

MONTEREY COUNTY PLANNING COMMISSION

Meeting: February 8, 2012		Time: 9:00 A.M.		Agenda Item No.: 1	
Project Description: Continued from January 25, 2012. An Amendment and Extension to the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507) to modify Condition of Approval #9 and to request a three-year extension from its present expiration date, March 26, 2012. The pipeline alignment commences at Assessor's Parcel Number 237-101-002-000, San Ardo Area, and travels eastward to the Fresno County Line.					
Project Location: From the Chevron San Ardo Field Unit (SAFU) south of San Ardo and east of Highway 101 and then running eastward approximately 19 miles to the Fresno County Line.		APNs: 237-101-002-000, 237-101-005-000, 421-201-013-000, 421-221-001-000, 422-141-027-000, 422-141-010-000, 422-131-038-000, 422-151-016-000, 422-141-009-000, 422-141-011-000, 422-141-038-000, 422-141-006-000, 422-151-019-000, 422-141-015-000, 422-151-051-000, 423-081-052-000, 423-101-001-000, 422-151-020-000, 422-131-037-000, 421-221-002-000, 422-151-049-000, 422-141-025-000, 422-151-044-000, 422-151-023-000, 421-221-003-000, 423-081-016-000, 422-141-037-000, 422-141-036-000, 421-221-004-000, 422-141-028-000.			
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 Designations: HI (Heavy Industrial), F (Farmland), PG (Permanent Grazing), and RC (Resource Conservation)					
CEQA Action: – Addendum to EIR Certified March 26, 2008					
Department: RMA - Planning Department					

RECOMMENDATION:

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

- 1) Consider the previously certified EIR (**Exhibit F3 and F4** of the January 11, 2012 Staff Report) and proposed Addendum (**Exhibit B – Attachment B2**) for the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507); and
- 2) Approve the Amendment and 3-year Extension of the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PC Resolution No. 08014), based on findings and evidence and subject to the previously approved conditions of approval in Planning Commission Resolution No. 08014 (**Exhibit B**) adding one revised and two new conditions of approval.

BACKGROUND

This item was heard by the Planning Commission on January 11, 2012, and was continued with direction to staff to strengthen the language and enforceability of Condition #9. (The January 11, 2012 report contained the Applicant's submittal and the original (2008) Planning Commission staff reports and Environmental Impact Report documents). On January 11, 2012 additional direction was given to reexamine the FEIR for potential ramifications to the Traffic/Circulation section should the 24 truck limitation in Condition #9 be removed to allow greater flexibility for the applicant in meeting the MBUAPCD air quality standards. On January 25, 2012 the item was continued to allow staff to direct mail public hearing notices to land owners who had been missed in earlier noticing efforts.

Proposed Changes to Condition #9.

This condition was modified to include a 30 day pre-maintenance notification to the County for review and verification that air quality standards of the MPUAPCD will not be exceeded during maintenance periods. The words “shall comply” were replaced with “shall not exceed.” The 30 day pre-maintenance reports shall include a description of the vehicle fleet to be used and how the air quality standards of the MPUAPCD will not be exceeded during maintenance periods. While the driving factor of this condition is not to exceed the 137 lbs/day emission of VOCs, the report shall detail the vehicle fleet to be used and shall provide a resulting number of vehicle trips per day.

Proposed Final Language of Condition #9

<p>PDSP04 LIMITATION OF TANKER TRUCK TRIPS DURING MAINTENANCE OPERATIONS (NON-STANDARD)</p> <p>During maintenance operations of the pipeline, the operator shall not exceed 137 lbs/day emission of VOCs.</p> <p>At least 30 days prior to beginning maintenance on the pipeline that requires utilizing other transportation methods of crude oil, the applicant shall submit a report to the Director of Planning for review and verification, detailing the vehicle fleet to be used and how the air quality standards of the MPUAPCD will not be exceeded. The report shall provide resulting number of vehicle trips per day. (RMA – Planning Department)</p>	<p>At least 30 days prior to beginning maintenance on the pipeline that would require using other (non-pipeline) transportation methods to ship crude oil, the operators shall submit a report, prepared by a qualified professional satisfactory to the MBUAPCD, for review and verification to the Monterey County Director of Planning documenting compliance with this permit condition.</p>
--	--

Permit Approval Notice Condition Added.

A new Permit Approval Notice is needed to clarify the actions of the Planning Commission for present and future property owners and has included this new condition in **Exhibit B – Attachment B1**. This exhibit also includes the old and new Condition #9 language, the new Permit Approval Notice, and the Environmental Health Bureau condition (discussed previously in the January 11, 2012 and January 25, 2012 staff reports).

Traffic/Circulation Follow-up

The question was asked by the Planning Commission, “How would allowing an unspecified amount of trucks (that meet the MBUAPCD standards for VOCs) affect the traffic and circulation assumptions in the (F)EIR?” Staff has drawn upon the following references in the DEIR on Page 3.12-1, second paragraph, and in the FEIR Page 3.0-34, Table 3.4-7.

DEIR Page 3.12-1 the second paragraph

“At current production rates, about 20 trucks per day are required to transport the crude oil produced at the San Ardo Oil Field. If the pipeline capacity of 32,000 bpd is reached, then it would require approximately 200 trucks per day to transport the San Ardo Field crude oil output. Pipeline operation would reduce operational daily truck miles by up to 2,640 miles per day at current production rates and up to 21,120 truck miles per day at proposed future production levels”

The EIR anticipated a hypothetical use of the pipeline at full capacity of 32,000 barrels of oil per day (BOPD). Divided by trucks with a capacity of 160 barrels of oil each, this translates into an anticipated *worst case* scenario of 200 trucks per day. Using a hypothetical 10 hour work day for shipping oil, a worst case scenario would have 20 trucks an hour coming and going from the San Ardo Field Unit. This addition of a potential of 20 trucks an hour translates to one truck every three minutes. In review of public roadway impacts of such truck movements, it is noted that other than Sargents Canyon Road (which is not used for shipping oil), there are no public roads between the San Ardo Field Unit where the oil is produced and State Highway 101. Trucks circulate on private roads and paths within the oil field, cross the privately held overpass that spans Highway 101, and then enter the State Highway. Presently Highway 101 operates at a Level of Service A in this South County area, and the addition of these few trucks would not impact levels of service.

FEIR Page 3.0-34 Table 3.4-7

**TABLE 3.4-7
SUMMARY OF PIPELINE OPERATIONAL EMISSIONS IN MONTEREY AND FRESNO COUNTIES**

	Maximum Daily Emissions (lbs/day)				Emissions (tons/year)			
	VOC	CO	NO _x	PM ₁₀	VOC	CO	NO _x	PM ₁₀
MONTEREY COUNTY								
From Pipeline Operation	25.41 65.6	4.76 0.53	0.54 2.10	0.04 0.05	4.64 11.98	0.87 0.10	0.10 0.38	0.01
From Trucking During Periods of Upset ¹	150	20.7	51.7	1.90	0.021	0.145	0.362	0.01
Total Operational Emissions ²	150 ³	20.7 21.2	51.7 53.8	1.90 1.95	4.66 12.00	1.02 0.245	0.462 0.742	0.02
Baseline Emissions (20 Trucks Per Day Instead of Pipeline)	109.84 99.0	18.67 15.4	36.96 30.5	1.35 1.12	20.05 18.07	3.41 2.81	6.75 5.57	0.25 0.20
Net Emissions	40.2 51	2.03 5.8	14.74 23.3	0.55 0.83	-15.39 6.07	-2.40 2.10	-6.29 4.83	-0.23 0.18
Threshold of Significance	137	550	137	82	No Annual Threshold			

In the first column of the table above, a figure of 20 trucks per day was anticipated to be needed to ship the level of oil production at the time the EIR was prepared. Those 20 trucks were modeled to have a Maximum Daily Emission of 109.84 VOC. Only another 4 trucks could be added without exceeding the 137lbs/day threshold of the MBUAPCD; hence the 24 truck scenario.

Additionally, Chevron has acknowledged several other constraints that make the “worst case” scenario above implausible.

- First, is that Chevron would not operate the pipeline at its full volume capacity, but closer to an 80% capacity range (if the oil field itself can eventually generate such volumes). The baseline operational level (in 2006) had the Chevron oil field producing at approximately 10% of the design capacity of the pipeline (3,200 BOPD).

- Secondly, the above scenario used a 10 hour work day. Nothing would limit the operators from using a 15 hour day or even a 24 hour operational scenario. This would also reduce the trucks per hour scenario.
- And lastly, Chevron has shared that the present San Ardo Field Unit facility is limited in how many trucks that can be filled and loaded at the oil “racks.” The filling “racks” on property would not be able accommodate the filling and movement of 200 trucks a day. Chevron also acknowledges that no additional racks would be constructed at the SAFU – if they had a pipeline in operation.

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 26, 2008 with a two year expiration ending March 26, 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 only valid 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 B**).

Adjustments Made to the Resolution and Addendum

Adjustments have been made to the Resolution to remove noncontributing evidence in Finding 4 and some evidence has been added. The Addendum has been reworked to be consistent with County templates and practices.

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 B**). Should the applicant’s proposal be approved, staff will update the Condition Compliance and Mitigation and Monitoring Plan according to the actions in the new Planning Commission Resolution, and will append the Addendum document to the certified EIR. 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.



Taven M. Kinison Brown, Project Planner
(831) 755-5173 kinisonbrowntm@co.monterey.ca.us
January 31, 2012

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 and PLN030507.

Attachments: Exhibit A Project Data Sheet
 Exhibit B Draft Resolution of Approval including Attachments:

- Attachment B1 – Revisions to Condition #9, a new condition from the Environmental Health Bureau, and a new Permit Approval Notice condition.
- Attachment B2 - EIR Addendum
 - Revisions to the Chevron San Ardo to Coalinga Heated Oil Pipeline Project Final Environmental Impact Report, dated March 2008.

This report was reviewed by Wanda Hickman, Planning Services Manager.

EXHIBIT A

Project Information for PLN110406

Project Information:

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

Parcel Information:

Primary APN:	237-101-002-000	Seismic Hazard Zone:	III
Applicable Plan:	South County	Erosion Hazard Zone:	Low
Advisory Committee:	South County	Fire Hazard Zone:	Low
Zoning:	H1	Flood Hazard Zone:	A
Land Use Designation:	Mineral Extraction	Archaeological Sensitivity:	H/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 B
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. 08014

Resolution by the Monterey County Planning Commission:

- 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 the Amendment and 3-year Extension of the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PC Resolution No. 08014), based on findings and evidence and subject to the previously approved conditions of approval in Planning Commission Resolution No. 08014, adding one revised and two new conditions of approval.

[PLN110406, Chevron USA Inc., Chevron San Ardo Field Unit (SAFU), South County Area Plan (APNs: 237-101-002-000, 237-101-005-000, 421-201-013-000, 421-221-001-000, 422-141-027-000, 422-141-010-000, 422-131-038-000, 422-151-016-000, 422-141-009-000, 422-141-011-000, 422-141-038-000, 422-141-006-000, 422-151-019-000, 422-141-015-000, 422-151-051-000, 423-081-052-000, 423-101-001-000, 422-151-020-000, 422-131-037-000, 421-221-002-000, 422-151-049-000, 422-141-025-000, 422-151-044-000, 422-151-023-000, 421-221-003-000, 423-081-016-000, 422-141-037-000, 422-141-036-000, 421-221-004-000, 422-141-028-000)

The Amendment and Extension request (PLN110406) to the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507) came on for public hearing before the Monterey County Planning Commission on January 11, 2012, January 25, 2012 and February 8, 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 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 26, 2008 with a two year expiration ending March 26, 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 only valid 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.
 - e) The proposed amendment and extension of the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit is consistent with 2010 Monterey County General Plan Goal LU-5 in that the Amendment "maintains the quality of the environment." The amendment to Condition #9 to allow more flexibility in the vehicle fleet to service the pipeline during times of maintenance has been worded to assure consistency with the air quality standards of the MBUAPCD and County environmental review.
 - f) Goal PS-3 of the 2010 Monterey County General Plan requires the County to "Ensure that new development is assured a long-term sustainable water supply." The amendment and extension of the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (approved March 26, 2008) does not constitute "new development," and therefore this goal is not relevant in this case.

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 **Attachment B1** attached to this Resolution.
 - c) Condition EHSP02 for the Environmental Health Bureau is added according to **Attachment B1** 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 **Attachment B2** to the February 8, 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 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 emissions.
 - By using more efficient vehicles than were included in the air quality modeling and other technologies and practices 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 137lbs 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 (**Attachment B2**) 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.
- The need for the addendum at this time is to better craft the language in Condition of Approval #9 for the project.
 - While this condition was based upon study and recommendations

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.)

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 approaches to not exceed the MBUAPCD threshold.
- f) There are no substantial changes proposed in the project which will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects.
- g) There are no substantial changes in the circumstances under which the project is undertaken which will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects.

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 the Amendment and 3-year Extension of the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PC Resolution No. 08014), based on findings and evidence and subject to the previously approved conditions of approval in Planning Commission Resolution No. 08014, adding one revised and two new conditions of approval.

PASSED AND ADOPTED this 8th day of February, 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 _____

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.

Attachment B1

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 (Multiple)
Approval by: Planning Commission **Date:** February 8, 2012

**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.	Language as proposed January 11, 2012	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)	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.	Applicant	During maintenance activities while the Project is in the Operational Phase of the Project.	
9.	Revised language proposed February 8, 2012	PDSP04 LIMITATION OF TANKER TRUCK TRIPS DURING MAINTENANCE OPERATIONS (NON-STANDARD) During maintenance operations of the pipeline, the Applicant shall not exceed 137 lbs/day emission of VOCs. At least 30 days prior to beginning maintenance on the pipeline that requires utilizing other transportation methods of crude oil, the applicant shall submit a report to the Director of Planning for review and verification, detailing the vehicle fleet to be used and how the air quality standards of the MPUAPCD will not be exceeded. The report shall provide the resulting number of vehicle trips per day. (RMA - Planning Department)	At least 30 days prior to beginning maintenance on the pipeline that would require using other (non-pipeline) transportation methods to ship crude oil, the operators shall submit a report, prepared by a qualified professional satisfactory to the MBUAPCD, for review and verification to the Monterey County Director of Planning documenting compliance with this permit condition.	Applicant	30 days prior to maintenance activities on the Pipeline in the Operational Phase of the Project.	

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)
EHSP02	New Condition	<p>FOOD FACILITY (NON STANDARD)</p> <p>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>Submit plans and necessary review fees to the Division of Environmental Health for review and approval.</p>	Owner/ Applicant	Continuous.	
	New Condition	<p>PD002b – NOTICE - PERMIT APPROVAL (NON STANDARD)</p> <p>The applicant shall record a notice which states: "An Amendment and Extension to the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (PLN030507/Resolution# 08014) was approved by the Planning Commission (PLN110406/New Resolution # _____) on February 8, 2012 for Assessor's Parcel Numbers: 237-101-002-000, 237-101-005-000, 421-201-013-000, 421-221-001-000, 422-141-027-000, 422-141-010-000, 422-131-038-000, 422-151-016-000, 422-141-009-000, 422-141-011-000, 422-141-038-000, 422-141-006-000, 422-151-019-000, 422-141-015-000, 422-151-051-000, 423-081-052-000, 423-101-001-000, 422-151-020-000, 422-131-037-000, 421-221-002-000, 422-151-049-000, 422-141-025-000, 422-151-044-000, 422-151-023-000, 421-221-003-000, 423-081-016-000, 422-141-037-000, 422-141-036-000, 421-221-004-000, 422-141-028-000.</p> <p>The Amendment was granted subject to revisions to original Condition #9, the addition of EHSP02 (Non-Standard) Food Facility condition, and this New Permit Approval Notice PD002b condition</p>	<p>Proof of recordation of this notice shall be furnished to the RMA - Planning Department, for each property within Monterey County that the pipeline crosses. All notices shall be recorded prior to issuance and grading permits for the project.</p>	Owner/ Applicant	Prior to grading and construction permits.	

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)
		<p>as described in the January 25, 2012 and February 8, 2012 staff reports to the Planning Commission. 101 Conditions of Approval were originally approved for the project (March 26, 2008) and run with the land. This Amendment adds two new conditions and the modifications to Condition #9 and brings the total number to 103 Conditions which run with the land.</p> <p>The Extension of the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit adds three years to the project. The Use Permit will now expire March 26, 2015 should construction not be pursued by the owner/operator. A copy of the Amendment and Extension to the Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit (Resolution # _____) is on file with the Monterey County RMA - Planning Department."</p> <p>Proof of recordation of this notice shall be furnished to the Director of the RMA - Planning Department for ALL properties within Monterey County that the pipeline crosses prior to issuance of grading or construction permits for the project. (RMA - Planning Department)</p>				

ATTACHMENT B2

Addendum Pursuant to the California Environmental Quality Act Article 11, Section 15164

Chevron San Ardo to Coalinga Heated Oil Pipeline Use Permit Amendment and Extension of Permit Planning File Numbers PLN030507 and PLN110406 EIR SCH#2006051012

A. Introduction

Background. On March 26, 2008 Chevron USA obtained approval from Monterey County for a 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 was also subsequently approved by Fresno County to continue from the Monterey County line approximately 38 miles into Fresno County, tying into an existing pipeline southeast of Coalinga and east of Interstate Highway 5. The pipeline 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 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.

An EIR (SCH# 2006051012) 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). This permit was set to expire March 26, 2012.

Request. 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 (Amendment) to Condition #9 affecting shipping operations when the pipeline would be under routine maintenance. 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 to ship crude oil during these maintenance periods. By using more efficient vehicles than were included in the air quality modeling during these temporary operations, the operator would be able to ship a greater amount of the resource to market during these maintenance periods.

This technical addendum has been prepared pursuant to Article 11, Section 15164 of the California Environmental Quality Act guidelines to make minor technical changes to the project analyzed in the Chevron San Ardo to Coalinga Heated Oil Pipeline EIR (SCH# 2006051012), certified March 26, 2008, by the Planning Commission of Monterey County (Resolution No 8014). None of the conditions described in Section 15162 calling for preparation of a subsequent EIR or negative declaration have occurred.

B. Scope and Purpose of this Addendum

To more properly align Condition #9 to the 137lbs /day maximum threshold of VOCs, without assigning a particular technology type or vehicle type or an assumption of the number of vehicles that could operate under the air quality threshold, minor changes to the language in the FEIR and table footnotes are needed. An Addendum incorporating minor language changes is the appropriate vehicle to convey the Planning Commission's consideration and action on the matter.

Minor Language Changes – Addendum to the Certified EIR

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 not exceed 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 not exceed 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. ***Actual number, size, type and age of vehicles could vary during the life of the Project.***

b. Footnote 3

i. Current language

This maximum 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 not exceed 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 additional technologies and methodologies to reduce VOCs during truck loading operations. Actual operational emissions would likely be lower because additional technologies and methodologies to reduce VOCs may be utilized when trucks are loaded.

C. Conclusion

The above changes in language are minor and technical and *none* of the conditions described in Section 15162 of the CEQA Guidelines to require recirculation have occurred, allowing an Addendum to be prepared:

- There are no substantial changes proposed in the project which will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects.
- There are no substantial changes in the circumstances under which the project is undertaken which will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects.
- New information of substantial importance which was not known and could not have been known with the existence of reasonable diligence at the time the previous EIR was certified as complete.

No changes in the construction or general operation of the Chevron San Ardo to Coalinga Heated Oil Pipeline have been proposed by the applicant, and no reports or plan changes have been submitted. The applicant made a direct request for language changes to the Use Permit Condition #9 and EIR text sections and paid appropriate fees for County review and processing of this request. These materials can be found in the RMA-Planning Department Files Numbered PLN0305070 and PLN110406.