



**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT**

Tentative Notice of Action

Promoting the wise use of land

Helping build great communities

MEETING DATE August 5, 2016 EFFECTIVE DATE August 19, 2016	CONTACT/PHONE John McKenzie / 805-781-5452	APPLICANT Phillips 66 Pipeline, LLC	FILE NO. DRC2015-00044
SUBJECT A request by MOSCONI (PHILLIPS 66 PIPELINE LLC) for a Coastal Development Permit/ Minor Use Permit (DRC2015-00044) to allow for the closure and abandonment of the Phillips 66 Company Line 354 Family of pipelines; this will include: exposing fourteen portions of three buried pipelines, where the pipes will be cleaned, capped and 'inerted' (neutralized with nitrogen gas). The project will be conducted in 14 work areas, and result in the total disturbance of approximately 12,570 square feet and excavation work will total approximately 124 cubic yards. The existing pipelines to be closed are within the following land use categories: Recreation, Agriculture, Rural Lands, Open Space and Industrial. Pipeline work location starts in the southwestern corner of the County (near Santa Maria River and the Pacific Ocean) and within the Guadalupe Oil Field Restoration area, and extend northeasterly for approximately 6.3 miles (over 10 existing parcels) to the existing Santa Maria Refinery on the Nipomo Mesa near Highway 1, in the South County (Coastal) Planning Area.			
RECOMMENDED ACTION 1. Adopt the Mitigated Negative Declaration in Exhibit D in accordance with the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq. 2. Approve Minor Use Permit DRC2015-00044 based on the findings listed in Exhibit A and the conditions listed in Exhibit B			
ENVIRONMENTAL DETERMINATION The Environmental Coordinator, after completion of the initial study, finds that there is no substantial evidence that the project may have a significant effect on the environment, and the preparation of an Environmental Impact Report is not necessary. Therefore, a Mitigated Negative Declaration (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) has been issued on September 25, 2014 for this project. Mitigation measures are proposed to address Air Quality, Biological Resources, and Cultural Resources, and are included as conditions of approval.			
LAND USE CATEGORY Agriculture, Recreation, Rural Lands, Industrial, Open Space	COMBINING DESIGNATION Energy Extractive Area, Flood Hazard Area, Terrestrial Habitat, Wetlands, Sensitive Resource Area, Coastal Appealable Zone	ASSESSOR PARCEL NUMBER 092-041-003, 092-041- 005, 092-041-006, 092- 041-008, 092-011-012, 092-021-018, 092-011- 009, 092-021-004, 092- 011-019, and 092-391- 019.	SUPERVISOR DISTRICT(S) 4

AREA PLAN STANDARDS:
Agriculture – Nipomo and Santa Maria (Osos Flaco) Valleys; Energy and Extractive (EX) – Permit Requirement-Guadalupe Oil Field; Sensitive Resource Area (SRA) – Santa Maria River; Industrial – Union Oil; Open Space – Limitation of Use; Recreation – Guadalupe Dunes; Rural Lands – Guadalupe Dunes Oilfield

COASTAL PLAN POLICIES
 Chapter 2 (Shoreline Access) – Policies 1 and 2
 Chapter 4 (Energy and Industrial Development) - Section B, Policy 3, & Section I, Policies 36 through 40;
 Chapter 6 (Environmentally Sensitive Habitats) – Policies 1, 3, 29 and 36;
 Chapter 7 (Agriculture) – Policy 1;
 Chapter 12 (Archaeological Resources) – Policies 1, 4 and 6;
 Chapter 13 (Air Quality) - Policy 1

LAND USE ORDINANCE STANDARDS:

23.04.420 - Coastal Access Required	23.05.040 – Drainage
23.07.040 – Energy and Extractive Resource Area	23.07.160 – Sensitive Resource Area
23.07.060 – Flood Hazard Area	23.07.170 – Environmentally Sensitive Habitats
23.08.286 – Pipelines and Transmission Lines	23.07.172 - Wetlands
23.05.020 - .039 – Grading	23.07.176 – Terrestrial Habitat

Does the project conform to the Land Use Ordinance Standards: Yes - see discussion

FINAL ACTION
 This tentative decision will become final action on the project, effective on the 15th day following the administrative hearing, or on August 19,2016, if no hearing was requested unless this decision is changed as a result of information obtained at the hearing or is appealed.

ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT:
 COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242

EXISTING USES:
 Existing pipeline family that transported oil, natural gas and diluent between Guadalupe oilfield and the existing Santa Maria processing facility; since oil field stopped producing in the early 90's, this pipeline family has been idle. Currently, there are no known leaks associated with this section of pipeline.

SURROUNDING LAND USE CATEGORIES AND USES:
North - LUCs include Industrial and Open Space with primary uses including the Santa Maria processing facility and undeveloped; South - LUCs include Agriculture and Rural Lands with primary uses including the Santa Maria River and undeveloped; East - LUC includes Agriculture with primary uses including agricultural uses and undeveloped; West - LUCs include Recreation, Agriculture and Open Space with primary uses including undeveloped, agricultural uses and the Pacific Ocean.

OTHER AGENCY / ADVISORY GROUP INVOLVEMENT:
 The project was referred to: Public Works, Environmental Health, Ag Commissioner's Office, Air Pollution Control District, CalFire, Regional Water Quality Control Board, Native American Heritage Commission, California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, Coastal Commission

TOPOGRAPHY:
 Nearly level to moderately sloping with coastal creek (Oso Flaco)

VEGETATION:
 Grasses, coastal scrub, riparian/wetland, barren

PROPOSED SERVICES: Water supply: N/A Sewage Disposal: N/A Fire Protection: CalFire	ACCEPTANCE DATE: April 20, 2016
---	------------------------------------

DISCUSSION

PROJECT BACKGROUND:

Three pipelines previously transported crude oil, natural gas and diluent between the Guadalupe oil field and the Santa Maria refinery. The proposed work is in response to a 2012 agreement with the California State Fire Marshall to comply with the California Orphan Pipeline Abandonment Verification and Abandonment Work Plan. Use of these pipelines was discontinued between 1990 and 1994 which corresponds with the Guadalupe oil field production shutting down. The Guadalupe oil field is currently under remediation by Chevron (previously Unocal) and is known as the Guadalupe Restoration Project (GRP). A portion of the proposed pipeline work extends through the Guadalupe-Nipomo Dunes National Wildlife Refuge which is owned by the federal government (US Fish & Wildlife Service [USFWS]). The County has no land use or coastal plan authority on federal lands, and therefore this permit does not apply to this portion of the pipeline work. However, the applicant is currently in the process of obtaining a coastal permit with the California Coastal Commission. It is expected this permit will have similar provisions as is included in this coastal development permit / minor use permit. To reiterate, this coastal development permit and minor use permit does not address the impacts associated with pipeline work within these federal lands.

A substantial portion of pipeline work under County jurisdiction (11 of the 14 work areas) is also within Chevron's GRP boundaries. The remediation of the Guadalupe oil field was evaluated during a lengthy multi-agency review process that included the preparation of an EIR. This resulted in the approval of a development plan /coastal development permit (D890558D) in 1998 providing for the remediation activities conducted under the GRP, which includes removal of oil field infrastructure, and addresses hydrocarbon spills and leaks that were generated during the life of the oil and gas production field (1946-1994) when under the ownership of Unocal. In 2005, Chevron acquired this oil field from Unocal and took over the ongoing remediation work. As the proposed work by Phillips 66 has both common general elements with the successful remediation work for the GRP as well as specific GRP work that would be done at the same time as the Phillips work, applicable land use conditions from the Development Plan have been carried forward into the conditions of approval.

The previous oil field existed prior to adoption of the Coastal Act and establishment of the County's Local Coastal Plan. The oil field was also in the middle of the Guadalupe-Nipomo Dunes, which is considered a very sensitive biological resource with numerous sensitive plants, wildlife and habitat. As a result, the County and Coastal Commission conducted an Energy Facility Siting Management Plan, which was intended to provide guidance for new development within this oil field. Furthermore, a number of alternatives were considered in this process and 'Alternative 2' was ultimately selected as the guidance document. Appendix E of the Coastal Plan Policies reflects the approved Policies of Alternative 2. These policies and planning area standards are discussed in subsequent sections.

SUPPLEMENTAL PROJECT DESCRIPTION DETAILS:

The proposed project is temporary. Due to the sensitivity of the vegetation above the pipeline, it is the intent of the project to access a relatively small number of points along the pipeline route to gain access to remove any remaining fluids and neutralize these pipes from any potential

future soil or water contamination. Furthermore, special attention was given to minimize impacts to sensitive surface vegetation to gain access to the proposed access points and work limits. Once the work is completed, the pipelines left in place will be non-operational and no future work or operations is expected. Furthermore, a similar approach was taken for work within active agricultural areas, where existing agricultural roads will be used and pipe access points are outside of any active agricultural production areas. The disturbance area of the 14 work areas under County jurisdiction total about 12,570 sf over the entire length of pipelines (6.3 miles) to be decommissioned. Three of the work areas will not require any excavation (existing access vaults will be used). All excavated areas will be returned to existing conditions. Stockpiles of excavated material will be temporary. Construction hours are proposed from 7 am to 5 pm, Monday through Friday. Most work areas will not be visible from public roadways. The project is temporary (estimated duration of 13 weeks). Expected vehicles at each work area includes two work crew trucks, two pick-up trucks, a 70-barrell vacuum truck, and a water truck;

There are an additional nine work area locations that will be accessed on federal lands (these are being processed separately under a permit directly with the Coastal Commission).

LAND USE ORDINANCE STANDARDS

23.04.420 - Coastal Access Required. This section of the LUO applies to development within the Coastal Zone that is between the first public road and the tidelands. The purpose of this section is to protect and/or provide coastal access as required in this section. This section also recognizes a list of activities that would not trigger the need to establish a new coastal access. One of those exempt activities includes improvements to any structure that do not change the intensity of its use, or increase either the floor area, height or bulk of the structure by more than 10 percent, which do not block or impede public access and do not result in additional seaward encroachment by the structure.

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. The proposed project would include the temporary creation of access points to clean and remove any remnant fluids or gases of the pipelines controlled by Phillips 66, and will leave most of the existing pipelines in place. At the conclusion of this effort, the pipelines will no longer be able to pump any fluids or natural gas through this section of pipelines. All of the work areas will be restored to their previous conditions. Therefore, the proposed activity will have no adverse effect on future or existing coastal access and would be exempt from this provision of the LUO.

23.07.040 – Energy and Extractive Resource Area. The Energy and Extractive Resource Area (EX) combining designation is used to identify areas of the county where:

1. Mineral or petroleum extraction occurs or is proposed to occur;
2. The state geologist has designated a mineral resource area of statewide or regional significance pursuant to Sections 2710 et seq. of the Public Resources Code (The Surface Mining and Reclamation Act);
3. Major public utility electric generation facilities exist or are proposed.

The purpose of this combining designation is to protect significant resource extraction and energy production areas identified by the Land Use Element from encroachment by incompatible land uses that could hinder resource extraction or energy production operations, or land uses that would be adversely affected by extraction or energy production.

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. A section of the Phillips 66-controlled pipelines are within the Guadalupe oil field. The previous Guadalupe Oil Field is located within the EX Combining Designation recognizing the remaining oil reserves below. Decommission and restoration of the Chevron-controlled portions of the facility is governed by previously issued land use entitlements. The proposed project, in part, would represent a continuation of Chevron's decommissioning and restoration efforts at the Guadalupe Oil Field. The proposed project would include the creation of access points to clean and remove any remnant fluids or gases of the pipelines controlled by Phillips 66, and leave most of the existing pipelines in place.

23.07.060 – Flood Hazard Area. The Flood Hazard (FH) combining designation is applied to areas where terrain characteristics would present new developments and their users with potential hazards to life and property from potential inundation by a 100-year frequency flood or within coastal high hazard areas. These standards are also intended to minimize the effects of development on drainage ways and watercourses.

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. The existing pipeline segments currently exist below Oso Flaco Creek and the FH designation to the north of this creek. There are 3 work areas within the FH designation. However, the pipelines are proposed to remain in place after work is completed, and project proposes to do work in these 3 areas only outside of the rainy season. This should substantially diminish the potential of any 100-year rain event from occurring during the decommissioning work. Lastly, as a temporary activity, and the restoration of these three work areas to original conditions, there will be no long-term increase or change to the potential hazards that could otherwise occur during a 100-year flood event,, and would not expose people or habitable structures to such flooding hazards.

23.08.286 – Pipelines and Transmission Lines. This Section provides standards for pipeline and power and communications transmission lines and related facilities, where designated as allowable by Coastal Table O. This Section applies to emergency repairs, replacement, renewal, and upgrading of existing facilities, as well as to new facilities.

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. The pipeline existed prior to the establishment of the Coastal Act and County Local Coastal Plan. Furthermore, this section focuses on the establishment of new pipeline as well as the operations and maintenance of active pipelines. The decommissioning of a pipeline is not discussed in this section, and therefore the provisions of this section are not applicable.

Sections 23.05.020 through 23.05.039 – Grading. The purpose of this section is to establish standards for grading and excavation activities to minimize hazards to life and property; protect against erosion and the sedimentation of water courses; and protect the safety, use and stability of public rights-of-way and drainage channels. Additional standards for grading within a Sensitive Resource Area are discussed in Sections 23.07.160 et seq.

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. The applicant will be required to submit a grading plan that complies with the standards as defined in Section 23.05.020 et. seq.. Compliance with these existing ordinance requirements would ensure that no impacts related to grading or uncontrolled storm water runoff would occur. The project proposes a small quantity of soil (147 cubic yards total) to be moved and about ¼ acre in overall surface disturbance, which will be spread out to 14 work areas along the 6.3 mile length of pipeline.

23.05.040 – Drainage. Standards for the control of drainage and drainage facilities provide for designing projects to minimize harmful effects of storm water runoff and resulting inundation and erosion on proposed projects, and to protect neighboring and downstream properties from drainage problems resulting from new development.

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. A Drainage Plan will need to be prepared for the 3 works areas near Oso Flaco Creek and within the FH designation. The project proposes a number of precautionary measures to minimize the potential for any spills, such as: 3-tier spill containment systems at each work area, sedimentation control (e.g., straw waddles) around stockpiles and excavation areas, use of vacuum trucks when any remnant pipe fluids are encountered in the pipes (fluids then disposed of at permitted facilities). The applicant has prepared an Oil Spill Prevention and Contingency Plan which will be implemented during all proposed pipeline work. These measures will minimize the potential for any surface migration of any contaminants from surface runoff. In addition, the applicant will be required to submit a drainage plan pursuant to this section due to the proximity to a watercourse and a portion of the project within the Flood Hazard designation.

23.07.160 – Sensitive Resource Area. The Sensitive Resource Area combining designation is applied to areas with special environmental qualities, or areas containing unique or endangered vegetation or habitat resources. The purpose of these combining designation standards is to require that proposed uses be designed with consideration of the identified sensitive resources, and the need for their protection, and, where applicable, to satisfy the requirements of the California Coastal Act. This section also includes the following subsections that are discussed individually: 23.07.170 (Environmentally Sensitive Habitats), 23.07.172 (Wetlands), and 23.07.176 (Terrestrial Habitat).

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. Each of the proposed work areas carefully considered and minimized vegetation removal impacts by limiting the size and location of work areas, as well as use existing access roads to each location. Approximately 5,220 square feet of the total 12,570 sq. ft. of temporary disturbance will impact coastal dune scrub habitat from work proposed within 11 of the work areas. These 11 work areas are all within the GRP as well as the County's EX designation. All of the applicable conditions from the GRP Development Plan have been carried forward as conditions of approval for this project. Once work is completed in these areas, due to their small size, passive restoration (natural reseeding from surrounding native plants) is proposed. Topsoil will be set aside to be reapplied as a last step to each work area.

For the three northernmost work areas, all are within agriculturally developed areas. Two of these work areas are on the edge of the Wetland designation (see discussion below).

23.07.170 – Environmentally Sensitive Habitats (ESHA). The provisions of this section apply to development proposed within or adjacent to (within 100 feet of the boundary of) plant or animal life or their habitats that are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and development. The known mapped habitats under this LUO section are recognized as the following combining designations in the CZLUO/LUE: wetlands, coastal streams and riparian vegetation, terrestrial and marine habitats; the applicable mapped areas are discussed individually and separately.

STAFF COMMENTS: As the project is within 100 feet of the Wetlands designation and within the Terrestrial Habitat designation, the general ESHA standards apply to the project. See also the following discussions for Wetlands and Terrestrial Habitats for additional considerations. The proposed project is consistent with this section of the land use ordinance. A biological report has been prepared to determine the potential temporary impacts of the proposed project. Each of the proposed 14 work areas carefully considered and minimized vegetation removal impacts by limiting the size and location of work areas, as well as use existing access roads to each location. Approximately 5,220 square feet of the total 12,570 sq. ft. of temporary disturbance will impact coastal dune scrub habitat from work proposed within 11 of the work areas. These 11 work areas are all within the GRP as well as the County's EX designation. All of the applicable conditions from the GRP Development Plan have been carried forward as conditions of approval for this project. Ongoing monitoring of the restoration work at the GRP site has shown the current practice as being highly successful. Once work is completed in these areas, due to their small size, passive restoration (natural reseeding from surrounding native plants) is proposed. Topsoil will be set aside to be reapplied as a last step to each work area.

For the three northernmost work areas, all are within agriculturally developed areas. Two of these work areas are on the edge of the Wetland designation (see discussion below).

23.07.172 – Wetlands. Development proposed within or adjacent to (within 100 feet of the upland extent of) a wetland area shown on the Environmentally Sensitive Habitat Maps shall satisfy the requirements of this section to enable issuance of a land use or construction permit. These provisions are intended to maintain the natural ecological functioning and productivity of wetlands and estuaries and where feasible, to support restoration of degraded wetlands.

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. The two work areas immediately adjacent to the Wetlands designation (recognizing Oso Flaco Creek) were considered in the biological report, and reviewed for potential wetland habitat. The report concluded that neither site included any of the characteristics or vegetation that would support being defined as potential wetland habitat areas. Both areas are on barren areas currently being used by the surrounding active agricultural operation. The project has included a number of construction measures to minimize any potential contamination to surrounding soils (should any fluids be encountered) or any surface runoff into the creek. Furthermore work is proposed outside of the rainy season further diminishing the possibility of any surface runoff outside of the work area. The work area will be returned to its original condition, which would be an existing access road for the agricultural operation.

23.07.176 – Terrestrial Habitat. The provisions of this section are intended to preserve and protect rare and endangered species of terrestrial plants and animals by preserving their habitats. Emphasis for protection is on the entire ecological community rather than only the identified plant or animal. In recognition of the Guadalupe Dune complex, this boundary is co-terminus with the Sensitive Resource Area designation (see discussion above).

STAFF COMMENTS: The proposed project is consistent with this section of the land use ordinance. As described above in the SRA and ESHA sections, the project: is temporary; has carefully selected work areas and access routes to minimize existing sensitive vegetation disturbance; will return the topography to existing conditions; the individual work areas are small and mostly surrounded by native habitat; the project has incorporated applicable work and restoration conditions similar from the GRP Development Plan, which has proven to be a successful program. Topsoil will be stockpiled and then reapplied, which is expected to have

a viable native seed bank; and field monitoring of conditions is required and will insure compliance.

AREA PLAN STANDARDS - SOUTH COUNTY:

COMBINING DESIGNATIONS (ENERGY AND EXTRACTIVE [EX])

4. Permit Requirement – Guadalupe Oil Field.

Any new oil field operation, modification or expansion of the existing Guadalupe Oil Field, beyond that allowed by current Coastal Commission permits requires Development Plan approval.

Staff Comments: 11 of the 14 work areas for the proposed pipeline decommissioning are within the boundaries of the Guadalupe Restoration Project (where the previous oil field was the basis for the EX designation). In 1998, a Development Plan (D890558D) was approved to allow Chevron (permit was processed by the previous owner - Unocal) to complete a number remedial and restoration measures to ultimately decommission the oil field and its infrastructure. Some of this ongoing approved decommissioning work includes the removal of and/or neutralizing underground pipes that carried crude, natural gas and diluent. Some of the current GRP work is on hold as it overlaps the same physical area as the proposed project. For these overlap areas, the GRP operator intends to do their work at the same time P66 conducts its work (should the proposed project be approved) to only excavate and restore once. The proposed project includes all of the relevant restoration measures that were required for the GRP Development Plan, as well as including a field monitor to insure compliance. To date, the GRP restoration efforts have been very successful. Based on the above description, with approval of the coastal development permit/ minor use permit, the project would be considered consistent with this standard.

COMBINING DESIGNATIONS (SANTA MARIA RIVER SRA)

1. Habitat Protection.

No oil field discharge shall be allowed into the wetland.

12. Setback Requirements.

Oil field tailings and debris shall not be located within 100 feet of the wetland. Existing tailings and debris shall be removed.

Staff Comments: The proposed project is almost ½ mile from the Santa Maria River and will have no effect on this resource. The proposed project would be in compliance with these standards.

SOUTH COUNTY RURAL AREA STANDARDS

AGRICULTURE – Nipomo and Santa Maria (Osos Flaco) Valleys

1. Limitation on Use.

Uses allowed by Coastal Table O, Part I of the Land Use Element are limited to: agricultural processing; agricultural accessory structures; crop production and grazing; animal raising and keeping; farm labor quarters; residential accessory uses; single family dwellings; mobilehome dwellings; temporary dwellings; roadside stands; pipelines and power transmission; water wells and impoundments; and coastal accessways.

Staff Comments: The proposed project does not consist of a “new use” but is maintenance and decommissioning of an existing use/ pipeline structure. ‘Pipelines’ are included as an allowed use within this definition. The three temporary work areas within this designation are all within existing agricultural access roadways that are not used for crop production. The proposed project would be in compliance with this standard.

INDUSTRIAL – Union Oil

There are five standards (permit requirements, limitation on use, site location, buffer zones, air pollution standards) in this section that apply to new development connected to the Santa Maria Oil Refinery and the Santa Maria chemical plant, located west and south of Highway 1.

Staff Comments: The proposed project does not consist of a “new use” but is maintenance and decommissioning of an existing use/ pipeline structure. The north end of the project connects to the southern edge of the Santa Maria Oil Refinery. However, no work is planned at this northern pipeline terminus. ‘Pipelines’ are included as an allowed use within this definition. Measures are included to address air quality as recommended by the APCD. The proposed project would be in compliance with this standard.

OPEN SPACE

1. Limitation of Use

This area shall be maintained in its natural state to provide a buffer from the off-road vehicular area to the west and to afford protection to the refinery area to the east. Only authorized vehicles used for maintenance purposes are permitted, except for special off-road events which may be permitted if the lease between Union Oil and State Parks is renegotiated.

Staff Comments: The north end of the pipeline is within the Union Oil lease/easement that goes through this land use designation project. However, there are no work areas within this designation and the pipeline will remain in place. The proposed project would be in compliance with this standard.

RECREATION – Guadalupe Dunes

There are three standards (access, dune stabilization, limitation on use) that apply to the sand dune areas south of Oso Flaco Road that focus on new active recreational uses.

Staff Comments: A large portion of the pipeline goes through this land use category. The northern portion is within federal lands (and is being processed separately with the Coastal Commission) and the southern half is within the EX designation and within the GRP oil field boundaries. The proposed activity is not a ‘new’ use but is addressing an existing use. Please refer to the discussion above in the EX designation. Pipelines are included as one of the allowed uses. The proposed project would be in compliance with this standard.

RURAL LANDS (Guadalupe Dunes Oilfield)

1. Limitation on Use.

Uses allowed by Coastal Table O of the Land Use Element and Local Coastal Plan are limited to: agricultural accessory structures; aquaculture; crop production and grazing; coastal accessways; fisheries and game preserves; water wells and impoundments; petroleum extraction; accessory storage; pipelines and power transmission.

Staff Comments: The proposed project does not consist of a “new use” but is maintenance and decommissioning of an existing use/ pipeline structure. ‘Pipelines’ are included as an allowed use within this definition. The proposed project would be in compliance with this standard.

COASTAL PLAN POLICIES (CPP)

CHAPTER 2 - SHORELINE ACCESS

Policy 1: Protection of Existing Access. Public prescriptive rights may exist in certain areas of the county. Development shall not interfere with the public's right of access to the sea where acquired through historic use or legislative authorization. These rights shall be protected through public acquisition measures or through permit conditions which incorporate access measures into new development.

Policy 2: New Development. Maximum public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development. Exceptions may occur where (1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources; (2) adequate access exists nearby, or; (3) agriculture would be adversely affected.

Staff Comments: The proposed project would access this underground pipeline to perform maintenance, cleaning and abandonment steps. The work would be temporary and the disturbed surface areas would be returned to their previous contours. Pipelines would be left in place. Once completed, there will be no change to the surface use of the land and the capping of these pipes eliminates any potential for intensification of use. Furthermore, there is an existing public access to the shoreline at the western end of Oso Flaco Road, which is near the northern section of pipeline. Lastly, the majority of work is within the Guadalupe oil fields currently under remediation. Approval of this Development Plan (D890558D) includes Condition (#110) which, once the site is remediated, requires the property to be given over to a state agency or non-profit group who at that time would develop public shoreline access. The project would be considered consistent with this policy.

CHAPTER 4 - POLICIES FOR ENERGY AND INDUSTRIAL DEVELOPMENT

SECTION B-PETROLEUM EXTRACTION OPERATIONS AND PROCESSING FACILITIES

Existing petroleum extraction and processing facilities within the county coastal zone are presently limited to the Guadalupe Dunes. Policy 2 (“Exploration and Production Wells”) applies to all future or expanded petroleum extraction operations and processing facilities in the coastal zone and is therefore not related to the proposed project. Policy 3 (Abandonment of Facilities) is addressed below.

Policy 3: Abandonment of Facilities - Upon completion or abandonment, all above-ground oil production and processing facilities shall be removed from the site, and the area in which they were located shall be restored.

Staff Comments: The proposed project would access this underground pipeline to perform maintenance, cleaning and abandonment steps. The work would be

temporary and the disturbed surface areas would be returned to their previous contours. Pipelines would be left in place to substantially reduce any potential for impacts of the existing sensitive vegetation directly above portions of these pipes. This work would substantially reduce any future potential to contaminate the soil or groundwater. Furthermore, completion of this work would eliminate these pipelines from future use and eliminate this competing use to protection of the Dune Complex habitat and associated sensitive species. Topsoil would be stockpiled and reapplied, which is expected to contain viable native seed. The project would be considered consistent with this policy.

SECTION I - GUADALUPE DUNES ENERGY MANAGEMENT

The Nipomo Dunes ecosystem is an 18 square mile area, lying in northern Santa Barbara and southern San Luis Obispo counties. The area is considered to be the largest and most beautiful remaining dune-lagoon complex in California (California Department of Parks and Recreation, 1968). Recognizing that the area's ecological and scenic values are of national significance, the U.S. Secretary of the Interior designated all of the coastal area between Point Sal and Pismo Beach (with the exception of a portion of the Guadalupe LeRoy oil field) a National Natural Landmark and placed it in the National Registry of Natural Landmarks.

Although the Guadalupe oil field in San Luis Obispo County physically lies within the Nipomo Dunes system, the decision of the Secretary of the Interior to exclude it from Natural Landmark designation was based on the disturbance of that area by oil wells and roads. This resource-dependent development within the Guadalupe Dunes was evaluated in the Energy Facility Siting Management Plan for the Nipomo Dunes System (Volume II Guadalupe Unit, October 2, 1980). Furthermore, the County Board of Supervisors approved Alternative 2 of this Management Plan. Policies from this alternative were carried forward into the main body of the CPP. This Alternative and its policies are included in the CPP as Appendix E. The oil field boundary is recognized with the EX combining designation.

In passing the California Coastal Act of 1976, the legislature recognized potential conflicts between energy development and coastal protection. However, it found that "notwithstanding the fact that coastal energy development may have significant adverse effects on coastal resources or coastal access, it may be necessary to locate such developments in the coastal zone in order to ensure that inland as well as coastal resources are preserved and that orderly economic development proceeds within the state."

The following policies of the CPP are based on policies approved and carried forward from Alternative 2 of the 'Energy Facility Siting Management Plan for the Nipomo Dunes System' (found in Appendix E of the CCP).

Policy 36 - Resource-Dependent Development. The County may permit resource-dependent development within the Guadalupe Dunes only if consistent with the standards specified in the Energy Facility Siting Management Plan for the Nipomo Dunes System (Volume II Guadalupe Unit, October 2, 1980), and the certified Local Coastal Program. Although feasible alternative locations within Union Oil's Leroy lease or outside the Guadalupe Dunes are available for some potential facilities, recovery of petroleum resources within the area is not feasible unless some facilities are located within undisturbed portions of the dunes. The potential disruption of the Guadalupe

Dunes habitat area and loss or degradation of habitat values as a result of siting coastal-dependent or resource-dependent uses within the currently undisturbed habitat area may be minimized to a level where economic benefits derived from such development outweigh the impacts on the ecosystem.

STAFF COMMENTS: The proposed project is consistent with this section of the CPP. This work would substantially reduce any future potential to contaminate the soil or groundwater. Furthermore, completion of this work would eliminate these pipelines from future use and eliminate this competing use to protection of the Dune Complex habitat and associated sensitive species.

Policy 37 - Resource-Dependent Uses. Other than those uses and activities approved by the Coastal Commission for Union Oil's Leroy lease, permitted facilities within the dune areas shall be limited to uses that absolutely require a site within the Guadalupe Dunes to be able to function at all. Such development would be subject to environmental review, with particular emphasis on potential alternative locations. Specific policies related to the types of permitted facilities may be found in Section E of the Appendix.

STAFF COMMENTS: The proposed project is not proposing to establish a new use, but rather to make sure the existing structures do not result in any harmful condition in the future, such as a future pipeline leak occurring, and oil or diluent spilling into the soil or groundwater. As discussed in other sections, careful consideration has been given to the siting of the work areas to minimize surface impacts. The proposed project is consistent with this section of the CPP.

Policy 38 - Siting to Minimize Disruption. For development that is permitted within the Guadalupe Dunes, facility siting must ensure the minimum amount of habitat disruption with consideration of the following in accordance with the policies in the Energy Facility Siting Management Plan:

- | | |
|--|---|
| a. Alternative locations | f. Beach area where facilities or structures would potentially interfere with public access and recreational use of the sandy beach |
| b. Habitat preservation | |
| c. Site restoration | |
| d. Wetlands development | |
| e. Significant biotic areas (i.e., dune swales and giant Coreopsis stands) | g. Areas of prime visual quality |
| | h. Consolidation of facilities |

STAFF COMMENTS: The proposed project is the decommissioning of an existing group of pipelines. The pipelines will be left in place to minimize impacts to sensitive surface resources. Care has been taken to find work areas that were in the least sensitive areas and/or would result in the least amount of disturbance to sensitive species/habitat. Topsoil will be stockpiled and then reapplied at the end for each work area. It is expected that the topsoil will have a viable seed bank to help restore native plants quickly. Furthermore, each work area within sensitive habitats is relatively small and surrounded by the sensitive native vegetation, another source of seed. The proposed project is consistent with this section of the CPP.

Policy 39 - Resource Sensitivity Maps. The resource sensitivity map in the Energy Facility Siting Management Plan for the Nipomo Dunes System (Volume II Guadalupe Unit) identifies areas within the Guadalupe Dunes which would be susceptible to the least amount of disturbance. The resource sensitivity map also identifies areas with the highest habitat value and susceptibility to disturbance. These maps shall be used as a

general siting criteria for new development. New development in the Guadalupe Dunes shall be permitted where it is consistent with the sensitivity of the resources as identified on the maps and with reconnaissance by a qualified biologist of the specific area proposed for development.

STAFF COMMENTS: The project is not considered 'new' development as it is performing maintenance and decommissioning of existing structures. A biological report has been prepared to identify the location of sensitive vegetation. Care has been taken to find work areas that were in the least sensitive areas and/or would result in the least amount of disturbance to sensitive species/habitat. The proposed project is consistent with this section of the CPP.

Policy 40 - Mitigation Strategies. The following mitigation strategies are designed to minimize habitat disruption from various development activities at new locations:

- a. Much unnecessary damage to the dune habitat may be avoided by requiring pre-construction consultation between design engineers and environment specialists. This is necessary to determine the appropriate specific site location and to select construction procedures least likely to disturb the dune habitat. An initial archaeological survey and testing program is a necessary part of the permit review process to avoid siting in an area of unexpected high habitat value.
- b. Access roads and well site construction shall be designed consistent with the resource sensitivity map and other specific criteria defined in the Energy Facility Siting Management Plan for the Nipomo Dunes System and through reconnaissance by a qualified biologist of the sites.
- c. Oil and gas drilling and production activities, pipeline installation, site abandonment and habitat restoration, oil spill and clean-up measures shall meet the criteria defined in the Energy Facility Siting Management Plan.

STAFF COMMENTS: The project is not considered 'new' development as it is performing maintenance and decommissioning of existing structures thus limiting the areas where work can occur. The amount of material being disturbed is small (124 cy over 14 work areas), and the work areas will be in areas previously disturbed from the original pipe installation. The existing pipeline will be left in place due to the potentially sensitive biological resources directly above the pipe. There is almost no potential for intact cultural resources to be impacted. Furthermore, there will be an environmental monitor on-site during all excavation work and can stop work if resources are observed. Topsoil will be stockpiled and reapplied and the original topography will be reestablished. The proposed project is consistent with this section of the CPP.

CHAPTER 6 - POLICIES FOR ENVIRONMENTALLY SENSITIVE HABITATS

Policy 1: Land Uses Within or Adjacent to Environmentally Sensitive Habitats - New development within or adjacent to locations of environmentally sensitive habitats shall not significantly disrupt the resource. Within an existing resource, only those uses dependent on such resources shall be allowed within the area.

Policy 3: Habitat Restoration - The County or Coastal Commission should require the restoration of damaged habitats as a condition of approval when feasible.

Policy 29: Protection of Terrestrial Habitats - Designated plant and wildlife habitats are environmentally sensitive habitat areas and emphasis for protection should be placed on the entire ecological community.

Policy 36: Protection of Dune Vegetation - Disturbance of any dune vegetation shall be limited to those projects which are dependent upon such resources where no feasible alternatives exist and then shall be limited to the smallest area possible.

Staff Comments: The proposed project is temporary and will have no long-term impact on the existing sensitive vegetation. . Each of the proposed 14 work areas carefully considered and minimized vegetation removal impacts by limiting the size and location of work areas, as well as use existing access roads to each location wherever possible. Approximately 5,220 square feet of the total 12,570 sq. ft. of temporary disturbance will impact coastal dune scrub habitat from work proposed within 11 of the work areas. These 11 work areas are all within the GRP as well as the County's EX designation. All of the applicable conditions from the GRP Development Plan have been carried forward as conditions of approval for this project. Ongoing monitoring of the restoration work at the GRP site has shown the current practice as being highly successful. Once work is completed in these areas, due to their small size, passive restoration (natural reseeding from surrounding native plants) is proposed. Topsoil will be set aside to be reapplied as a last step to each work area.

CHAPTER 7 - POLICIES FOR AGRICULTURE

Policy 1: Maintaining Agricultural Lands - This policy specifies that prime agricultural land be maintained in, or available for, agricultural production.

Staff Comments: Three work areas of the proposed project would be within active agricultural fields. However, these work areas will be on existing agricultural roads and will not result in direct impacts to any areas that are actively being used for agricultural production. Furthermore, the proposed work is temporary and disturbed areas will be restored back to their original condition and use. The proposed project is considered consistent with this policy.

CHAPTER 12 - POLICIES FOR ARCHAEOLOGICAL RESOURCES

Policy 1: Protection of Archaeological Resources - The County shall provide for protection of both known and potential archaeological resources. All available measures shall be explored to avoid development of important archaeological sites. Where these measures are not feasible, adequate mitigation shall be required.

Policy 4: Preliminary Site Survey for Development within Archaeologically Sensitive Areas - Development shall require a preliminary site survey by a qualified archaeologist knowledgeable in Chumash culture prior to determination of potential impacts of the project.

Policy 6: Archaeological Resources Discovered During Construction or Through Other Activities - Where substantial archaeological resources are discovered during construction, all activities shall cease until a qualified archaeologist knowledgeable in the Chumash culture can determine the significance of the resource and submit alternative mitigation measures.

Staff Comments: The ground disturbance associated with all 14 work areas will be directly over the pipelines. The probability is very high that all of the earthwork will be in soils that were previously disturbed when the pipelines were originally installed, with little or no intact material likely to be encountered. The amount of material being moved is very small (124 cubic yards for all 14 work areas). There will be a field monitor to insure compliance with all conditions and land use regulations, which includes Policy 6. are over The proposed project Involves trucking and would not involve any grading that would affect archeological resources. The proposed project is considered consistent with these policies.

CHAPTER 13 - POLICIES FOR AIR QUALITY

Policy 1: Air Quality - The County will provide adequate administration and enforcement of air quality programs and regulations to be consistent with the San Luis Obispo County Air Pollution Control District (APCD) and the State Air Resources Board.

Staff Comments: The project is moving a small amount of soil (124 cy) and will result in a relatively small area of disturbance (12,000 sf) for the 14 work areas. APCD reviewed the project for air quality impacts and provided a response. The issues raised included the following: The applicant has agreed to implement Through administration and preparation of the SEIR and SEIR Addendum for the proposed project, the County has provided a means by which the APCD has been able to determine the project's consistency with state and local air pollution control regulations and to recommend mitigation measures where the impacts are required to ensure the project's consistency with applicable programs and regulations.

COMMUNITY ADVISORY GROUP COMMENTS: No applicable community advisory group.

AGENCY REVIEW:

Public Works – No comments

Environmental Health – No comments

Ag Commissioner – No comments

Air Pollution Control District – See Exhibit E. Comments have been addressed and the project has been conditioned as applicable.

CalFire – No comments

Caltrans – No comments

Regional Water Quality Control Board – No comments

Native American Heritage Commission – No comments

County Sheriff - No comments

LEGAL LOT STATUS:

The lots were legally created by a recorded map at a time when that was a legal method of creating lots.

STAFF RECOMMENDATION

Staff recommends that the Planning Director take the following action:

1. Approve the proposed Mitigated Negative Declaration (Exhibit D) as satisfying the requirements of the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq.

2. Approve Coastal Development Permit/Minor Use Permit DRC2015-00044 based on the findings listed in Exhibit A and the conditions listed in Exhibit B.

Staff report prepared by John McKenzie and reviewed by Steve McMasters

ATTACHMENTS:

- Exhibit A – Findings
- Exhibit B – Conditions of Approval
- Exhibit C – Site Plans/Pipeline Alignment
- Exhibit D – Mitigated Negative Declaration
- Exhibit E – Referrals