



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

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

**Department Name:** Board of Supervisors  
**Department No.:** 011  
**For Agenda Of:** March 7, 2017  
**Placement:** Departmental  
**Estimated Time:** 1 hour  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

---

**TO:** Board of Supervisors

**FROM:** Board Member(s) Joan Hartmann, Third District Supervisor  
Janet Wolf, Second District Supervisor  
Contact Info: Jefferson Litten, Chief of Staff, Third District, 568-2197  
Mary O’Gorman, Chief of Staff, Second District, 568-3098

**SUBJECT: Phillips 66 Rail Spur Extension Project**

---

**County Counsel Concurrence**

As to form: N/A

Other Concurrence: N/A

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

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

**Summary Text:**

The item before you today is to receive information about the potential impacts of the proposed Phillips 66 project on Santa Barbara County residents’ health and safety and to consider restating an opposition position on the project. Phillips 66 has submitted an application to San Luis Obispo (SLO) County that would allow for the modification of the existing rail spur of the Santa Maria Refinery (SMR) located near Nipomo. The proposed modifications include a 6,915-foot long rail spur, an unloading facility, onsite pipelines, replacement of coke rail loading tracks, the construction of five parallel tracks with the capacity to hold a 5,190-foot-long unit train consisting of 80 tank cars (60 feet each), two buffer cars (60 feet each), and three locomotives (90 feet each), and accessory improvements that would allow Phillips 66 to import/unload crude oil at the refinery via train, including raw materials from various North American sources.

Each 5,190-foot-long unit train would carry 2,190,000 gallons (52,000 bbls) of crude oil per configuration. Phillips 66 initially proposed that five of these trains would arrive each week at the Santa Maria Refinery, however in a February 4, 2016 letter to SLO County committed to the three-train-per-week “Reduced Rail Alternative”.

Approval of this project would present considerable risks to Santa Barbara County residents and the environment, as the proposed project would result in up to three additional oil trains per week travelling the Santa Barbara County Coastal rail line. This route includes heavily populated urban areas and Highway 101, one of the two major interstate highways connect Southern California and Northern California.

### **Background:**

On September 1, 2015, the Santa Barbara County BOS authorized the Chair to send a letter to the San Luis Obispo Planning Commission and the San Luis Obispo County Board of Supervisors urging both bodies to deny the Phillips 66 Rail Spur Extension Project. In the time since that letter was sent, the Phillips 66 Rail Spur project was denied by the SLO County Planning Commission on October 5, 2016. The project was appealed the SLO County BOS who will consider the project on March 13, 2017.

Transportation of crude oil by rail has been increasing significantly across the country. According to the U.S. Energy Information Association, between 2010 and 2014 the volume of crude oil shipped by rail increased 15 fold, peaking at 382,034,000 barrels of oil shipped in 2014.<sup>i</sup> The increase in oil train traffic has coincided with an increased number of oil spill incidents. According to the federal Pipeline and Hazardous Materials Safety Administration, there were 141 “unintentional releases” from oil trains in 2014 - an all-time peak and a six fold increase from average number of incidents over the prior 42 years.<sup>ii</sup> In the time since Phillips 66 submitted a permit application for the project, there have been at least 21 derailments and/or explosions of oil trains in North America.<sup>iii</sup> In July 2016, a mile-long oil train derailed in Mosier Oregon and four of the 16 cars that toppled from the tracks exploded, resulting in a fire that burned for 15 hours and a spill of 42,000 gallons of oil. In 2013, an oil train exploded in Lac-Megantic, Quebec - leveling 30 buildings in the town center and killing 47.

The number of high-profile oil train disasters has increased awareness of the risks associated with transportation of crude oil by rail including: explosions, derailments, water pollution, toxic emissions and fire. A number of local jurisdictions have voted in an official capacity to oppose the Phillips 66 Rail Spur Project. The jurisdictions include, but are not limited to, the Sacramento Area Council of Governments, the Monterey Bay Area Government Association, Ventura County, Monterey County, Santa Cruz County, Santa Clara County, Los Angeles County, and the cities of Santa Barbara, Goleta, Carpinteria, Ventura, Simi Valley, Emeryville, Gilroy, Moorpark, Richmond, Los Angeles, Oxnard, and San Jose. At least eight school districts have formally opposed the project as has the California Federation of Teachers and the U.S. Department of Commerce -NOAA.

In analyzing the project, SLO County Department of Building and Planning noted in their *February 4, 2016 Staff Report to the Planning Commission* that the project had 11 “Class I” environmental impacts and the Project was inconsistent with the following plans:

#### **a. Coastal Zone Framework for Planning**

- b. County's Conservation and Open Space Element
- c. Coastal Plan Policies
- d. Safety Element
- e. Coastal Zone Land Use Ordinance
- f. South County Area Plan

The SLO County Department of Building and Planning found the project to be “detrimental to the health, safety and welfare of the public and the residents of San Luis Obispo County due to the increase of hazardous accidents as a result of the Project,” and that the project “includes a significant and unavoidable environmental impact with regards to cancer risk (air quality) for the population near the proposed rail spur.”<sup>iv</sup>

The proposed project is inconsistent with local and state policies and the SLO County Planning Commission has received a tremendous volume of opposition letters (24,000+).<sup>v</sup> Furthermore, the 2015 Plains All-American pipeline spill underscores the widespread and devastating impacts of oil accidents and spills on our region. It is critical that Santa Barbara County join with other local jurisdictions within the County and throughout the state that oppose oil train shipments through our local communities. The potential impacts to our communities could be significant and devastating.

We ask the Board to take a position on the Phillips 66 Santa Maria Rail Spur Extension project reaffirming the County's 2015 opposition to the project.

**Fiscal and Facilities Impacts:**

Budgeted: No

**Fiscal Analysis:**

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

**Key Contract Risks:**

**Staffing Impacts:**

**Legal Positions:**

**FTEs:**

**Special Instructions:**

**Attachments:**

**Attachment A: Phillips 66 Santa Maria Refinery Rail Project Final EIR Exec. Summary**

C:\Users\cdownie.CO\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\F3WPS1M6\Board Letter - Phillips 66 Rail Spur - March 7 FINAL FINAL.docx

**Attachment B: SLO County Department of Planning and Building Staff Report – February 4, 2016**

**Attachment C: Sept 10, 2015 Letter From SB County BOS to SLO County BOS and Planning Commission Opposing the Phillips 66 Santa Maria Refinery Rail Spur Extension Project**

**Authored by:** Jefferson Litten

Mary O’Gorman

---

<sup>i</sup> U.S. Energy Information Administration, available at

[http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=ESM\\_EPC0\\_RAIL\\_ZAMN-ZAMN\\_MBBL&f=A](http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=ESM_EPC0_RAIL_ZAMN-ZAMN_MBBL&f=A)

<sup>ii</sup> PHMSA data, as reported in the Washington Post, February 17, 2015, available at

[https://www.washingtonpost.com/news/energy-environment/wp/2015/02/17/trains-are-carrying-and-spilling-a-record-amount-of-oil/?utm\\_term=.ab2c5734698e](https://www.washingtonpost.com/news/energy-environment/wp/2015/02/17/trains-are-carrying-and-spilling-a-record-amount-of-oil/?utm_term=.ab2c5734698e)

<sup>iii</sup> SLO County Planning Commission, available at

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/5611/RXhoaWJpdCBJLnBkZg==/12/n/56210.doc>

<sup>iv</sup> SLO County Department of Building and Planning, available at

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/5611/SXRlbSBEB2N1bWVudCAoUHVibGljKSA=/14/n/56220.doc>

<sup>v</sup> SLO County Department of Building and Planning, available at

[http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips\\_66\\_Company\\_Rail\\_Spur\\_Extension\\_Project/Project\\_Comment\\_Letters.htm](http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips_66_Company_Rail_Spur_Extension_Project/Project_Comment_Letters.htm)