSA and now, the CAL FIRE Office of the State Fire Marshal (OSFM).

Title 49 §§ 195.450 and §§ 195.452 require that pipeline operators implement both internal (operator-conducted) and external (agency-conducted) audits. As PHMSA and OSFM conduct audits of the pipeline system, it is not subject to County-conducted safety audits. Consequently, there is no County-conducted audit available.

The existing owner (Plains) has satisfied the County's requirement to provide audit information to the pending owner (PPC). PPC confirmed that Plains provided copies of the most recent PHMSA and OSFM-conducted audits from at least 2018 through 2021. Planning and Development confirmed with OSFM that the audits took place. A summary of PHMSA and OSFM safety audits are presented in section 6.2 of the Planning Commission Staff Report dated June 6, 2023, included herein by reference.

(5) Compliance With Existing Requirements. As of the date that the application is deemed complete, the current owner(s) are in compliance with all requirements of the permit, including any requirement of a county-required safety audit, any notice of violation, and any county ordinance, or the current and proposed owner(s) have entered into a written agreement with the Director that specifies an enforceable schedule to come into compliance with such requirements.

The requirements of this finding are satisfied. Plains is in compliance with all requirements of the FDP Permit, including Condition P-2 which requires a Safety, Inspection, Maintenance, and Quality Assurance Program (SIMQAP) for the pump stations, valves, and pipelines. A draft SIMQAP was provided to the County on March 10, 2023, and was reviewed by the County's Systems Safety & Reliability Review Committee (SSRRC). A final SIMQAP was provided to the County on May 12, 2023, satisfying this condition. The final SIMQAP is included in Attachment F to the Planning Commission Staff Report dated June 6, 2023, and is included herein by reference. Plains is also in compliance with all other FDP Permit Conditions, including Conditions A-7 and A-20 regarding the project description, and Conditions J-5, J-7, J-10, and J-11 relating to pipeline easements, which were raised as public concerns.

2.1.2 Findings required for Change of Guarantor. *In compliance with Section 25B-9(e) of the County Code, prior to the approval of an application for a change of guarantor, the director shall make the following findings:*

(1) Financial Guarantees. The proposed guarantor has provided all necessary instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance.

ExxonMobil Corporation is the Guarantor for the Las Flores Pipeline facilities. The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (2).

2.1.3 Findings required for Change of Operator.

(a) In compliance with Section 25B-10 of the County Code, the planning commission shall approve an application for change of operator only if the planning commission makes the following findings.

(1) Fees and Exactions. All outstanding county required fees and exactions due for the facility have been paid.

ExxonMobil Pipeline Company (EMPCo) is the Operator of the Las Flores Pipeline facilities. The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (1).

(2) Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new operator and will remain in full effect following the operator change.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (2).

(3) Acceptance of Permit. The proposed operator has provided a letter from a responsible official representing the proposed operator formally accepting all conditions and requirements of the permit.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (3).

(4) Facility Safety Audit. The current owner or operator has provided a copy of the most recent county-conducted comprehensive safety audit of the physical facility, along with a description of the status of implementing its recommendations, to the proposed new operator. A safety inspection maintenance and quality assurance plan audit approved by the appropriate county official shall satisfy this requirement.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (4).

(5) Compliance with Existing Requirements. As of the date that the application is deemed complete, the current operator is in compliance with all requirements of the permit, including any requirements of a county-required safety audit, any notice of violation, and any county ordinance, or the owner and proposed operator have entered into a written agreement with the director that specifies an enforceable schedule to come into compliance with such requirements.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (5).

(6) Compliance Plans. The current owner and proposed operator have updated, where applicable, any existing, approved safety inspection maintenance and quality assurance program, emergency response plan, fire protection plan, and oil spill contingency plan, or equivalent approved plans, with current emergency contact information pertaining to the new operator. The current owner and

proposed operator have agreed in writing to revise all other plans required by the permit or any county ordinance, as necessary to reflect the change of operator, and to do so with sufficient diligence to obtain approval of the revised plans by the appropriate county official within six months after assuming operations.

The requirements of this finding are satisfied. County staff confirmed that all relevant compliance plans have been updated with the current emergency contact information pertaining to PPC, EMPCo and/or ExxonMobil as Owner, Operator, and Guarantor respectively. Compliance Plans are included as Attachment F to the Planning Commission Staff Report dated June 6, 2023 and are incorporated by reference.

(7) Transitional Plan. The current owner or operator and proposed operator have submitted a transitional plan that will demonstrate the proposed operator shall receive adequate training, including by means of cross training by the current operator, where feasible, and shall have a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f before assuming control of operations. The plan has been approved by the director. The planning commission may exempt the current owner and proposed operator from this requirement, or portions thereof, for good cause.

The requirements of this finding are satisfied. Plains and PPC submitted a comprehensive Transitional Plan describing the general strategy taken for the transition from Plains to PPC and EMPCo, a description of the pipeline system and general operating procedures, how the system is staffed and operated, and facility-specific transition and training activities. The Transitional Plan is included as Attachment E to the Planning Commission Staff Report dated June 6, 2023 and is incorporated by reference herein.

(8) Emergency Response Plan Drills. The proposed operator has adequately performed one or more county approved emergency response plan drills necessary to respond to emergency episodes that may occur at the facility.

The requirements of this finding are satisfied. PPC submitted an Incident Contingency Plan (ICP) that combines the once separate Emergency Response, Fire Protection, and Oil Spill Contingency plans for the Las Flores Pipeline system. PPC and EMPCo held a comprehensive ICP training exercise and emergency response drill on February 9, 2023 in coordination with the County Fire Department's Office of Emergency Services, the California Department of Fish and Wildlife's Office of Spill Prevention and Response (OSPR), OSFM, PHMSA, and the U.S. Environmental Protection Agency (EPA). Planning and Development confirmed with the County Fire Department in attendance that the emergency response drill was completed in accordance with County requirements, and that no outstanding issues were identified.

(9) Operator Capability. The proposed operator has the skills and training necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f. The director shall require relevant records of compliance, and corrective actions taken subsequent to any major incidents for facilities, if any, that are similar in nature to those that are the subject of the permit, as may be necessary to make findings. These records shall be used to provide sufficient assurance that the proposed operator does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities to those being considered for operatorship.

The requirements of this finding are satisfied. EMPCo has been in operation since December 26, 1941. EMPCo operates similar pipelines and related facilities in other states, and operates over 1,000 miles of crude oil pipelines. EMPCo has had zero major incidents involving crude oil pipelines and facilities within the U.S. over the past five years (2018 – 2023).

The Las Flores Pipeline System has five full-time-equivalent EMPCo employees in addition to contracted personnel and specialists. EMPCo employees are trained under the ExxonMobil Operations Integrity Management System (OIMS), which is included in Attachment D of the Planning Commission Staff Report dated June 6, 2023. Las Flores Pipeline employees have also been trained on the site-specific Incident Contingency Plan and other facility-specific Compliance Plans, and participated in a February 2023 emergency response drill.