

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 9/22/2015	(3) CONTACT/PHONE Ryan Hostetter, Senior Planner/(805) 788-2351	
(4) SUBJECT Request to approve Amendment No. 4B to the contract with Marine Research Specialists to complete work related to the new Health Risk Assessment Model, biological information, and additional meetings and hearings for the Phillips 66 Rail Spur project Development Plan / Coastal Development Permit, increasing the current contract by \$204,214. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board approve Amendment No. 4B to the contract with Marine Research Specialist to complete work related to the new Health Risk Assessment Model, biological information, and additional meetings and hearings for the proposed Phillips 66 Rail Spur Project Development Plan / Coastal Development Permit, increasing the current contract by \$204,214.			
(6) FUNDING SOURCE(S) Applicant Funded	(7) CURRENT YEAR FINANCIAL IMPACT \$993,842 (total contract amount)	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001593		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>June 17, 2014 and April 14, 2015</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) District 4			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Ryan Hostetter, Senior Planner

VIA: Ellen Carroll, Planning Manager & Environmental Coordinator

DATE: 9/22/2015

SUBJECT: Request to approve Amendment No. 4B to the contract with Marine Research Specialists to complete work related to the new Health Risk Assessment Model, biological information, and additional meetings and hearings for the Phillips 66 Rail Spur project Development Plan / Coastal Development Permit, increasing the current contract by \$204,214. District 4.

## **RECOMMENDATION**

It is recommended that the Board approve Amendment No. 4B to the contract with Marine Research Specialist to complete work related to the new Health Risk Assessment Model, biological information, and additional meetings and hearings for the proposed Phillips 66 Rail Spur Project Development Plan / Coastal Development Permit, increasing the current contract by \$204,214.

## **DISCUSSION**

On August 6, 2013, the Board of Supervisors approved a contract to prepare an Environmental Impact Report (EIR), allowing the Planning Department to move forward with processing the Phillips 66 Rail Spur Project Development Plan / Coastal Development Permit. A Draft EIR was prepared for the project and released in November 2013 for a 60-day public review period. A significant number of comments were received raising issues of regional and statewide concern. After extensive review of the public comments received on the 2013 Draft Environmental Impact Report, the County determined it was necessary to expand the scope of environmental analysis and the Board approved a contract amendment on June 17, 2014 (Amendment Contract No. 4A) to include the costs of recirculation of the EIR and additional response to comments.

Since the approval of Contract No. 4A on June 17, 2014, regulations have changed at the State and Federal level, which require additional analysis by Marine Research Specialists in order to include the updated information in the Final Environmental Impact Report (Final EIR). These include the new Federal regulations related to rail car safety updated on May 1, 2015 as well as updated Risk Assessment Guidelines for the Health Risk modeling by the State Office of Environmental Health Hazard Assessment (OEHHA) which were updated in April of 2015. Because of these updates, additional review that is beyond the scope of the original contract, as well as the contract amendment No. 4A, is necessary in order to complete the Final EIR. This work is outlined in the attached scope of work prepared by Marine Research Specialists dated July 28, 2015 and is attached to the contract as Exhibit D of contract amendment No. 4B. This contract amendment complies with all county contracting policies and procedures.

## **UPDATED SCHEDULE**

There is a significant amount of work that needs to be completed prior to the finalization of the EIR. With the completion of the work as a result of this Contract Amendment No. 4B it is anticipated that the Final EIR will be available by the end of December of 2015. This schedule is based on the information submitted to date, and any new information may impact the schedule. Once the Final EIR is available, the Planning Department will release the dates for upcoming public hearings before the Planning Commission, which will be fully noticed. The County recognizes the public interest with regards to this project application, therefore the project will receive extensive notification prior to any hearings.

## **PROJECT DESCRIPTION**

The proposed project entails a request for an extension of an existing rail spur at the Santa Maria Refinery and construction of a railcar off-loading facility in order to allow for up to five unit trains per week to unload heavy crude. The project also includes an above-ground conveyance pipeline, restroom facility, and an unpaved emergency vehicle access road from the end of the proposed rail spur to State Route 1. The project also includes a conceptual plan for provision of vertical coastal access through the project site to the Oceano Dunes State Vehicular Recreation Area. The proposed project site is located within the Industrial and Open Space land use category and is located at 2555 Willow Road (Highway 1), south of the village of Callendar Garrett. The site is in the South County Coastal planning area.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Other agencies and County departments involved in this project include (but are not limited to):

Air Pollution Control District, County Public Works, Cal Fire, California Department of Fish and Wildlife, California Coastal Commission, U.S. Fish and Wildlife Service, Regional Water Quality Control Board, California Public Utilities Commission, Union Pacific Railroad, and Caltrans.

In addition, County Counsel has reviewed and approved this contract for form and legal effect.

## **FINANCIAL CONSIDERATIONS**

The applicant (Phillips 66 Company) will fund the contract amendment. The consultant cost associated with this amendment (including contingencies) has been determined to be \$204,214 for the proposed scope of work. The total consultant cost associated with the amendment and the original agreement is \$993,842. County Counsel has reviewed this contract amendment as to its form and effect.

## **RESULTS**

Upon approval of this contract amendment, Marine Research Specialists will be authorized to move forward with the additional Health Risk Assessment, review of biological information, and attendance of additional meetings and hearings for the project. This is consistent with communitywide results of a safe community, a healthy community and a livable community.

## **ATTACHMENTS**

1. Attachment 1 - Contract Amendment No. 4B
2. Attachment 2 - MRS Scope of Work, Exhibit D to Contract