

MONTEREY COUNTY PLANNING COMMISSION

Meeting: January 11, 2012 Time: 9:00 A.M.	Agenda Item No.: 1
Project Description: Amendment and Extension to the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507) to modify Condition of Approval #9 and request a three-year extension from its present expiration. The pipeline project commences at Assessor's Parcel Number 237-101-002-000), San Ardo Area.	
Project Location: Chevron San Ardo Field Unit (SAFU) South of San Ardo, east of Highway 101	APN: 237-101-002-000
Planning File Number: PLN110406	Owner: Chevron USA Inc. Agent: Maureen Wruck Planning Consultants LLC
Planning Area: South County Area Plan	Flagged and staked: No
Zoning Designation: HI Heavy Industrial (Mineral Extraction)	
CEQA Action: – Addendum to EIR Certified March 2008	
Department: RMA - Planning Department	

RECOMMENDATION:

Staff recommends that the Planning Commission adopt a resolution (**Exhibit C**) to:

- 1) Consider the previously certified EIR (**Exhibit F3 and F4**) and proposed Addendum for the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507); and
- 2) Approve PLN110406, based on findings and evidence and subject to the previously approved conditions of approval in Planning Commission Resolution No. 08014 (**Exhibit F2**) adding one revised and one new condition of approval.

PROJECT REVIEW:

Chevron USA Inc. has requested a three year extension of the time in which to begin construction of the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507), and has requested a modification to Condition #9 affecting shipping operations when the pipeline would be under routine maintenance. The original staff report, environmental documents and Planning Commission Resolution #8014 are attached to this report for reference and have been placed on CD-ROM to conserve paper resources (**Exhibits F1-F4**).

Modification to Condition #9

When servicing the pipeline, no oil would be transported through the pipeline and Chevron would need to rely on truck vehicles to ship the oil from San Ardo various markets and for processing. Presently, Condition #9 of the Use Permit limits the operator to 24 trucks a day during these service periods which are expected to be no more than two one-week periods in a given year (14 days). The number of 24 trucks per day was derived by the County's environmental consultant to maintain conformance with the air quality requirements of the Monterey Peninsula Unified Air Pollution Control District (MPUAPCD) to not exceed 137 lbs of VOCs (Volatile Organic Compounds) per day. A formula to meet this standard was derived based upon an estimation of truck vehicle performance¹ and the specific number of 24 trucks was placed within the condition. While the applicants wish to maintain conformance with the adopted air quality requirements of the MPUAPCD and do not intend to exceed 137 lbs of VOCs per day, they want to have the flexibility to use better performing vehicles with fewer air

¹ The California Air Resources Board's (CARB) Emission Factors 2007 (EMFAC) model was used. Factors for Heavy Duty Trucks for model years between 1965 and 2007 were entered into the model.)

emissions. By using more efficient vehicles than were included in the air quality modeling and potentially adding vapor recovery practices and equipment to these temporary operations, the operator would be able to ship a greater amount of the resource to market during these maintenance periods. Staff believes this to be reasonable and appropriate. Staff has presented modified language to Condition #9 that would serve to maintain the performance threshold of not exceeding the air quality standards of the MPUAPCD, while allowing the operator greater flexibility in vehicle use and reducing emissions associated with shipping oil. Please see the attached **Exhibit C1** that shows the revised language for Condition #9.

Use Permit Extension for Three Years

The applicant has requested three additional years to begin construction of the project. The Planning Commission originally approved the project March 28, 2008 with a two year expiration ending March 28, 2010. Prior to the permit expiring, the Board of Supervisors, on March 16, 2010, adopted Ordinance #5155 establishing a one-time 24-month extension for certain permits approved between January 1, 2006 and January 1, 2009. The Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507) benefited by this extension, yet it is valid for only another three months until March 26, 2012, unless extended by the Planning Commission.

While the applicant has acknowledged that Chevron has not funded the construction of the project, nor are they planning to proceed with Condition Compliance at this time, they do not wish to let the permit expire as the efforts to date represent a sizable investment in time, money and energy. Staff believes this a reasonable request and supports the applicant's proposal. Additional support for this recommendation is in the attached draft Resolution (**Exhibit C**).

Environmental Health Bureau Review

During the review of this amendment and extension request, the Environmental Health Bureau identified that a condition of approval from their department had been dropped out of the staff report and Resolution #8014 approving the Project in 2008. This condition applies to the construction phase of the project only and whether or not temporary food facilities would be needed along the construction route. It assures that health and safety standards would be met for such temporary food facilities and has been added to the Resolution attached to this report (**Exhibit C1**).

CEQA

To accommodate the revised language in Condition #9 and minor adjustments to the certified EIR for the Project, Benchmark Resources (formerly Resource Design) was brought under contract to assist the County with peer review of materials and language changes proposed by Chevron and for assistance in determining whether an *addendum* or an *errata* to the Final Environmental Impact Report (FEIR) was the appropriate CEQA documentation. As the CEQA Guidelines do not provide for an *errata* following Certification of an EIR, an Addendum is the appropriate vehicle to convey the Planning Commission's consideration and action on the matter. Staff has attached the Addendum in **Exhibit C2** to the Resolution reflecting minor changes to the language in the FEIR and table footnotes.

OTHER AGENCY INVOLVEMENT: The following agencies and departments reviewed this project:

- RMA - Public Works Department
- √ Environmental Health Bureau
- Water Resources Agency
- CDF - South County Fire Protection District

Agencies that submitted comments are noted with a check mark (“√”). Conditions recommended by the Environmental Health Bureau have been included in the attached draft resolution (**Exhibit C**). Should the applicant’s proposal be approved, staff will update the Condition Compliance and Mitigation and Monitoring Plan according to the Actions in the Planning Commission Resolution. No other agency had modifications or additions to Use Permit #PLN030507.

The South County LUAC heard this item on October 19, 2011 and recommended approval of the proposed Use Permit Amendment as proposed 5-0 (2 Abstentions).

Note: The decision on this project is appealable to the Board of Supervisors.

/S/ Taven M. Kinison Brown

Taven M. Kinison Brown, Project Planner
(831) 755-5173 kinisonbrownm@co.monterey.ca.us
December 16, 2011

cc: Front Counter Copy; Planning Commission; CDF- South County Fire Protection District; Public Works Department; Environmental Health Bureau; Water Resources Agency; Laura Lawrence, Planning Services Manager; Taven M. Kinison Brown, Project Planner; Carol Allen, Senior Secretary; Chevron USA Inc., Owner; Maureen Wruck Planning Consultants LLC., Agent; The Open Monterey Project; LandWatch; Planning File PLN110406.

- Attachments:
- | | |
|-----------|--|
| Exhibit A | Project Data Sheet |
| Exhibit B | Applicant’s Suggested Amendments and Consultant Staff Review <ul style="list-style-type: none">• B1 - Applicant Submittal - proposed amendments to text in the FEIR• B2 - Consultant / County of Monterey Review of and modification to the Applicant’s proposed amendments to text in the FEIR in B1 (Track Changes Format) |
| Exhibit C | Draft Resolution of Approval including Attachments: <ul style="list-style-type: none">• C1 - Revised Condition #9 and a new condition of approval from EHB to Resolution # 08014.• C2 - EIR Addendum<ul style="list-style-type: none">○ Attachment 1 - Revisions to the Chevron San Ardo to Coalinga Heated Oil Pipeline Project Final Environmental Impact Report, dated March 2008. |
| Exhibit D | Land Use Advisory Committee Minutes |
| Exhibit E | Vicinity Map |
| Exhibit F | CD – ROM Includes: <ul style="list-style-type: none">• F1 - March 26, 2008 Planning Commission Staff Report• F2 - Planning Commission Resolution #8014• F3 - Draft EIR• F4 - Final EIR |

This report was reviewed by Laura Lawrence, Planning Services Manager.

EXHIBIT A

Project Information for PLN110406

Project Information:

Project Name: CHEVRON USA INC	
Location: SAN ARDO AREA	
Permit Type: Use Permit	
Environmental Status: Addendum	Final Action Deadline (884): 11/5/2011
Existing Structures (sf): 0	Coverage Allowed: 50%
Proposed Structures (sf): No Change	Coverage Proposed: No Change
Total Sq. Ft.: No Change	Height Allowed: 35
Tree Removal: N/A	Height Proposed: No Change
Water Source: N/A	FAR Allowed: N/A
Water Purveyor: Chevron	FAR Proposed: No Change
Sewage Disposal (method): N/A	Lot Size: 544
Sewer District: N/A	Grading (cubic yds.): 0

Parcel Information:

Primary APN: 237-101-001-000	Seismic Hazard Zone: III
Applicable Plan: South County	Erosion Hazard Zone: Low
Advisory Committee: South County	Fire Hazard Zone: Low
Zoning: HI	Flood Hazard Zone: A
Land Use Designation: Mineral Extraction	Archaeological Sensitivity: HI/LOW
Coastal Zone: N/A	Viewshed: Highway 101
Fire District: CDF - South County	Special Setbacks on Parcel: N

Reports on Project Parcel:

Soils Report #: Multiple
Biological Report #: Multiple
Geologic Report #: Multiple
Forest Management Rpt. #: Multiple
Archaeological Report #: Multiple
Traffic Report #: Multiple

EXHIBIT B1

FINAL EIR ERRATA SHEET

1. Pages 3.0-14 and 3.0-15 of the Final EIR are revised as follows:

Draft EIR page 3.4-24 is revised as follows:

- a. Current language

The pipeline and heater stations will be shut down for maintenance of the KLM facility for up to 14 days per year (two seven-day events), during which time the Project will use trucks to transport the oil. During this annual maintenance period, daily emissions would exceed the current baseline emissions and more importantly, potentially could exceed the VOC emission threshold of 137 lbs/day. However, while the pipeline is operation (50 or more weeks per year), NOx, CO and PM10 emissions would be lower than baseline emission and well under the emission threshold for these pollutants. **To ensure that the 137 lbs/day VOC threshold of significance in Monterey County will not be exceeded, the Applicant has agreed to limit its daily tanker truck trips to 24 tanker truck trips per day.** This limitation will be added as a Condition of Approval to the Project.

- b. Revised language

The pipeline and heater stations will be shut down for maintenance of the KLM facility for up to 14 days per year (two seven-day events), during which time the Project will use trucks to transport the oil. During this annual maintenance period, daily emissions would exceed the current baseline emissions and more importantly, potentially could exceed the VOC emission threshold of 137 lbs/day. However, while the pipeline is operation (50 or more weeks per year), NOx, CO and PM10 emissions would be lower than baseline emission and well under the emission threshold for these pollutants. **The Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day) during the annual maintenance period.** This limitation will be added as a Condition of Approval to the Project.

2. Pages 4.0-26 and 4.0-27 (Response to Comment 6-9) of the Final EIR are revised as follows:

- a. Current language

The Applicant has amended their original estimate of six days per year of maintenance to include a maintenance period of up to 14 days when the pipeline would be shut down. The pipeline is designed to accommodate up to 32,000 barrels per day. A typical tanker can haul 160 barrels per day. Therefore, up to 200 trucks could transport oil during shut-down periods. The 150 lbs per day of VOCs specified in Table 3.4.7 represents emissions resulting from these truck trips during the pipeline shutdown period. **In order to ensure that thresholds are not exceeded, the Applicant has agreed to limit its daily tanker truck trips to 24 tanker truck trips per day.** This limitation will be added as a Condition of Approval to the Project. The Draft EIR impact discussion for Impact 3.4-5 (final paragraph on Draft EIR page 3.4-24) has been revised to include this information. This change is reflected in Table 3-1.

- b. Revised language

The Applicant has amended their original estimate of six days per year of maintenance to include a maintenance period of up to 14 days when the pipeline would be shut down. The pipeline is designed to accommodate up to 32,000 barrels per day. A typical tanker can haul 160 barrels per day. Therefore, up to 200 trucks could transport oil during shut-down

periods. The 150 lbs per day of VOCs specified in Table 3.4.7 represents emissions resulting from these truck trips during the pipeline shutdown period. **The Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day) during the annual maintenance period.** This limitation will be added as a Condition of Approval to the Project. The Draft EIR impact discussion for Impact 3.4-5 (final paragraph on Draft EIR page 3.4-24) has been revised to include this information. This change is reflected in Table 3-1 of the Final EIR dated March 2008.

3. Pages 3.0-34 and 3.0-35 (footnotes following Table 3.4-7) are revised as follows:

a. Footnote 2

i. Current language

Total Operational Emissions include emission from 480 trucks/year used during facility maintenance, which will occur for two weeks per year.

ii. Suggested revised language

Total Operational Emissions include emission from 480 trucks/year used during facility maintenance, which will occur for two weeks per year. The estimated number of trucks is reasonably foreseeable. Actual number, size, type and age of vehicles could vary during the life of the Project. The emissions provided in Table 3.4-7 represent a reasonably foreseeable operational scenario.

b. Footnote 3

i. Current language

This daily emission calculation would occur for up to two weeks per year during facility maintenance under the Applicant's proposed trucking scenario. For the other 50 weeks per year, there would be a reduction in VOCs from baseline conditions. However, during the two weeks of facility maintenance each year, there would be a reduction in VOCs from baseline conditions. However during the two weeks of facility maintenance each year, **the Applicant will be limited to 24 trucks per day in order to stay within** the 137 lbs/day VOC threshold in Monterey County.

ii. Revised language

This daily emission calculation would occur for up to two weeks per year during facility maintenance under the Applicant's proposed trucking scenario. For the other 50 weeks per year, there would be a reduction in VOCs from baseline conditions. However, during the two weeks of facility maintenance each year, there would be a reduction in VOCs from baseline conditions. However during the two weeks of facility maintenance each year, **the Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day).**

c. New Footnote 4

The values in this table are derived from calculations that did not incorporate the use of vapor recovery during truck loading operations. Actual operational emissions would likely be lower because vapor recovery will be utilized when trucks are loaded.

EXHIBIT B2

Consultant / County of Monterey Review of, and Modifications to the Applicant's Suggested Language Changes in B1

FINAL EIR ERRATA SHEET

1. ~~4.~~ Pages 3.0-14 and 3.0-15 of the Final EIR are revised as follows:

~~Mitigation Measure~~ Draft EIR page 3.4-24 is revised as follows:

a. Current language

The pipeline and heater stations will be shut down for maintenance of the KLM facility for up to 14 days per year (two seven-day events), during which time the Project will use trucks to transport the oil. During this annual maintenance period, daily emissions would exceed the current baseline emissions and more importantly, potentially could exceed the VOC emission threshold of 137 lbs/day. However, while the pipeline is operation (50 or more weeks per year), NOx, CO and PM10 emissions would be lower than baseline emission and well under the emission threshold for these pollutants. ***To ensure that the 137 lbs/day VOC threshold of significance in Monterey County will not be exceeded, the Applicant has agreed to limit its daily tanker truck trips to 24 tanker truck trips per day.*** This limitation will be added as a Condition of Approval to the Project.

b. ~~Suggested revised~~ Revised language

The pipeline and heater stations will be shut down for maintenance of the KLM facility for up to 14 days per year (~~two~~ seven-day events), during which time the Project will use trucks to transport the oil. During this annual maintenance period, daily emissions would exceed the current baseline emissions and more importantly, potentially could exceed the VOC emission threshold of 137 lbs/day. However, while the pipeline is operation (50 or more weeks per year), NOx, CO and PM10 emissions would be lower than baseline emission and well under the emission threshold for these pollutants. ~~During these maintenance periods, the 137 lbs/day VOC threshold of significance in Monterey County will apply~~ ***The Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day) during the annual maintenance period.*** This limitation will be added as a Condition of Approval to the Project.

2. Pages 4.0-26 and ~~4.0-27~~ (Response to Comment 6-9) of the Final EIR are revised as follows:
~~Response to Comment 6-9~~

a. Current language

The Applicant has amended their original estimate of six days per year of maintenance to include a maintenance period of up to 14 days when the pipeline would be shut down. The pipeline is designed to accommodate up to 32,000 barrels per day. A typical tanker can haul 160 barrels per day. Therefore, up to 200 trucks could transport oil during shut-down periods. The 150 lbs per day of VOCs specified in Table 3.4.7 represents emissions resulting from these truck trips during the pipeline shutdown period. ***In order to ensure that thresholds are not exceeded, the Applicant has agreed to limit its daily tanker truck trips to 24 tanker truck trips per day.*** This limitation will be added as a Condition of Approval to the Project. The Draft EIR impact discussion for Impact 3.4-5 (final paragraph on

EXHIBIT B2

Consultant / County of Monterey Review of, and Modifications to the Applicant's Suggested Language Changes in B1

Draft EIR page 3.4-24) has been revised to include this information. This change is reflected in Table 3-1.

b. ~~R~~Suggested-revised language

The Applicant has amended their original estimate of six days per year of maintenance to include a maintenance period of up to 14 days when the pipeline would be shut down. The pipeline is designed to accommodate up to 32,000 barrels per day. A typical tanker can haul 160 barrels per day. Therefore, up to 200 trucks could transport oil during shut-down periods. The 150 lbs per day of VOCs specified in Table 3.4.7 represents emissions resulting from these truck trips during the pipeline shutdown period. **The Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day) during the annual maintenance period. During these maintenance periods, the 137 lbs/day VOC threshold of significance in Monterey County will apply.** This limitation will be added as a Condition of Approval to the Project. The Draft EIR impact discussion for Impact 3.4-5 (final paragraph on Draft EIR page 3.4-24) has been revised to include this information. This change is reflected in Table 3-1 of the Final EIR dated March 2008.

3. Pages 3.0-34 and 3.0-35 (footnotes following Table 3.4-7) are revised as follows: Additional footnotes to Table 3.4-7 (Pages 3.0-34-3.0-35)

a. Footnote 2

i. Current language

Total Operational Emissions include emission from 480 trucks/year used during facility maintenance, which will occur for two weeks per year.

ii. Suggested revised language

Total Operational Emissions include emission from 480 trucks/year used during facility maintenance, which will occur for two weeks per year. The estimated number of trucks is reasonably foreseeable. Actual number, size, type and age of vehicles could vary during the life of the Project. The emissions provided in Table 3.4-7 represent a reasonably foreseeable operational scenario. ~~This number of trucks is based on a particular trucking scenario and is based on the size, type and age of the vehicles which could vary. It is only meant to be representative and does not consider all combinations of trucks that could be used.~~

b. Footnote 3

i. Current language

This daily emission calculation would occur for up to two weeks per year during facility maintenance under the Applicant's proposed trucking scenario. For the other 50 weeks per year, there would be a reduction in VOCs from baseline conditions. However, during the two weeks of facility maintenance each year, there would be a reduction in VOCs from baseline conditions. However during the two weeks of facility maintenance each year, **the Applicant will be limited to 24**

EXHIBIT B2

Consultant / County of Monterey Review of, and Modifications to the Applicant's Suggested Language Changes in B1

trucks per day in order to stay within the 137 lbs/day VOC threshold in Monterey County.

ii. Revised language

This daily emission calculation would occur for up to two weeks per year during facility maintenance under the Applicant's proposed trucking scenario. For the other 50 weeks per year, there would be a reduction in VOCs from baseline conditions. However, during the two weeks of facility maintenance each year, there would be a reduction in VOCs from baseline conditions. However during the two weeks of facility maintenance each year, the Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day). ~~137 lbs/day VOC threshold of significance in Monterey County will apply.~~

c. New footnotes Footnote 4

~~i. The values in this table are derived from calculations that did not incorporate the use of vapor recovery during truck loading operations. Actual operational emissions will ~~would~~ be significantly ~~likely~~ be lower because vapor recovery will be utilized when trucks are loaded.~~

~~ii. The 137 lbs/day VOC threshold of significance in Monterey County is the relevant standard that applies when trucks are utilized during maintenance periods.~~

EXHIBIT C
DRAFT RESOLUTION

**Before the Planning Commission in and for the
County of Monterey, State of California**

In the matter of the application of:

CHEVRON USA INC. (PLN110406)

RESOLUTION NO. -----

Resolution by the Monterey County Hearing Body:

- 1) Consider the previously certified EIR and proposed Addendum for the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507); and
- 2) Approve PLN110406, based on findings and evidence and subject to the previously approved conditions of approval in Planning Commission Resolution No. 08014 adding one revised and one new condition of approval.

[PLN110406, Chevron USA Inc., Chevron San Ardo Field Unit (SAFU), South County Area Plan (APN: 237-101-002-000)]

The Amendment and Extension to the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507) application (PLN110406) came on for public hearing before the Monterey County Planning Commission on January 11, 2012. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Planning Commission finds and decides as follows:

FINDINGS

1. **FINDING:** **EXTENSION REQUEST** – Chevron USA requests a three year extension to the Combined Development Permit to allow the installation and operation of a 57.7 mile, underground, 10.75 inch diameter heated oil pipeline commencing at the San Ardo Oil Field in Monterey County and traversing approximately 19 miles eastward to the Fresno County line. The pipeline will continue approximately 38 miles into Fresno County, tying into an existing pipeline southeast of Coalinga and east of Interstate Highway 5. The route includes about 154 stream, drainage, or wetland crossings, 18 paved road crossings, the San Andreas Fault Zone, agricultural fields and includes above-ground facilities in Monterey County consisting of oil storage tanks and a pumping station. The project is further clarified and described in detail in the draft environmental impact report on file with the Monterey County Planning Department (PLN030507). The components of the

Combined Development Permit include: 1) A Use Permit to construct, operate, maintain, and eventually decommission an underground, heated crude oil pipeline and ancillary facilities in the Heavy Industrial (HI), Farmland (F), Permanent Grazing (PG), and Resource Conservation (RC) Zoning Districts; 2) A Use Permit for development on slopes in excess of 30%; 3) A Use Permit for removal of protected trees; and grading as necessary along the entire route. The pipeline commences at Assessor's Parcel Number 237-101-002-000 in the San Ardo Area, South County Area Plan.

- EVIDENCE:**
- a) The Planning Commission originally approved the project March 28, 2008 with a two year expiration ending March 28, 2010.
 - b) Prior to the permit expiring, the Board of Supervisors, on March 16, 2010, adopted Ordinance #5155 establishing a one-time 24-month extension for certain permits approved between January 1, 2006 and January 1, 2009. The Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507) benefited by this extension, yet it is valid for only another three months until March 26, 2012, unless extended by the Planning Commission.
 - c) While the applicant has acknowledged that Chevron has not funded the construction of the project, nor are they planning to proceed with Condition Compliance at this time, they do not wish to let the permit expire as the efforts to date represent a sizable investment in time, money and energy.
 - d) Staff is in support of the three year extension request because there have been no significant changes in circumstances in the area of the project since approval in March of 2008 and believes this a reasonable request.

2. **FINDING: HEALTH AND SAFETY - AMENDMENT TO PC RESOLUTION 08014** - The establishment, maintenance, or operation of the project applied for will not under the circumstances of this particular case be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use, or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.

- a) The project was reviewed by the RMA - Public Works Department, Environmental Health Bureau, Water Resources Agency, CDF - South County Fire Protection District. The respective departments/agencies have recommended conditions, where appropriate, to ensure that the project will not have an adverse effect on the health, safety, and welfare of persons either residing or working in the neighborhood.
- b) Condition #9 of Planning Commission Resolution 08014 is hereby amended according to **Exhibit C1** attached to this Resolution.
- c) Condition EHSP02 for the Environmental Health Bureau is added according to **Exhibit C1** attached to this Resolution.
- d) File and application materials and the Draft and Final Environmental Impact Report with Mitigation Measure in Project Files PLN030507 and PLN110406.

3. **FINDING: NO VIOLATIONS** - The subject property is in compliance with all

rules and regulations pertaining to zoning uses, subdivision, and any other applicable provisions of the County's zoning ordinance. No violations exist on the property.

- EVIDENCE:**
- a) Staff reviewed Monterey County RMA - Planning Department and Building Services Department records and is not aware of any violations existing on subject property.
 - b) Staff conducted numerous site reviews between 2004 and when the original pipeline proposal was made to the project approval date in 2008. Staff has subsequently visited the site on several occasions since and has researched County records to assess if any violation exists on the subject property.
 - c) There are no known violations on the subject parcel.
 - d) The application, plans and supporting materials submitted by the project applicant to the Monterey County Planning Department for the proposed development are found in Project File PLN110406.

4. **FINDING:** **CEQA (Addendum):** - An Addendum to a previously certified EIR was prepared pursuant to Code of Regulations, Title 14, Section 15164 to reflect changes or additions in the project that do not cause substantial changes or new information that would require major revisions to the adopted EIR.

- EVIDENCE:**
- a) An EIR for the Chevron San Ardo to Coalinga Heated Oil Pipeline was prepared and certified by the Planning Commission on March 26, 2008 (Planning Commission Resolution #08014)
 - b) An Addendum to the Chevron San Ardo to Coalinga Heated Oil Pipeline project EIR was prepared pursuant to Code of Regulations, Title 14, Section 15164 (CEQA Guidelines).
 - c) The Addendum attached as **Exhibit C2** to the January 11, 2012 staff report to the Planning Commission reflects the County's independent judgment and analysis.
 - d) Pursuant to Section 15162 of the CEQA Guidelines, there are no substantial changes proposed in the project that would require major revisions to the prior EIR
 - When servicing the pipeline, no oil would be transported through the pipeline and Chevron would need to rely on truck vehicles to ship the oil from San Ardo.
 - Presently, Condition #9 of the Use Permit limits the operator to 24 trucks a day during these service periods - expected to be no more than two one-week periods in a given year (14 days).
 - The number of 24 trucks per day was derived by the County's environmental consultant to maintain conformance with the air quality requirements of the Monterey Peninsula Unified Air Pollution Control District (MPUAPCD) to not exceed 137 lbs of VOCs (Volatile Organic Compounds) per day.
 - A formula to meet this standard was derived based upon an estimation of truck vehicle performance² and the specific number of 24 trucks was placed within the condition.

² The California Air Resources Board's (CARB) Emission Factors 2007 (EMFAC) model was used. Factors for Heavy Duty Trucks for model years between 1965 and 2007 were entered into the model.)

- While the applicants wish to maintain conformance with the adopted air quality requirements of the MPUAPCD and do not intend to exceed 137 lbs of VOCs per day, they want to have the flexibility to use better performing vehicles with fewer air emissions.
 - By using more efficient vehicles than were included in the air quality modeling and potentially adding vapor recovery practices and equipment to these temporary operations, the operator would be able to ship a greater amount of the resource to market during these maintenance periods.
 - As the threshold of 137 lbs per day of VOCs would not be exceeded, no greater impacts to air quality resources would result.
 - To accommodate this flexibility for the applicant, while still maintaining the air quality requirements of the MPUAPCD, an addendum (**Exhibit C2 - Attachment 1 to this Resolution**) has been prepared for the project.
- e) Pursuant to Section 15162 of the CEQA Guidelines, there is no new information of substantial importance that was not known at the time the EIR was adopted (Reference **Exhibit C2** and **Attachment 1** to this Resolution - the Addendum).
- The need for the addendum at this time is to better craft the language in a Condition of Approval #9 for the project.
 - While this condition was based upon study and recommendations from tables and notations within the Certified EIR, the Condition of approval was written without flexibility. The applicant was held to a maximum of 24 trucks per day to ship any and all oil resources from the field during the times of maintenance.
 - The applicant acknowledges – and has an incentive – to provide better performing, less polluting vehicles to ship these resources during these periods.
 - The applicant acknowledges – and has an incentive – to provide for vapor recovery during the activities associated with loading/filling and trucks and shipping oil.
 - The revised language of Condition #9 and the adjustments to the footnotes of the associated table in the EIR, present no new information of substantial importance in regard to environmental impacts. The revised language will allow the applicant flexibility in meeting approaches to not exceed the MBUAPCD Thresholds.

5. **FINDING:** **APPEALABILITY** - The decision on this project may be appealed to the Board of Supervisors

EVIDENCE: a) Section 21.80.040D Monterey County Zoning Ordinance

DECISION

NOW, THEREFORE, based on the above findings and evidence, the Planning Commission does hereby:

- 1) Consider the previously certified EIR and proposed Addendum for the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507); and

- 2) Approve PLN110406, based on findings and evidence and subject to the previously approved conditions of approval in Planning Commission Resolution No. 08014 adding one revised and one new condition of approval.

PASSED AND ADOPTED this 11th day of January, 2012 upon motion of _____, seconded by _____ by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mike Novo, Planning Commission

COPY OF THIS DECISION MAILED TO APPLICANT ON DATE

THIS APPLICATION IS APPEALABLE TO THE BOARD OF SUPERVISORS.

IF ANYONE WISHES TO APPEAL THIS DECISION, AN APPEAL FORM MUST BE COMPLETED AND SUBMITTED TO THE SECRETARY OF THE PLANNING COMMISSION ALONG WITH THE APPROPRIATE FILING FEE ON OR BEFORE [DATE]

NOTES

1. You will need a building permit and must comply with the Monterey County Building Ordinance in every respect.

Additionally, the Zoning Ordinance provides that no building permit shall be issued, nor any use conducted, otherwise than in accordance with the conditions and terms of the permit granted or until ten days after the mailing of notice of the granting of the permit by the appropriate authority, or after granting of the permit by the Board of Supervisors in the event of appeal.

Do not start any construction or occupy any building until you have obtained the necessary permits and use clearances from the Monterey County Planning Department and Building Services Department office in Salinas.

2. This permit expires 3 years after the above date of granting thereof unless construction or use is started within this period.

Form Rev. 11-10-2011

Exhibit C1

**Resource Management Agency (RMA) - Planning Department
Conditions of Approval and Mitigation Monitoring Reporting Plan**

Project Name: Chevron San Ardo to Coalinga Heated Oil Pipeline
File No: PLN030507 and PLN110406 **APN:** 237-101-002-000
Approval by: Planning Commission **Date:** January 11, 2011

**Monitoring or Reporting refers to projects with an EIR or adopted Mitigated Negative Declaration per Section 21081.6 of the Public Resources Code.*

Permit Cond. Number	Mitig. Number	Conditions of Approval and/or Mitigation Measures and Responsible Land Use Department	Compliance or Monitoring Actions to be performed. Where applicable, a certified professional is required for action to be accepted.	Responsible Party for Compliance	Timing	Verification of Compliance (name/date)
9.		<p>PDSP04 LIMITATION OF TANKER TRUCK TRIPS DURING MAINTENANCE OPERATIONS (NON-STANDARD) During maintenance operations of the pipeline, the Applicant shall comply with the 137 lbs/day VOC threshold of significance in Monterey County. The Applicant shall submit a report to Monterey County documenting compliance with this permit condition during maintenance operations. (RMA – Planning Department)</p> <p>FOOD FACILITY (NON STANDARD) If a temporary or permanent food facility is located on site, it must comply with the California Uniform Food Facilities Law / CALCO as approved by the Director of Environmental Health. If necessary, submit plans and necessary review fees for review and approval prior to obtaining a building permit/final inspection. (Environmental Health)</p>	<p>During maintenance operations of the Pipeline, the Applicant shall submit a report to Monterey County, developed by a qualified professional satisfactory to the MBUAPCD documenting compliance with this permit condition during maintenance operations.</p>	Applicant	During maintenance activities while the Project is in the Operational Phase of the Project.	
EHSP02			Submit plans and necessary review fees to the Division of Environmental Health for review and approval.	Owner/ Applicant	Continuous.	

EXHIBIT C2 – Attachment 1

Revised language for the FEIR for the Chevron San Ardo to Coalinga Heated Oil Pipeline

1. Pages 3.0-14 and 3.0-15 of the Final EIR are revised as follows:

Draft EIR page -3.4-24 is revised as follows:

- a. Current language

The pipeline and heater stations will be shut down for maintenance of the KLM facility for up to 14 days per year (two seven-day events), during which time the Project will use trucks to transport the oil. During this annual maintenance period, daily emissions would exceed the current baseline emissions and more importantly, potentially could exceed the VOC emission threshold of 137 lbs/day. However, while the pipeline is operation (50 or more weeks per year), NOx, CO and PM10 emissions would be lower than baseline emission and well under the emission threshold for these pollutants. ***To ensure that the 137 lbs/day VOC threshold of significance in Monterey County will not be exceeded, the Applicant has agreed to limit its daily tanker truck trips to 24 tanker truck trips per day.*** This limitation will be added as a Condition of Approval to the Project.

- b. Revised language

The pipeline and heater stations will be shut down for maintenance of the KLM facility for up to 14 days per year (two seven-day events), during which time the Project will use trucks to transport the oil. During this annual maintenance period, daily emissions would exceed the current baseline emissions and more importantly, potentially could exceed the VOC emission threshold of 137 lbs/day. However, while the pipeline is operation (50 or more weeks per year), NOx, CO and PM10 emissions would be lower than baseline emission and well under the emission threshold for these pollutants. ***The Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day) during the annual maintenance period.*** This limitation will be added as a Condition of Approval to the Project.

2. Pages 4.0-26 and 4.0-27 (Response to Comment 6-9) of the Final EIR are revised as follows:

- a. Current language

The Applicant has amended their original estimate of six days per year of maintenance to include a maintenance period of up to 14 days when the pipeline would be shut down. The pipeline is designed to accommodate up to 32,000 barrels per day. A typical tanker can haul 160 barrels per day. Therefore, up to 200 trucks could transport oil during shut-down periods. The 150 lbs per day of VOCs specified in Table 3.4.7 represents emissions resulting from these truck trips during the pipeline shutdown period. ***In order to ensure that thresholds are not exceeded, the Applicant has agreed to limit its daily tanker truck trips to 24 tanker truck trips per day.*** This limitation will be added as a Condition of Approval to the Project. The Draft EIR

EXHIBIT C2 – Attachment 1

Revised language for the FEIR for the Chevron San Ardo to Coalinga Heated Oil Pipeline impact discussion for Impact 3.4-5 (final paragraph on Draft EIR page 3.4-24) has been revised to include this information. This change is reflected in Table 3-1.

b. Revised language

The Applicant has amended their original estimate of six days per year of maintenance to include a maintenance period of up to 14 days when the pipeline would be shut down. The pipeline is designed to accommodate up to 32,000 barrels per day. A typical tanker can haul 160 barrels per day. Therefore, up to 200 trucks could transport oil during shut-down periods. The 150 lbs per day of VOCs specified in Table 3.4.7 represents emissions resulting from these truck trips during the pipeline shutdown period. *The Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day) during the annual maintenance period.* This limitation will be added as a Condition of Approval to the Project. The Draft EIR impact discussion for Impact 3.4-5 (final paragraph on Draft EIR page 3.4-24) has been revised to include this information. This change is reflected in Table 3-1 of the Final EIR dated March 2008.

3. Pages 3.0-34 and 3.0-35 (footnotes following Table 3.4-7) are revised as follows:

a. Footnote 2

i. Current language

Total Operational Emissions include emission from 480 trucks/year used during facility maintenance, which will occur for two weeks per year.

ii. Suggested revised language

Total Operational Emissions include emission from 480 trucks/year used during facility maintenance, which will occur for two weeks per year. The estimated number of trucks is reasonably foreseeable. Actual number, size, type and age of vehicles could vary during the life of the Project. The emissions provided in Table 3.4-7 represent a reasonably foreseeable operational scenario.

b. Footnote 3

i. Current language

This daily emission calculation would occur for up to two weeks per year during facility maintenance under the Applicant's proposed trucking scenario. For the other 50 weeks per year, there would be a reduction in VOCs from baseline conditions. However, during the two weeks of facility maintenance each year, there would be a reduction in VOCs from baseline conditions. However during the two weeks of facility maintenance each

EXHIBIT C2 – Attachment 1

Revised language for the FEIR for the Chevron San Ardo to Coalinga Heated Oil Pipeline year, ***the Applicant will be limited to 24 trucks per day in order to stay within*** the 137 lbs/day VOC threshold in Monterey County.

ii. Revised language

This daily emission calculation would occur for up to two weeks per year during facility maintenance under the Applicant's proposed trucking scenario. For the other 50 weeks per year, there would be a reduction in VOCs from baseline conditions. However, during the two weeks of facility maintenance each year, there would be a reduction in VOCs from baseline conditions. However during the two weeks of facility maintenance each year, the ***Applicant shall comply with the VOC threshold of significance in Monterey County (137 lbs/day).***

c. New Footnote 4

The values in this table are derived from calculations that did not incorporate the use of vapor recovery during truck loading operations. Actual operational emissions would likely be lower because vapor recovery will be utilized when trucks are loaded.

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MINUTES

South County Land Use Advisory Committee

Wednesday, October 19, 2011

1. Meeting called to order by Roberson at 7:03 pm

2. Roll Call

Members Present: Bartosh, Banister, Duflock, Buntz, Martinez, Roberson

Members Absent: Taylor - arrived @ 7:04

3. Approval of Minutes:

A. September 21, 2011 minutes

Motion: Bartosh (LUAC Member's Name)

Second: Roberson (LUAC Member's Name)

Ayes: Roberson, Duflock, Banister, Bartosh, Martinez, Buntz

Noes: ∅

Absent: Taylor

Abstain: ∅

4. Public Comments: The Committee will receive public comment on non-agenda items that are within the purview of the Committee at this time. The length of individual presentations may be limited by the Chair.

∅

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PLANNING & BUILDING
INSPECTION DEPT

5. "Scheduled Item(s) – Refer to attached project referral sheet(s)

6. Other Items:

A) Preliminary Courtesy Presentations by Applicants Regarding Potential Projects

Ø

B) Announcements

Ø

7. Meeting Adjourned: 7:28 pm

Minutes taken by: ~~Roberson~~ Bahister

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PLANNING & BUILDING
INSPECTION DEPT

Action by Land Use Advisory Committee Project Referral Sheet

Monterey County Planning Department
168 W Alisal St 2nd Floor
Salinas CA 93901
(831) 755-5025

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NOV 07 2011

Advisory Committee: South County

Please submit your recommendations for this application by: October 19, 2011

Project Title: CHEVRON USA INC
File Number: PLN110406
File Type: PC
Planner: KINISON BROWN
Location: CHEVRON OIL FIELD IN SAN ARDO

MONTEREY COUNTY
PLANNING & BUILDING
INSPECTION DEPT

Project Description:

Amendment and Extension to a previously approved permit (PLN030507) to modify Condition of Approval #9 and request a three-year extension of the Use Permit from its present expiration. The pipeline project commences at Assessor's Parcel Number 237-101-002-000, San Ardo area, South County Area Plan.

Was the Owner/Applicant/Representative Present at Meeting? Yes No

Was a County Staff/Representative present at meeting? Mike Novo (Name)

PUBLIC COMMENT:

Name	Site Neighbor?		Issues / Concerns (suggested changes)
	YES	NO	
John Cederquist	<input checked="" type="checkbox"/>	<input type="checkbox"/>	route does it parallel the gas line?
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	

LUAC AREAS OF CONCERN

Concerns / Issues (e.g. site layout, neighborhood compatibility; visual impact, etc)	Policy/Ordinance Reference (If Known)	Suggested Changes - to address concerns (e.g. relocate; reduce height; move road access, etc)
Crossing San Andreas fault	∅	∅
Why hasn't construction begun?	∅	∅
Will pipeline be used by other oil companies?	∅	∅
What will be the life span of the pipeline?	∅	∅

ADDITIONAL LUAC COMMENTS

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INSPECTION DEPT

RECOMMENDATION :

Motion by: Roberson (LUAC Member's Name)

Second by: Martinez (LUAC Member's Name)

- Support Project as proposed
- Recommend Changes (as noted above)
- Continue the Item

Reason for Continuance: _____

Continued to what date: _____

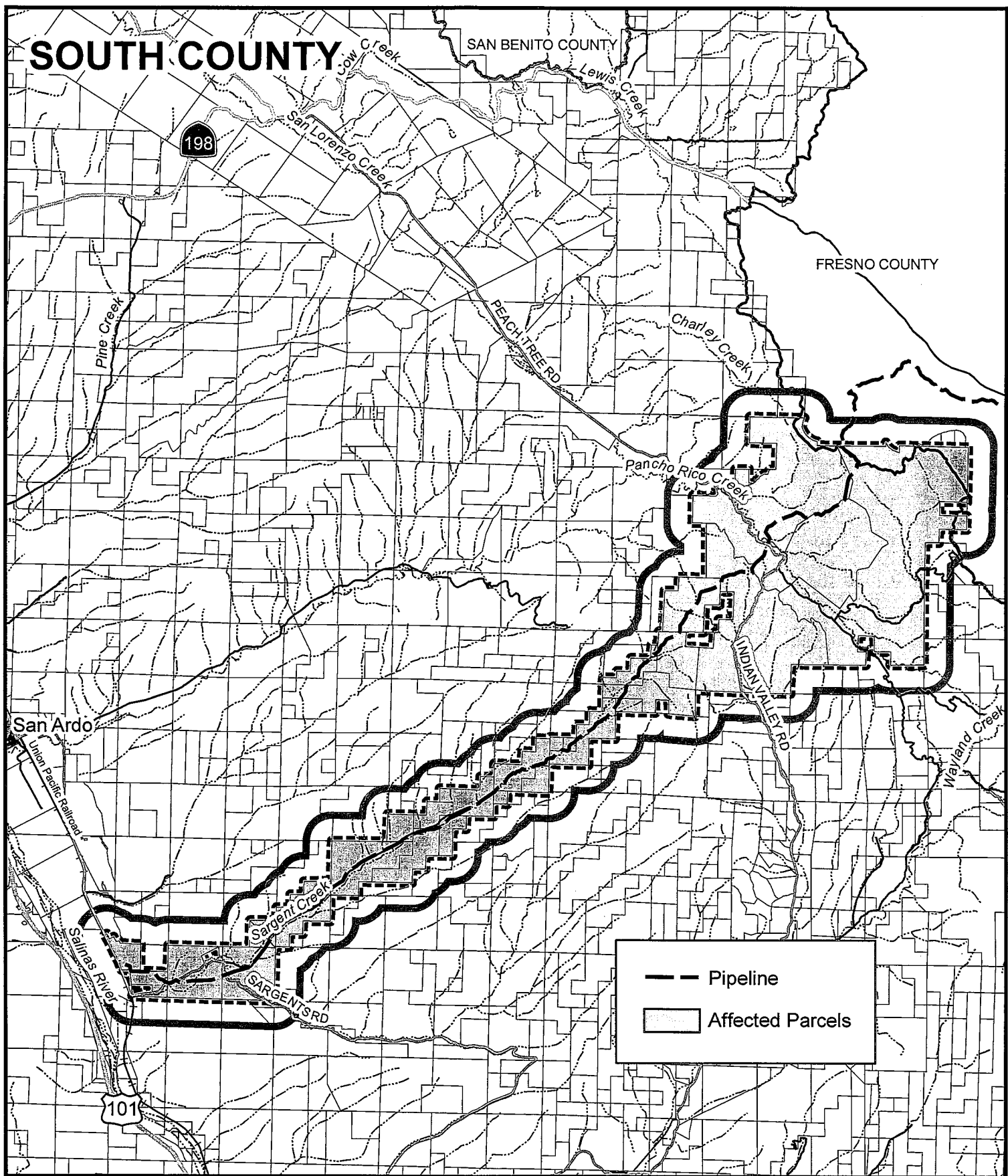
AYES: Buntz, Banister, Martinez, Roberson, Taylor

NOES: ∅

ABSENT: ∅

ABSTAIN: Banister, Duflock

SOUTH COUNTY



--- Pipeline
Affected Parcels

APPLICANT: CHEVRON USA INC

APN: 237-101-002-000M

FILE # PLN110406

Water 2500' Limit 300' Limit City Limits

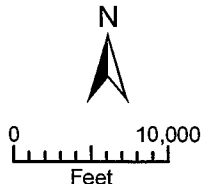


EXHIBIT E

PLANNER: KINISON BROWN