

SANTA BARBARA COUNTY PLANNING COMMISSION

Staff Report

Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal

Hearing Date: September 10, 2014

Staff Report Date: August 21, 2014

Case Nos. 13RVP-00000-00119, 14CDP-00000-00072

Environmental Document: 13EIR-00000-00005;

SCH No. 2013101107

Deputy Director: Kevin Drude

Division: Energy & Minerals

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Project Vicinity

APPLICANT

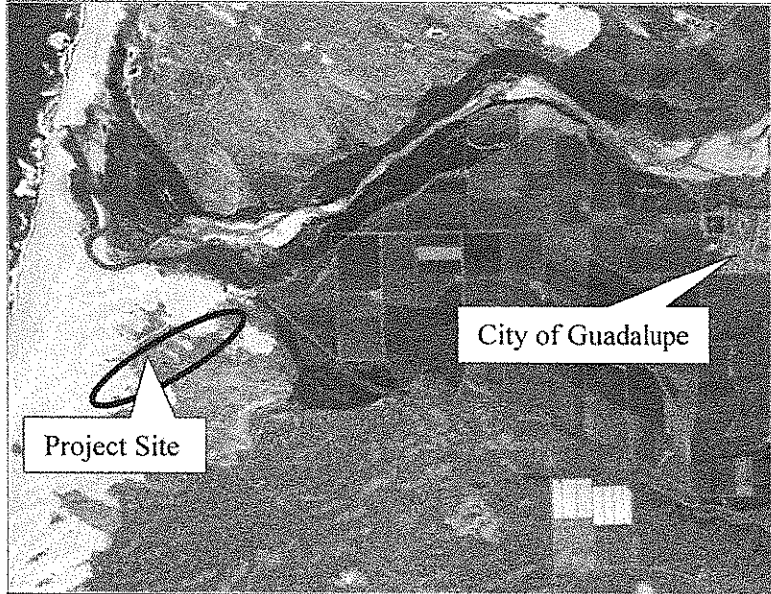
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The Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project is located within APNs 113-020-018, 113-020-020, and 113-020-021 near the town of Guadalupe in the Third Supervisorial District. The project site address is 6350 West Main Street.

Application Complete: January 2, 2014

Processing Deadline: 180 days from certification of EIR

1.0 REQUEST

Hearing on the request of Shell Western Exploration and Production Incorporated (Shell) to consider:

1. **Case No. 13RVP-00000-00119** [application filed on December 2, 2013], for approval of a revision to Conditional Use Permit no. 82-CP-75(cz), in compliance with Section 35-172 of the Article II Coastal Zoning Ordinance, on property zoned RES-320 to remove Condition No. 31 from the permit.
2. **Case No. 14CDP-00000-00072** [application filed on December 2, 2013], for a Coastal Development Permit in compliance with Section 35-169 of the Article II Coastal Zoning Ordinance, on property zoned RES-320 to accept a fee in lieu of gravel removal.

And certify the Supplement (13EIR-00000-00005) to the Environmental Impact Report (82-EIR-11) pursuant to the State Guidelines for Implementation of the California Environmental Quality Act. As a result of this project, significant effects on the environment are not anticipated.

The Supplement to the EIR and all documents referenced therein may be reviewed at the Planning and Development Department, 123 E. Anapamu St., Santa Barbara.

2.0 RECOMMENDATION AND PROCEDURES

Follow the procedures outlined below and conditionally approve the proposed project, Case Nos. 13RVP-00000-00119 and 14CDP-00000-00072 "Of ficially Accepted, County of Santa Barbara September 10, 2014 County Planning Commission Attachments A-H", based upon the project's consistency with the Comprehensive Plan, including the Coastal Land Use Plan, and based on the ability to make the required findings. Your Commission's motion should include the following:

1. Make the required findings for approval of the project specified in Attachment A to this staff report, including California Environmental Quality Act findings.
2. Certify the Supplemental Environmental Impact Report (13EIR-00000-00005) and adopt the mitigation monitoring program contained in the conditions of approval.
3. Approve the project (Case Nos. 13RVP-00000-00119 and 14CDP-00000-00072), subject to the conditions included as Attachments B and C to this staff report.

Alternatively, refer back to staff if the County Planning Commission takes other than the staff-recommended actions for appropriate findings and conditions.

3.0 JURISDICTION

Pursuant to the Article II Coastal Zoning Ordinance, Section 35-172, the decision-maker for Major Conditional Use Permits is the County Planning Commission. Article II, Section 35-172.9.1, requires a companion Coastal Development Permit. Section 35-169.4.3.a requires that the companion Coastal Development Permit be processed concurrently with the Conditional Use Permit. Therefore, the County Planning Commission is the decision-maker for the proposed project.

4.0 ISSUE SUMMARY

The original Husky Oil Company drilling and production project (82-CP-75[cz]) was approved by the County in 1983 and included the placement of gravel for road base to accommodate heavy equipment access and to stabilize sand near two approved drilling islands with 42 approved wells. Husky Oil Company only developed one drilling island with five wells, commenced production, and then ceased operation in 1989. In 1990, Shell abandoned the oil wells pursuant to the requirements of California Division of Oil Gas and Geothermal Resources (DOGGR). Abandonment and reclamation of the rest of the site commenced in 1997 under 96-CDP-010, as required by the County. Pursuant to a 1992 Remedial Action Plan approved by County Environmental Health and the Regional Water Quality Control Board, Shell removed the equipment associated with the drill sites; including drilling equipment, power poles, fences and pipelines, and Shell began screening the sand for residual gravel. A portion of the gravel road and some asphaltic materials were removed in 1997; however, as much as 293,752 cubic yards of sand impacted by gravel remain onsite.

Shell proposes to leave sand impacted by remnant gravel in place and remove Permit Condition No. 31 of 82-CP-75(cz). Condition No. 31 requires removal of all materials brought into the dunes to support the exploratory drilling project, including the remnant gravel. In exchange for leaving the gravel in place, the Applicant proposes providing a monetary in-lieu fee to the County for acquisition of property at a mitigation ratio of not less than 3:1 (56.7 acres of mitigation for 18.9 acres of disturbance) to enhance public recreational opportunities in the north coastal region of Santa Barbara County. Acquisition of the mitigation property by the County of Santa Barbara would be required prior to final permit issuance. The 3:1 ratio is consistent with standard mitigation practices used by the County of Santa Barbara and the California Coastal Commission for similar habitat types.

The SEIR prepared for the proposed project identified potentially significant impacts to aesthetics/visual resources and recreation as a result of allowing the remnant gravel to remain in place. The EIR states that the remnant gravel detracts from the natural aesthetic of the dunes, that its presence contributes to visual degradation of an area known for its scenic and recreational value, and that it impacts the visual/aesthetic character or quality of the site. The monetary contribution (in-lieu fee) described in MM REC-1 would offset these aesthetic impacts, as well as impacts to recreation, because the in-lieu fee would be used to permanently preserve an offsite property. The optimal property would be located within the north coastal region of the County, in the vicinity of the project site, characterized by similar dune habitat and substantial scenic value, and be suitable for passive recreational or open space uses by the public.

The Gordon Sand Company operates a commercial sand mining operation consisting of a sand screening and processing facility, an access road (overlapping the subject gravel access road), and sand collection pits. Pursuant to the Surface Mining and Reclamation Act of 1975, Gordon Sand Company has a Reclamation Plan for restoration of the site after cessation of operations. Leaving gravel in place would not conflict with the Gordon Sand Company Reclamation Plan, which allows placement of sand, clay, and remnant gravel material from the access road into the Gordon sand collection pit.

The project site is located on land owned in fee title by the County. In its role as landowner, the Board of Supervisors may use its discretion to require full removal of all remnant gravel in a separate process from the deletion of Condition No.31.

5.0 PROJECT INFORMATION

5.1 Site Information

The proposed Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project is located on three Assessor parcels (113-020-018, 113-020-020, and 113-020-021) near the town of Guadalupe in the North County. The project site is located in the northwest corner of Rancho Guadalupe Dunes Preserve County Park. The following table summarizes information about the project location(s).

Site Information	
Coastal Plan Designation	Open Lands
Ordinance, Zoning District	Article II Coastal Zoning Ordinance, RES-320 Resource Management/Minimum Parcel Size 320 Acres
Site Size	APN No. 113-020-018: 243.69 acres 113-020-020: 79.50 acres 113-020-021: 488.0 acres
Present Use & Development	The subject parcels are currently used primarily for recreation. Portions of these parcels are used for mining and farming. Existing development consists of the following: 1) APN 113-020-018- Gordon Sand Company mining facility, grazing, row crops 2) APN 113-020-020- Rancho Guadalupe Dunes Preserve County Park, Gordon Sand access road. 3) APN 113-020-021- Rancho Guadalupe Dunes Preserve County Park, Gordon Sand access road.
Surrounding Uses/Zoning	North: San Luis Obispo County, RL, Rural Lands South: Open Lands, RES-320 (Coastal Zone); Agriculture (row crops), AG-II-320 (Coastal Zone) East: Pasture or Grazing, Open Lands, RES-320 (Coastal Zone) West: Pacific Ocean
Access	Access would be provided via West Main Street and the existing Gordon Sand Company access road. Parking would be at the Gordon Sand Company facility.
Public Services	Water Supply: Existing onsite private water wells Sewage: Private on-site septic system Fire: Santa Barbara County Fire Police Services: Santa Barbara County Sheriff

5.2 Setting

The project site is located within Rancho Guadalupe Dunes Preserve County Park in the rural northwestern region of Santa Barbara County. Rancho Guadalupe Dunes Preserve County Park is a recreational area located in the coastal zone of the County, in the southern portion of the coastal dune system known as the Guadalupe-Nipomo Dunes Complex. Rancho Guadalupe Dunes Preserve County Park is located at the terminus of Main Street (6350 West Main Street), approximately 2.5 miles west of the City of Guadalupe. The Pacific Ocean is to the west of the park and the Santa Maria River, and the border of the County of San Luis Obispo is to the north of the park. Public beach parking is available in an approximately 60-space parking lot adjacent to the Santa Maria River estuary. Facilities at the Park include beach access, picnic areas, interpretive kiosks, and access to hiking and fishing.

As shown on the Site Plan in Attachment H, the project site is also located adjacent to the Gordon Sand Company, a commercial sand mining operation. The Gordon Sand Company has been in operation since 1973 and consists of a sand screening and processing facility, access road, and sand collection pits. Access to areas of the project site is provided via an unpaved road, which is a remnant of the previous drilling operation and is still used by Gordon Sand Company. The road runs

along the south side of the sand processing facility, where it rises up an approximately 40-foot-high hill, then runs west into the dunes for approximately 4,900 feet ending at the sand pit. The project site is located approximately 3,000 feet east of the mean high tide line and can also be accessed by hiking from the beach and public parking area.

5.3 Project Description

The Applicant proposes to leave in place approximately 293,752 cubic yards (cy) of sand impacted by remnant gravel that remains from an exploratory drilling project. There are approximately 1,237 cy of gravel in that volume of sand. The original drilling and production project was approved by the County in 1983 (82-CP-75[cz]) and included the placement of gravel for road base to accommodate heavy equipment access and stabilize sand near the proposed drilling islands. Permit Condition No. 31 of 82-CP-75(cz) for the drilling project requires removal of all materials brought into the dunes to support the exploratory drilling project as follows:

No. 31. All introduced materials on or near the surface (depth of 15 feet) shall be removed when the drilling islands are abandoned.

The project ceased operation in 1989 after only partially developing the approved plan, and commenced abandonment and reclamation of the site as required by the County. With the exception of the remnant gravel sites, all production wells and infrastructure were abandoned and site reclamation was completed under 96-CDP-010 in 1997 in compliance with County and DOGGR regulations. A portion of the gravel and some asphaltic materials were removed in 1997; however, up to 293,752 cy of sand impacted by gravel remain. In exchange for being allowed to leave gravel in place, the Applicant proposes providing a monetary in-lieu fee to the County for enhancement of public recreation in the north coastal region of Santa Barbara County.

5.5 Background

The project site is located on land currently owned by the County of Santa Barbara. In 1969, prior to County ownership, a portion of the dunes were leased by the former property owner, Union Sugar, to Albert Woodard as the lessee for an oil and gas operation. The lease was assignable and required the lessee to restore the property to its original condition once oil and gas operations had been terminated. Husky Oil took over the lease from Mr. Woodard, and obtained the Conditional Use Permit (82-CP-75[cz]) in 1983, for expanded operations on the property. The County acquired the property from Union Sugar in 1987. Shell later acquired the lease from Husky Oil.

The original drilling and production project, 82-CP-75(cz), was approved by the County in 1983, conditionally granting Husky Oil Company permission to develop and operate 42 oil and gas wells from two drilling islands. That Project's environmental impacts were evaluated within 82-EIR-11, which identified significant impacts to land use/recreation, visual, and flora and fauna resources. Only Island D (referred to as Site D) was constructed and contained five wells, located approximately 240 feet northwest of the existing and actively used Gordon Sand Company access road. This drilling operation included the placement of gravel for road base to accommodate heavy equipment access and stabilize sand near the proposed islands.

As previously mentioned, Permit Condition No. 31 of 82-CP-75(cz) requires removal of all materials brought into the dunes to support and as a result of the exploratory drilling project.

No. 31. All introduced materials on or near the surface (depth of 15 feet) shall be removed when the drilling islands are abandoned.

Shell Exploration and Production, Inc., the successor in interest for the site and the current Applicant, ceased operation of Island D in 1989 and commenced abandonment and reclamation of the site under 96-CDP-010 as required by the County. With the exception of the remnant gravel sites, all production wells and infrastructure were abandoned and site reclamation was completed in 1997 in compliance with regulations of the County and DOGGR. The Applicant performed site assessments which confirmed that no hazardous levels of any materials were present in local soils or groundwater. These assessments and a Remedial Action Plan (RAP) were approved by the County Petroleum Office in July 1992. A portion of the gravel and some asphaltic materials were removed under 96-CDP-010 in 1997; however, up to 293,752 cubic yards of sand impacted by gravel remained due to gravel occurring at depths much greater than anticipated. Gravel depths were further delineated in 2002 and 2003, and a pilot project to identify the optimal method for screening the gravel from the sand was conducted in 2006. The total surface area impacted by gravel is 18.9 acres.

6.0 PROJECT ANALYSIS

6.1 Environmental Review

A Supplemental Environmental Impact Report (SEIR; 13EIR-00000-00005) was prepared for the proposed project by AMEC, Inc. (AMEC) and overseen by County staff. This environmental document is a SEIR, which means it builds upon the description of existing setting, impact analysis, and findings contained in a previously certified EIR addressing the Project site – in this case the 1982 Final EIR for the Husky Oil-SMV Minerals Lease Oil and Gas Drilling/Production, Mussel Rock Dunes, Santa Barbara County (State Clearinghouse No. 82030203; 82-EIR-11). The SEIR (13EIR-00000-00005) prepared for the project evaluated a No Project Alternative (full gravel removal) and a Partial Gravel Removal Alternative as methods of reducing or eliminating potentially significant environmental impacts. The SEIR analysis concluded that these alternatives would not meet the project objectives or lessen potentially significant environmental impacts of the proposed project.

The SEIR was circulated through the State Clearinghouse for public review from April 24, 2014 through June 8, 2014. An environmental hearing open to the public was held on May 28, 2014. Written comments on the SEIR were received from public agencies and members of the public (see Appendix F to the SEIR). The most significant issues raised in the comments pertain to the use of offsite mitigation. All comments were considered and the proposed Final SEIR includes additional information in response to the comments. Changes in the proposed EIR are shown in ~~strikeout~~ and underline. Addition of this information did not trigger recirculation of the SEIR per CEQA Guidelines §15073.5.

The mitigation measure identified in the SEIR is included in the recommended conditions of approval (Attachment C). Sections 6.1.1 and 6.1.2 of this staff report briefly discuss the environmental impacts identified in the SEIR. The SEIR identified several potentially significant environmental effects that would be mitigated to less than significant levels (Class II) through implementation of specific mitigation measures.

6.1.1 Potentially Significant Impacts

Aesthetics/Visual Resources: The proposed project would leave in place gravel that detracts from the natural aesthetic of the dunes, contributes to visual degradation of an area known for its scenic and recreational value, and impacts the visual or aesthetic character or quality of the site. These

impacts are considered to be potentially significant (Class II). The property acquisition described in MM REC-1 would mitigate these aesthetic impacts, because this in-lieu fee would permanently preserve scenic views within an offsite property, with comparable resource values.

Recreation: The proposed project would leave the project site in its current condition, allowing remnant gravel within the dune area at Rancho Guadalupe Dunes Preserve County Park. Degradation of recreational experience associated with the visual presence of introduced gravel in the natural dune area, which is recognized for its scenic recreational value, would continue under the proposed project. However, the proposed project includes a monetary contribution (in-lieu fee), described in MM REC-1, to mitigate the effects of gravel retention on recreation. The in-lieu fee would be used to purchase land for public recreational purposes, optimally, with similar coastal dune habitat in the north coastal region of the County. Consequently, this impact would be less than significant after mitigation (Class II).

6.1.2 Less than Significant Impacts

The SEIR identifies several project-related environmental impacts that would be less than significant (Class III) pursuant to the County's adopted environmental thresholds, and no mitigation measures are required. These less than significant impacts include: air quality, biological resources, coastal resources, cultural resources, fire protection, geologic processes, hazardous materials/risk of upset, historic resources, land use, mineral resources, noise, population and housing resources, public facilities, transportation/circulation, and water resources/flooding.

6.2 Comprehensive Plan Consistency

The policy consistency analysis for the Shell Guadalupe Gravel Remediation In-Lieu Proposal project (13RVP-00000-00119 and 14CDP-00000-00072) is provided in the following table.

Comprehensive Plan Policies Consistency Analysis	
Policy	Consistency Analysis
<i>Aesthetics and Visual Resources</i>	
<p>California Public Resources Code (PRC) Section 30251: “The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural landforms, to be visually compatible with the character of the surrounding area and, where feasible, to restore and enhance visual quality in visually degraded areas...”</p> <p>PRC Section 30253: New development shall: “Where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.” Special communities are defined as “areas that add to the visual attractiveness of the coast.”</p> <p>CLUP Policy 4-3: Policy 4-3: In areas designated as rural on the land use plan maps, the height, scale, and design of structures shall be compatible with the character of the surrounding natural environment, except where technical requirements dictate otherwise. Structures shall be subordinate in appearance to natural landforms; shall be designed to follow the natural contours of the landscape; and shall be sited so as not to intrude into the skyline as seen from public viewing places.</p>	<p>Consistent – Scenic and visual qualities of the project site include a dune setting that contains intermittent vegetation. The remnant gravel associated with the drilling project is generally visually compatible with the character of the surrounding area and does not represent a significant alteration of natural landforms. However, as discussed in Section 6.1.1 of this Staff Report and in the SEIR, the gravel detracts from the natural aesthetic of the dunes, contributes to visual degradation of an area known for its scenic and recreational value, and impacts the visual or aesthetic character or quality of the site. The projects visual/aesthetic impacts would be mitigated by the acquisition and preservation of coastal property with similar attributes as required by Condition Nos. 2 and 3 of Attachment C. The proposed project is therefore consistent with these policies.</p>
<i>Biological Resources Policies</i>	
<p>PRC Section 30240: (a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.</p> <p>(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be</p>	<p>Consistent – The dune habitat at the project site is designated Environmentally Sensitive Habitat (ESH). Based on the analysis in Section 3.3 of the SEIR, no adverse effects to ESH or biological resources are expected to result from the proposed project. In the time since the cessation of drilling activities, native vegetation has begun to grow over several of the areas covered by remnant gravel. In addition, removal of the gravel as currently</p>

Comprehensive Plan Policies Consistency Analysis	
Policy	Consistency Analysis
<p>compatible with the continuance of those habitat and recreation areas.</p> <p>CLUP Policy 2-II: All development, including agriculture, adjacent to areas designated on the land use plan or resource maps as environmentally sensitive habitat areas, shall be regulated to avoid adverse impacts on the habitat resources. Regulatory measures include, but are not limited to, setbacks, buffer zones, grading controls, noise restriction, maintenance of natural vegetation, and control of runoff.</p> <p>CLUP Policy 9-1: Prior to the issuance of a development permit, all projects on parcels shown on the land use plan and/or resource maps with a Habitat Area overlay designation or within 250 ft of such designation or projects affecting an environmentally sensitive habitat area [ESHA] shall be found to be in conformity with the applicable habitat protection policies of the land use plan. All development plans, grading plans, etc., shall show the precise location of the habitat(s) potentially affected by the Proposed Project. Projects which could adversely impact an environmentally sensitive habitat may be subject to a site inspection by a qualified biologist to be selected jointly by the County and the applicant.</p> <p>CLUP Policy 9-2: Because of their State-wide significance, coastal dune habitats shall be preserved and protected from all but resource dependent, scientific, educational, and light recreational uses. Sand mining and oil well drilling may be permitted if it can be shown that no alternative location is feasible and such development is sited and designed to minimize impacts on dune vegetation and animal species. Disturbance or destruction of any dune vegetation shall be prohibited, unless no feasible alternative exists, and then only if re-vegetation is made a condition of project approval. Such re-vegetation shall be with</p>	<p>required by Permit Condition No. 31 of 82-CP-75 (cz) would involve additional disturbance of sensitive dune habitat. Therefore, leaving the remnant gravel in place under the proposed project would be consistent with these policies.</p>

Comprehensive Plan Policies Consistency Analysis	
Policy	Consistency Analysis
<p>native California plants propagated from the disturbed sites or from the same species at adjacent sites.</p>	
<p>CLUP Policy 6-4: Upon completion of production, the area affected by the drilling, processing, or other related petroleum activity, shall be appropriately contoured, reseeded, and landscaped to conform with the surrounding topography and vegetation.</p>	<p>Consistent – Areas impacted by remnant gravel have been slowly overgrown by native dune vegetation since the termination of the drilling project. The remnant gravel occurs at depths of 0 to 15 feet below ground surface, and does not alter the topography of the area. The former road remains in use by Gordon Sand Company, and predated the drilling operation. The areas affected by the former drilling activity therefore conform with the surrounding topography and vegetation.</p>
Cultural Resources Policies	
<p>CLUP Policy 10-1: All available measures, including purchase, tax relief, purchase of development rights, etc., shall be explored to avoid development on significant historic, prehistoric, archaeological, and other classes of cultural sites.</p> <p>CLUP Policy 10-2: When developments are proposed for parcels where archaeological or other cultural sites are located, project design shall be required which avoids impacts to such cultural sites if possible.</p>	<p>Consistent – There are no significant archaeological or other cultural resource sites that would be affected by the proposed project, as described in Section 3.4 of the SEIR. In addition, the proposed project would not involve grading, earth disturbance, or any new development or construction activities. Therefore, the proposed project would not lead to development on or damage to significant cultural resource sites.</p>
Hydrology And Water Quality Policies	
<p>CLUP Policy 3-14: All development shall be designed to fit the site topography, soils, geology, hydrology, and any other existing conditions and be oriented so that grading and other site preparation is kept to an absolute minimum. Natural features, landforms, and native vegetation, such as trees, shall be preserved to the maximum extent feasible. Areas of the site which are not suited for development because of known soil, geologic, flood, erosion or other hazards shall remain in open space.</p> <p>CLUP Policy 3-18: Provisions shall be made to conduct surface water to storm drains or</p>	<p>Consistent – As discussed in Section 3.6 of the SEIR, the remnant gravel does not affect natural site topography, soils, geology, or hydrology. No additional grading or site preparation would be required as part of the project because the subject gravel would remain in place. The remnant gravel does not cause erosion at the project site, which is characterized by coastal dunes with high infiltration capacity. The remnant gravel contains no hazardous levels of any materials and would not contribute to degradation of groundwater basins, nearby streams, or wetlands.</p>

Comprehensive Plan Policies Consistency Analysis	
Policy	Consistency Analysis
<p>suitable watercourses to prevent erosion. Drainage devices shall be designed to accommodate increased runoff resulting from modified soil and surface conditions as result of development. Water runoff shall be retained onsite whenever possible to facilitate groundwater recharge.</p> <p>CLUP Policy 3-19: Degradation of the water quality of groundwater basins, nearby streams, or wetlands shall not result from development of the site. Pollutants, such as chemicals, fuels, lubricants, raw sewage, and other harmful waste, shall not be discharged into or alongside coastal streams or wetlands either during or after construction.</p>	
Recreation	
<p>PRC Section 30213: Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.</p> <p>PRC Section 30221: Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.</p> <p>PRC Section 30223: Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.</p>	<p>Consistent - The Rancho Guadalupe Dunes Preserve County Park is currently protected for light recreational and educational uses. The proposed project would not entail any changes to recreational amenities or uses in the project area.</p>
<p>CLUP Policy 7-22: Expanded opportunities for public access and recreation shall be provided in the North Coast planning area.</p> <p>b. A hiking trail which provides lateral and vertical access to beaches shall be developed to connect Rancho Guadalupe County Park to Point Sal State Park and Point Arguello or Jalama Beach to Gaviota State Park. The County, with the assistance of the State Department of Parks and Recreation and</p>	<p>Consistent - The proposed project would not interfere with the long-range recreational planning for the Rancho Guadalupe Dunes Preserve County Park area, including preservation activities and light recreation. While the project site is within the boundaries of the Rancho Guadalupe Dunes Preserve County Park, the public does not currently use the project site for recreational activities. Additionally, proposed in lieu fees could be</p>

Comprehensive Plan Policies Consistency Analysis	
Policy	Consistency Analysis
participation of affected property owners, shall initiate planning studies to determine the precise location and procedures for implementing such a trail. The trail should eventually include hostels and/or walk-in campgrounds where feasible on publicly-owned land; one possible location for such facilities would be an area in the vicinity of Point Conception.	utilized to expand opportunities for public access and recreation in the North Coast planning area.

6.3 Zoning: Article II

6.3.1 Compliance with Article II, Coastal Zoning Ordinance

Pursuant to Section 35-172.11.3 of the Article II, Coastal Zoning Ordinance, the proposed project requires a revised Conditional Use Permit due to the proposed deletion of Condition No. 31 of 82-CP-75(cz). Pursuant to 35.169 of the Article II Coastal Zoning Ordinance, the project also requires a Coastal Development Permit. The proposed permit applications have been processed in compliance with all Article II requirements.

Environmentally Sensitive Habitat Overlay

The proposed project is located in an area designated Environmentally Sensitive Habitat (ESH) and is subject to development standards in Article II, Coastal Zoning Ordinance, Section 35-97.8 for dune habitats. Section 35.97.8 identifies development standards for dune habitats as follows:

1. Because of their statewide significance, coastal dune habitats shall be preserved and protected from all but resource dependent, scientific, educational, and light recreational uses. Sand mining and oil well drilling may be permitted if it can be shown that no alternative location is feasible and such development is sited and designed to minimize impacts on dune vegetation and animal species.
2. Disturbance or destruction of any dune vegetation shall be prohibited, unless no feasible alternative exists, and then only if re-vegetation is made a condition of development approval. Such re-vegetation shall be with native California plants propagated from the disturbed sites or from the same species at adjacent sites.
3. All non-authorized motor vehicles shall be banned from beach and dune areas. All permitted industrial and recreational uses shall be regulated both during construction and operation to protect critical bird habitats during breeding and nesting seasons. Controls may include restriction of access, noise abatement, and restrictions on hours of operations of public or private facilities.
4. For all permitted uses, including recreation, foot traffic on vegetated dunes shall be minimized. Where access through dunes is necessary, well-defined footpaths shall be developed and used.

The proposed project would not impede the existing uses of the property, which include recreation and sand mining. The proposed project would not involve any disturbance of dune vegetation, and

would in fact avoid such disturbance. The proposed project would not include any motor vehicle use or foot traffic on vegetated dunes. In addition, the gravel is not interfering with the dune vegetation. Areas impacted by remnant gravel have been slowly overgrown by native dune vegetation since the termination of the drilling project. Therefore the project is in compliance with all applicable Article II, Coastal Zoning Ordinance ESH development standards.

6.4 Subdivision/Development Review Committee (SDRC)

The Shell Guadalupe Gravel Remediation In-Lieu Proposal project was reviewed by the Subdivision/Development Review Committee (SDRC) on January 16, 2014. No conditions were imposed by SDRC members.

6.4 Public Input

During circulation of the Draft SEIR, written comments on the SEIR were received from public agencies and members of the public (see Appendix F to the SEIR). The most significant issues raised in the comments pertain to the use of offsite mitigation. An issue was raised by the owner/operator of Gordon Sand Company, which is satisfactorily addressed in Appendix F of the SEIR (Responses to Comments). Appendix F of the SEIR is included as Attachment F to this staff report. All comments were considered and the proposed Final SEIR includes additional information in response to the comments. Changes in the proposed EIR are shown in ~~strikeout~~ and underline.

7.0 APPEALS PROCEDURE

The action of the Planning Commission may be appealed to the Board of Supervisors within ten (10) calendar days of said action. For developments which are appealable to the Coastal Commission under Section 35-182.6, no appeal fee will be charged.

ATTACHMENTS

- A. Findings for Approval
- B. Revised Conditional Use Permit (13RVP-00000-00119) with Conditions of Approval
- C. Coastal Development Permit (14CDP-00000-00072) with Conditions of Approval
- D. Final Environmental Impact Report for Husky Oil – SMV Minerals Lease Oil and Gas Drilling/Production (82-EIR-11) –
<http://www.sbcountyplanning.org/energy/projects/ShellGuadalupeGravel.asp>
- E. Proposed Final Supplemental Environmental Impact Report (13EIR-00000-00005), with public comments -
<http://www.sbcountyplanning.org/energy/projects/ShellGuadalupeGravel.asp>
- F. Proposed Final Supplemental Environmental Impact Report Appendix F Responses to Comments
- G. APN Sheet
- H. Site Plan

ATTACHMENT A FINDINGS for APPROVAL

Shell Guadalupe Gravel Remediation In-Lieu Proposal Project 13RVP-00000-00119 and 13CDH-00000-000042

1.0 CEQA FINDINGS (Pursuant to PRC §21081 and CEQA Guidelines §15090, 15091, and 15162)

1.1 Consideration of the Supplement

The Supplemental Environmental Impact Report (SEIR, 13EIR-00000-00005) was presented to the Planning Commission and all voting members of the Planning Commission reviewed and considered the SEIR (13EIR-00000-00005) and its appendices prior to approving this proposal. In addition, all voting members of the Planning Commission have reviewed and considered testimony and additional information presented at or prior to public hearing[s] on May 28, 2014. The SEIR (13EIR-00000-00005) reflects the independent judgment of the Planning Commission and, together with the EIR (82-EIR-11), for the Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project is adequate for this proposal.

1.2 Full disclosure

The Planning Commission finds and certifies that the Supplemental EIR (13EIR-00000-00005), together with the EIR (82-EIR-11), for the Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project constitutes a complete, accurate, adequate and good faith effort at full disclosure under CEQA. The Planning Commission further finds and certifies the Supplemental EIR has been completed in compliance with CEQA.

1.3 Location of record of proceedings

The documents and other materials which constitute the record of proceedings upon which this decision is based are in the custody of the Secretary of the Planning Commission located at 123 East Anapamu Street, Santa Barbara, CA 93101.

1.4 Findings addressing the issues analyzed in the Supplemental EIR

1.4.1 Findings that certain unavoidable impacts are mitigated to the maximum extent feasible

The SEIR (13EIR-00000-00005) for the Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project identifies no environmental impacts which cannot be fully mitigated and are therefore considered unavoidable (Class I). Therefore, this finding can be made.

1.4.2 Findings that certain impacts are mitigated to insignificance by conditions of approval

The SEIR (13EIR-00000-00005) identified several subject areas for which the proposed project is considered to cause or contribute to significant, but mitigable

environmental impact (Class II). For each of these Class II impacts identified by the SEIR (13EIR-00000-00005), feasible changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effect, as discussed below:

Aesthetics/Visual Resources:

Impact AV-1. Potential Impacts to Scenic Vistas or Resources Resulting from the Implementation of the proposed project

Because the proposed project would involve leaving the project site in its current condition, visual and aesthetic resources would remain the same as described for the existing setting. While views of the Project Site are distant from the parking lot at Rancho Guadalupe Dunes Preserve County Park, the remnant gravel at the Road Site can be seen in the mid-range views from West Main Street as a slightly grayish straight line that crosses open sand between vegetated areas. This view can be seen by people while driving to the Rancho Guadalupe Dunes Preserve County Park Parking Area via West Main Street. Additionally, a grayish tone created by a large gravel bed at Site D is visible in the small depressions between the dunes and vegetation when viewed from close by. This view is accessible to recreationists who venture out into the dunes toward the project site. The visual impact of the remaining gravel would be potentially significant (Class II) because it detracts from the natural aesthetic of the dunes. The monetary contribution (in-lieu fee) described in **MM REC-1 (Condition 2 of Attachment C)** would offset these aesthetic impacts, because this in-lieu fee would preserve scenic views within an offsite property, with comparable resource values. Consequently, this impact would be less than significant after mitigation.

Impact AV-2. Impacts to Visual Character or Quality Resulting from the Implementation of the proposed project

Since the proposed project would involve leaving gravel sites in their current condition, visual and aesthetic resources would remain the same as described for the existing setting. The remnant gravel in Site 2 is well integrated into the dunes, and is a barely noticeable visual feature from distant viewing areas within Rancho Guadalupe Dunes County Park. From a distance, it would be difficult to identify the gravelly areas or differentiate between gravel and vegetation. At the Upper Area, the low-lying vegetation largely resembles the darker tones of the exposed gravel. The gravel in the Upper Area is largely buried by sand, resulting in a less prominent visual effect of exposed gravel.

However, the overall gravel density at Site D coupled with this site's graded topography provides distinct contrast to the dunes at close range. From a distance, these large areas of gravel deposits create grayish tones that become distinctly separate visual features, distinguishable from emerging vegetation. Additionally, at the Road Site, gravel along the western fill embankment is the most publicly visible of the gravel sites and is more pronounced given the linear nature of this access road. Therefore, impacts to the visual or aesthetic character or quality of the site that would occur as a result of the proposed project would be potentially

significant (Class II). The monetary contribution (in-lieu fee) described in **MM REC-1** would mitigate these aesthetic impacts, because this in lieu fee would preserve scenic views with comparable resource values. Consequently, this impact would be less than significant after mitigation.

Recreation:

Impact REC-1. Impacts to existing neighborhood or regional parks that would require expansion of or result in a substantial physical deterioration of the facilities from implementation of the proposed project.

The proposed project would leave the project site in its current condition, allowing remnant gravel to remain within the dune area at Rancho Guadalupe Dunes Preserve County Park. The remnant gravel does not physically obstruct public access and the proposed project would not increase demand on the use of the Rancho Guadalupe Dunes Preserve County Park or nearby recreation facilities. However, when viewed by a recreationalist within the Rancho Guadalupe Dunes Preserve County Park the presence of the gravel would result in an impact to the recreational experience (see Impact REC-2 below). As described in the 1982 Final EIR, the project site is valued for its visual resources and recreational uses and therefore impacts to the recreational experience within the Rancho Guadalupe Dunes Preserve County Park would constitute a degradation of the park. However, the Proposed project includes a monetary contribution (in-lieu fee) for acquisition of coastal dune property, described in **MM REC-1 (Condition 2 of Attachment C)**, to mitigate the effects of gravel retention on recreation. The in-lieu fee would be used to purchase land for public recreational purposes, optimally, with similar coastal dune habitat in the north coastal region of the County. Consequently, this impact would be less than significant after mitigation.

Impact REC-2. Impacts that would terminate or interfere with the established recreational uses from implementation of the proposed project.

The proposed project would leave the Project Site in its current condition, allowing remnant gravel to remain in the dune area of the Ranch Guadalupe Dune County Park. Retention of the remnant gravel would noticeably alter the recreational experience within the Rancho Guadalupe Dunes Preserve County Park detracting from a more natural, pristine state. Degradation of the recreational experience associated with the visual presence of introduced gravel in the natural dune area, which is recognized for its scenic recreational value, would continue under the proposed project. Therefore, proposed project impacts would be potentially significant (Class II). However, the monetary contribution (in-lieu fee) described in **MM REC-1 (Condition 2 of Attachment C)** would mitigate both recreational effects of gravel retention onsite. The in-lieu fee would be used to purchase land for public recreational purposes, optimally, with similar coastal dune habitat in the north coastal region of the County. Consequently, this impact would be less than significant after mitigation.

Therefore, this finding can be made.

1.4.3 Findings that identified project alternatives or mitigation measures are not feasible

This finding does not apply because the impacts of the project are fully mitigated by the public acquisition of privately owned coastal property that will substantially improve the recreation and scenic values of the region. Therefore, this finding is not applicable.

1.5. Environmental Reporting and Monitoring Program

Public Resources Code Section 21081.6 and CEQA Guidelines Section 15091(d) require the County to adopt a reporting or monitoring program for the changes to the project that it has adopted or made a condition of approval in order to avoid or substantially lessen significant effects on the environment. The approved project description and conditions of approval, with their corresponding permit monitoring requirements, are hereby adopted as the reporting and monitoring program for this project. The monitoring program is designed to ensure compliance during project implementation.

2.0 CONDITIONAL USE PERMIT FINDINGS

In compliance with Section 35-172.8 of the Article II Zoning Ordinance, prior to the approval or conditional approval of an application for a Major or Minor Conditional Use Permit the review authority shall first make all of the following findings, as applicable:

2.1 The site for the proposed project is adequate in terms of location, physical characteristics, shape, and size to accommodate the type of use and level of development proposed.

The site is adequate in location, physical characteristics, shape, and size to accommodate leaving the remnant gravel in place. The remnant gravel is located on a portion of the Rancho Guadalupe Dunes Preserve County Park that is seldom visited by recreationists. Most of the remnant gravel occurs on the active Gordon Sand Company access road, which is used to access the Gordon Sand Company sand pit. This finding can therefore be made.

2.2 That adverse environmental impacts are mitigated to the maximum extent feasible.

Section 6.1.1 of the Planning Commission Staff Report dated August 21, 2014, incorporated herein by reference, discusses the potentially significant impacts that would result from implementation of the proposed project, including specific measures that have been adopted as conditions of approval to mitigate these impacts. Potentially significant impacts will be mitigated to less than significant levels with implementation of adopted conditions of approval, as discussed in section 6.1.1 of the staff report and in Finding 1.4.2 above. Impacts to recreation and visual/aesthetic resources would be fully mitigated by an in-lieu fee described in mitigation measure **MM-REC 1 (Condition 2 of Attachment C)**. The in-lieu fee would be used to purchase land for public recreational purposes, optimally, with similar coastal dune habitat in the north coastal region of the County. Based on the SEIR analyses, adoption of conditions of approval that will mitigate potentially significant impacts of the project, and Finding 1.4.2 above, this finding can be made.

2.3 That streets and highways are adequate and properly designed to carry the type and quantity of traffic generated by the proposed use.

The proposed project will generate no additional traffic, as discussed in SEIR Section 3.10, incorporated herein by reference. Therefore, this finding can be made.

2.4 That there will be adequate public services, including but not limited to fire protection, water supply, sewage disposal, and police protection to serve the project.

The proposed project would not require any additional public services to serve the project as discussed in SEIR Section 3.11.7, incorporated herein by reference. Therefore this finding can be made.

2.5 That the project will not be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood and will not be incompatible with the surrounding area.

The remnant gravel overlaps and is adjacent to areas used by the Gordon Sand Company for sand mining operations. Vegetation has slowly grown over portions of the gravel area since the termination of the drilling project. In addition, gravel associated with maintenance of the West Main Street is located on the dunes along road and at the parking area in Rancho Guadalupe Dunes Preserve County Park. The remnant gravel associated with the drilling project is generally visually compatible with the character of the surrounding area. The proposed project would not pose potential public health and safety risks, as discussed in Section 4.3.6 of the SEIR, incorporated herein by reference. Leaving the gravel in place will not be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood. Therefore, this finding can therefore be made.

2.6 That the project is in conformance with the applicable provisions and policies of this Article and the Coastal Land Use Plan.

As discussed in Sections 6.2 and 6.3 of the Planning Commission Staff Report dated August 21, 2014, incorporated herein by reference, the proposed project is consistent with the applicable provisions of the Comprehensive Plan, including the Coastal Land Use Plan and with the applicable provisions of the Article II Coastal Zoning Ordinance. Therefore, this finding can be made.

2.7 That in designated rural areas the use is compatible with and subordinate to the scenic and rural character of the area.

The project is located within the Santa Maria Valley designated Rural area. The proposed project would result in leaving remnant gravel in place. The remnant gravel overlaps and is adjacent to the area used by the Gordon Sand Company for sand mining operations. Vegetation has slowly grown over portions of the gravel area since the termination of the drilling project. The remnant gravel associated with the drilling project is generally visually compatible with the character of the surrounding area. The remnant gravel associated with the drilling project is generally visually compatible and subordinate to the scenic and rural character of the surrounding area and does not represent a significant alteration of natural landforms. While the gravel is visually distinguishable at close distances; public views of gravel areas are limited as a result of the topography of the

dunes. Conditions of approval (Condition Nos. 2 and 3 of Attachment C) would improve the visual character of the area through acquisition and preservation of similar coastal property. Therefore, this finding can therefore be made.

2.8 That the project will not conflict with any easements required for public access through, or public use of the property.

As discussed in Section 6.1.1 of the Planning Commission Staff Report dated August 21, 2014 and incorporated herein by reference, the project site is within a County Park open to the public. The project would result in leaving remnant gravel in place. The gravel is located in a portion of the park not regularly used by park visitors for recreation, and does not conflict with any easements required for public access through, or public use of the property. Therefore, this finding can be made.

2.9 That the proposed use is not inconsistent with the intent of the zone district.

The proposed project is located within a designated Resource Management zone district. Pursuant to Section 35-90.3 of the Article II Coastal Zoning Ordinance, the purpose of this zone district is as follows:

“...to ensure protection of lands that are unsuited for intensive development and have one or more of the following characteristics:

- 1. Slopes in excess of 40 percent.*
- 2. Isolated table land surrounded by slopes exceeding 40 percent.*
- 3. Areas which have outstanding resource values such as environmentally sensitive habitat areas.*

The intent is to allow limited development in these areas due to the presence of extreme fire hazards, minimum services, and/or environmental constraints and to encourage the preservation of these areas for uses such as grazing, scientific and educational study, and limited residential uses.”

Slopes at the site are not in excess of 40 percent, and the site does not include isolated table land surrounded by slopes exceeding 40 percent. The proposed project is consistent with the intent of the zone district because no development is proposed that would change these conditions. The project site will continue its existing use for recreation and sand mining (under Conditional Use Permit 77-CP-66). Allowing the remnant gravel to remain in place will also limit impacts to the Environmentally Sensitive Habitat on the site that would be caused by excavation of the gravel. Therefore, this finding can be made.

2.10 Additional findings required for sites zoned RES (Resource Management).

In compliance with Section 35-90.6 of the Article II Coastal Zoning Ordinance, prior to the approval or conditional approval of an application for a Major or Minor Conditional Use Permit on sites zoned RES the review authority shall first make all of the following findings:

2.10.1 The project does not require extensive alteration of the topography.

Leaving remnant gravel in place under the proposed project would not require any alteration of the existing topography. As discussed in Section 3.11 of the SEIR,

incorporated herein by reference, the gravel does not impede natural geologic processes. This finding can therefore be made.

2.10.2 The project does not cause erosion or sedimentation of downstream watercourses or water-bodies.

The remnant gravel does not affect erosion or sedimentation at the project site, which is characterized by coastal dunes with high infiltration capacity. Rainfall on the project site infiltrates the dune sand and does not run off over the surface to the Santa Maria River or the Pacific Ocean. The presence of the gravel does not alter the infiltration capacity of the dune sand. The proposed project would not cause erosion or sedimentation of downstream watercourses or water-bodies. This finding can therefore be made.

2.10.3 The project will not cause any significant adverse effect on environmentally sensitive habitat areas.

As discussed in Section 3.3 of the SEIR, incorporated herein by reference, the project's affects on environmentally sensitive habitat areas would be less than significant. In addition, allowing the gravel to remain on site would avoid potential impacts of excavation on environmentally sensitive habitat. This finding can therefore be made.

3.0 COASTAL DEVELOPMENT PERMIT FINDINGS

3.1 Finding required for all Coastal Development Permits. In compliance with Section 35-60.5 of the Article II Zoning Ordinance, prior to issuance of a Coastal Development Permit, the County shall make the finding, based on information provided by environmental documents, staff analysis, and/or the applicant, that adequate public or private services and resources (i.e., water, sewer, roads, etc.) are available to serve the proposed development.

The proposed project would require no new public or private services or resources, as discussed in SEIR Section 3.11 and incorporated herein by reference. This finding can therefore be made.

3.2 Findings required for Coastal Development Permit applications subject to Section 35-169.4.3 for development that may be appealed to the Coastal Commission.

In compliance with Section 35-169.5.3 of the Article II Zoning Ordinance, prior to the approval or conditional approval of an application for a Coastal Development Permit subject to Section 35-169.4.3 for development that may be appealed to the Coastal Commission the review authority shall first make all of the following findings:

3.2.1 The development conforms to 1) the applicable provisions of the Comprehensive Plan, including the Coastal Land Use Plan, and 2) the applicable provisions of this Article or the project falls within the limited exceptions allowed in compliance with Section 161 (Nonconforming Use of Land, Buildings and Structures).

As discussed in Sections 6.2 and 6.3 of the Planning Commission Staff Report dated August 21, 2014, incorporated herein by reference, the proposed project is consistent with the applicable provisions of the Comprehensive Plan, including the Coastal Land Use Plan and with the applicable provisions of the Article II Coastal Zoning Ordinance. Therefore, this finding can be made.

3.2.2 The development is located on a legally created lot.

The project parcel was created by the Subdivision of Rancho Guadalupe, recorded March 8, 1880 in Maps and Surveys Book B, Page 422. Therefore, this finding can be made.

3.2.3 The subject property and development on the property is in compliance with all laws, rules and regulations pertaining to zoning uses, subdivisions, setbacks and any other applicable provisions of this Article, and any applicable zoning violation enforcement fees and processing fees have been paid. This subsection shall not be interpreted to impose new requirements on legal nonconforming uses and structures in compliance with Division 10 (Nonconforming Structures and Uses).

The subject property is consistent with the requirements of the Article II Coastal Zoning Ordinance and the RES-320 zone district. The subject lot is in compliance with all other laws, rules and regulations pertaining to zoning uses, setbacks and other applicable provisions of Article II. There are no zoning violations on the subject property. Therefore, this finding can be made.

3.2.4 The development will not significantly obstruct public views from any public road or from a public recreation area to, and along the coast.

The gravel is not elevated in piles and follows the natural contours of the landscape. The gravel does not intrude into the skyline. The proposed project will not significantly obstruct public views from any public road or from a public recreation area to, and along the coast. Therefore, this finding can be made.

3.2.5 The proposed development will be compatible with the established physical scale of the area.

The remnant gravel overlaps and is adjacent to the area used by the Gordon Sand Company for sand mining operations. Vegetation has slowly grown over portions of the gravel area since the termination of the drilling project. In addition, gravel associated with maintenance of the West Main Street is located on the dunes along road and at the parking area in Rancho Guadalupe Dunes Preserve County Park. The remnant gravel associated with the drilling project is generally visually compatible with the established physical scale of the area.

3.2.6 The development will comply with the public access and recreation policies of this Article and the Comprehensive Plan including the Coastal Land Use Plan.

The proposed project's compliance with the Article II Coastal Zoning Ordinance provisions and Comprehensive Plan/Coastal Land Use Plan Policies is discussed

in Section 6.2 of the Planning Commission Staff Report, dated August 21, 2014, incorporated herein by reference. The proposed project would not entail any changes to recreational amenities or uses of Rancho Guadalupe Dune Preserve County Park in the project area. The proposed project would not interfere with the long-range recreational planning for the Rancho Guadalupe Dunes Preserve County Park area, including preservation and light recreation. While the project site is within the boundaries of the Rancho Guadalupe Dunes Preserve County Park, the public does not currently use the project site for recreational activities. Additionally, proposed in lieu fees could be utilized to expand opportunities for public access and recreation in the North Coast planning area. Therefore, this finding can be made.

3.3 Additional finding required for sites zoned Environmentally Sensitive Habitat (ESH) Overlay.

In compliance with Section 35-97.6 of the Article II Zoning Ordinance, prior to the issuance of a Coastal Development Permit for sites designated with the ESH Overlay zone the review authority shall first find that the proposed development meets all applicable development standards in Section 35-97.8 through Section 35-97.19. Section 35.97.8 identifies development standards for dune habitats as follows:

1. Because of their statewide significance, coastal dune habitats shall be preserved and protected from all but resource dependent, scientific, educational, and light recreational uses. Sand mining and oil well drilling may be permitted if it can be shown that no alternative location is feasible and such development is sited and designed to minimize impacts on dune vegetation and animal species.
2. Disturbance or destruction of any dune vegetation shall be prohibited, unless no feasible alternative exists, and then only if re-vegetation is made a condition of development approval. Such re-vegetation shall be with native California plants propagated from the disturbed sites or from the same species at adjacent sites.
3. All non-authorized motor vehicles shall be banned from beach and dune areas. All permitted industrial and recreational uses shall be regulated both during construction and operation to protect critical bird habitats during breeding and nesting seasons. Controls may include restriction of access, noise abatement, and restrictions on hours of operations of public or private facilities.
4. For all permitted uses, including recreation, foot traffic on vegetated dunes shall be minimized. Where access through dunes is necessary, well-defined footpaths shall be developed and used.

The project is consistent with the development standards in Section 35-97.6 as discussed in Section 6.3 of the Planning Commission Staff Report, dated August 21, 2014, incorporated herein by reference. Therefore, these findings can be made.

September 10, 2014

ATTACHMENT B
REVISED CONDITIONAL USE PERMIT
Shell Guadalupe Gravel Remediation In-Lieu Proposal Project
13RVP-00000-00119

SANTA BARBARA COUNTY CONDITIONAL USE PERMIT
COASTAL ZONING ORDINANCE
CASE NO. 13RVP-00000-00119 to 82-CP-75(cz)

I. A Conditional Use Permit is Hereby Revised:

TO: Husky Oil Company

APNs: 113-020-018, 113-020-020, and 113-020-021

PROJECT ADDRESS: The northern section of the Guadalupe Dunes, approximately 4 miles west of the City of Guadalupe.

ZONE: RES-320-ESH

AREA/SUPERVISORIAL DISTRICT: Guadalupe Dunes/Third

FOR: Approval of Production Plan and Conditional Use Permit to drill and produce 42 oil and gas wells from drilling islands.

The project approved under this Conditional Use Permit ceased operation in 1989. All conditions have been fulfilled with the exception of Condition No. 31. This revised Conditional Use Permit deletes Condition No. 31 to allow remnant gravel to remain in place. Condition No. 2 of 14CDP-00000-00072 has been identified in the project Supplemental Environmental Impact Report (13EIR-00000-00005) to mitigate the impacts of leaving the gravel in place. No other changes to 82-CP-75(cz) are being made as part of this project.

II. This permit is subject to compliance with the following condition(s):

1. Production Island B shall be moved approximately 300 feet to the west (vector of north 70° west) where it will be in a lower elevation and less visible.
2. Entrance to the access road shall be fenced to discourage entrance to the dunes by unauthorized vehicles.

3. No new equipment causing air emissions shall be constructed nor operated until an Authority to Construct and Permit to Operate are issued by the Santa Barbara County Air Pollution Control District (APCD).
4. In the case of pollutants where an increase of 5 pounds per hour or greater will occur, Best Available Control Technology (BACT) will be required for all new equipment emitting air pollutants.
5. During site preparation, water spraying on the construction site and access roads shall be utilized for dust suppression, pursuant to Ord. 1795, and 14-19 of the Santa Barbara County Code.
6. During production, flaring of well head gas shall not be permitted, except in an emergency; an emergency is to be determined or subsequently verified by the Petroleum Office, County Fire Department or Sheriff's Department.
7. Vapors shall be collected by a vapor recovery system that incinerates all uncondensed vapors.
8. There shall be no drilling (i.e., actual deepening of the well) during days forecasted by the County APCD to have adverse air quality. This does not preclude base level operations (e.g., mud circulation, logging, etc.).
9. The applicant shall use drilling rig with electric engines, if available. Applicant shall demonstrate unavailability to the satisfaction of County RMD.
10. The applicant shall use drilling rig with electric engines, if available. Applicant shall demonstrate unavailability to the satisfaction of County RMD.
11. The applicant shall use only electric pumping units.
12. The applicant shall implement a fugitive source inspection and maintenance program to the satisfaction of the APCD.
13. Supplies, drilling muds, cuttings and wastes shall be stored in impervious containers.
14. Sumps and tanks, other than those used for drilling, shall be covered.
15. All toxic or harmful wastes shall be removed from the dune area to an approved disposal site.
16. Lighting in and around a drill site shall be equipped with shielding so as to prevent disturbance at night to nearby wildlife habitats.
17. Noise and vibration from machinery at production areas shall be controlled so that noise levels are less than 85 DB (A) at 50 feet from the perimeter of the facility. In particular, noise in the frequency range of 1,000 to 8,000 Mz shall be controlled to minimize disturbance to nearby wildfire habitats.
18. Ground vibrational effects shall be confined to the immediate area of a production facility by appropriate use of shock-absorbing materials or heavy equipment.
19. Dispersal equipment (e.g., gas-operated horns) shall be available at each production site to be used, if necessary, after a spill to discourage use of an area by a wildlife and waterfowl.

20. All flowlines shall be equipped with automatic shut off valves at various points along the lines to minimize loss of fluids in the event of a spill.
21. Construction, drilling and other noise generating activities (trucking, etc.) shall be prohibited during the breeding season of the endangered California Least Tern (mid-April – early September). This restriction shall not apply to workover rigs.
22. To determine the actual effects of the project on the colony of Least Terns, the applicant shall establish a monitoring program, utilizing a qualified biologist to be approved by the County. The objective of this monitoring program is determine whether the proposed facilities, once constructed and operating, have any demonstrable effect on the Least Tern colony. This monitoring program will not change the general prohibition on construction activities during the Least Tern breeding season. However based on the ongoing results of the monitoring program, the County could authorize changes to the period of time in which construction activity is prohibited.
23. The applicant shall inform project supervisors and project personnel of the sensitivity of the cultural resources in the area. If cultural resources should be encountered or suspected, work shall be halted promptly, and a professional archaeologist consulted.
24. Movement of project personnel shall be restricted to the immediate vicinity of the production islands and 100-foot-wide buffer zone.
25. The access road to anew drill site shall be constructed as a temporary road until a producing well brought on-line.
26. To reduce the visual impacts of the projects, and because the access road to Islands B and D crosses a ridgeline, a light-colored or earth tone material shall be used for an access road base material instead of asphalt.
27. The applicant shall execute an agreement with the County, acceptable to the Director of Public Works, to participate in the reconstruction and maintenance of West Main Street from Highway 1 to Gordon Sand Company processing facility, to clear the vegetation adjacent to the existing 90 degree (15mph) curve in West Main Street to alleviate potential safety impacts and install Botts dots across West Main Street in the vicinity of the elementary school.
28. Facilities shall be painted in a natural color so as to blend in with the sandy areas.
29. Except for first pumping unit at each production island, a low profile pumping unit shall be utilized if feasible. Before a standard pumping unit is approved, Husky Oil Company shall provide the Planning Commission with conclusive evidence, based on an engineering analysis, that a low profile unit is not feasible.
30. All materials, vehicles and activities shall be confined to the access road corridors.
- ~~31. All introduced materials on or near the surface (depth of 15 feet) shall be removed when the drilling islands are abandoned.~~
32. Prior to the issuance of a Coastal Development Permit for this project, Husky shall submit to the Resource Management Department a detailed dune restoration program that

describes the measures to be employed by Husky to return the sites to their original condition.

33. The project shall be developed in substantial conformity with the approved plan marked Exhibit "B " dated 12/15/82 as amended by this permit and with the project details as outlined in 82-EIR-11.
34. The Planning Commission shall review the Production Plan and Conditional Use Permit on an annual basis. At this review the Planning Commission may make reasonable modifications to these conditions as necessary to respond to changes in circumstances in the area.
35. Compliance with departmental conditions outlined in: a) Department of Public Works letter dated 11/23/82; b) Fire Department letter dated 11/11/82
36. Within one year of the granting of the Conditional Use Permit and approval of the Production Plan by the Board of Supervisors, the Coastal Development Permit shall be applied for and a contribution of \$40, 000.00 shall be made to the County of Santa Barbara for purpose of providing, 24-hour weekend Sheriff's patrol. Subsequent annual contributions, not to exceed \$40,000, will be determined at the annual review of the permit by the Planning Commission.

IV. Mitigation Measures from the Supplemental Environmental Impact Report (13EIR-00000-00005)

37. **Special MM REC-1: In-Lieu Property Acquisition.** Shell Exploration and Production, Inc. (Applicant) shall provide an in-lieu fee to the County for the purpose of mitigating the recreational impact of the Proposed Project (18.9 acres footprint) through the purchase of property for public recreational or open space purposes at a ratio of not less than 3:1 (56.7 acres). This property would be designated and preserved for recreational and open space use. The optimal property would be located within the north coastal region of the County, in the vicinity of the Project Site, characterized by similar dune habitat and substantial scenic value, and be suitable for passive recreational or open space uses by the public. In addition to offsetting recreational impacts, this in-lieu fee would result in additional indirect benefits to aesthetics, geological resources, and biological resources. **TIMING:** The Applicant shall provide the in-lieu fee to the County to purchase land for public recreational purposes at a ratio of not less than 3:1 prior to issuance of a Coastal Development Permit (14CDP-00000-00072).

V. Conditions Unique To Conditional Use Permits

38. **Rules-12 CUP Expiration.** The Owner/Applicant shall obtain the required Land Use Permit within the six years following the effective date of this Conditional Use Permit. If the required Land Use Permit is not issued within the six years following the effective date of this Conditional Use Permit, or within such extended period of time as may be authorized in compliance with Section 35-172.8 of the Article II Coastal Zoning Ordinance, and an application for an extension has not been submitted to the Planning

and Development Department, then Conditional Use Permit shall be considered void and of no further effect.

39. **Rules-17 CUP-Void.** This Conditional Use Permit shall become void and be automatically revoked if the development and/or authorized use allowed by this Conditional Use Permit is discontinued for a period of more than 12 months, or within such extended period of time as may be authorized in compliance with Section 35-172.8 of the Article II Coastal Zoning Ordinance. Any use authorized by this Conditional Use Permit shall immediately cease upon expiration or revocation of this Conditional Use Permit. Any Land Use Permit approved or issued pursuant to this Conditional Use Permit shall expire upon expiration or revocation of the Conditional Use Permit. Conditional Use Permit renewals must be applied for prior to expiration of the Conditional Use Permit (ARTICLE II §35-172.9).
40. **CUP Revisions.** Further approval by the Planning Commission of a revised CUP shall automatically supersede any previously approved CUP upon the effective date of the revised CUP.
41. **CUP Revisions-Change of Use.** Any change of use in the proposed structure shall be subject to appropriate environmental analysis and review by the County including Building Code compliance.

VI. County Rules & Regulations / Legal Requirements

42. **Rules-03 Additional Permits Required.** The use and/or construction of any structures or improvements authorized by this approval shall not commence until the all necessary planning and building permits are obtained. Before any Permit will be issued by Planning and Development, the Owner/Applicant must obtain written clearance from all departments having conditions; such clearance shall indicate that the Owner/Applicant has satisfied all pre-construction conditions. A form for such clearance is available from Planning and Development.
43. **Rules-05 Acceptance of Conditions.** The Owner/Applicant's acceptance of this permit and/or commencement of use, construction and/or operations under this permit shall be deemed acceptance of all conditions of this permit by the Owner/Applicant.
44. **Rules-23 Processing Fees Required.** Prior to issuance of zoning clearance, the Owner/Applicant shall pay all applicable P&D permit processing fees in full as required by County ordinances and resolutions.
45. **Rules-25 Signed Agreement to Comply.** Prior to issuance of zoning clearance, the Owner/Applicant shall provide evidence that they have recorded a signed Agreement to Comply with Conditions that specifies that the permit Owner agrees to comply with the project description, approved attachments and all conditions of approval. Form may be obtained from the P&D office.
46. **Rules-33 Indemnity and Separation.** The Owner/Applicant shall defend, indemnify and hold harmless the County or its agents or officers and employees from any claim, action or proceeding against the County or its agents, officers or employees, to attack, set aside, void, or annul, in whole or in part, the County's approval of this project. In the

event that the County fails promptly to notify the Owner/Applicant of any such claim, action or proceeding, or that the County fails to cooperate fully in the defense of said claim, this condition shall thereafter be of no further force or effect.

- 47. Rules-37 Time Extensions-All Projects.** The Owner / Applicant may request a time extension prior to the expiration of the permit or entitlement for development. The review authority with jurisdiction over the project may, upon good cause shown, grant a time extension in compliance with County rules and regulations, which include reflecting changed circumstances and ensuring compliance with CEQA. If the Owner / Applicant requests a time extension for this permit, the permit may be revised to include updated language to standard conditions and/or mitigation measures and additional conditions and/or mitigation measures which reflect changed circumstances or additional identified project impacts.

ATTACHMENT C
COASTAL DEVELOPMENT PERMIT

Shell Guadalupe Gravel Remediation In-Lieu Proposal Project
14CDP-00000-00072



COUNTY OF SANTA BARBARA

Planning and Development

COASTAL DEVELOPMENT PERMIT

Case No.: 14CDP-00000-00072

Project Name: Shell Guadalupe Gravel Remediation In-Lieu Proposal Project

Project Address: 6350 West Main Street

Assessor's Parcel No.: 113-020-018, 113-020-020, 113-020-021

Applicant Name: Shell Western Exploration and Production

The hereby approves this Coastal Development Permit for the development described below, based upon the required findings and subject to the attached terms and conditions.

Date of Approval: September 10, 2014

Associated Case Number(s): 13RVP-00000-00019/82-CP-75(cz)

Project Description Summary: Retention of remnant gravel from former drilling project (82-PP-2)

Project Specific Conditions: See Attached Exhibit A.

Permit Compliance Case: ___ Yes ___ No;

Permit Compliance Case No.: _____

Appeals: The approval of this Coastal Development Permit may be appealed to the by the applicant or an aggrieved person. The written appeal and accompanying fee must be filed with the Planning and Development Department at either 123 East Anapamu Street, Santa Barbara, or 624 West Foster Road, Suite C, Santa Maria, by 5:00 p.m. on or before .

The final action by the County on this Coastal Development Permit may be appealed to the California Coastal Commission after the appellant has exhausted all local appeals. Therefore a fee is not required to file an appeal of this Coastal Development Permit.

Terms of Permit Issuance:

- 1. Work Prohibited Prior to Permit Issuance.** No work, development, or use intended to be authorized pursuant to this approval shall commence prior to issuance of this Coastal Development Permit and/or any other required permit (e.g., Building Permit). **Warning! This is not a Building/Grading Permit.**

2. **Date of Permit Issuance.** This Permit shall be deemed effective and issued on , provided an appeal of this approval has not been filed.
3. **Time Limit.** The approval of this Coastal Development Permit shall be valid for one year from the date of approval. Failure to obtain a required construction, demolition, or grading permit and to lawfully commence development within two years of permit issuance shall render this Coastal Development Permit null and void.

NOTE: Approval and issuance of a Coastal Development Permit for this project does not allow construction or use outside of the project description, terms or conditions; nor shall it be construed to be an approval of a violation of any provision of any County Policy, Ordinance or other governmental regulation.

Owner/Applicant Acknowledgement: Undersigned permittee acknowledges receipt of this approval and agrees to abide by all terms and conditions thereof.

Print Name	Signature	/ Date
------------	-----------	-----------

Planning and Development Department Approval by:

Print Name	Signature	/ Date
------------	-----------	-----------

Planning and Development Department Issuance by:

Print Name	Signature	/ Date
------------	-----------	-----------

EXHIBITA: PROJECT SPECIFIC CONDITIONS

1. This Coastal Development Permit is based upon and limited to compliance with the project description, the Planning Commission Hearing Attachments A-G, and conditions of approval set forth below. Any deviations from the project description, exhibits or conditions must be reviewed and approved by the County for conformity with this approval. Deviations may require approved changes to the permit and/or further environmental review. Deviations without the above described approval will constitute a violation of permit approval.

The project description is as follows: The request is to leave in place approximately 293,752 cubic yards of sand impacted by remnant gravel that remains from an exploratory drilling project. The original drilling and production project was approved by the County in 1983 (82-CP-75[cz]) and included the placement of gravel for road base to accommodate heavy equipment access and stabilize sand near the proposed drilling islands. Permit Condition No. 31 of 82-CP-75(cz) for the drilling project requires removal of all materials brought into the dunes to support the exploratory drilling project as follows:

- No. 31. All introduced materials on or near the surface (depth of 15 feet) shall be removed when the drilling islands are abandoned.

The project ceased operation in 1989 after only partially developing the approved plan, and commenced abandonment and reclamation of the site as required by the County. With the exception of the remnant gravel sites, all production wells and infrastructure were abandoned and site reclamation was completed under 96-CDP-010 in 1997 in compliance with County and DOGGR regulations. A portion of the gravel and some asphaltic materials were removed in 1997; however, up to 293,752 cy of sand impacted by gravel remain. In exchange for being allowed to leave gravel in place, the Applicant would provide a monetary in-lieu fee to the County for enhancement of public recreation in the north coastal region of Santa Barbara County.

The grading, development, use, and maintenance of the property, the size, shape, arrangement, and location of structures, parking areas and landscape areas, and the protection and preservation of resources shall conform to the project description above, the referenced exhibits, and conditions of approval below. The property and any portions thereof shall be sold, leased or financed in compliance with this project description and the approved exhibits and conditions of approval hereto. All plans (such as Landscape and Tree Protection Plans) shall be implemented as approved by the County.

2. **Special MM REC-1: In-Lieu Property Acquisition.** Shell Exploration and Production, Inc. (Applicant) shall provide an in-lieu fee to the County for the purpose of mitigating the recreational impact of the Proposed Project (18.9 acres footprint) through the purchase of property for public recreational or open space purposes at a ratio of not less than 3:1 (56.7 acres). This property would be designated and preserved for recreational and open space use. The optimal property would be located within the north coastal region of the County, in the vicinity of the Project Site, characterized by similar dune habitat and substantial scenic value, and be suitable for passive recreational or open space uses by the public. In addition to offsetting recreational impacts, this in-lieu fee would result in additional indirect benefits to aesthetics, geological resources, and biological resources. **TIMING:** The

Applicant shall provide the in-lieu fee to the County to purchase land for public recreational purposes at a ratio of not less than 3:1 prior to issuance of a Coastal Development Permit (14CDP-00000-00072).

3. **Property Acquisition.** Prior to issuance of a Land Use Permit effectuating the Coastal Development Permit (14CDP-00000-00072), the County of Santa Barbara shall enter into a contract to acquire in fee title acreage sufficient to meet the requirements of mitigation measure MM REC-1.
4. **Rules-02 Effective Date-Appealable to CCC.** This Coastal Development Permit shall become effective upon the expiration of the applicable appeal period provided an appeal has not been filed. If an appeal has been filed, the planning permit shall not be deemed effective until final action by the review authority on the appeal, including action by the California Coastal Commission if the planning permit is appealed to the Coastal Commission. [ARTICLE II § 35-169].
5. **Rules-11 CDP Expiration-With CUP or DVP.** The approval or conditional approval of a Coastal Development Permit shall be valid for one year from the date of decision-maker action. Prior to the expiration of the approval, the review authority who approved the Coastal Development Permit may extend the approval for one year if good cause is shown and the applicable findings for the approval required in compliance with Section 35-169.5 can still be made. Prior to the expiration of a time extension approved in compliance with Subsection a. above, the review authority who approved the time extension may approve two additional time extensions for two years each if good cause is shown and the applicable findings for the approval required in compliance with Section 35-169.5 can still be made.

A Coastal Development Permit shall expire two years from the date of issuance if the use or structure for which the permit was issued has not been established or commenced in conformance with the effective permit. A Coastal Development Permit whose expiration date has been extended in compliance with the above will nevertheless expire at the earlier of: (1) the expiration of the most recent time extension or (2) the expiration of the associated Conditional Use Permit or Development Plan (as modified by any extension thereto).
6. **Rules-03 Additional Permits Required.** The use and/or construction of any structures or improvements authorized by this approval shall not commence until the all necessary planning and building permits are obtained. Before any Permit will be issued by Planning and Development, the Owner/Applicant must obtain written clearance from all departments having conditions; such clearance shall indicate that the Owner/Applicant has satisfied all pre-construction conditions. A form for such clearance is available from Planning and Development.
7. **Rules-05 Acceptance of Conditions.** The Owner/Applicant's acceptance of this permit and/or commencement of use, construction and/or operations under this permit shall be deemed acceptance of all conditions of this permit by the Owner/Applicant.
8. **Rules-23 Processing Fees Required.** Prior to issuance of zoning clearance, the Owner/Applicant shall pay all applicable P&D permit processing fees in full as required by County ordinances and resolutions.

9. **Rules-25 Signed Agreement to Comply.** Prior to issuance of zoning clearance, the Owner/Applicant shall provide evidence that they have recorded a signed Agreement to Comply with Conditions that specifies that the permit Owner agrees to comply with the project description, approved exhibits and all conditions of approval. Form may be obtained from the P&D office.
10. **Rules-33 Indemnity and Separation.** The Owner/Applicant shall defend, indemnify and hold harmless the County or its agents or officers and employees from any claim, action or proceeding against the County or its agents, officers or employees, to attack, set aside, void, or annul, in whole or in part, the County's approval of this project. In the event that the County fails promptly to notify the Owner/Applicant of any such claim, action or proceeding, or that the County fails to cooperate fully in the defense of said claim, this condition shall thereafter be of no further force or effect.
11. **Rules-37 Time Extensions-All Projects.** The Owner / Applicant may request a time extension prior to the expiration of the permit or entitlement for development. The review authority with jurisdiction over the project may, upon good cause shown, grant a time extension in compliance with County rules and regulations, which include reflecting changed circumstances and ensuring compliance with CEQA. If the Owner / Applicant requests a time extension for this permit, the permit may be revised to include updated language to standard conditions and/or mitigation measures and additional conditions and/or mitigation measures which reflect changed circumstances or additional identified project impacts.

ATTACHMENT F

Proposed Final Supplemental Environmental Impact Report Appendix F Responses to Comments

Appendix F: Responses to Comments

Appendix F is organized as follows:

F.1 Introduction

F.2 Format of the Responses to Comments: This section describes the format and organization of the comments received on the Draft Supplemental Environmental Impact Report (SEIR) and the responses to those comments.

F.3 Responses to Comments Received: This section provides a list of the comments received on the Draft SEIR by a member of the public, agency, company, or organization, and lists the unique number for each comment letter. Immediately following the list of individual comments received, responses are provided for comments received as letters and oral testimony.

F.4 References: This section provides references used in Section F.3, *Responses to Comments Received*.

F.5 Attachments: This section provides attachments referred in Section F.3, *Responses to Comments Received*.

F.1 Introduction

Comments received during the 45-day public comment period for the Draft SEIR, ending 22 June 2014, included written comments from four agencies, oral testimony from one individual representing one company, and written comments from one legal firm and one individual representing one company. The latter comments were similar to the same party's comments provided as oral testimony during the Environmental Hearing on 28 May 2014.

F.2 Format of the Responses to Comments

Comments received on the Draft SEIR are organized by the type of commenter, with agencies listed first, then organizations, companies, and individuals. Within each group commenters are listed alphabetically. Each comment letter or e-mail is assigned a unique number with each comment individually numbered as well. Individual comments and issues within each comment letter or e-mail are numbered individually along the margins in Section F.3. For example, comment 2-1 is the first substantive comment in Comment Letter 2; "2" represents the commenter; the "1" refers to the first comment in that letter. All comment letters are available in the Administrative Record for the Project.

F.3 Responses to Comments Received

Table F-1 lists all agencies, organizations, companies, and individuals that provided written and oral comments on the Draft SEIR. As described above, each comment letter was assigned a unique number.

Table F-1: Index of Comments Received on the Draft SEIR

Commenter Number	Name of Commenter	Response to Comment Location
Agency		
1	Mr. Scott Morgan, Director, State Clearinghouse	F-3
2	Ms. Frances Romero, Mayor, City of Guadalupe	F-5
3	Ms. Carly Wilburton, Air Quality Specialist, Santa Barbara County Air Pollution Control District	F-7
Organization		
N/A	N/A	N/A
Company		
4	Mr. George Gordon, Gordon Sand Company (Environmental Hearing)	F-8
5	Mr. George Gordon, Gordon Sand Company	F-11
6	Mr. Peter Candy, Hollister & Brace, representing Gordon Sand Company	F-15
Individual		
N/A	N/A	N/A



STATE OF CALIFORNIA
Governor's Office of Planning and Research
State Clearinghouse and Planning Unit



Edmund G. Brown Jr.
Governor

June 24, 2014

Matt Young
Santa Barbara County
123 E. Anacapa Street
Santa Barbara, CA 93101

Subject: Shell (Headships Beach Gravel) Removal In-Lieu Proposal
SC#14- 2013101 (P)

Dear Matt Young:

The State Clearinghouse submitted the above named Supplemental EIR to selected state agencies for review. The review period closed on June 23, 2014, and no state agencies submitted comments by that date. Your letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call the State Clearinghouse at (916) 445-2613 if you have any questions regarding the environmental review process. If you have a question about the above-named project, please refer to the lead-agency State Clearinghouse number when contacting that office.

Sincerely,

Stef Worstan
Director, State Clearinghouse

RECEIVED

JUN 27 2014

STATE OF CALIFORNIA
PLANNING AND RESEARCH

140 TWENTY STREET, P.O. BOX 2044, SACRAMENTO, CALIFORNIA 95833-2044
TEL: (916) 445-2613 FAX: (916) 445-2614 WWW.OPWR.CA.GOV

**Document Details Report
State Clearinghouse Data Base**

SC# 201301107
 Project Title Shell/Garduce Beach Gravel Removal In-Lieu Proposal
 Lead Agency Santa Barbara County

Type SIR Supplemental EIR
 Description Applicant proposes to leave in place approximately 250,752 cubic yards of sand impacted by terminal gravel that remains from a drilling project. The original drilling and production project was approved by the County in 1993 and included the placement of gravel base to accommodate heavy equipment access and stabilize sands near the proposed drilling islands. Permit Condition #31 of A-2-C-2.7 the drilling project requires removal of all materials brought into the dunes to support the exploratory drilling project as follows.

Lead Agency Contact

Name Matt Young
 Agency Santa Barbara County
 Phone 805 568 2513
 Email
 Address 123 E. Aracama Street
 City Santa Barbara State CA Zip 93101
 Fax

Project Location

County Santa Barbara
 City Chandeleigh
 Region
 Lat/Long
 Cross Streets West Main Street
 Parcel No. 113-026-018, 113-026-021
 Township 10N Range 38W Section 11/14 Base S88&M

Proximity to:

Highways Hwy 1 and 165
 Airports No
 Railways No
 Waterways Santa Maria River, Orcutt Creek, Pacific Ocean
 Schools No
 Land Use RES-330, Resource Management, 330, grass meadow parcel size

Project Issues Aesthetic/Visual, Recreation/Facility

Reviewing Agencies Resources Agency, California Coastal Commission, Department of Fish and Wildlife, Region 5, Office of Historic Preservation, Department of Parks and Recreation, Department of Water Resources, Resources, Recycling and Recovery, California Highway Patrol, Caltrans, District 5, Air Resources State Regional Water Quality Control Board, Region 3, Department of Toxic Substances Control, Native American Heritage Commission, State Lands Commission

Date Received 05/08/2014 Start of Review 05/08/2014 End of Review 08/23/2014



City of Guadalupe
918 Obispo Street
P.O. Box 908
Guadalupe, CA 93434
505-356-3891

June 19, 2014

Matt Young, Project Planner
County of Santa Barbara Planning
153 East Annapolis Street
Santa Barbara, CA 93101

Via e-mail: mattyoung@countyofsb.org

RE: Comments on the Draft Environmental Impact Report (EIR) for the Proposed Shell
Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project (Case Nos. 13RVT-00000-00119;
13CDH-00000-00042)

Dear Mr. Young:

The Guadalupe City Council considered the subject Draft EIR at a public hearing held on June 10, 2014. After receiving public comments and ensuing discussion, the Council was unanimous in concluding that the Draft EIR lacks important information and failed to mitigate potentially significant adverse impacts in the environment. This comment letter is being submitted at the discretion of the City Council and is consistent with the public comments received.

The Council was surprised that only one alternative was presented in the EIR, typically there are at least three. The mitigation to purchase off the property somewhere on the North Coast is vague and there is no clear means to the impacts at the Rancho Guadalupe Dunes Preserve County Park. The entire premise does not appear to be well thought out as the amount of the in lieu fee is not disclosed nor is the estimated cost of the required gravel removal. Without full disclosure of relevant information it is impossible to determine the order of magnitude and what other options may be available. The Draft EIR should include independent cost estimates for each alternative and for each potential mitigation measure.

The proposed project is identified as the environmentally superior project because it would least impact the existing physical setting, at least in the short term. In this case, however, the existing physical setting is an unaltered and outstanding condition that has occurred as a result of a permit violation that has gone unaddressed by the County for decades. By not impacting the existing physical setting, the proposed project would allow potentially significant adverse impacts to occur indefinitely. The Draft EIR acknowledges that the presence of the gravel on the dunes has potentially significant adverse effects relative to visual resources and recreation, but the Draft EIR downplays these impacts and erroneously concludes that these impacts are less than significant with mitigation. In fact, no mitigation is being proposed that would actually lessen these impacts. Acquisition of an off-site piece of land that would otherwise be undeveloped does not mitigate the impact to our citizens or other beach users who have recreated at this beach for decades. The City Council strongly believes that standard mitigation protocol to mitigate where the impact occur should be adhered to by implementing one of or a combination of the suggestions below.

The Rancho Guadalupe Dunes Preserve County Park has two major deficiencies that restrict its use by our citizens and other North County residents. We urge the County to prioritize the maintenance and use of

Comment Response 2-1: Comment noted. As required by the California Environmental Quality Act (CEQA), a reasonable range of alternatives were analyzed in the Draft SEIR (CEQA Guidelines Section 15126.6). Three different project scenarios were considered in the Draft SEIR, including the Proposed Project, the Hybrid Gravel Removal Alternative, and the No Project Alternative. No other alternatives would be practicable, feasible, or substantially different from those alternatives considered in the Draft SEIR.

Comment Response 2-2: Comment noted. Mitigation Measure REC-1: In-Lieu Property Acquisition has been crafted to offset impacts to recreation and visual resources resulting from the remnant gravel that would remain at the Project Site under the Proposed Project. Section 6(E)(1)(c) of the Santa Barbara County Environmental Thresholds and Guidelines Manual describes that off-site mitigation approaches may be appropriate at times if a greater ecological value may be clearly gained than with on-site mitigation (i.e., where on-site habitat is of low quality or highly fragmented). In-lieu fees are commonly imposed as mitigation under CEQA. Whenever establishing, imposing, or increasing a fee "as a condition of approval of a development project," the local agency imposing the fee must identify the purpose of the fee and the use to which it will be put (Government Code section 66001). These conditions are clearly met by the mitigation measure, which sets standards for optimum acquisition properties. It is important to distinguish that the acquisition of property for recreation and open-space use constitutes the off-site mitigation, not simply the provision of an in-lieu fee to the County. While the acquisition of property would not mitigate impacts to recreation and visual resources on-site, the regional increase in public land available for recreation and open-space uses would offset these impacts and would provide indirect benefits to geological resources as well as biological resources.

Comment Response 2-3: Comment noted. As described in Section 3.9, Recreation the remnant gravel does not terminate or physically obstruct public access; however, when viewed by a recreationist

2-1

2-2

2-3

Comment Response 2-3 (cont.): within the Rancho Guadalupe Dunes County Park the presence of the gravel would result in an adverse impact to the recreational experience. The remnant gravel in the dune area, which would be retained under the Proposed Project, would noticeably detract from a more natural, pristine state described for the existing setting in the 1982 Final EIR. Consequently, recreationists would continue to experience adverse impacts in Rancho Guadalupe Dunes County Park. However, the in-lieu fee provided by the Applicant which would be used by the County to purchase property for public recreational or open-space purposes, would offset this impact as it would increase the regional area available for public recreation and open-space use. As described in Comment Response 2-2, off-site mitigation is commonly imposed to offset impacts under CEQA. MM REC-1 provides a reasonable mitigation ratio and clear standards for the acquisition of property that would ensure impacts to recreation and visual resources at Rancho Guadalupe Dunes County Park are adequately offset by regional increases in opportunities for coastal recreation and open-space use.

Comment Response 2-4: Comment noted. Please refer to Comment Response 2-2 and Comment Response 2-3. Off-site mitigation is commonly imposed to offset impacts under CEQA. Although funding relocation of the road would represent a benefit to recreational resources at the Project Site, it would not address or offset the visual impacts that create the adverse impacts associated with the remnant gravel. MM REC-1 defines an optimal property that would be located within the vicinity of the Project Site and characterized, to the extent feasible, by similar dune habitat with substantial scenic value and similar recreational value. Acquisition of such a property at a 3:1 mitigation ratio would adequately offset impacts at the Project Site by increasing regional opportunities for coastal recreation and open-space uses.

Comment Response 2-5: Comment noted. Please refer to Comment Response 2-4. Also, please note that the County is actively pursuing a Habitat Conservation Plan (HCP) for Rancho Guadalupe Dunes Preserve County Park. The County is currently responding to comments from the U.S. Fish and Wildlife Service (USFWS).

Comments on the Draft Environmental Impact Report (EIR) for the Proposed Beach Guadalupe Dunes County Park are being reviewed. Comments on the Draft EIR should be submitted to the County Planning Department, 11557 P.O. Box 11557, Rancho Guadalupe Dunes, Preserves County, California 94028. Comments should be submitted by August 15, 2004. Comments received after this date will be considered on a case-by-case basis. Comments received after this date will be considered on a case-by-case basis. Comments received after this date will be considered on a case-by-case basis.

ACCESS TO EXISTING COUNTY PARK
 The County need that leads to the public parking lot at the Rancho Guadalupe Dunes Preserve County Park is periodically washed-out by the Santa Maria River, leaving only a temporary solution to an ongoing problem. After the recent repair, the County Public Works Department acknowledged that the long-term solution is to re-locate the road. It is our understanding that no funding is being set aside to secure access to Rancho Guadalupe Dunes Preserve County Park, the only north county beach access that serves approximately 7,100 Guadalupe residents and over 150,000 residents of Santa Maria and Orcutt. The proposed "buy out" of mitigation responsibility proposed by Shell would seem to present an ideal solution to this problem.

HABITAT CONSERVATION PLAN (HCP)
 Dating back to the restoration of the parking lot in 2004, the uses at the Rancho Guadalupe Dunes Preserve County Park have been restricted due to the lack of a completed HCP. Although the HCP was developed, the HCP was never funded by the County. This resulting restriction of limitation of uses at the beach continues to impact the beach users as well as the economy in Guadalupe. Dogs have not been allowed at this beach since the August 2004 Coastal Commission ban due to the lack of mitigation measures for allowing dogs on the beach. Although the County's Master Plan, developed with the Marine Conservancy, Friends of the Nipome Dunes, and aquaristia groups, sought to reinitiate equestrian use at the beach as part of the application to replace the parking lot, that use was denied by the Coastal Commission as well. In order for the County to obtain a permit for dogs and/or horses at the beach, the County must develop a plan that includes: signage, enforcement personnel, and the design of a decent and long-term monitoring program. Continued delay to fund and implement the HCP may also be placing the County at risk of "take" under the Endangered Species Act. After 10 years of limited access for the public, the HCP should be funded and implemented as soon as possible.

In conclusion, the Draft EIR fails to disclose information that is crucial to an informed decision and it lacks a meaningful discussion of potentially feasible alternatives and potentially feasible mitigation measures. In addition, the Draft EIR fails to mitigate potentially significant adverse impacts on the environment. The off-site land acquisition vaguely described in the Draft EIR may be desirable for other reasons but it would neither justify nor mitigate further degradation of the Rancho Guadalupe Dunes Preserve County Park. The public has access to this park throughout for a period of about one year during 2011-2012 and this will happen again unless the County acts proactively. Now that funding is available, the long-awaited improvements should be made at the Rancho Guadalupe Dunes Preserve County Park.

Sincerely,

 Frances Romero, Mayor
 City of Guadalupe
 cc: Supervisor Dorena Farr



Santa Barbara County
Air Pollution Control District

May 29, 2014

Matt Young
Santa Barbara County
Planning and Development
123 E. Alhambra Street
Santa Barbara, CA 93101

RECEIVED
MAY 20 2014
S.B. COUNTY
PLANNING AND DEVELOPMENT

Re: APCD Review of the Draft Supplemental Environmental Impact Report for the Proposed Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project, SCH No. 2013101107, SEIR-00000-00003, LRPV-00000-00119, T3CDH-00000-00042

Dear Mr. Young:

The Air Pollution Control District (APCD) has reviewed the Draft Supplemental Environmental Impact Report (SEIR) for the referenced project, which consists of leaving in place approximately 293,753 cubic yards (cy) of sand that has been found to contain remnant gravel from an exploratory drilling project in the Rancho Guadalupe Dunes County Park. Permit Conditions #31 of 83 CD-75 (cz) and 96-CDP-10 for the exploratory drilling project requires Shell Exploration and Production, Inc. (Applicant) to remove all drilling and associated materials to a maximum depth of 15 feet within the dunes. In exchange for leaving the remaining gravel in place, the Applicant proposes providing a monetary contribution (in lieu fee) to the County for purchase of property in the County's north coastal region for public recreational or open space purposes at a ratio of not less than 3:1. Most of the project site falls within the Environmentally Sensitive Habitat (ESH) overlay designation on rural lands designated Open Lands and zoned Resource Management, 320-acre minimum parcel size (RES-370). The project site covers an area of approximately 19 acres and is identified in the Assessor Parcel Map Book as APN 113-025-018, -020, and -021; the site is located in the northeastern corner of Rancho Guadalupe Dunes Preserve County Park, commonly known as 6350 West Main Street in the unincorporated Guadalupe Dunes area.

Air Pollution Control District staff has no comment on the Draft SEIR.

If you or the project applicant have any questions, please feel free to contact me at (805) 561-8890 or via email at cww@acepcd.org.

Sincerely,

Cary Wilburten
Air Quality Specialist
Technology and Environmental Assessment Division

cc: TEA Chron File

Louis B. Van Mattem, Jr. • Air Pollution Control Officer
360 North San Antonio Road, Suite A • Santa Barbara, CA • 93110 • 805.961.8860
OurAir.org • twitter.com/OurAirSBAC

Comment Response 3-1: Comment noted.

Comment Response 4-1: Comment noted. The County has historically and effectively implemented off-site mitigations funded with in-lieu fees as an optional method to mitigate some resource impacts (e.g. specimen trees, native habitats). As described in MM REC-1: In-Lieu Property Acquisition, mitigation for significant impacts to recreation as well as aesthetics and visual resources would include the provision of an in-lieu fee by the Applicant to the County of Santa Barbara for the purchase of property in north coastal Santa Barbara County for public recreational or open-space uses. Comparable or superior resource qualities of candidate off-site property acquisitions combined with an appropriate replacement ratio are foremost factors to determine acceptable mitigation. The exact monetary value necessary for the purchase of the acquisition property would vary depending on location and property values at the time of acquisition. Although the exact monetary value of the in-lieu fee is not specified in the mitigation, MM REC-1 requires that the in-lieu fee be sufficient for the purchase of property at a ratio of not less than 3:1. Consequently, as 18.9 acres within the Project Site are impacted by remnant gravel, the in-lieu fee would be sufficient to purchase at least 56.7 acres of property in north coastal Santa Barbara County. The County would ensure compliance with the mitigation measure through exercise of its zoning clearance and permit compliance process, or other administrative processes as appropriate.

Comment Response 4-2: Comment noted. A portion of the remnant gravel at Site 2 is located within the Gordon Sands property, within the Gordon Sand Company sand pit. The location of the remnant gravel, as described in the 2010 AECOM report is shown in Chapter 2, *Description of Proposed Project and Alternatives* in Figure 2-2. Additionally, please see the diagram showing the location and depth of remnant gravel within the sand pit (AECOM 2010), which has been included in Section F.5, *Attachments*.

**Shell Guadalupe Dunes
Gravel Remediation In-Lieu Proposal
Environmental Review Hearing
28 May 2014**

Hearing Notes

The following describes the key discussion items addressed during the Environmental Review Hearing for the Draft Supplemental Environmental Impact Report (SEIR) for the Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal. The hearing included a presentation by Mr. Matt Young, County of Santa Barbara, describing the proposed Project, as well as subsequent comments and questions from Mr. George Gordon, Gordon Sands Company. The Environmental Review Hearing was recorded and the audio file is available on CD-ROM. The notes below summarize the hearing and capture the key comments on the SEIR.

- Participants:
- Mr. Matt Young, County of Santa Barbara
 - Mr. Ervin Engler, County of Santa Barbara
 - Mr. Rita Bright, ANEC Environment & Infrastructure, Inc.
 - Mr. Nick Heisinger, ANEC Environment & Infrastructure, Inc.
 - Mr. Kevin Springer, Shell Western Exploration & Production Company
 - Mr. Keith Kidwell, Shell Western Exploration & Production Company
 - Mr. & Mrs. George Gordon, Gordon Sands Company

The Environmental Review Hearing began with Mr. Young providing a power point presentation that described the proposed Project, potential environmental impacts, and the California Environmental Quality Act (CEQA) public review process. Mr. Young described that the intent of the Environmental Review Hearing is to allow the public opportunity to comment on the environmental impacts provided within the SEIR. The deadline for submitting written comments on the SEIR is 22 June 2014. Mr. Young further described that the proper forum for input as to whether the proposed Project should be approved to the Planning Commission Hearing tentatively scheduled for September 2014.

The presentation highlighted the key elements of the proposed Project:

- Location of the proposed Project (Rancho Guadalupe Dunes County Park)
- Four gravel remediation areas included in the Project area: Upper Area, Road Site, Site D, and Site 2
- Proposed Project would (1) revise Permit Condition #51; (2) leave the remnant gravel in place; and (3) result in the Applicant providing in-lieu fees to Santa Barbara County for the purchase of coastal property in Northern Santa Barbara County to be used for recreation and open space
- Alternatives to the proposed Project were analyzed including a Partial Gravel Removal (portion of the Road Site and Site D) and a No-Action Alternative (removal of all gravel in compliance with Permit Condition #31)

Comment Response 4-3: Comment noted. The location of the remnant gravel within the Project Site is based on the 2010 AECOM report, which relies on soil borings (2002-2003) and surface visual assessments (2010) conducted within Site D, Site 2, the Road Site, and the Upper Area. Original drawings of the Gordon Sand Company process plant show a 20-foot wide sand road between West Main Street and the 20-foot wide sand road accessing the sand pit. The grid for soil boring at the Upper Area in the 2010 AECOM report covers the area just west of (and up the hill from) the Gordon Sand Company process plant. This grid also includes the area historically used by Gordon Sand Company as a "rock spoil" area (southeast of the access road) and the access road itself. Aerial photographs from 1977 and 1981 (pre-dating the Site D construction) show that this rock spoil area was mostly in place by the time the gravel access road was built in 1985, though the 1985 aerial photograph seems to indicate that more material was pushed out over a portion of this area during this period of time (AECOM 2010). Substantial gravel occurs at the surface over most of the grid area and at depth mainly along the south edge of the rock spoil area. Given the past uses and development history of this area as indicated by the aerial photographs (e.g., previous industrial uses and use of the Rancho Guadalupe Dunes County Park as a movie set), AECOM (2010) could not determine the origin of the deeper gravel material in this location (AECOM 2010). Nevertheless, implementation of the Proposed Project would not affect the reclamation responsibilities of the Gordon Sand Company outlined in the Gordon Sand Final Reclamation Plan (1993) (see Comment Response 4-4, below).

Comment Response 4-4: Comment noted. With regard comments associated with wind-blown gravels and cobbles please see Comment Response 5-1a. Using the Bagnold (1941) equation for entrainment of particles by wind, it was found that a 0.025 cm diameter particle has a theoretical critical shear velocity of approximately 5.15 miles per hour (Beckstrand 1998). Other publications estimate the actual threshold wind velocity for sand at approximately 14 miles per hour (Worley Parsons 2010; Tsoar 2004). Using the Bagnold equation, it follows that in order to transport a six inch diameter cobble winds in excess of 120 miles per hour would be required.

- Potential impacts resulting from the proposed Project were found for aesthetics and visual resources and recreation, which would be less than significant after mitigation, as well as biological resources, which would be less than significant (other issue areas were analyzed as required by CEQA but the proposed Project would not result in measurable adverse impacts)

- The mitigation measure offsetting potentially significant adverse impacts to aesthetics and visual resources and recreation would include the provision of subgrant funds by the Applicant for purchase of road property in Northern Santa Barbara County at a ratio of no less than 5:1

Following the conclusion of the presentation Mr. Young opened the floor to public comments. Mr. Young also indicated that written public comments could be sent to the County but would need to be received prior to the close of public comment on 22 June 2014. Mr. and Mrs. George Gordon were the only members of the public in attendance. As representatives for the Applicant (Shell Western Exploration & Production Company) did not provide comments, the summary of comments below is limited to those provided by Mr. George Gordon, Gordon Sands Company.

3.1. Mitigation Ratio

Mr. Gordon asked for more detail regarding the 3:1 mitigation ratio for the area impacted by remnant gravel. Mr. Erin Brigg described that 20 acres of area are impacted by remnant gravel and that the mitigation would require the Applicant to set aside funds sufficient to purchase a minimum of 60 acres of coastal property to offset impacts to the Project area. Mr. Gordon asked for more detail regarding the dollar amount, but Mr. Brigg explained that 40 land sales are uncommon in this area it is difficult to estimate a value.

Gravel and Cleanup Responsibility at Gordon Sands Company Property

Mr. Gordon indicated that while the presentation described the gravel as located adjacent to the Gordon Sands Company property, there is remnant gravel covering approximately half of the currently exposed sand mine. Mr. Young acknowledged Mr. Gordon's comment and relinquished a figure from the DSEIR that demonstrates the location of the remnant gravel in relation to the sand mine. Mr. Gordon indicated that there were some soil borings done in the 1990s that show the north Gordon Sands Company property line has 9 - 4 feet of gravel on approximately 40 percent of the open pit. Mr. Gordon described that these borings were included in the 2010 AECOM report. Mr. Brigg and Mr. Young confirmed that the 2010 AECOM report was cited in the DSEIR, and that the location of the gravel is accurately described in the document.

Further, Mr. Gordon asserted a the portion of the gravel road that has not been included in the original borings (i.e., the last 500 feet of the road as it comes to the dunes gate and waste tank on Gordon Sands Company Property) has not been addressed in the DSEIR. The road, including the staging area and the road up to the dune gate, encompasses approximately 31,000 square feet that was not captured in the soil borings conducted in the 1990s. Mr. Gordon pointed to this area between the Upper Area and West Main Street. Mr. Gordon described that there must be an assumption that this road is suitable to Gordon Sands Company. While Mr. Gordon conceded that that is a logical assumption, he indicated that it was never discussed with Gordon Sands Company. Mr. Gordon went on to describe that this area is characterized by cobbles up to 6 inches in diameter. Mr. Gordon also indicated that Ten Commodities Hill is moving islands and 5-10 feet of the Hill has been pushed westward.

Mr. Gordon indicated he has concerns associated with the gravel and cobbles that are wind-blown from Site D into the sand mine, which Mr. Gordon described as happening on an ongoing basis. Gordon Sands Company has a requirement with the California Conservation Division to clean-up their day road and open pit when they are done mining. Mr. Gordon described that Gordon Sands Company meet this

Comment Response 4-4 (cont.): Even gravel three inches in diameter would require wind gusts in excess of 50 miles per hour. Realistically, threshold wind velocity might be even greater than these theoretical calculations. As winds of these velocities are rare at Rancho Guadalupe Dunes County Park, the evidence does not support a conclusion that cobbles from the Husky Oil operations have blown over from Site D into the Gordon Sand Company sand mine. Further, as the prevailing winds at the Project Site are from the west-northwest (Western Regional Climate Center [WRCC] 2002), any such aeolian processes would transport gravel or cobbles to the southwest from Site D into the Gordon Sand Company mine. In order for materials to be transported in this direction a prevailing northeast wind would be required.

Nevertheless, Gordon Sand Company would not be responsible for the reclamation of remnant gravel retained under the Proposed Project. As stated in Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal." Therefore, Gordon Sand Company would not be burdened by separating remnant gravel from the overlying clay access road, for which the company is responsible.

Comment Response 4-5: Comment noted. Refer to Comment Response 4-4.

Comment Response 4-6: Comment noted. Refer to Comment Response 4-4.

Comment Response 4-7: Comment noted. The volume estimate within the 2010 AECOM report only accounts for the areas at the Project Site that are "substantially" impacted by remnant gravels (e.g., Site D and the eastern portion of the Road Site). The Draft SEIR conservatively captures all sand affected by remnant gravel and therefore results in a larger volume estimate.

requirement without handling a lot of the remnant gravel and cobbles. Additionally, Mr. Gordon described that Gordon Sands Company has to post a bond for the estimated total cost of reclamation. Mr. Gordon asserted that if the remnant gravel is going to be left under the proposed Project then Gordon Sands Company has to account for that in the bond.

Mr. Gordon described that the clean-up job in the Project area was quoted as 2.7 million dollars 4 years ago, after Gordon Sands Company piloted the operation for Shell Oil Company. The bid for clean-up costs which didn't include permit, legal, or contractor also did not include the material for interceptors (e.g., consent for opening into the pipeline system, sound enclosures, etc.). Interruption would cost between \$100,000 and \$500,000. Mr. Gordon indicated that the auction rate in the mining had been around \$5 per cubic yard, which should be added to the original bid. Mr. Gordon estimated that the current value to clean-up the Project area ranges between 4.7 and 5.07 million, of which a significant amount would fall on Gordon Sand Company since the company is not allowed to put gravel in the mine, only clay (e.g., clay road). Mr. Gordon described that cleaning the remnant gravel, including road, and staging areas/road by the wet plant would be an enormous cost, more than 1 million dollars. Mr. Gordon posed the question, who would compensate Gordon Sands Company for the clean-up of remnant gravel within Gordon Sands Company property following the approval of the proposed Project.

Mr. Ernie Briggs indicated that the concern associated with the gravel is real. If Gordon Sands Company was to fold up its operation, the County of Santa Barbara would not hold them accountable for the gravel, only the clay road and open mine. Mr. Gordon asked how would Gordon Sands Company separate the clay road and the gravel to which Mr. Briggs responded that the County and Gordon Sands Company would have to further discuss. Mr. Gordon indicated that his liability would be within the approval year, as the company has to fund the reclamation bond by anticipating the cost to close the facility in accordance with its permit. Mr. Gordon asserted that if Gordon Sands Company were responsible for cost of removing gravel from clay, then the company would have to identify and report there additional costs and fixed bond. Mr. Briggs indicated that he didn't think that the proposed Project would increase the clean-up cost for Gordon Sands Company as the company would not become responsible for anything more than it is currently. Mr. Briggs indicated that the responsibility of Gordon Sands Company is to reclaim the Gordon Sands Company property, not what Shell Oil Company would be leaving behind. Mr. Gordon indicated that Gordon Sands Company could not clean-up what the company is responsible for without removing the gravel from its spoil. Mr. Gordon indicated that the California Conservation Division requirements allow for the company's clay road to go into the pit but there is no provision allowing for the remnant gravel in the pit. Mr. Ernie Briggs asked Mr. Gordon to submit a written comment letter detailing his thoughts on these issues.

Volume

Mr. Gordon asked why the County is estimating 293,752 cubic yards (cy) as the volume of sand removal, while AECOM estimates the volume at 84,595 cy. Mr. Young indicated that AECOM did not estimate removal of all sand contaminated by gravel; rather, it was more of a hybrid, in the DSEIR, the County conservatively looked at removing all sand that was contaminated by gravel. Mr. Young pointed Mr. Gordon to a figure in the DSEIR, and included in the presentation, indicating the volume of sand by site.

Closure Comments

Mr. Gordon realizes that this is an environmental hearing but would like to see these comments addressed in the Final SEIR.

June 23, 2014

Written Comments Prepared by George Gordon on behalf of Gordon Sand Company regarding the Draft Supplemental Environmental Impact Report (SEIR) for the Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project.

The Guadalupe mining site, owned by the Gordon Sand Company, extends from the "mean high tide line" some three quarters of a mile into the high dunes. The active mine extends over approximately one thousand linear feet of this deposit. The mining strategy is a combination of original extraction and harvesting the natural wind driven production.

The Guadalupe Dunes are a unique and natural concentration of igneous quartz sand aggregate. The ocean currents and surf, over hundreds of thousands of years, have received the original igneous discharge from the volcanic eruptions of the coastal mountains. This volcanic discharge has been naturally processed in the ocean currents and surf. This surf process effectively wears down the other conglomerate rock portion into silt and concentrates the harder quartz particles over time. By this natural surf powered attrition and hydraulic classification the quartz particles are further rounded, sized and eventually brought ashore by the surf and wind. This primary sand product is then some 95% quartz by weight and shaped uniquely from sub-round to sub-angular and sized from US #12 (1.7 mm) to US #40 (0.106 mm). It is the quartz size, strength of particle and rounded shape that make this source so important.

This igneous quartz sand concentrates along the west coast in bays south of San Francisco Bay. Although there are numerous bays and dune surpluses, there are only two active deposits of this natural product remaining in CA. At Guadalupe we partner, typically wash, dry and grade this unique product into various grades for many industrial and recreational uses.

In addition to various construction uses, the California Air Resources Board (CARB) has approved three primary grades of the Guadalupe Plant production for "open abrasive blasting" state wide for over thirty years. The Guadalupe deposit is used as an aggregate in emergency paving repairs all over CA, initially as an antiskid and abrasion resistant additive on aircraft carriers and other equipment, again due to the hardness and rounded shape which is used in conjunction with epoxy to produce strong and fast curing emergency repairs that will do the job under difficult circumstances.

The Guadalupe deposit is the major producer of pipelining sand grades, indirectly for the Metropolitan Water District and other water carriers in So Cal and soon, indirectly, by the San Francisco PUC Hatch Project. At the Guadalupe Plant we have been anticipating the Husky/Shell clean up to restart our Filter Sand grades which were used typically by municipal water plants and agricultural water processing. Again, due to the hardness, rounded shape and, in these applications, minimal organic presence in the Guadalupe Plant quartz sand products.

As recreational products, our Guadalupe Plant serves twenty-two of some thirty-two golf courses in Santa Barbara and San Luis Obispo counties. The hygroscopic character of the quartz sand retains irrigation water and keeps the soil loose. Guadalupe also regularly serves golf courses in San Benito,

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Comment Response 5-1a: Comment noted. Sand dunes, like those found at Rancho Guadalupe Dunes County Park, form when there is (1) a ready supply of sand, (2) a steady wind, and (3) some kind of obstacle such as vegetation, rocks, or fences, to trap some of the sand. Sand dunes form when moving air slows down on the downwind side of an obstacle. The sand grains drop out and form a mound that becomes a dune (Nelson 2003). Using the Bagnold (1941) equation for entrainment of particles by wind, it was found that a 0.025 cm diameter particle has a theoretical critical shear velocity of approximately 5.15 miles per hour (Beckstrand 1998). Other publications estimate the actual threshold wind velocity for sand at approximately 14 miles per hour (Worley Parsons 2010; Tsoar 2004). Using the Bagnold equation, it follows that in order to transport a six inch diameter cobble winds in excess of 120 miles per hour would be required. Even gravel three inches in diameter would require wind gusts in excess of 50 miles per hour. Realistically, the requisite threshold wind velocity might be even greater than these theoretical calculations. As winds of these velocities are uncommon at Rancho Guadalupe Dunes County Park, the evidence does not support a conclusion that cobbles from the Husky Oil operations have blown over 500 feet from Site D into the Gordon Sand Company sand mine. Further, as the prevailing winds at the Project Site are from the west-northwest (WRCC 2002), it is unlikely that aeolian processes are transporting gravel or cobbles to the southwest from Site D into the Gordon Sand Company mine. In order for materials to be transported in this direction a prevailing northeast wind would be required.

Review of County aerial photographs of the Project Site reveal movement of gravel at Site 2 is from east to west, against the prevailing wind direction, tracking the movement of the sand pit on Gordon Sand Company property. Remnant gravel at Project Site is slowly becoming exposed as a result of a process known as deflation. Deflation is the lowering of the land surface due to removal of fine-grained particles by the wind. Deflation concentrates the coarser grained particles at the surface, eventually resulting in a surface composed only of the coarser grained fragments that cannot be transported by the wind. After the gravels are exposed at the Project Site, additional unrelated disturbances (e.g., from heavy equipment) could be responsible

Comment Response 5-1a (cont.): for the movement of gravel. Gravel at Site 2, including remnant gravel within the Gordon Sand Company sand pit has likely been further distributed by the movement and operation of heavy equipment in this area, including the use of an alternative access route to the sand pit beginning prior to April 1993.

Comment Response 5-1b: Comment noted. Please refer to Comment Response 4-3. The Upper Area analyzed in the Draft SEIR includes the "rock spoil." Aerial photographs from 1977 and 1981 (pre-dating the Site D construction) show that this rock spoil area was mostly in place by the time the gravel access road was built in 1985, though the 1985 aerial photograph seems to indicate that more material was pushed out over a portion of this area during this period of time (AECOM 2010). Given the buildup history of this area as indicated by the aerial photographs (e.g., previous industrial uses and use of the Rancho Guadalupe Dunes County Park as a movie set), AECOM (2010) could not determine the origin of the deeper gravel material in this location (AECOM 2010).

Comment Response 5-1c: Comment noted. Please refer to Comment Response 4-4. The location of the remnant gravel within the Project Site is based on the 2010 AECOM report, which relies on soil borings (2002-2003) and surface visual assessments (2010) conducted within Site D, Site 2, the Road Site, and the Upper Area. Gordon Sand Company would not be responsible for the reclamation of remnant gravel retained under the Proposed Project. Further, as stated in Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal." Therefore, Gordon Sand Company would not be burdened by separating remnant gravel from the overlying clay access road, for which the company is responsible.

Comment Response 5-1d: Comment noted. As described in the Draft SEIR site assessments were conducted and confirmed that no

from and Ventura counties. The Guadalupe plant produces volleyball sand replicating the more famous volleyball sand of Santa Monica Bay which is not otherwise available. Recent volleyball courts at UC Santa Barbara, Cal Poly San Luis Obispo as well as numerous public and private courts have sourced this product. Guadalupe produces several sizes of Turf Sand for game fields and equestrian uses. The common denominator in these recreation products is the unique hardness of quartz, the rounded shape to avoid "packing" and hygroscopic characteristics, [water retention] of this rare and active deposit.

The introduction of manufactured gravel and cobbles into the Guadalupe Dunes adjacent to and on the Guadalupe Plant property, easement and land leased from Marretti & Mine (r) Ranch Co. and the County of Santa Barbara, has been an economic burden and a major production problem to the Gordon Sand Co. as well as blighting our property and the beautiful Guadalupe Dunes, from a visual viewpoint. There was no identifiable native gravel and/or cobbles in the Dunes.

First, contrary to what has been stated, it was not just "gravel" that was brought into the dunes by Husky Oil. Gravel is typically considered as rock between the sizes of 1/8" (3.1750 mm) x 3/4" (19.0500 mm) and is usually "manufactured", produced mechanically by "crushing" larger sized rock resulting in an angular aggregate. Additionally "cobblis" came in as part of what looked like unprocessed "river bottom" natural aggregate. Cobbles are typically sized from 2" (50.8000 mm) to 8" (203.2000 mm) and sub round to sub angular, not mechanically crushed.

- a. The remaining cobbles from the Husky Oil operation range from 2" (50.8000 mm) to 6" (152.4000 mm). As incredible as it sounds, these cobbles were both missed by the earlier attempted cleanup effort and are "blowing" some five hundred feet (500') across the dunes from Site D into the Gordon Sand Co. mine. A random gathering of these cobbles from our mine was displayed by GSCO at the "scoping" meeting at the Guadalupe City Hall.
- b. Additionally 3/8" (9.5250 mm) aggregate, resulting from the Husky Oil processing, has been both deposited on Gordon Sand Co. property, the easement and stacked adjacent to Gordon Sand Co. property, also adding to windblown contamination to the mine and easement.
- c. Heavy gravel, probably 3" x 1 1/2", some 6" thick with another 6" to 12" of treated sand below the gravel, was brought in by Husky Oil to build a road from West Main Street, parallel and/or over Gordon Sand Co.'s "dry" road, on the leased by GSCO, Marretti & Mine(r) Ranch Co. land, up onto the leased by GSCO County of Santa Barbara land, to the back side of the "Ten Commandments" dune. To and at that location Husky Oil built a large "staging area" and road with the heavy gravel, this road and staging area remains in place. (To the best of GSCO's knowledge) Under the Gordon Sand Co. State Department of Conservation / SHARPA Reclamation Plan, if not addressed under the Husky Oil CUP, will apparently become a clean-up liability of GSCO upon termination of GSCO operations and will be required for GSCO to fund financially now!
- d. An area of dried oil or asphalt is exposed mid way on the Husky Oil road coming off the Ten C Dune and entering the vegetated on the northeast side. This area, to the best of my knowledge,

Comment Response 5-1d (cont.): hazardous levels of any materials were present in the soils or in the groundwater (Binder 1993). These assessments and a Remedial Action Plan (RAP) to remove crude impacted soils within the fenced area were forwarded to the County Environmental Health Department and to the Regional Water Quality Control Board (RWQCB). Upon review of these findings, these agencies deferred oversight to the County Petroleum Department, which approved the RAP in July 1992.

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(cont.)

has not been publicly addressed by Husky Shell or the EIA although it has been pointed out several times.

Gravel and some cobbles, from the Husky Oil road, parallel to the GSCO clay road, have migrated along both sides of the two roads, into the vegetation and into large deposits of gravel and cobble contaminated on both sides of the road. From time to time, depending on wind and seasonal conditions, these contaminated piles are partially covered and uncovered. On the less side of "Tan Contaminants" down the contamination extends several hundred feet toward Santa Maria and on the opposite side, over a hundred feet down the face of "Ten C" and visible from west Main Street in the Guadalupe Duner Park.

When the gravel began showing up in GSCO's feed stock we had to install a scraping machine on top of the Dry Plant, maintain it and screens feed to remove the + US #12 gravel which was not native to the Dunas.

When the cobbles and heavy gravel began coming through the Wet Plant, our feeders and conveying equipment began to "plug up". After constant feed problems and the related down time, we bought and set up a portable scraping machine and stacker in front of the Wet Plant to remove + 3mm gravel and cobbles from our mine feed stock before it entered our Wet Plant

After the Husky/Shell unsuccessful attempt to screen out the gravel and cobbles Shell consulted with GSCO. Thereafter Shell funded and GSCO set up a pilot plant for both Shell and GSCO to demonstrate and evaluate both "dry" Ultra high frequency screening and "wet" UHF screening. The "pilot" operation ran for some thirty days, successfully demonstrating the optimal results of dry and wet processing and that wet processing was the most effective and economical. At the request of Shell, GSCO quoted the then "wet" UHF operation to AECOM, a Shell selected contractor at \$2,727,725-\$6 dated 12/31/2010. This quote did not include costs for AECOM oversight, potential environmental and regulatory permitting, delays, etc.

The additional costs to the Guadalupe quartz sand products to handle the gravel and cobble contaminated were/are substantial and are a financial burden upon the Guadalupe mine products in at least the following respects:

3. Capital costs for the purchase, installation operation and maintenance of two separate gravel and cobble scraping operations.
2. Operating costs for handling, containing and removal transportation of the gravel and cobbles from our facilities.
3. Future operating costs related to greater transportation costs and disposal costs if/as GSCO has to go farther than local users and has to pay a disposal cost for the gravel and cobbles from our facilities.
4. Administrative costs and governmental fees to revise GSCO's state Department of Conservation and State Reclamation Plan to account for the Husky Oil gravel and cobble contamination.
5. The further potential costs of consultants, legal counsel, probable testing and mitigation of the gravel contamination or economically justified environmental tradeoffs.

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Comment Response 5-1e: Comment noted. Refer to Comment Response 4-3 and Comment Response 4-4. The location of the remnant gravel within the Project Site is based on the 2010 AECOM report, which relies on soil borings (2002-2003) and surface visual assessments (2010) conducted within Site D, Site 2, the Road Site, and the Upper Area. Gordon Sand Company would not be responsible for the reclamation of remnant gravel retained under the Proposed Project. Further, as stated in Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal." Therefore, Gordon Sand Company would not be burdened by separating remnant gravel from the overlying clay access road, for which the company is responsible.

Comment Response 5-2: Comment noted. Operations associated with the Gordon Sand Company adjacent to the Project Site would not be different from those as described after 1997, when the remaining Husky Oil features were removed. The evidence does not support a conclusion that the large gravels would move substantially as a result of entrainment by wind (refer to Comment Response 5-1a). Consequently, there is no basis to conclude that future operations costs would increase as a result of the retention of remnant gravels under the Proposed Project. Additionally, Gordon Sand Company would not be responsible for the reclamation of remnant gravel retained under the Proposed Project (refer to Comment Response 4-4). As stated in Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal." Therefore, Gordon Sand Company would not be burdened

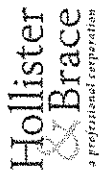
Comment Response 5-2 (cont.): by separating remnant gravel from the overlying clay access road, for which the company is responsible.

6. The loss of GSCO's operating capital to fund a revised Reclamation Plan.
7. The substantial development costs of reestablishing OSCO's filtration sand products, developmental mining, washing and QC process to evaluate the gravel and river bottom fines (US # 12) contamination now potentially in the mine, revised quality control operating procedures to assure the product going into public water supply systems and to meet NSF certification requirements, they start with the source of the product and follow every step of the way to the end.

These and probably other substantial costs will contribute to substantially increased costs of operation for the Guadalupe mine, seriously detracting from the economic viability of this mine. Then, what will we have left, a gravel and cobble contaminated piece of the previously pristine Guadalupe Dunes.

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5-2
(cont.)



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June 23, 2016

Via Email: matt.young@countinfo.org

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Re: Comment on the Draft Supplemental Environmental Impact Report (SEIR)
 Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project;
 Case Nos. 13RVP-00000-00119; 13CPH-00000-00042

Dear Mr. Young:

These comments are submitted on behalf of the Gordon Sand Company regarding the draft Supplemental Environmental Impact Report (SEIR) prepared by AMEC, Environment & Infrastructure, Inc. for the County of Santa Barbara on the Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project (Project) located in northwestern Santa Barbara County.

The Project proposes to revise Conditional Use Permit (32-CP-75[ci]) and Coastal Development Permit (06-CP-10) to allow retention of approximately 295,752 cubic yards (cy) of sand that contains remnant gravel and cobbles from an exploratory drilling project in the Rancho Guadalupe Dunes County Park. In exchange for leaving the remaining gravel and cobbles in place, the Applicant (Shell Exploration & Production, Inc.) proposes a monetary contribution (in-lieu fee) to the County for purchase of property in the County's north coastal region for public recreational or open space purposes at an acreage ratio of not less than 3:1.

Gordon Sand Company operates a commercial sand mining business adjacent to the Project Site. The mining operation has been in continuous existence since 1973. It consists of a sand screening and processing facility, access road, harvesting equipment, and sand collection pits. Gordon Sand Company submits these comments to identify key issues which have not been identified or addressed in the draft SEIR concerning the potential for the Project to result in significant impacts to the environment.

I. Background

The draft SEIR prepared for the Project overlooks several key facts which are part of the existing physical environmental setting. These facts have a direct bearing on the question of whether the Project will result in physical changes to the environment, and the potential for these physical changes to have significant environmental effects.

CEQA was enacted in 1970 by the California legislature to ensure disclosure to decision makers and the public of the significant environmental effects of proposed activities and the ways to avoid or reduce those effects by requiring implementation of feasible alternatives or mitigation measures. In order to adequately inform governmental decision makers and the public regarding the potentially significant environmental effects of the Project, the clarifications and information provided in these comments must be incorporated into the SEIR and analyzed as part of the administrative record.

II. Discussion of Existing Environmental Conditions

The following facts are part of the existing environmental setting, which must be adequately disclosed and addressed throughout the draft SEIR:

- Imported gravel remaining from the oil operation is intermixed with significant quantities of river cobbles ranging in size up to six (6) inches in diameter. (Testimony of George Gordon, Gordon Sand Company, at May 28, 2014 public hearing on draft SEIR.)
- The remnant gravel and cobbles that exist at Site D, Site 2, Road Site, and Upper Area (collectively the "Project Site") have, over the years, been distributed and abraded over and across those areas as a result of natural coastal processes, primarily the prevailing northwest wind.
- These natural coastal processes have moved remnant gravel and cobbles beyond Site D, Site 2, Road Site, and Upper Area onto property leased by Gordon Sand Company for its mining operations. (Testimony of George Gordon, Gordon Sand Company, at May 28, 2014 public hearing on draft SEIR.)

Comment Response 6-1: Comment noted. The 1982 Final EIR and the associated permit, 96-CP-010, do not specify a range of diameters for gravel used for the access road. However, while the Gordon Sand Company has provided examples of cobbles ranging in size up to six inches in diameter, the vast majority of gravel on-site (i.e., greater than 95 percent), including surface gravels observed during the site visit, are less than three inches in diameter as shown in Section 3.1, *Aesthetics and Visual Resources*. Additionally, Permit Condition #31 applies to all introduced materials including gravel and/or cobbles.

Comment Response 6-2: Comment noted. Please refer to Comment Response 5-1a. Remnant gravel at the Project Site is slowly becoming exposed as a result of a process known as deflation. Deflation is the lowering of the land surface due to removal of fine-grained particles by the wind. Deflation concentrates the coarser grained particles at the surface, eventually resulting in a surface composed only of the coarser grained fragments that cannot be transported by the wind (Nelson 2003). As described in Comment Response 5-1a, the threshold wind velocity for sand is between approximately five miles per hour and 14 miles per hour. Due to the large threshold wind velocity necessary to transport larger gravel, the evidence does not support a conclusion that remnant gravel from Husky Oil operations have been transported substantial distances by natural processes such as wind entrainment. Further, the prevailing west-northwest wind (WRCC 2002) would not explain the movement of gravel from Site D to the southwest into the Gordon Sand Company sand mine. In order for materials to be transported in this direction a prevailing northeast wind would be required. Instead it is likely that these gravels have been disturbed by other operations adjacent to and within the Project Site, such as the mining operation.

Comment Response 6-3: Comment noted. Please refer to Comment Response 4-2 and Comment Response 5-1a.

- Under existing conditions, remnant gravel and cobbles cover approximately 40%-50% of Gordon Sand's exposed sand pit, intermixed at depths of 6-4 feet. (Testimony of George Gordon, Gordon Sand Company, at May 28, 2014 public hearing on draft SEIR.)
- Under existing conditions, remnant gravel and cobbles cover approximately 90%-100% of the road that Gordon Sand uses to access its sand pit. (Testimony of George Gordon, Gordon Sand Company, at May 28, 2014 public hearing on draft SEIR.)
- The prevailing northwest wind is an ongoing and perpetual coastal process that will continue to move remnant gravel and cobbles from the Project Site onto property owned and leased by Gordon Sand Company for its mining operation, including its sand pit and access road.

In the event the Project is approved, and remnant gravel and cobbles are not eliminated from the Project Site, these materials will be distributed and disbursed onto property owned and leased by Gordon Sand Company for its mining operation – most importantly its sand pit and the road it uses to access its sand pit. As a consequence, the proposed Project will result in a physical change to the existing environment – a change which has not been identified or discussed in the draft SEIR. Notably, this physical change would not exist under the No Project Alternative, since pursuant to Permit Condition #31 of 82-CP-73(c), the applicant would be required to remove all remnant gravel and cobbles from the Project Site.

iii. **Potentially Significant Impacts to Coastal Resources and Mineral Resources**

At the May 28, 2014 public hearing on the draft SEIR, George Gordon of Gordon Sand Company provided testimony regarding the following facts:

- The disposal of remnant gravel and cobble materials onto Gordon Sand's property has forced Gordon Sand to install "scalping" machines necessary to remove non-native materials from the sand its extracts. Without these "scalping" machines, it would be impossible for Gordon Sand to continue its mining operations.
- A portable "scalping" unit has been installed on the front end of Gordon Sand's wet plant to screen out gravel pieces and cobbles over 1 inch in diameter. Another "scalping" unit has been installed on top of Gordon Sand's dry plant to screen out all non-native materials greater in size than U.S. No. 12. (Note - U.S. No. 12 and smaller is the size native sand grain required for Gordon Sand to meet its production requirements.)

Comment Response 6-4: Comment noted. Within the area of the Gordon Sand Company sand pit that is disturbed by gravel, gravels occur primarily at the surface, between two to eight inches. However, a substantial area of gravel occurs within the pit at depths up to four feet below ground level. Please see the diagram showing the location and depth of remnant gravel within the sand pit (AECOM 2010), which has been included in Section F.5, *Attachments*.

Comment Response 6-5: Comment noted. Please refer to Comment Response 4-2. The location of the remnant gravel, as described in the 2010 AECOM report is shown in Chapter 2, *Description of Proposed Project and Alternatives*.

Comment Response 6-6: Comment noted. Refer to Comment Response 5-1a. Further, as described in Comment Response 4-4, Gordon Sand Company would not be responsible for the reclamation of remnant gravels retained under the Proposed Project.

Comment Response 6-7: Comment noted. The evidence does not support a conclusion that the gravels would move substantially as a result of entrainment by wind (refer to Comment Response 5-1a). Additionally, Gordon Sand Company would not be responsible for the reclamation of remnant gravel retained under the Proposed Project (refer to Comment Response 4-4). As stated in Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal." Therefore, Gordon Sand Company would not be burdened by separating remnant gravel from the overlying clay access road, for which the company is responsible. Additional analysis reflecting Comment Response 5-1a has been included in Section 3.11.5, *Mineral Resources* to describe potential adverse but less than significant impacts to adjacent sand mining operations (see Comment Response 6-9).

- The "scalping" units are expensive to purchase, operate and maintain. They add significantly to Gordon Sand's overall capital, operating and maintenance costs. The added cost and financial burden of having to "scalp" non-native gravel and cobbles remaining from the oil operation effectively shortens the economic life of the sand mining project.
- The road that Gordon Sand Company uses to access its sand pit has a road-base material derived from native clay washed from the mined Guadalupe sand. As part of Gordon Sand Company's approved mining reclamation plan and CUP, the native clay road-base must be removed and disposed of in the sand pit when mining operations are complete.
- The reclamation plan and CUP do not authorize disposal of gravel and cobbles remnant from the oil operation in the sand pit together with the native clay road-base. Thus, if the Project is approved, and remnant gravel and cobbles are allowed to persist at the Project Site, someone will have to separate the remnant gravel and cobble materials from the native clay and sand, prior to disposal in the sand pit.
- Separation of the remnant gravel and cobble materials from the native clay and sand prior to disposal in the sand pit could add millions of dollars to Gordon Sand Company's overall reclamation costs. This will have both immediate and long-term economic effects, first by increasing the financial assurance requirements Gordon Sand must meet on an ongoing basis to continue operating under its existing CUP, and second by effectively shortening the economic life of the mining operation.

A. Coastal Resources

The Gordon Sand Company's mining operation is a coastal-dependent development and use. The California Coastal Act defines "coastal-dependent development or use" to mean "any development or use which requires a site on, or adjacent to, the sea to be able to function at all." (Public Resources Code § 30101.) Examples of coastal-dependent developments and uses may include aquaculture, commercial fishing facilities, ports, marine terminals, and development of oil and gas reserves located offshore or in the coastal zone. Other types of industrial uses, such as mineral extraction operations which are dependent on resources located within the coastal zone, are coastal dependent under circumstances in which the development requires a site on, or adjacent to, the sea to be able to function at all.

Gordon Sand Company extracts sand from the Guadalupe Dunes. This is a unique and commercially valuable natural resource which exists only in the coastal zone. There are only two such sand mining operations located in the State of California, the other one located in Marina, Monterey County. Gordon Sand Company's operation could not exist without its sand pit and access road located in the Guadalupe Dunes, on or adjacent to the sea.

8. Mineral Resources

The California State legislature has found and declared that the state's mineral resources are vital, finite, and important natural resources, and the production and development of mineral resources at the local level helps to maintain a strong economy, are necessary to build the state's infrastructure, and are vital to reducing transportation emissions that result from the distribution of hundreds of millions of tons of construction aggregates used annually in building and maintaining the state. (See Public Resources Code § 27110) and (f) - Legislative declarations accompanying the Surface Mining and Reclamation Act of 1975.)

As such, CEQA requires lead agencies to consider the potential effects that a proposed project will have on local mineral resources. According to CEQA Guidelines Appendix G, a project will be found to have a significant impact on mineral resources if the project:

- a) Results in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state, or
- b) Results in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan." (SEIR Section 3.1.1.5.)

The Conservation Element of the County's Comprehensive Plan delineates the Guadalupe Dunes as an important, known mineral resource site. (See County-Wide Mineral Resources Map.) The Conservation Element further states: "In the Santa Maria-Strutt area, Guadalupe Dune Sand is used for sandblasting and foundry sand." (Conservation Element, p. 161.) Despite the County's identification of this known mineral resource in its Comprehensive Plan, the draft SEIR fails to consider the effect that the Project will have on it. Instead, the SEIR summarily concludes that the Project would not result in the loss of availability of a known mineral resource.

The SEIR first needs to identify the physical change in the environment which will result from the Project, namely that natural coastal processes will disburse and deposit remnant gravel and cobbles in areas generally downwind of the Project Site. The SEIR then needs to consider the effect that these physical changes will have on a known mineral resource -- a resource of value to the region and the residents of the State -- a resource which the County has delineated on its local general plan.

For the reasons described above, based on testimony provided by George Gordon at the May 28, 2014 public hearing, a fair argument exists that physical changes resulting from the proposed Project will interfere with the long-term economic efficiency of the mining operation, by adding significantly to capital, operating, and maintenance costs, in addition to future reclamation costs. These additional financial burdens effectively shorten the economic life of

Comment Response 6-9: Comment noted. Please see Comment Response 5-1a and 6-8. Additional information has been added to Section 3.1.1.5, *Mineral Resources* recognizing that the Conservation Element of the County's Comprehensive Plan delineates the Guadalupe Dunes as an important known mineral site. However, as described in Comment Response 5-1a, an analysis of coastal processes at Rancho Guadalupe Dunes County Park has demonstrated that aeolian transport is not responsible for the movement of remnant gravel at the Project Site. Due to the large critical wind threshold for movement of gravels, the evidence does not support a conclusion that the remnant gravels would move substantially as a result of entrainment by wind. Further, as the prevailing wind at Rancho Guadalupe Dunes County Park is from the northwest, it does not explain the movement of gravels from Site D to the southwest toward the Gordon Sand Company sand pit. In order for materials to be transported in this direction a prevailing northeast wind would be required. Instead a review of aerial photographs of the Project Site shows that the movement of gravel at Site 2 is from east to west, tracking the movement of the sand pit on Gordon Sand Company property and suggesting that disturbance by heavy equipment could be responsible for the movement of gravel. Consequently, any potentially adverse impacts to mineral resources as a result of the retention of remnant gravels under the Proposed Project would be less than significant. Additional analysis reflective of Comment Response 5-1a has been added to Section 3.1.1.5, *Mineral Resources* to support these findings.

Comment Response 6-10: Comment noted. Please refer to Comment Response 6-9.

Comment Response 6-11: Comment noted. Please refer to Comment Response 6-9. Further, as described in Comment Response 4-4, Gordon Sand Company would not be responsible for the reclamation of remnant gravel retained under the Proposed Project. As stated in Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal."

the mining operation, hastening the loss of a locally important known mineral resource. This in turn constitutes a significant environmental effect.

IV. The Role Economic and Social Impacts Play In Determining The Significance of Impacts
CEQA ordinarily does not require lead agencies to treat economic and social impacts of a given project as significant effects on the environment. The CEQA Guidelines state that, where appropriate, a draft EIR should contain discussion of the economic and social consequences of a proposed project; however, by themselves, such impacts "shall not be treated as significant effects on the environment." CEQA Guidelines, § 15131(a) (italics added), 15382.

However, for projects that result in physical changes to the environment, if the physical changes could cause economic and/or social consequences, the magnitude of these consequences may be relevant in determining whether the physical changes or impacts are "significant." For example, if the construction of a new freeway or rail line divides an existing community, the construction would be the physical change, but the social effect on the community would be the basis for determining that the effect would be significant. (CEQA Guidelines § 15131(d).)

A similar situation exists with regard to the proposed Project. The physical change in the environment will be the distribution and disposition of imported remnant gravel and cobbles in areas generally downstream of the Project Site, including land owned and leased by the Gordon Sand Company for its mining operations. This physical change will have an economic impact on the Gordon Sand Company's mining operation, both in the short-term and long-term. The economic impact is relevant to determining the significance of the Project's impacts to coastal and mineral resources.

The SEIR states that impacts to coastal resources should be found significant if the project would expose existing development to substantial risk of loss or damage. Similarly, the SEIR states that impacts to mineral resources should be found significant if the project results in the loss of a known, locally important mineral resource. A thorough understanding of both the short-term and long-term economic impacts of the proposed Project on Gordon Sand Company's mining operation is essential to an adequate record supporting a determination of significance regarding the level of impacts to these resources.

V. Uncertainty of The Proposed Mitigation Measure

The draft SEIR identifies Class II impacts to aesthetic and visual resources, and to recreational resources. The SEIR proposes mitigation whereby the applicant is to provide an in-lieu fee to the County for the purpose of purchasing property for public recreational or open space purposes at a ratio of not less than 3:1. Because the proposed Project has an 18.9 acre

6-11
(cont.)

6-12

6-13

Comment Response 6-11 (cont.): Therefore, Gordon Sand Company would not be burdened by separating remnant gravel from the overlying clay access road, for which the company is responsible.

Comment Response 6-12: Comment noted. Please refer to Comment Response 6-8 and Comment Response 6-9. Additionally, as described in Comment Response 4-4, Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) states that "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal." Consequently, Gordon Sand Company would not be burdened by separating remnant gravel from the overlying clay access road, for which the company is responsible.

Comment Response 6-13: Comment noted. Please refer to Comment Response 6-8 and Comment Response 6-9. Additionally, as described in Comment Response 4-4, Item 1(d) within the Gordon Sand Final Reclamation Plan (1993) states that "clay, silt, or rock materials removed from the access road and processing plant during reclamation would be placed into the sand pit for disposal." Consequently, Gordon Sand Company would not be burdened by separating remnant gravel from the overlying clay access road, for which the company is responsible.

footprint, 3:1 mitigation equates to a minimum land purchase of 56.7 acres. The mitigation ratio could potentially be greater based on property availability and quality. The property purchased must be designated and preserved for recreational and open space use. The optimal property will be located within the north coastal region of the County, in the vicinity of the Project Site, characterized by similar dune habitat and substantial scenic value, and be suitable for passive recreational or open space uses by the public. The Applicant will be required to provide the in-lieu fee to the County prior to issuance of a Coastal Development Permit (13CDH-00000-00042). The amount of the in-lieu fee is not stated; nevertheless, the conclusion drawn is that, in addition to offsetting recreational impacts, the in-lieu fee will result in additional indirect benefits to aesthetics, geological resources, and biological resources.

In its current form, the draft SEIR's in-lieu fee mitigation proposal is too uncertain and speculative to support a finding by the lead agency that the Project's identified Class II impacts will be mitigated to levels that are less than significant. Without identification of specific parcels or tracts of land which meet the mitigation measure's minimum requirements, there is no way for decision makers or the public to know that such land exists, is available for purchase, and can be acquired at a reasonable price. The land must be a minimum of 56.7 acres in size, and be suitable for recreational and open space use. In addition, the land must meet minimum requirements for location, habitat, and scenic value. Until such a tract or tracts are identified, decision makers and the public can only speculate as to their existence, availability for purchase, and price. Tracts of lesser quality but greater acreage may be substituted, but again there is no certainty as to existence, availability or price.

In *Anderson First Condition v. City of Anderson* (3d Dist. 2005) 130 Cal App4th 1173 (*Anderson*), the Third District Court of Appeal concluded that an EIR's analysis of cumulative traffic conditions was inadequate because the "fair share" mitigation fee proposed by the city to pay for certain traffic mitigation improvements was too uncertain to be relied upon as a basis for concluding that significant effects would not occur.

In *Anderson*, the EIR proposed, among other things, improvements to a highway interchange to alleviate cumulative traffic conditions, concluding that the traffic impacts would not be significant because the proposed mitigation measure would be implemented. The city imposed a "fair share" mitigation fee to pay for the improvements. The court found the mitigation fee to be too uncertain and vague to be effective mitigation. The court held that (1) the mitigation measure had to contain enough information to be able to determine how much the project would pay towards the improvement; (2) the required traffic improvements had to be identified; and (3) the record had to show how the balance of the funds would be obtained so the agency had substantial evidence in support of its expectation that the needed improvement would, in fact, be built. All of this information was necessary to a reasonable plan of actual mitigation. Absent such information, the mitigation measure was held too speculative to be relied upon as a basis for finding impacts would be mitigated to less than significant levels. See

Comment Response 6-14: Comment noted. Please refer to Comment Response 2-2. In-lieu fees are commonly imposed as mitigation under CEQA. Whenever establishing, imposing, or increasing a fee "as a condition of approval of a development project," the local agency which it will be put (Government Code section 66001). These conditions are clearly met by the mitigation measure, which sets standards for optimum acquisition properties. It is important to distinguish that the acquisition of property for recreation and open-space use constitutes the off-site mitigation, not simply the provision of an in-lieu fee to the County. While the acquisition of property would not eliminate impacts to recreation and visual resources on-site, the regional increase in public land available for recreation and open-space uses would offset these impacts and would provide indirect benefits to geological resources and biological resources. Although the exact monetary value of the in-lieu fee is not specified in the mitigation, MM REC-1 requires that the in-lieu fee be sufficient for the purchase of property at a ratio of not less than 3:1. Consequently as 18.9 acres within the Project Site are impacted by remnant gravel, the in-lieu fee would be sufficient to purchase at least 56.7 acres of property in north coastal Santa Barbara County. The County would ensure compliance with the mitigation measure through exercise of its zoning clearance and permit compliance process, or other administrative process as appropriate.

6-14

also *Endangered Habitats League v. County of Orange*, (4th Dist. 2005) 131 Cal.App.4th 777, 785.

In order to rely on the SEIR's proposed in-lieu fee approach as effective mitigation, the record must contain information which adequately demonstrates to decision makers and the public that suitable land exists, is available for purchase, and can be acquired at a reasonable price. All of this information is essential to a reasonable plan of actual mitigation. Absent such information, the mitigation proposed in the draft SEIR is too uncertain and speculative to be relied upon as a basis for finding impacts will be mitigated to less than significant levels.

VI. Conclusion

In order to adequately inform governmental decision makers and the public regarding the potentially significant environmental effects of the Project, the clarifications and information provided in these comments must be incorporated into the SEIR and analyzed as part of the administrative record.

Respectfully submitted,

HOLLISTER & BRACE
A Professional Corporation

BY: 
Peter L. Candy

PLC/frr

6-15

Comment Response 6-15: Comment noted. Refer to Comment Response 6-14. Although the exact monetary value of the in-lieu fee is not specified in the mitigation, MM REC-1 requires that the in-lieu fee be sufficient for the purchase of property at a ratio of not less than 3:1. Consequently as 18.9 acres within the Project Site are impacted by remnant gravel, the in-lieu fee would be sufficient to purchase at least 56.7 acres of property in north coastal Santa Barbara County. Prior to release of the permit modification removing Permit Condition #31, the County would ensure through the permitting process that the Applicant-provided in-lieu fee is sufficient and is used purchase an acquisition property that meets the criteria set forth in MM REC-1 to the maximum extent feasible. The permit modification would not be released prior to the property acquisition.

F.4 References

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F.5 Attachments

Area 2

Proposed Excavation Depths

Observed Snowy Plover Nest Sites

- ▲ 2003
- ▲ 2002
- ▲ 2001

Surface only ~ 2 to 8 inches

~ 4 ft depth

~ 7-10 ft depth

○ Sample site

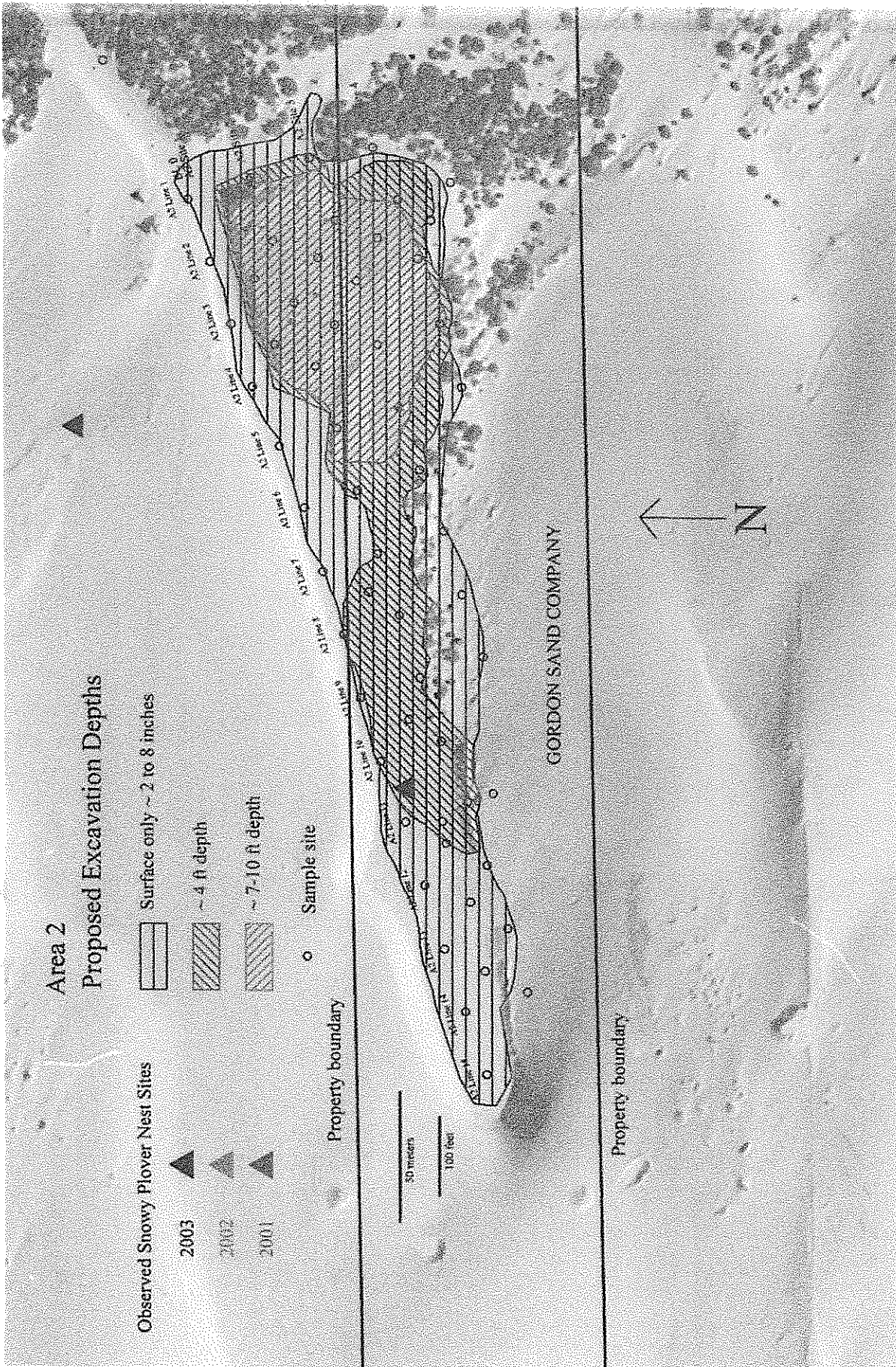
Property boundary

50 meters

100 feet

GORDON SAND COMPANY

Property boundary



and the latter is a consequence of the fact that the number of genes in a genome is not proportional to the genome size (Ohmura and Ohmura 1992). The effect of genome size on the number of genes is not understood, but it is thought that this is due to the presence of non-coding DNA in the genome (Ohmura and Ohmura 1992). The number of genes in a genome is also affected by the rate of gene duplication and loss (Ohmura and Ohmura 1992). The rate of gene duplication is thought to be higher in larger genomes (Ohmura and Ohmura 1992), and the rate of gene loss is thought to be higher in smaller genomes (Ohmura and Ohmura 1992). The effect of genome size on the number of genes is also affected by the rate of gene deletion (Ohmura and Ohmura 1992). The rate of gene deletion is thought to be higher in smaller genomes (Ohmura and Ohmura 1992). The effect of genome size on the number of genes is also affected by the rate of gene insertion (Ohmura and Ohmura 1992). The rate of gene insertion is thought to be higher in larger genomes (Ohmura and Ohmura 1992).

The effect of genome size on the number of genes is also affected by the rate of gene duplication and loss (Ohmura and Ohmura 1992). The rate of gene duplication is thought to be higher in larger genomes (Ohmura and Ohmura 1992), and the rate of gene loss is thought to be higher in smaller genomes (Ohmura and Ohmura 1992). The effect of genome size on the number of genes is also affected by the rate of gene deletion (Ohmura and Ohmura 1992). The rate of gene deletion is thought to be higher in smaller genomes (Ohmura and Ohmura 1992). The effect of genome size on the number of genes is also affected by the rate of gene insertion (Ohmura and Ohmura 1992). The rate of gene insertion is thought to be higher in larger genomes (Ohmura and Ohmura 1992).

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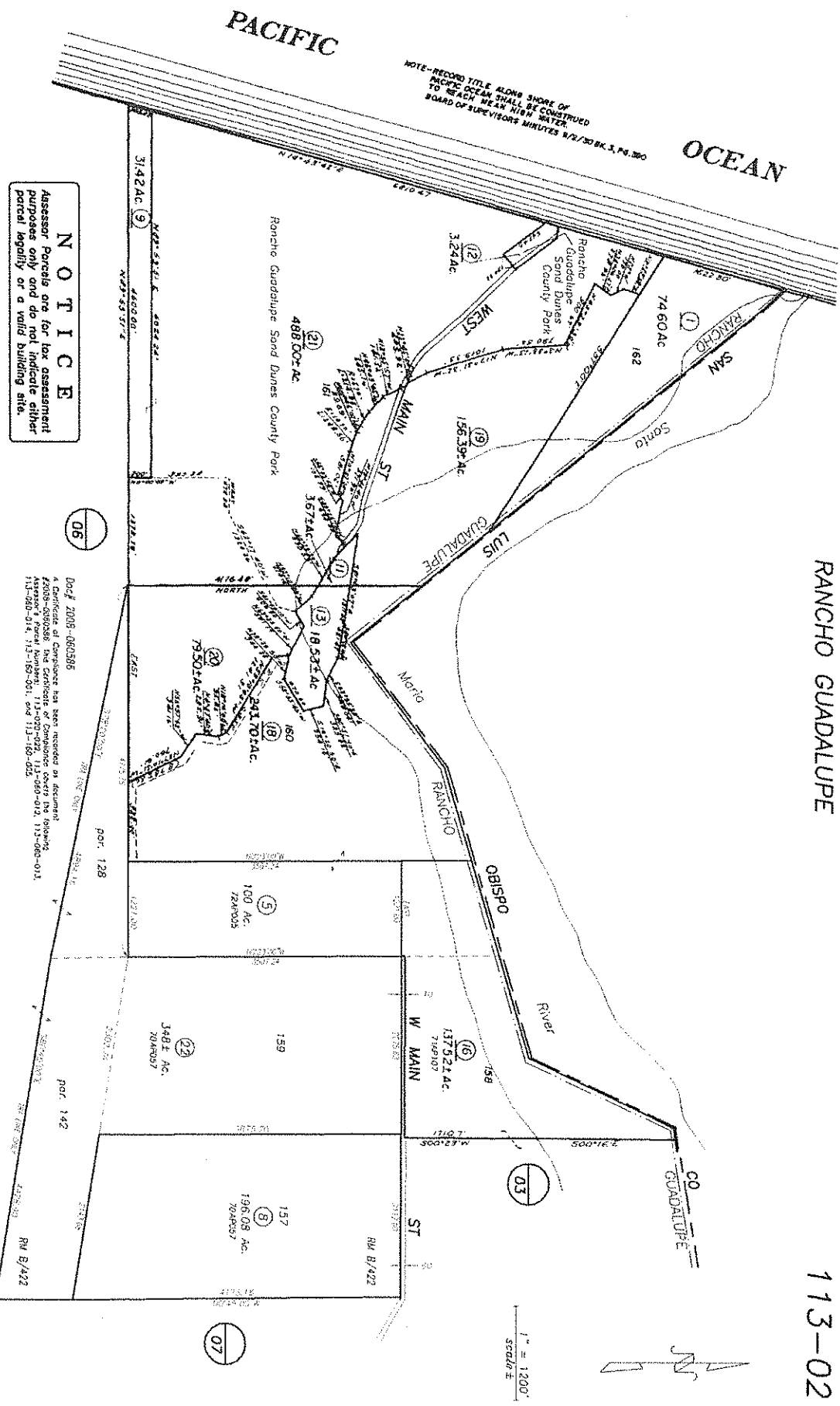
The effect of genome size on the number of genes is also affected by the rate of gene duplication and loss (Ohmura and Ohmura 1992). The rate of gene duplication is thought to be higher in larger genomes (Ohmura and Ohmura 1992), and the rate of gene loss is thought to be higher in smaller genomes (Ohmura and Ohmura 1992). The effect of genome size on the number of genes is also affected by the rate of gene deletion (Ohmura and Ohmura 1992). The rate of gene deletion is thought to be higher in smaller genomes (Ohmura and Ohmura 1992). The effect of genome size on the number of genes is also affected by the rate of gene insertion (Ohmura and Ohmura 1992). The rate of gene insertion is thought to be higher in larger genomes (Ohmura and Ohmura 1992).

ATTACHMENT G

APN Sheet

RANCHO GUADALUPE

113-02



NOTICE
 Assessor's Parcels are for tax assessment purposes only and do not indicate either partial legality or a valid building site.

Doc# 2008-060305
 A Certificate of Compliance has been recorded in document 2008-060305. For more information, please contact the Assessor's Parcel Division: 113-060-011, 113-060-014, 113-160-001, and 113-160-002.

03/08/1880 R.M. Bk. B , Pg. 422 , Tract "Subdivisions of the Rancho Guadalupe"
 (Map 3 Rock 4)

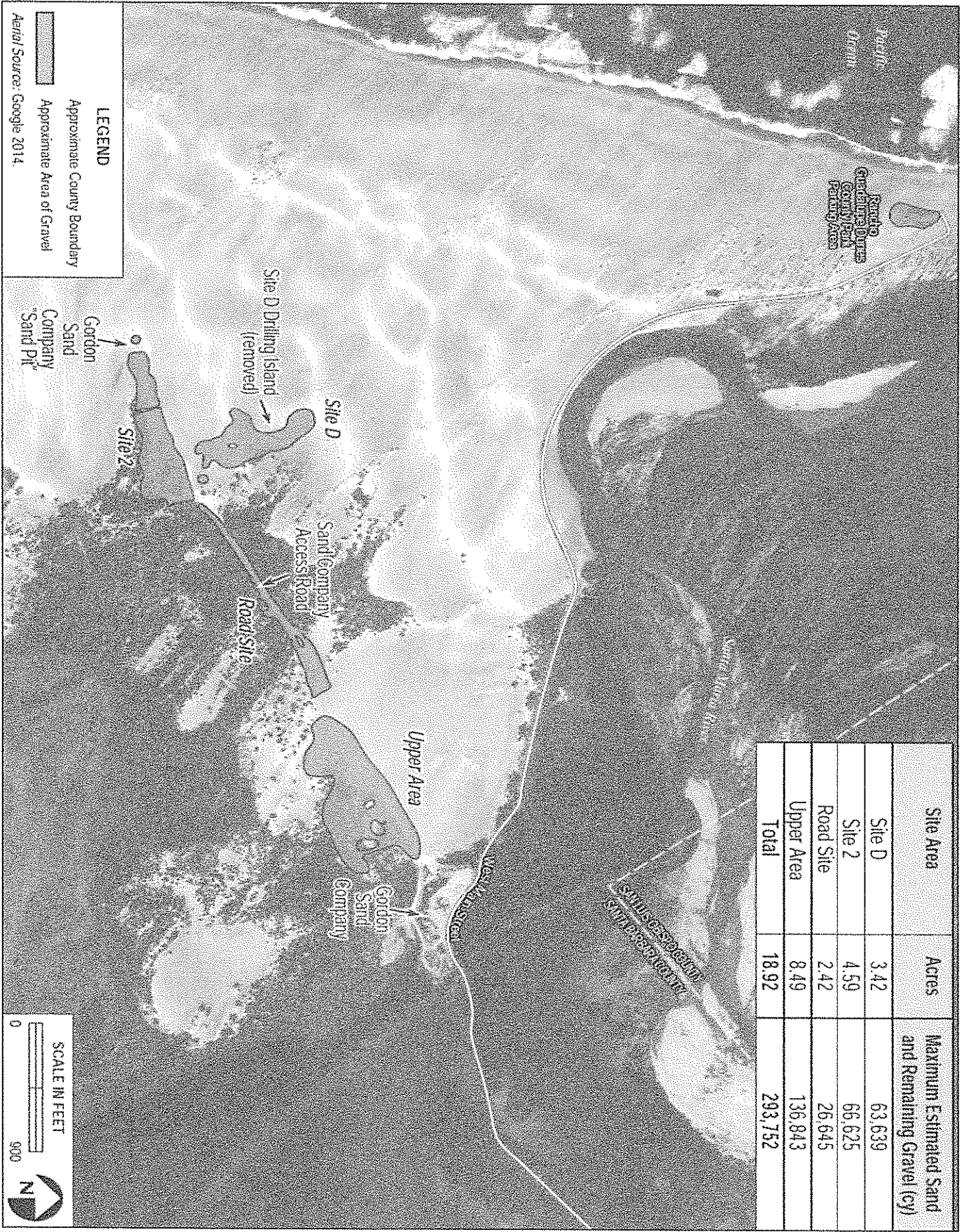
Assessor's Map Bk, 113-Pg, 02
 County of Santa Barbara, Calif.

LD/02 7 and 060-10 into 22 for Map Convenience

ATTACHMENT H

Site Plan

Site Area	Acres	Maximum Estimated Sand and Remaining Gravel (cy)
Site D	3.42	63,639
Site 2	4.59	66,625
Road Site	2.42	26,645
Upper Area	8.49	136,843
Total	18.92	293,752



LEGEND

Approximate County Boundary

Approximate Area of Gravel

Aerial Source: Google 2014.

