

**CALIFORNIA STATE LANDS
COMMISSION**

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Established in 1938

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May 18, 2023

File Ref: SCH # 2023050020

Susan Strachan
Decommissioning Project Manager
San Luis Obispo County
Department of Planning and Building
976 Osos St. #300
San Luis Obispo, CA 93408

VIA ELECTRONIC MAIL (p66refinery@co.slo.ca.us)



**Subject: Notice of Preparation for an Environmental Impact Report for Phillips 66
Santa Maria Refinery Demolition and Remediation Project, San Luis
Obispo County**

Dear Ms. Strachan:

The California State Lands Commission (Commission) staff has reviewed the subject Notice of Preparation (NOP) for an Environmental Impact Report (EIR) for the Phillips 66 Santa Maria Refinery Demolition and Remediation Project (Project), which is being prepared by San Luis Obispo County (County). The County, with primary authority over the Project, is the lead agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq. The Commission is a trustee agency for projects that could directly or indirectly affect State sovereign land and their accompanying Public Trust resources or uses. Commission staff requests that the County consult with us on preparation of the draft EIR as required by CEQA section 21153, subdivision (a) and the State CEQA Guidelines section 15086, subdivisions (a)(1) and (a)(2).

Commission Jurisdiction and Public Trust Lands

The Commission has jurisdiction and management authority over all ungranted tidelands, submerged lands, and the beds of navigable lakes and waterways. The Commission also has certain residual and review authority for tidelands and submerged lands legislatively granted in trust to local jurisdictions (Pub. Resources Code, §§ 6009, subd. (c); 6009.1; 6301; 6306). All tidelands and

submerged lands, granted or ungranted, as well as navigable lakes and waterways, are subject to the protections of the common law Public Trust Doctrine.

As general background, the State of California acquired sovereign ownership of all tidelands and submerged lands and beds of navigable lakes and waterways upon its admission to the United States in 1850. The State holds these lands for the benefit of all people of the state for statewide Public Trust purposes, which include but are not limited to waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation, and open space. On tidal waterways, the State's sovereign fee ownership extends landward to the mean high tide line, except for areas of fill or artificial accretion or where the boundary has been fixed by agreement or a court.

Although outside of the scope of the proposed Project, Commission Lease 1449, which expires on October 24, 2028, includes one 18-inch-diameter and one 14-inch-diameter wastewater outfall pipeline that extend into tidal waters (Pacific Ocean) offshore of Oceano Dunes State Vehicular Recreation Area. The 18-inch line is currently in use and services the upland Santa Maria refinery, while the 14-inch line has been out of service for many years. Commission approval for the ultimate disposition of both pipelines will be required prior to commencing any removal or repurposing activities. Commission staff understand that as proposed, the Project would not affect any facilities on State lands. The wastewater outfall pipelines under Commission Lease 1449 are proposed to be left in place for potential reuse. However, if these pipelines are not used by subsequent site occupants, the Commission may require their removal in the future.

Project Description

Phillips 66 (Proponent) proposes to demolish the Santa Maria Refinery and remediate the site. The Project is located at 2555 Willow Road (State Route 1) in an unincorporated area of San Luis Obispo County, near Arroyo Grande and Nipomo, and approximately five miles west of U.S. Highway 101.

The Project involves demolition of aboveground and belowground refinery facilities, equipment, and associated infrastructure except for certain infrastructure or utilities proposed to be kept in place for potential use by subsequent site occupants.

Environmental Review

Commission staff requests that the County consider the following comments when preparing the draft EIR to ensure that potential impacts to State sovereign land are adequately analyzed for the Commission's future use.

Wastewater Outfall Pipeline Removal Alternative

As noted in the NOP, the wastewater outfall pipelines (Commission Lease 1449) are proposed to be left in place for potential reuse. Should future reuse of the pipelines not occur, the Commission may require their removal. For this reason, Commission staff request that an alternative be presented in the EIR addressing the removal of the wastewater outfall pipelines.

Thank you for the opportunity to comment on the NOP for the proposed Project. As a trustee agency, Commission staff requests that you consult with us on this Project and keep us advised of changes to the Project Description and all other important developments. Please send additional information on the Project to the Commission staff listed below as the EIR is being prepared.

Please refer questions concerning environmental review to Cynthia Herzog, Senior Environmental Scientist, at (916) 574-1310 or via email at cynthia.herzog@slc.ca.gov. For questions concerning Commission leasing jurisdiction, please contact Kenneth Foster, Public Land Manager, at (916) 574-2555 or via email at kenneth.foster@slc.ca.gov.

Sincerely,



Nicole Dobroski, Chief
Division of Environmental Science,
Planning, and Management

cc: Office of Planning and Research
C. Herzog, Commission
K. Foster, Commission