IN THE BOARD OF SUPERVISORS

COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

_____ day _____, 20___

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

RESOLUTION AFFIRMING THE DECISION OF
THE PLANNING COMMISSION AND CONDITIONALLY APPROVING THE
APPLICATION OF PHILLIPS 66 FOR DEVELOPMENT PLAN / COASTAL
DEVELOPMENT PERMIT DRC2008-00146

The following resolution is hereby offered and read:

WHEREAS, on December 13, 2012, the Planning Commission of the County of San Luis Obispo (hereinafter referred to as the Planning Commission) duly considered and conditionally approved the application of Phillips 66 for a Development Plan / Coastal Development Permit DRC2008-00146; and

WHEREAS, Jeff Edwards has appealed the Planning Commission's decision to the Board of Supervisors of the County of San Luis Obispo (hereinafter referred to as the Board of Supervisors) pursuant to the applicable provisions of Title 23 of the San Luis Obispo County Code; and

WHEREAS, a public hearing was duly noticed and conducted by the Board of Supervisors on February 26, 2013, and determination and decision was made on February 26, 2013; and

WHEREAS, at said hearing, the Board of Supervisors heard and received all oral and written protests, objections, and evidence, which were made, presented, or filed,

and all persons present were given the opportunity to hear and be heard with respect to any matter relating to said appeal; and

WHEREAS, the Board of Supervisors has duly considered the appeal and determined that the appeal should be denied and the decision of the Planning Commission should be affirmed subject to the findings and conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth herein above are true, correct and valid.

2. That the Board of Supervisors makes all of the findings of fact and determinations set forth in Exhibit C attached hereto and incorporated by reference herein as though set forth in full pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines.

3. That the Final Environmental Impact Report prepared for this project is hereby certified and approved as having been prepared and completed in accordance with the provisions of CEQA and the State CEQA Guidelines.

4. That the Final Environmental Impact Report was presented to the Board of Supervisors and that the Board of Supervisors has reviewed and considered the information contained in the Final Environmental Impact Report together with all comments received during the public review process prior to approving the project.

5. That the Final Environmental Impact Report reflects the Board of Supervisors independent judgment and analysis.

6. That the Board of Supervisors makes all of the findings of fact and determinations set forth in Exhibit A attached hereto and incorporated by reference herein as though set forth in full.

7. That the appeal filed by Jeff Edwards is hereby denied, that the decision of the Planning Commission is affirmed, and that the application of Phillips 66 for a Development Plan / Coastal Development Permit DRC 2008-00146 is hereby approved subject to the conditions of approval set forth in Exhibit B attached hereto and incorporated by reference herein as though set forth in full.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted.

_____
Chairperson of the Board of Supervisors

ATTEST:

_____
Clerk of the Board of Supervisors

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: _____
Deputy County Counsel

Dated: February 7, 2013

ATTACHMENT 2

STATE OF CALIFORNIA,)
) ss.
County of San Luis Obispo,)

I, _____, County Clerk and ex-officio Clerk of the Board of Supervisors, in and for the County of San Luis Obispo, State of California, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this day of _____, 20____.

_____
County Clerk and Ex-Officio Clerk of the Board of Supervisors

(SEAL)

By:_____
Deputy Clerk.

EXHIBIT A – FINDINGS

Environmental Determination

A. The Environmental Coordinator, after completion of the initial study, found that there is evidence that the project may have a significant effect on the environment, and therefore a Final Environmental Impact Report (FEIR) was prepared (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) for this project. The FEIR addresses potential impacts on: Air Quality, Public Safety and Hazardous Materials, Noise and Vibration, Transportation and Circulation, Public Services, Land Use Policies, and Water Resources. Mitigation measures are proposed to address these impacts and are included as conditions of approval. Overriding considerations were not determined necessary based on no significant and unavoidable impacts identified. See Exhibit C for CEQA Findings.

Development Plan

B. The proposed increase in throughput is consistent with the San Luis Obispo County General Plan and Local Coastal Program because the use is an allowable use in the Industrial land use category and as conditioned is consistent with all the General Plan Policies and Local Coastal Program Policies.

C. As conditioned, the proposed throughput increase satisfies all applicable provisions of Title 23 of the County Code.

D. The establishment and subsequent operation or conduct of the throughput increase will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use because as identified in the EIR, adverse and unavoidable significant impacts will not result and potentially significant impacts related to Air Quality, Public Safety and Hazardous Materials, Noise and Vibration, Transportation and Circulation, Public Services, Land Use Policies, and Water Resources will be mitigated to a level of insignificance as detailed in the EIR and safety issues raised by the County Fire Department have been adequately addressed by the Conditions of Approval.

E. The proposed project or use will not be inconsistent with the character of the immediate neighborhood or contrary to its orderly development. The project site is located in the Industrial land use category and is occupied by an existing oil refinery. With inclusion of the recommended mitigation measures, impacts associated with the throughput increase will be mitigated to a level of insignificance.

F. The proposed project or use will not generate a volume of traffic beyond the safe capacity of all roads providing access to the project, either existing or to be improved with the project. The throughput increase would result in an increase in project related traffic of approximately 3.9 trips per day over the CEQA baseline, or 11.4 trips per day over the current operations which would not result in a change to Level of Service (LOS) or contribute to a substantial change in traffic loads on any of the project related intersections or roadways. Additionally, the environmentally superior alternative (the proposed project with the southbound route alternative) would reduce impacts along Highway 166 (in the City of Santa Maria) and the recommended measure to use the Willow Road interchange for north and eastbound traffic would reduce impacts associated with north and eastbound traffic (in and around the City of Arroyo Grande).

G. The proposed throughput increase is consistent with the requirements of the San Luis Obispo County Coastal Zone Land Use Ordinance Section 23.02.034 c(4)(vi) which requires conformity with the public access and recreational policies of Chapter 3 of the California Coastal Act because as conditioned, the project will be required to comply with Section 23.04.420 – Coastal Access Required. Lateral access will not be required for this project because the lands within 25 feet of the shoreline are not under ownership of the applicant. Vertical access will be required by Condition of Approval #17 in the approximate location of the existing maintenance road. The project site contains approximately 7,600 feet (1.44 miles) of property frontage adjacent to the State recreation area requiring one vertical access pursuant to Section 23.04.420 d.(1)(ii).

Sensitive Resource Area

H. The development will not create significant adverse effects on the natural features of the site or vicinity that were the basis for the Sensitive Resource Area designation, and will preserve and protect such features through the site design, because the proposed project would not result in any additional ground disturbance beyond the current developed footprint of the refinery as a result of the throughput increase.

Environmentally Sensitive Habitats

I. There will be no significant impact on the sensitive Terrestrial Habitat located on the project site (west of the UPRR tracks) and the proposed use will not disrupt or be inconsistent with the biological continuance of the habitat because the project will not result in any new ground disturbance to facilitate the throughput increase. The vertical access required as a condition of approval of this project would be located within or adjacent to the existing maintenance road as shown in Exhibit D – Project Graphics.

EXHIBIT B - CONDITIONS OF APPROVAL

Approved Development

1. This approval authorizes:

   a. Development Plan / Coastal Development Permit (DRC2008-00146) to allow for the increase in the daily maximum limit of crude oil throughput (by 10 percent) from 44,500 barrels per day (bpd) to 48,950 bpd at the Santa Maria Facility (SMF). Additionally, for the SLOCAPCD permit, the 12-month rolling average of crude oil throughput would increase from 16,220,600 barrels per year (bpy) to 17,866,750 bpy.

   b. The project as conditioned herein including the use of the environmental preferred alternative "Southbound Route Alternative" as follows: State Route 1 (Willow Road which turns into Guadalupe Road then Cabrillo Highway and lastly Casmalia Road) east and then south to West Clark Avenue; and east on West Clark Avenue (which becomes East Clark Avenue) to U.S. Highway 101 southbound ramp.

   c. All previous conditions of approval authorized by previous use permits shall remain in effect except for conditions of approval specifically modified by this approval as described herein.

   d. Any future expansion beyond 48,950 bpd or 17,866,750 bpy shall require Development Plan / Coastal Development Permit approval including preparation of a Specific Plan as required by Section 23.08.094.

Site Development

2. **For any facility upgrade requiring issuance of a construction permit required by this approval,** plans submitted shall show all development consistent with the approved site plan.

3. **At the time of application for construction permits,** the applicant shall provide details on any proposed exterior lighting, if applicable. The details shall include the height, location, and intensity of all exterior lighting. All lighting fixtures shall be shielded so that neither the lamp or the related reflector interior surface is visible from adjacent properties. Light hoods shall be dark colored.

Fire Safety

4. **At the time of application for construction permits,** all plans submitted to the Department of Planning and Building shall meet the fire and life safety requirements of the California Fire Code.

5. **Prior to occupancy or final inspection of any improvements requiring a Fire Safety Plan,** the applicant shall obtain final inspection and approval from CDF of all required fire/life safety measures.

Fees

6. **Prior to issuance of a construction permit or issuance of the Notice to Proceed authorizing an increase in refinery throughput, whichever occurs last,** the applicant shall pay all applicable school and public facilities fees pursuant to Title 18 of the County Code and the Fee Schedule in effect.

Air Quality

7. **(AQ-1.1) Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the Applicant shall apply BACT on the crude heaters, coker heaters and boilers, vacuum heaters and superheaters, and/or utilize an equivalent method onsite with other equipment, to reduce the NO_x emissions to less than the SLOCAPCD thresholds.

8. (**AQ-1.2) To the extent feasible,** and if AQ-1.1 does not reduce emissions to below the thresholds, all trucks under contract to the Santa Maria Facility (SMF) shall meet EPA 2010 or 2007 model year NO_x and PM emission requirements and a preference for the use of rail over trucks for the transportation of coke shall be implemented to the extent feasible in order to reduce off-site emissions. Annual truck trips associated with refinery operations and their associated model year and emissions shall be submitted to the SLOCAPCD annually.

9. **(AQ-1.3) Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** if emissions cannot be mitigated below significance thresholds through implementation of mitigation measures AQ-1.1 and AQ-1.2, then off-site mitigation will be required as per SLOCAPCD guidance in the CEQA Handbook.

10. **(AQ-2) Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the Applicant shall prepare and submit an Odor Control Plan, which shall be approved by the SLOCAPCD. The Odor Control Plan shall identify all potential sources of odors at the Refinery. The plan shall detail how odors will be controlled at each odor source and the mechanism in place in the event of an upset or breakdown, as well as design methods to reduce odors, including redundancy of equipment (e.g., pumps and VRU compressors) or reductions in fuel gas sulfur content. Area monitoring shall be discussed. The Plan shall also include a complaint monitoring and reporting section and include a hotline number for individuals to call in case of a complaint.

11. (**AQ-3) Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the Applicant shall implement a program to increase efficiency of the Refinery stationary combustion devices to maintain GHG emissions to less than the SLOCAPCD thresholds (10,000 metric tonnes per year) over the emissions associated with the current permitted throughput. If the emission reductions threshold cannot be met by increasing stationary equipment efficiency, additional measures may include the use of more efficient model year trucks or alternative fueled vehicles for hauling vehicles. If after all applicable measures have been implemented, emissions are still over the thresholds, then off-site mitigation will be required. The off-site mitigation measures shall be approved by the SLOCAPCD **prior to of the Notice to Proceed authorizing an increase in Refinery throughput.**

Public Safety and Hazardous Materials

12. **(PSHM-3) Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the Applicant shall ensure that any additional coke produced shall be deposited within designated areas as specified by the Coke and Sulfur Storage and Handling Plan and that these areas shall be clearly delineated to all operators. Storage of coke outside these existing delineated areas shall be only within lined areas or other equivalent measures to prevent groundwater contamination, as per consultation with the RWQCB.

Noise and Vibration

13. **(N-1)** The Applicant shall provide for a noise monitoring study, under the supervision of the County staff, to determine the noise levels in the vicinity of the Santa Margarita Pump Station and the compliance with applicable codes and standards. If noise levels are a concern, the Applicant shall install, at the Santa Margarita Pump Station, a sound wall constructed of barrier pads between the noise sources and residences, as close to the pumping operations as feasible, to reduce noise levels at the closest receptor property line to the County significance threshold level 50 dBA. Additional barrier walls shall be installed as deemed necessary by in-field measurements. Installation of the sound wall shall be verified by County Planning and Building **prior to of the Notice to Proceed authorizing an increase in Refinery throughput. Upon implementation of the throughput increase, the applicant shall provide verification that the noise level at the closest receptor property line does not exceed 50 dBA.**

Water Resources

14. **(WR-3.1)** The Applicant shall ensure that any additional increased process water is treated by the wastewater treatment system in conformance with the NPDES Permit.

15. **(WR-3.2) Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** existing spill management precautions shall be amended as needed to mitigate an increased spill size due to the increased amount of crude oil processing as reviewed and approved by San Luis Obispo County Planning and Building in consultation with Environmental Health Services.

Transportation and Circulation

16. **(TR-1) Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the Applicant shall pay South County Area 2 Road Impact Fees to the Department of Public Works for the proposed 0.78 peak hour trip increase in accordance with the latest adopted fee schedule. It is recommended that the Applicant shall end the use of both their northbound and eastbound truck routes, as identified in this document, and shall use the Willow Road Interchange instead. The Applicant shall notify all applicable truck drivers of this route change by mail and shall post the notification at the Project Site.

Coastal Access

17. **Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the applicant shall comply with Section 23.04.420 – Coastal Access Required. Construction of improvements associated with vertical public access (if required) shall occur within 10 years of the effective date of this permit (including any required Coastal Development Permit to authorize such construction) or at the time of

any subsequent use permit approved at the project site, whichever occurs first. The approximate location of the vertical access required by this condition of approval shall be located within or immediately adjacent to the existing maintenance road as shown in Exhibit D – Project Graphic (Coastal Access Location Map 1 and 2).

Habitat Restoration

18. **Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the applicant shall quantify the area where coke storage bi-products have been historically deposited outside the reduced and delineated coke storage area required by PSHM-3 (COA #12). This area which would no longer be used for active coke storage shall either be restored or similar degraded habitat and in the same biome on another portion of the project site equal in area to the area no long used for coke storage shall be restored pursuant to Section 23.07.170. Restoration of damage habitats shall occur within 10 years of the effective date of this permit (including any required Coastal Development Permit to authorize such) or at the time of any subsequent use permit approved at the project site, whichever occurs first.

On-going conditions of approval (valid for the life of the project)

19. This land use permit is valid for a period of 24 months from its effective date unless time extensions are granted pursuant to Land Use Ordinance Section 23.02.050 or the land use permit is considered vested. This land use permit is considered to be vested once the Notice to Proceed has been issued by the Department of Planning and Building.

20. All conditions of this approval shall be strictly adhered to, within the time frames specified, and in an on-going manner for the life of the project. Failure to comply with these conditions of approval may result in an immediate enforcement action by the Department of Planning and Building. If it is determined that violation(s) of these conditions of approval have occurred, or are occurring, this approval may be revoked pursuant to Section 23.10.160 of the Land Use Ordinance.

21. The applicant shall, as a condition of the approval and use of this conditional use permit, enter into, and maintain for the life of the project, an agreement with the County providing for the defense and indemnification of the County, at its sole expense, any action brought against the County of San Luis Obispo, its present or former officers, agents, or employees, by a third party challenging either its decision to approve and issue this Development Plan / Coastal Development Permit or the manner in which the County is interpreting or enforcing the conditions of this conditional use permit, or any other action by a third party relating to approval or implementation of this Development Plan / Coastal Development Permit. The agreement shall provide that the applicant will reimburse the County for any court costs and attorney's fees which the County may be required by a court to pay as a result of such action, but such participation shall not relieve the applicant of its obligation under this condition.

22. **Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput,** the applicant shall comply with the California Fire Code and the National Fire Protection Association (NFPA) Standards including NFPA Chapter 11, 15, 22, 24, 25, 30, 34, and 58. Further, the applicant will maintain an Industrial Fire Brigade in compliance with NFPA 600 and NFPA 1081. Verification of this condition of approval shall be in consultation with the County Fire Department.

23. **Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput, and thereafter annually for the life of the project,** the applicant shall fund specialized training and/or equipment not to exceed $10,000 per year which shall be adjusted annually for inflation, using the Consumer Price Index for County Fire Department personnel that could be called upon to assist in firefighting or other emergency response at the facility.

EXHIBIT C – CEQA FINDINGS

PHILLIPS 66 – SANTA MARIA REFINERY THROUGHPUT INCREASE

I. PROJECT DESCRIPTION

The Phillips 66 – Santa Maria Facility (SMF), built in 1955, operates 24 hours per day and 365 days per year, except when shut down for maintenance. The SMF mainly processes heavy, high-sulfur crude oil. Semi-refined liquid products from the SMF are sent by pipeline to the Rodeo Refinery near San Francisco for upgrading into finished petroleum products. Products leaving the SMF are: (1) semi-refined petroleum by pipeline; (2) solid petroleum coke by rail or haul truck; and (3) recovered sulfur by haul truck.

The Proposed Project would potentially cause the following changes at the SMF:

- An increase in volumes of crude oil delivered to and shipped via pipeline from the Santa Maria Pump Station to the SMF;
- An increased volume of products leaving the SMF for the Rodeo Refinery via pipeline;
- An increased volume of green coke and sulfur production; and
- An increase in shipments leaving the facility by either truck or railcar.

The Proposed Project entails an increase to the permitted volume of processed crude oil over the existing permit level by 10 percent. Under the Proposed Project, the County Planning and Building permit would increase the daily maximum limit of crude oil throughput by 10 percent, from 44,500 bpd to 48,950 bpd. Additionally, for the SLOCAPCD permit, the 12-month rolling average of crude throughput would increase from 16,220,600 bpy to 17,866,750 bpy. While the County's permit is based on a daily maximum and the SLOCAPCD's permit is based on twelve-month rolling average, these volume limits are the same.

The Proposed Project would not involve any construction or additions to the SMF plot plan. No changes to the overall processing methods are proposed. Phillips estimates water use may increase by one percent under the Proposed Project.

II. THE RECORD

The California Code of Regulations, Title 14, Section 15091(b), requires that the Board of Supervisor's findings be supported by substantial evidence in the record. Accordingly, the Lead Agency's record consists of the following, which are located at the County Planning and Building Department Offices, San Luis Obispo, California:

A. Documentary and oral evidence received and reviewed by the Planning Commission and Board of Supervisors during the public hearings on the project.
B. The Phillips Santa Maria Refinery Throughput Increase Project Final EIR (October 2012).
C. The Phillips Santa Maria Refinery Throughput Increase Project Development Plan / Coastal Development Permit application and supporting materials.
D. The Phillips Santa Maria Refinery Throughput Increase Project Staff Report prepared for the Planning Commission and the Board of Supervisors.
E. Matters of common knowledge to the Board of Supervisors that it considers, such as:
    i. The County General Plan, including the land use maps and elements thereof;
    ii. The text of the Land Use Element;
    iii. The California Environmental Quality Act (CEQA) and the CEQA Guidelines;

iv. The County of San Luis Obispo Environmental Quality Act Guidelines;
v. The Clean Air Plan;
vi. Other formally adopted County, State and Federal regulations, statutes, policies, and ordinances; and
vii. Additional documents referenced in the Final EIR for the Phillips Santa Maria Refinery Throughput Increase Project.

III. CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT

The Board of Supervisors certifies the following with respect to the Phillips Santa Maria Refinery Throughput Increase Project Final EIR:

A. The Planning Commission and the Board of Supervisors have reviewed and considered the Phillips Santa Maria Refinery Throughput Increase Project Final EIR.
B. The Final Environmental Impact Report for the Phillips Santa Maria Refinery Throughput Increase Project has been completed in compliance with the California Environmental Quality Act.
C. The Final Environmental Impact Report and all related public comments and responses have been presented to the Planning Commission and Board of Supervisors, and they have reviewed and considered the information contained in the Final Environmental Impact Report and testimony presented at the public hearing prior to approving the Phillips Santa Maria Refinery Throughput Increase Project.
D. The Phillips Santa Maria Refinery Throughput Increase Project Final EIR reflects the independent judgment of the Board of Supervisors, acting as one of the lead agencies for the project.

IV. FINDINGS FOR IMPACTS IDENTIFIED AS BENEFICIAL OR NOT SIGNIFICANT (CLASS III)

Air Quality	
Impact AQ.4	Potential increased operations at the Refinery would emit air-borne toxic materials.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.

Supportive Evidence: The increase in throughput associated with the Proposed Project would increase emissions at the Refinery and along transportation routes between the Refinery and area highways. Some of these emissions would be toxic materials that could increase health risks for populations near to the Refinery.

A toxic emission inventory was developed for the Refinery in 2004, which included only stationary sources at the SMF and also included operations such as the calciner, which have since been shut down. The 2004 inventory was used in a 2007 health risk assessment prepared by ConocoPhillips (now Phillips 66) which utilized the California Air Resources Board's Hotspots Analysis and Reporting Program model to assess the cancer, chronic, and acute health risk impacts. The primary cause of health risk impacts at the Refinery in 2004 was determined to be the diesel-cooling water pump. In 2005, a diesel oxidation catalyst (DOC) was reportedly installed on the diesel cooling water pump to reduce diesel particulate emissions by 30 percent. The installation of the DOC and shutdown of calcining operations resulted in a reduction in health risk levels to 15 cancer cases per one million at the Refinery boundary.

Air Quality
Since 2004, several additional changes at the Refinery have reduced toxic emissions, including shutting down the calciner, installation of various DOC and diesel particulate filters (DPF) on several diesel engines, and reductions in fugitive emissions with a more rigorous fugitive emissions control program. Additionally, the SLOCAPCD reported that the diesel cooling water pump has been replaced by a natural gas engine with catalyst, which has reduced risk levels by at least 80 percent. This would reduce health risk levels to approximately five cases per one million. As part of the Applicant's comments on the DEIR, the Applicant prepared and submitted a revised HRA utilizing 2010 emission data and assumptions about the operating characteristics of the Refinery if it were to operate at the Proposed Project levels. This HRA is included in the comments on the DEIR. The HRA indicated that the highest cancer risks at the facility fence line would be 2.1 in a million, and that chronic and acute risks would be 0.02 and 0.38, respectively, associated with the Proposed Project operations. These levels are less than the health risk thresholds of 10 in one million (for cancer) and 1.0 HI for acute and chronic impacts and would be less than significant. Diesel-powered trucks traveling along area roadways could also increase health risks associated with emissions. Modeling was conducted using Aeromod to assess the impacts of truck traffic along area roadways between the Refinery and U.S. Highway 101. The cancer risks associated with truck traffic would increase over the baseline to a level of 5.9 cancer cases per million immediately south of the Refinery along area roadways. This would be less than the thresholds and would be a less than significant impact.

Public Safety and Hazardous Materials	
Impact PSHM.1	The Proposed Project could introduce risk to the public associated with accidental releases of hazardous materials from the SMF processing operations.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: Releases of hazardous materials from the Proposed Project site would not acutely impact nearby residences, agriculture, or industrial facilities since the SMF is far away from these receptors. Some releases at facilities are caused by vandalism, such as opening valves or sabotaging equipment integrity. This could increase the frequency of releases. These impacts can be reduced by securing the facilities to reduce the probability of vandalism. The refinery currently has gated access and 24-hour security measures to reduce vandalism. That said, impacts from releases at the refinery would not impact sensitive receptors. Therefore, impacts would be less than significant (Class III).	
Impact PSHM.2	The Proposed Project could introduce risk to the public associated with the transportation of SMF product along local and area roadways.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: Products leave the SMF as solid petroleum coke by rail or haul truck and as recovered sulfur by haul truck as well as some hazardous wastes. Shipments of coke and sulfur would be expected to increase with the proposed Project. However, transportation of hazardous waste under the Proposed Project would be expected to be the same as the current operations. Petroleum coke is shipped via truck or railcar to customers as fuel or onto ships for export. Major petroleum coke destinations include Mojave, Victorville, Cupertino, Fontana, Lebec, and Gorman, and Long Beach for export.	

Public Safety and Hazardous Materials
Sulfur is shipped via truck to customers in the agricultural industry or loaded on ships for export. All products are shipped outside of SLOC. Sulfur truck destinations are in the San Joaquin Valley from Bakersfield to Fresno, as well as Long Beach for export. Pipeline transportation of crude oil presents a low risk to public health since crude oil spills generally do not catch fire and the public has sufficient time to move away from spills in the unlikely event of ignition. Generally, spills of crude oil produce environmental impacts as opposed to public safety impacts. Risk levels associated with transportation would be minimal due to the properties of crude oil, sulfur, and coke and impacts would primarily affect environmental resources. The nominal increase in flow rates associated with the Proposed Project would produce environmental impacts similar to current operations. Therefore, impacts would be less than significant (Class III).

Noise and Vibration	
Impact N.2	Traffic increases on area roadways near the Refinery could increase noise levels in the area.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: Refinery operations generate traffic associated with coke and sulfur transportation out of the Refinery. Other traffic, such as traffic related to employees or deliveries, would not change with the Proposed Project. This increase in traffic levels could generate an increase in noise levels at nearby residences. Noise was modeled using the FHWA Highway Noise Prediction Model, using 2008 traffic levels from the San Luis Obispo County Public Works Department and additional truck traffic added according to the EIR's Project Description. The Proposed Project would add less than four trucks per day to area traffic. Noise levels generated by this traffic scenario are estimated to increase by less than 0.1 dBA CNEL for a receptor 100 feet from the center of State Route 1. This would be a less than significant impact (Class III).	

Public Services	
Impact PS.1	Increased throughput and operations at the Santa Maria Facility would produce increased sanitary wastewater.
Mitigation	None required beyond existing National Pollutant Discharge Elimination System (NPDES) permit requirements identified in mitigation measure WR-3.1.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: The Proposed Project would not generate large flows of increased sanitary wastewater. All water drainage, including storm run-off, is contained onsite. The SMF discharges water to the Pacific Ocean pursuant to waste discharge requirements in Regional Water Quality Control Board Order Number R3-2007-0002, adopted September 7, 2007. The Order serves as the permit under the National Pollutant Discharge Elimination System. All process wastewater and contaminated stormwater from the facility flow to a treatment system consisting of oil/water separators, dissolved air flotation, trickling filter, extended aeration, and secondary clarification. The treated wastewater is discharged to the Pacific Ocean through an outfall terminating 1,700 feet offshore and 27 feet deep. Under the National Pollutant Discharge Elimination System (NPDES) permit, the SMF can discharge up to 0.57 MGD of treated wastewater from the facility to the Pacific Ocean in dry	

Public Services	
weather conditions. The treatment system receives 279 gpm (0.40 MGD) of actual dry-weather process water. Flows of typical dry weather discharge from the treatment system to the outfall sump are 266 gpm (0.38 MGD) and flows of typical wet weather discharge from the treatment system to the outfall are approximately 406 gpm (0.58 MGD). Oil is recovered from the wastewater and contact stormwater during treatment. These levels would not be expected to change with the Proposed Project. Therefore, the Proposed Project's impact due to increased quantities of wastewater would be less than significant (Class III).	
Impact PS.2	The Proposed Project throughput increase operations would not generate increases in solid wastes.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: Quantities of wastes associated with the throughput increase would be the same or similar as the current operations The Project would not need new or physically altered waste handling facilities, and would comply with applicable regulations. During operations, trash and rubbish would continue to be collected in waste bins and disposed of by a local waste hauler. The Cold Canyon Landfill would be the primary landfill serving the Proposed Project. If not, both the Chicago Grade and City of Paso Robles landfills have sufficient capacity. Therefore, based on the remaining capacity of the available landfills, potential impacts would be less than significant (Class III). No measures beyond compliance with existing ordinance standards are necessary.	
Impact PS.3	Impacts from electricity consumption at the Santa Maria Facility due to throughput increase operations.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: In 2009, the SMF generated 20,732 MWhr of electricity onsite and purchased 23,273 MWhr of electricity from Pacific Gas and Electric Company. This amount of energy was generated with a crude oil throughput of 35,838 bpd. In 2007 and 2008, with 43,321 and 41,655 bpd, electricity purchased decreased due to the increased fuel gas produced by the additional crude oil (to 19,293 and 22,736 MWhr, respectively). The Applicant indicates that the amount of electricity purchased would continue to decrease with increased crude oil throughputs. However, although this trend would most likely continue, it would also be a function of the crude types and the amount of decreased electricity purchased by the SMF cannot be definitively estimated. Therefore, under the Proposed Project, electricity purchased from Pacific Gas and Electric Company would most likely remain the same or decrease from historical levels since the Refinery would generate more produced gas if crude throughput rates were higher. The use of electricity would not require upgrades to the current electrical facilities. Since increased crude oil throughput would not increase the Refinery's use of electricity from the power grid, the Proposed Project would not substantially increase demand and the impacts on electrical energy resources would be less than significant (Class III).	
Impact PS.4	Increased fossil fuel consumption and production (diesel, gasoline, and natural gas) at the Santa Maria Facility could thereby decrease availability.

Public Services	
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: In 2009, the SMF generated 2,185 mmscf of natural gas onsite and purchased 397 mmscf of natural gas from the Southern California Gas Company. In 2007 and 2008, with higher crude oil throughputs, gas purchased was less, at 214 and 226 mmscf. This was due to the increase amounts of refinery gas produced from the additional crude oil processed. The Proposed Project would increase onsite refinery fuel gas production to potentially 3,171 mmscf per year and the amount of natural gas purchased from Southern California Gas Company would most likely remain the same or decrease. The use of diesel fuel and flaring are not expected to increase with the throughput increase. Therefore, the proposed throughput increase would not substantially increase consumption and production (thereby decreasing availability) and the impacts on energy resources would be less than significant (Class III).	
Impact PS.5	Throughput increase at the site would not impact fire protection and emergency response.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: The Applicant proposes to utilize the existing fire protection system at the SMF to provide a level of protection for the Proposed Project. The increased throughput would not produce additional impacts on area fire-fighting capabilities since the resources required to address emergencies at the SMF under the Proposed Project would be the same as under the current operations. Impacts would therefore be less than significant (Class III).	

Transportation and Circulation	
Impact TR.1	Traffic associated with the Proposed Project would increase traffic on local roads and the freeway.
Mitigation	TR-1 Within 30 days of permit approval, the Applicant shall pay South County Area 2 Road Impact Fees to the Department of Public Works for the proposed 0.78 peak hour trip increase in accordance with the latest adopted fee schedule. In addition, after the Willow Road/U.S. Highway 101 interchange is completed, the Applicant shall end the use of both their northbound and eastbound truck routes, as identified in this document, and shall use the Willow Road Interchange instead. The Applicant shall notify all applicable truck drivers of this route change by mail and shall post the notification at the Project Site.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: Additional traffic would be generated as a result of the throughput increase operations; however, the number of additional trucks needed to transport produced coke and sulfur would be a nominal four trucks per day. The Proposed Project would not change traffic associated with workers or miscellaneous deliveries. The Proposed Project operations estimate an increase from 17,732 truck roundtrips per year (associated with the SMF operating at the permitted capacity, as analyzed in previous CEQA documents) to 19,162 truck roundtrips per year, which is the increase in traffic levels from the permit level to the new Proposed Project permit level, an increase of 1,430 roundtrips per year, or approximately 3.9 trips per day. Increased traffic on area roadways would equal the increase from the current operations (2009) to the proposed project level, which would total the 3.9 trucks	

Transportation and Circulation
trips per day plus 7.5 trucks trips per day (the difference between the current operations and the CEQA permitted level of 44,500 bpd). This would total an increase on area roadways of 11.4 truck trips per day. This traffic level increase would not contribute to a change in LOS or contribute to a substantial change in traffic load. The State Route 1 and Halcyon Road intersections (offset) currently operate at AM and PM peak hour LOS E or worse; however, these offset intersections currently meet the MUTCD 2003 based peak hour signal warrant #3 (rural areas) criteria. Traffic travelling south on State Route 1 and turning left onto Willow Road heading east currently operates at a LOS A in the AM peak hour and LOS B in the PM peak hour. Traffic traveling west on Willow Road and turning right onto northbound State Route 1 currently operates at a LOS B in the AM peak hour and LOS B in the PM peak hour. The intersection at Tefft and Highway 101 currently operates at a LOS E in the PM peak hour. Regarding the above intersection conditions in relation to the Proposed Project, the total number of truck trips that could occur as a result of the throughput increase is an additional 3.9 truck trips per day over the CEQA baseline, or 11.4 truck trips per day over the current operations. In addition, not all of those truck trips would utilize the Northbound or Eastbound Routes associated with these intersections, with some going south, depending on market for the Refinery products. Only 1-2 trucks leaving the Refinery would be reaching these intersections during peak hours since most trucks are loaded and depart the facility throughout the day. Due to the small number of added truck trips during peak hours and the number of potential routes that could be taken, no impacts are anticipated therefore the portion of this measure that requires the use of Willow Road for north and eastbound trips should be considered a recommended condition. Project-related traffic using the Southbound Route through Guadalupe would not significantly impact the intersection at State Route 1 and State Route 166. According to a 2004 study of this intersection, the AM and PM levels of service are both B. Along roadways, traffic would increase from 0.4 and 1.0 percent in Guadalupe at the Highway 166 interchange (currently an LOS of A). Impacts along the most congested roadways at Pomeroy, for example would increase less than 0.21 percent. Therefore, project-related impacts to local roads and the freeway would be less than significant (Class III). The requirement to pay the South County Area 2 Road Impact Fee is required by ordinance and the portion of the measure requiring use of Willow Road should be considered a recommended measure by the Department of Public Works.

Water Resources	
Impact WR.1	The Proposed Project one percent increase in water usage would not adversely impact the current and future availability of groundwater for other users, including agricultural and residential users.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.
Supportive Evidence: The rights to extract water from the Santa Maria Groundwater Basin (SMGB) have been disputed since the 1990s, resulting in several legal proceedings and culminating with a multi-pronged lawsuit known as the Santa Maria Groundwater Litigation. The litigation was resolved in 2008 (Lead Case No. 1-97-CV-770214) with The Judgment After Trial (January 25, 2008), which approved the Stipulation (June 30, 2005). The Stipulation includes provisions for the rights to use the groundwater, development of the groundwater monitoring programs, and development of plans and programs to respond to Potentially Severe and Severe	

Water Resources

Water Shortage Conditions for the Nipomo Mesa Management Area (NMMA). The Nipomo Mesa Management Area Technical Group (NMMATG), which represents various groups and organizations, was formed as a result of a legal judgment to monitor water usage and produce annual reports for the NMMA. These reports provide a breakdown of the available data for the NMMA, production records, and data presented herein.

Based on the 2011 report, the estimated production of groundwater in the NMMA was 10,538 acre-feet (AF) in 2011. Of the 10,538 AF of groundwater produced, the Applicant reported production of 1,100 AF, approximately ten percent of the total production.

Currently, no projected increase is predicted for Rural Water Company, and no estimates are available for future agricultural uses.

The Proposed Project would result in an increase in groundwater use of one percent, or 11 AFY. According to the Stipulation, Phillips has no limit to the beneficial and reasonable use of groundwater unless there is a Severe Water Shortage Condition. In the next 20 years, if a Severe Water Shortage Condition occurs, per the Stipulation, Phillips would have rights to 110 percent of the highest amount of prior groundwater use (1,550 AFY). The Proposed Project demand (1,111 AFY) is less than Phillips groundwater rights, per the Stipulation. Therefore, the WSA concludes there is sufficient water supply for the Proposed Project for the next 20 years.

The water supply assessment is based on the groundwater rights of Phillips, as defined in the Stipulation. San Luis Obispo County and all major water purveyors in the NMMA are signed parties to the Stipulation and are bound by the water management agreement to comply with each and every term, which includes upholding Phillips groundwater rights. The monitoring and water management requirements of the Stipulation are designed to protect the current and future availability of groundwater in the NMMA. Since the Proposed Project water demand is within the groundwater rights of Phillips and less than 110 percent of the highest amount of prior groundwater use, impacts associated with current and future water availability of groundwater for other users, including agricultural and residential users, is considered *less than significant* (Class III).

Impact WR.2	The Proposed Project increase in groundwater pumping of onsite wells would not exceed sustained pumping capacities of existing wells, nor result in drawdown of onsite wells and wells on neighboring properties.
Mitigation	None.
Findings	Impacts are considered *less than significant (Class III)*.

Supportive Evidence: Water wells within the Santa Maria Groundwater Basin (SMGB) are screened over alluvial and bedrock approximately 1,500 feet below mean sea level under the Santa Maria River and approximately 200 feet above mean sea level under the northeastern edge of the Nipomo Mesa. Wells in the Nipomo Mesa and Santa Maria area are screened for hundreds of feet within alluvial and Paso Robles Formation bedrock. Hydraulic conductivity is estimated to be approximately 15 to 110 gpd/ft^2 in the western portion of the Santa Maria River Valley increasing to 100 to 400 gpd/ft^2 in the central Santa Maria River Valley (Luhdorff and Scalmanini 2002).

The existing wells have considerably greater capacity and production capabilities than the current and projected uses. In addition, the Nipomo Mesa Management Area Technical Group (NMMATG) has adopted a Well Management Plan and protocol for establishing and measuring groundwater level measurements. To date, no drawdown or adverse effects have been noted and none are anticipated based on the available data and well conditions. However, the well monitoring program will continue to document and verify these findings. Therefore, the existing

Water Resources
water wells have sufficient capacity to provide the additional water demand supply for the Proposed Project. Impacts due to increased groundwater pumping on the adjacent properties would be less than significant (Class III).

V. FINDINGS FOR IMPACTS IDENTIFIED AS SIGNIFICANT BUT MITIGABLE (CLASS II)

Air Quality	
Impact AQ.1	Operational activities at the Refinery and offsite would generate emissions that exceed SLOC APCD thresholds.
Mitigation	AQ-1.1 Prior to issuance of the updated permit and increase in Refinery throughput, the Applicant shall apply BACT on the crude heaters, coker heaters and boilers, vacuum heaters and superheaters, and/or utilize an equivalent method onsite with other equipment, to reduce the NOx emissions to less than the SLOCAPCD thresholds. AQ-1.2 To the extent feasible, and if AQ-1.1 does not reduce emissions to below the thresholds, all trucks under contract to the SMF shall meet EPA 2010 or 2007 model year NOx and PM emission requirements and a preference for the use of rail over trucks for the transportation of coke shall be implemented to the extent feasible in order to reduce offsite emissions. Annual truck trips associated with refinery operations and their associated model year and emissions shall be submitted to the SLOCAPCD annually. AQ-1.3 Prior to issuance of the updated permit, if emissions cannot be mitigated below significance thresholds through implementation of mitigation measures AQ-1.1 and AQ-1.2, then offsite mitigation will be required as per SLOCAPCD guidance in the CEQA Handbook.
Findings	Impacts are considered *less than significant with mitigation (Class II).*

Supportive Evidence: Emissions associated with an increase in crude oil processed would be a linear increase in emissions in relation to the level of crude oil processed for most equipment. The amount of gas used to heat the crude oil would increase by the same level as the increased throughput of crude oil. This is true for most of the combustion processes at the facility. Therefore, an estimate of facility emissions associated with the Proposed Project crude oil throughput increase was produced by increasing the 2009 emissions by the ratio of the Proposed Project crude oil throughput level to the crude oil throughput level in 2009.

An increase in emissions of criteria pollutants (CO, ROG, NOx, SO_2, and PM) during operations would occur due to the increased intensity of operations of the Refinery equipment needed to process the additional crude oil. The ROG+NOx emissions associated with the daily emissions would increase by more than the SLOCAPCD thresholds. Daily emissions of diesel particulate matter, fugitive dust or CO would be below the thresholds. The annual emissions of ROG+NOx and fugitive dust would also be less than the thresholds. Increases in emissions would be subject to New Source Review requirements.

Air emissions of criteria pollutants (CO, ROG, NOx, SO_2, and PM) during operations would also increase as a result of increased transportation of materials associated with the Refinery

Air Quality		
operations. The level of increase in emissions associated with the transportation of crude oil would be a function of the crude oil origin and the transportation methods. At this time, it is not known where the additional crude oil would come from that would allow the Refinery to operate at a higher throughput level. Increased throughput could be produced from onshore fields or from offshore fields. It could be transported by pipeline or it could be transported by truck to the Santa Maria Pump Station. Since the mode and source of the transportation are not known, a reasonable worst-case scenario is defined where the additional crude oil would come from onshore sources and would be transported by truck to the Santa Maria Pump Station. This scenario would produce the highest emissions associated with an increase in crude deliveries to the Refinery. The Proposed Project would not increase the emissions associated with employees or miscellaneous Refinery deliveries since an increase in the crude oil throughput would not increase employee travel or miscellaneous deliveries. Daily offsite mobile emissions of ROG+NOx and diesel particulate matter would increase more than the SLOCAPCD thresholds. Annual thresholds would not be exceeded. Emissions associated with Refinery operations would increase with the Proposed Project due to the increased use of equipment associated with crude oil processing. Emissions associated with the transportation of sulfur and coke and the delivery of crude oil to the Santa Maria Pump Station would also increase. The increase would be more than the SLOCAPCD thresholds and would therefore be a significant impact. However, with the implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).		
Impact AQ.2	Operational activities could increase the frequency or duration of odor events.	
Mitigation	AQ-2	The Applicant shall prepare and submit an Odor Control Plan, which shall be approved by the SLOCAPCD prior to the issuance of a revised permit. The Odor Control Plan shall identify all potential sources of odors at the Refinery. The plan shall detail how odors will be controlled at each odor source and the mechanism in place in the event of an upset or breakdown, as well as design methods to reduce odors, including redundancy of equipment (e.g., pumps and VRU compressors) or reductions in fuel gas sulfur content. Area monitoring shall be discussed. The Plan shall also include a complaint monitoring and reporting section and include a hotline number for individuals to call in case of a complaint.
Findings	Impacts are considered *less than significant with mitigation (Class II).*	
Supportive Evidence: Odor events could occur from many different situations associated with Refinery equipment operations. The equipment components could leak and cause odors. Tanks are equipped with hatches to protect them from overpressure. These hatches could lift, leading to odor events. The amount of throughput through the crude oil tanks would increase under the Proposed Project. The storage of sulfur at the Refinery could also be a source of odors to nearby residences and the amount of sulfur moved through the Refinery would increase with the Proposed Project. The combustion of Refinery gases that contain sulfur produces SO_2 which could travel downwind after combustion and produces odors. Sulfur levels of Refinery fuel gases vary, but generally are limited by the SLOCAPCD permit to less than 797 ppm and generally range from 250 to 300 ppm. Although these levels would not change with the		

Air Quality	
Proposed Project, the amount of gas that is treated and combusted would increase with the Proposed Project. Released materials that cause odors can travel a substantial distance since the odor thresholds for materials can be as low as parts per billion. Odor impacts associated with accidental releases or from normal operations at the Refinery could impact surrounding areas. Increased processing of crude oil would lead to increased movements of sulfur and increased emissions, increased cycling of coker units and increased cycling of crude tank levels in the crude oil tanks, all of which would lead to an increase in emissions and a potential for an increased frequency and/or duration of odor events. This would be considered a significant impact; however, with the implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).	
Impact AQ.3	Operational activities could increase GHG emissions.
Mitigation	AQ-3 The Applicant shall implement a program to increase efficiency of the Refinery stationary combustion devices to maintain GHG emissions to less than the SLOCAPCD thresholds (10,000 metric tonnes per year) over the emissions associated with the current permitted throughput. In addition to increasing stationary equipment efficiency, additional measures may include the use of more efficient model year trucks or alternative fueled vehicles for hauling vehicles. If after all applicable measures have been implemented, emissions are still over the thresholds, then off-site mitigation will be required. The off-site mitigation measures shall be approved by the SLOCAPCD prior to permit issuance.
Findings	Impacts are considered *less than significant with mitigation (Class II).*
Supportive Evidence: GHG associated with operations include emissions from combustion sources (e.g., flare, heaters, boilers, and electrical generators), offsite vehicles, and fugitive emissions that contain CO_2 and methane. The largest source of GHG emissions are the heaters and the electrical generators. Refinery operations account for more than 90 percent of the GHG emissions, with onsite stationary sources creating the vast majority of emissions and offsite mobile emissions accounting for the remaining percentage. The GHG emissions estimate utilizes the same approach as the criteria emissions estimate, whereby emissions from equipment are assumed to increase proportional to the increase in crude throughput. Since the majority of emissions are associated with Refinery combustion from the crude oil heaters, the coke heaters, and boilers, which would have an increase in heating requirements as a function of the increase in crude oil throughput, this estimate is considered to be an accurate assessment of the Proposed Project GHG emissions. Emissions of GHG would be greater than the significance threshold of 10,000 metric tonnes CO_2e. However, with the implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).	

Public Safety and Hazardous Materials	
Impact PSHM.3	The Proposed Project could introduce contamination to groundwater through exacerbation of existing contamination issues.
Mitigation	PSHM-3 Prior to issuance of the updated permit and increase in Refinery

Public Safety and Hazardous Materials	
	throughput, the Applicant shall ensure that any additional coke produced shall be deposited within designated areas as specified by the Coke and Sulfur Storage and Handling Plan and that these areas shall be clearly delineated to all operators. Storage of coke outside these existing delineated areas shall be only within lined areas or other equivalent measures to prevent any additional groundwater contamination, as per consultation with the RWQCB.
Findings	Impacts are considered *less than significant with mitigation (Class II).*

Supportive Evidence: The proposed Project could increase the amount of coke produced and stored at the coke piles. The coke piles have been identified by the RWQCB as a source of localized, low-level groundwater contamination. Based on a review of the most recent (May 2011) Coke and Sulfur Storage and Handling Plan, the coke pile is limited in its extents to the area in the layout figure in the plan. As long as coke is deposited within this designated area, then the extent of coke affected area would not increase with the proposed increase in coke throughput associated with the Proposed Project. However, any increased coke storage outside of this area could exacerbate this groundwater contamination and thereby produce a potentially significant impact. Therefore, with implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).

Noise and Vibration		
Impact N.1	Operation increases at the Refinery could increase noise levels in the area.	
Mitigation	N-1	The Applicant shall provide for a noise monitoring study, under the supervision of the County staff, to determine the noise levels in the vicinity of the Santa Margarita Pump Station and the compliance with applicable codes and standards. If noise levels are a concern, the Applicant shall install, at the Santa Margarita Pump Station, a sound wall constructed of barrier pads between the noise sources and residences, as close to the pumping operations as feasible, to reduce noise levels at the closest receptor property line to the County significance threshold level 50 dBA. Additional barrier walls shall be installed as deemed necessary by in-field measurements. Installation of the sound wall shall be verified by County Planning and Building prior to the issuance of the updated permit/authorization to proceed.
Findings	Impacts are considered *less than significant with mitigation (Class II).*	

Supportive Evidence: Various operations and alarms at the Refinery generate noise in the community. The level of noise impacts on the community would not increase due to an increase in crude oil throughput at the Refinery. Alarm frequency would remain the same. Although equipment use, such as the crude heaters, would increase, noise levels would not increase at receptors near the Refinery.

The pump stations along the pipeline routes from the Santa Maria Pump Station to the Refinery and from the Refinery north to the Bay Area could increase their pumping frequency or pump-drive load or operate in a manner that would increase noise levels as more crude oil would need to be pumped (e.g., operating multiple pumps).

The Summit Pump Station, located midway between the Santa Maria Pump Station and the Refinery, is in close proximity to residences. However, as there are no pumps at this location, an increase in throughput would not generate additional noise levels at nearby residences.

Noise and Vibration
The Santa Margarita Pump Station, located along the pipeline from the Refinery to the Bay Area, is also located in a rural area in close proximity to residences. Natural gas engines operate the pumps and make substantially more noise than electricity driven pumps. Noise monitoring at the Santa Margarita Pump Station indicated that noise levels during the nighttime would be audible to nearby residences, but would not produce a significant impact. However, noise levels at the Santa Margarita Pump Station property line currently exceed the County Noise Element limit of 50 dBA. Increasing operations of these pumps, which might or might not occur under the Proposed Project, would be considered a significant impact. However, with the implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).

Land Use and Policy Consistency Analysis	
Impact LU.1	Noise from throughput increase operations would be incompatible with the adjacent land uses.
Mitigation	Implementation of mitigation measure N-1.
Findings	Impacts are considered *less than significant with mitigation (Class II).*
Supportive Evidence: Potential future operations would be in close proximity to land uses zoned as recreational, agricultural, residential land, and open space. Various operations and alarms at the Refinery generate noise in the community. The level of noise impacts on the community would not increase due to an increase in crude oil throughput at the Refinery. Alarm frequency would remain the same. Although use of equipment, such as the crude heaters, would increase, noise levels would not increase at receptors near the Refinery. The pump stations along the pipeline routes from the Santa Maria Pump Station to the Refinery and from the Refinery north to the Bay Area could increase their pumping frequency or operate in a manner that would increase noise levels (e.g., operating multiple pumps). The Summit Pump Station, located midway between the Santa Maria Pump Station and the Refinery, is in close proximity to residences. However, the pumps at this location have been shut down and the facility produces minimal noise. An increase in throughput at this location would not generate additional noise levels at nearby residences. The Santa Margarita Pump Station, located along the pipeline from the Refinery to the Bay Area, is also located in a rural area in close proximity to residences. Natural gas engines operate the pumps and create noise in the vicinity. Noise monitoring at the Santa Margarita Pump Station indicated that noise levels during the nighttime would be audible to nearby residences, but would not produce a significant impact. However, noise levels at the Santa Margarita Pump Station property line currently exceed the County Noise Element limit of 50 dBA. Increasing operations of these pumps, which might or might not occur under the Proposed Project, would be considered a significant impact. However, with the implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).	
Impact LU.2	Emissions and odors from operations could be incompatible with adjacent land uses.
Mitigation	Implementation of mitigation measure AQ-2.
Findings	Impacts are considered *less than significant with mitigation (Class II).*
Supportive Evidence: Throughput increase operations at the SMF could cause emissions and odor events as various components in the operations equipment could leak and cyclical operations (coking, crude tanks, etc) at the Refinery would increase with the increased throughput, thereby causing odors. The storage of sulfur at the Refinery could also be a source of odors to nearby residences and more sulfur would be processed with the Proposed Project.	

Land Use and Policy Consistency Analysis
The combustion of Refinery gases that contain sulfur produces SO2 which could travel downwind after combustion and produces odors and more gases would be combusted under the Proposed Project. Sulfur levels of Refinery fuel gases vary, but generally are limited by the SLOCAPCD permit to less than 250 to 300 ppm. Released materials that cause odors can travel a substantial distance since the odor thresholds for materials can be as low as parts per billion. Odor impacts associated with accidental releases or from normal operations at the Refinery could impact surrounding areas. Increased processing of crude oil, leading to increased movements of sulfur and increased emissions, could lead to increased frequency and/or duration of odor events. The impacts to adjacent land uses due to emissions and odors would be considered significant. However, with the implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).

Water Resources		
Impact WR.3	The Proposed Project may have significant impacts on water quality.	
Mitigation	WR-3.1	Ensure that any additional increased process water is treated by the wastewater treatment system in conformance with the NPDES Permit.
	WR-3.2	Existing spill management precautions shall be amended as needed to mitigate an increased spill size due to the increased amount of crude oil processing as reviewed and approved by San Luis Obispo County Planning and Building and San Luis Obispo County Water Resources Division.
Findings	Impacts are considered *less than significant with mitigation (Class II).*	
Supportive Evidence: Impacts to water quality would be significant if spill volume increased along the pipeline route due to the Proposed Project. The Refinery operates under the Environmental Protection Agency National Pollutant Discharge Elimination System (NPDES) Permit No. CA0000051 to minimize potential pollutants to the groundwater and outfall areas. In addition, the facility maintains two separate collection systems: one system processes wastewater and contact stormwater and the second system collects non-contact stormwater. The process water sewer system collects process wastewater and precipitation runoff from the oil storage tank dikes and the operating units. This wastewater flows by gravity to a waste treatment plant that also remediates the groundwater. The wastewater plant includes three oil-water separators, two surge tanks, dissolved air flotation, a trickling filter, an Orbal aeration system, and a secondary clarifier. The treated wastewater is discharged to the Pacific Ocean. The increased crude oil refined at the site would be managed under the same spill prevention guidelines currently in place at the Refinery. In addition, any increased process water shall be treated in the existing treatment system. Impacts could be significant; however, with the implementation of mitigation measures including the minor modification shown in the Conditions of Approval, impacts would be reduced to less than significant (Class II).	

VI. FINDINGS FOR IMPACTS IDENTIFIED AS SIGNIFICANT AND UNAVOIDABLE (CLASS I)

No significant and unavoidable impacts (Class I) were identified for the Proposed Project.

VII. CEQA GENERAL FINDINGS

A. The Board of Supervisors finds that changes or alterations have been incorporated into the project to eliminate or substantially lessen all significant impacts where feasible. These changes or alterations include mitigation measures and project modifications outlined herein and set forth in more detail in the Phillips Santa Maria Refinery Throughput Increase Project Final EIR.

B. The Board of Supervisors finds that the project, as approved, includes an appropriate Mitigation Monitoring Program. This mitigation monitoring program ensures that measures that avoid or lessen the significant project impacts, as required by CEQA and the State CEQA Guidelines, will be implemented as described.

C. Per CEQA Guidelines 15126.4(a)(1)(B), the proposed project includes performance-based conditions relating to environmental impacts and includes requirements to prepare more detailed plans that will further define the mitigation based on the more detailed plans to be submitted as a part of the project's implementation and operations. For instance, each of the following mitigation measures contains performance-based standards and, therefore, avoids the potential for these measures to be considered deferred mitigation under CEQA:

i. AQ-1.1-1.3: Implement Best Available Control Technologies (BACT) or other measures to reduce emissions below thresholds
ii. AQ-2: Prepare an Odor Control Plan
iii. AQ-3: Develop and implement GHG Emissions Program
iv. PSHM-3: Conform with Coke and Sulfur Storage and Handling Plan
v. N-1: Provide for a Noise Monitoring Study
vi. WR-3.1: Conform with NPDES Permit
vii. WR-3.2: Amend Spill Management Precautions
viii. TR-1: Pay South County Area 2 Road Impact Fees

VIII. MITIGATION MONITORING AND REPORTING PROGRAM

As the Co-Lead Agencies under the California Environmental Quality Act (CEQA), the San Luis Obispo County Air Pollution Control district (SLOCAPCD), and the County of San Luis Obispo (County) are required to adopt a program for reporting or monitoring regarding the implementation of mitigation measures for the Proposed Project, if it is approved, to ensure that the adopted mitigation measures are implemented as defined in the Final Environmental Impact Report (FEIR). This Lead Agency responsibility originates in Public Resources Code Section 21081.6(a) (Findings) and the CEQA Guidelines Sections 15091(d) (Findings) and 15097 (Mitigation Monitoring or Reporting).

The Board of Supervisors hereby finds and accepts that the Mitigation Monitoring Program for the Phillips Santa Maria Refinery Throughput Increase Project Final EIR meets the requirements of Section 21081.6 of the Public Resources Code by providing for the implementation and monitoring of mitigation measures intended to mitigate potential environmental effects.