

1.1 Project Overview

This Supplemental Environmental Impact Report (SEIR) evaluates the potential environmental impacts related to the proposed Shell Guadalupe Dunes Gravel Remediation In-Lieu Proposal Project (Project); this SEIR is supplemental to the 1982 Final Environmental Impact Report (EIR) for the Husky Oil-SMV Minerals Lease Oil and Gas Drilling/Production, Mussel Rock Dunes, Santa Barbara County (State Clearinghouse #82030203; 82-EIR-11). The Project proposes to revise Conditional Use Permit (82-CP-75[cz]) and Coastal Development Permit (96-CDP-10) to allow retention of approximately 293,752 cubic yards (cy) of sand that has been found to contain remnant gravel from an exploratory drilling project in the Rancho Guadalupe Dunes County Park in northwestern Santa Barbara County.¹ Permit Condition #31 of 82-CP-75(cz) and 96-CDP-10, which did not include additional conditions beyond the standard permit conditions, relates to the exploratory drilling project and requires that Shell Oil Company (Applicant) remove all drilling and associated materials within the dunes to a maximum depth of 15 feet from existing grade. In exchange for leaving gravel in place, the Applicant proposes to provide a monetary contribution (in-lieu fee) to the County of Santa Barbara (County) for purchase of property in the north coastal region of Santa Barbara County for public recreational or open space purposes at a ratio of not less than 3:1.

The County is the lead agency under the California Environmental Quality Act (CEQA). Project implementation would require approval of a revised Conditional Use Permit and a new Coastal Development Permit by the County Planning Commission and could potentially be appealed to the County Board of Supervisors. The final County discretionary permit action could also be potentially appealed to the California Coastal Commission. The decision makers must also consider and certify a final SEIR with appropriate findings (CEQA Guidelines Section 15091); a statement of overriding considerations (CEQA Guidelines Section 15093), if applicable; and a mitigation monitoring and reporting program (MMRP), if applicable.

1.2 Purpose of the SEIR and Legal Authority

CEQA was enacted in 1970 by the California legislature to ensure disclosure to decision makers and the public the significant environmental effects of proposed activities and the ways to avoid or reduce those effects by requiring implementation of feasible alternatives or mitigation measures. CEQA applies to California government agencies at all levels, including local government agencies that must issue permits or provide discretionary approvals for projects proposed by private applicants. As such, the County is required to undertake the CEQA process before making a decision on a project. In accordance with Section 21067 of CEQA and Sections 15367 and 15050 through 15053 of the CEQA Guidelines, the County is the lead agency under whose authority this document has been prepared, and the County will have primary responsibility for conducting the environmental review and certifying the SEIR.

¹ Approximately 293,752 cy of sand at the Project Site is currently impacted by gravel intermixed at varying depths. The total volume of gravel at the Project Site is estimated at approximately 1,237 cy.

Guidance for the process and contents for the preparation of an SEIR are codified in the CEQA Statutes provided in California Public Resources Code (PRC) Section 21000 et seq. and the State CEQA Guidelines (California Code of Regulations [CCR], Title 14, Section 15000 et seq.). Additionally, in June 2010, the County published the revised *Guidelines for the Implementation of the California Environmental Quality Act of 1970, As Amended* (County of Santa Barbara 2010). This document provides definitions, procedures, and forms to be used in the implementation of CEQA and to supplement the State CEQA Guidelines to the specific operations of the County. The purpose of these local guidelines is to help the County accomplish the following basic objectives of CEQA:

- To enhance and provide long-term protection for the environment.
- To provide information to governmental decision makers and the public regarding the potential significant environmental effects of a proposed project.
- To identify ways that environmental damage can be avoided or significantly reduced.
- To prevent significant avoidable environmental damage through utilization of feasible project alternatives or mitigation measures.
- To disclose and demonstrate to the public the reasons why a governmental agency approved a project in the manner chosen.

In October 2008, the County also published the amended *Environmental Thresholds and Guidelines Manual* (County of Santa Barbara 2008). This manual was prepared to assist the public, applicants, environmental consulting firms, and County decision makers in understanding the use and application of various environmental impact thresholds as they relate to project proposals. The thresholds of significance in the manual are intended to supplement provisions in the State CEQA Guidelines for determination of significant environmental effect, including Sections 15064, 15065, 15382, and Appendix G. Thresholds of significance supplemented by the manual include additional agricultural resources guidelines; air quality thresholds; biological resources guidelines; coastal resources guidelines; cultural resources guidelines; archaeological, historical, and ethnic elements; electromagnetic fields thresholds; geologic constraints guidelines; groundwater thresholds; noise thresholds; quality of life guidelines; public safety thresholds; interim schools thresholds; surface and stormwater quality significance guidelines; solid waste thresholds; traffic impact thresholds; and visual aesthetic impact guidelines. This SEIR applies the County's thresholds of significance where applicable, which are described in each section contained in Chapter 3 of this SEIR.

This SEIR analyzes the potentially significant environmental impacts that could occur as a result of implementation of the Project, and describes and evaluates reasonable alternatives to the Project. While Section 15021(a) of the CEQA Guidelines requires that major consideration be given to avoiding environmental damage, the lead agency and other responsible public agencies must balance adverse environmental effects against other public objectives, including social and economic goals, in determining whether and in what manner a project should be approved.

1.3 Scope of Analysis

The SEIR addresses the potential environmental effects of the proposed Project and was prepared following input received from the public, and from responsible and affected agencies, during the SEIR scoping process. This process was conducted using several of the tools available under CEQA, as described below.

1.3.1 Notice of Preparation

The contents of this SEIR were established based on the findings in the notice of preparation (NOP) prepared by the County, as well as public and agency input received during the scoping period. A copy of the NOP is included in Appendix A. In accordance with Section 15063 of the State CEQA Guidelines, the County distributed the NOP to responsible and affected agencies and other interested parties for a 30-day public review on October 23, 2013. The public review period for the NOP began on October 23, 2013, and ended on November 22, 2013. The NOP was also posted in the Santa Barbara County Clerk's office for 30 days and sent to the State Clearinghouse at the Governor's Office of Planning and Research to solicit statewide agency participation in determining the scope of the SEIR.

1.3.2 Scoping Meeting

During the scoping period, a public meeting was held on November 7, 2013, at 3:00 p.m. at 918 Obispo Street in Guadalupe, California. Notice of the SEIR scoping meeting was published in the local newspaper and sent to various local agencies, special interest groups, and owners of properties adjacent to the Project Site. The meeting was intended to solicit comments with regard to environmental concerns, feasible ways in which Project impacts may be minimized to insignificant levels (e.g., via mitigation measures), and potential alternatives to the proposed Project.

1.3.3 Areas of Known Controversy/Issues to be Resolved

Based on results of the public scoping meeting and responses to the NOP, issues were identified and are known to be of concern to the public and agencies. They are included in Appendix A of this SEIR.

1.4 Program/Project-Level SEIR Analysis

The proposed Project is analyzed at a project level of detail. Project-level analysis examines the environmental impacts of a specific development project or proposal. Project-level analysis is the most common approach in SEIRs. In this SEIR, the project-level analysis focuses primarily on the potential effects to the environment that would result from leaving in place all remnant gravel associated with permitted exploratory drilling activities, which the Applicant previously estimated at approximately 293,752 cy of combined sand and gravel, over an area of approximately 18.9 acres. This SEIR also provides project-level analysis for alternatives, including the No Project Alternative (Complete Gravel Removal) and a Partial Gravel Removal Alternative, given both alternatives would involve construction and development activities whereas the proposed Project would not.

1.5 Supplemental Environmental Impact Report

This environmental document is a SEIR, which means it builds upon the description of existing setting, impact analysis, and findings contained in a previously certified EIR addressing the Project site – in this case the 1982 Final EIR for the Husky Oil-SMV Minerals Lease Oil and Gas Drilling/Production, Mussel Rock Dunes, Santa Barbara County (State Clearinghouse #82030203; 82-EIR-11). Preparation of SEIRs is allowed under CEQA Guidelines (i.e., Section 15163) to streamline preparation and review of EIRs and reduce redundancy, provided the revised project

would not result in significant effects not previously identified (CEQA Guidelines Section 15162). CEQA Guidelines Section 15163(b) states that an SEIR need only “contain the information necessary to make the previous EIR adequate for the project as revised.” However, because the previous EIR was prepared more than 30 years ago, the SEIR is organized and presented in such a way that it can be used as a stand-alone document, not requiring the reader to read the 1982 EIR to understand impacts of the Proposed Project and alternatives. The 1982 EIR is included as an appendix to this SEIR (Appendix B).

Under CEQA Guidelines 15163(e), when the County considers the project for approval, it must consider the previous EIR as revised by the SEIR. A finding under CEQA Guidelines Section 15091 must be made for each significant effect identified in the previous EIR, as revised in the SEIR.

The 1982 Final EIR was prepared by the County of Santa Barbara to identify and evaluate all impacts associated with the approval of a Land Use Permit 82-CP-75(cz) for Husky Oil Company, which would allow drilling and production from as many as 57 wells on three separate drilling islands within the Mussel Rock Dunes. The existing environmental setting described in the 1982 Final EIR was based on that described in a technical report prepared for the Santa Barbara County Local Coastal Program (LCP) (Envicom Corporation 1980). At the time of preparation of the 1982 EIR, the Mussel Rock Dunes were designated as an Environmentally Sensitive Habitat (ESH) by the Santa Barbara County Local Coastal Program. The Nipomo Dunes ecosystem was identified as the largest dune-lagoon complex in California (California Department of Parks and Recreation 1968). Drilling Site D (see description in Chapter 2 and a depiction in Figure 2) – the only site that was constructed of the three analyzed in the 1982 Final EIR – was described as an open, sandy, flat area between predominantly active transverse dunes.² The Road Site associated with Site D was described as crossing a small area of sparse coastal dune vegetation.

The 1982 Final EIR found that the Husky Oil Project would result in potentially significant impacts to various resource areas, some of which would be reduced through mitigation. In particular, gravel road surfacing was anticipated to limit natural changes in dune form and to fragment sensitive dune habitat. However, mitigation for this impact, which required removal of all road materials during site abandonment, was anticipated to eliminate or substantially reduce these impacts. This mitigation was incorporated into the Conditional Use Permit (82-CP-75[cz]) that was granted to the Husky Oil Company as Permit Condition #31, which states “all introduced materials on or near the surface (depth of 15 feet) shall be removed when the drilling islands are abandoned.” In 1997, CalResources (on behalf of Shell Western, the lease holder at the time) partially addressed this condition by removing steel plates, chain link fence, gravel, and residual asphaltic material under Coastal Development Permit 96-CDP-010. However, due to screening limitations some gravel remained at the site. Therefore, the site is considered partially remediated and Permit Condition #31 has not been fully met.

The 1982 Final EIR, per CEQA guidelines, accurately described impacts based on a reasonably foreseeable worst-case scenario; however, following certification of the EIR, Island B and Island C, which were included in the 1982 Final EIR impact analyses were not constructed; only Site D was constructed and used for exploratory drilling operations. For this reason, and as a result of the partial removal of the gravel under the 96-CDP-010 as well as the unforeseeable establishment of

² The Project described in the 1982 Final EIR included drilling of 57 wells on three proposed “Drilling Islands” – Island B, Island C, and Island D. However, following certification of the EIR drilling only occurred on Island D, while the other locations remained undisturbed.

sensitive dune species, many of the impacts as described in the 1982 Final EIR did not occur. For example, the 1982 Final EIR anticipated that the Husky Oil Project would result in incremental but significant and unavoidable fragmentation of the dune ecosystem by roads, pads, and related structures. However, due to the partial removal of gravel in 1997, as well as long-term, unanticipated ecological succession, ecosystem fragmentation resulting from the Husky Oil Project as envisioned in the 1982 Final EIR does not appear to have occurred at the Project site as sensitive species have reestablished and in some areas, expanded within the affected areas (the baseline conditions and impacts to dune habitat are more fully described in Section 3.3, *Biological Resources*). As a consequence, the existing setting has changed during the time between the preparation of the 1982 Final EIR and this SEIR.

This SEIR describes the existing setting of the Project Site as it was at the time of the publication of the NOP, October 23, 2013. Where relevant, this SEIR describes the anticipated significant and unavoidable impacts identified in the 1982 Final EIR. Further it describes the changes that have occurred at the Project Site since the certification of the 1982 Final EIR and how these changes in the existing setting have affected the potential impacts identified in the 1982 Final EIR.

1.6 Required SEIR Contents and Document Organization

The content and organization of this SEIR are designed to meet the current requirements of CEQA and the State CEQA Guidelines. In order to ensure compliance with CEQA, required CEQA Sections are referenced and their contents are described below.

Executive Summary (Section 15123) presents a summary of the Proposed Project and alternatives, potential impacts and mitigation measures, and impact conclusions regarding growth inducement and cumulative impacts.

Table of Contents (Section 15122) provides a list of the contents included within the SEIR.

Chapter 1, “Introduction,” provides an overview of the SEIR process, describes the purpose and scope of this SEIR, and outlines the required contents and organization of the SEIR.

Chapter 2, “Description of Project and Alternatives,” (Section 15124) describes the project location, project objectives, and detailed descriptions for the Proposed Project and alternatives.

Chapter 3, “Environmental Impact Analysis,” (Sections 15125, 15126.2, 15126.4, and 15128) describes the existing conditions for each environmental issue before project implementation, methods and assumptions used in the impact analysis, criteria for determining significance, impacts that would result from the Proposed Project, and applicable mitigation measures that would eliminate or reduce significant impacts.

Chapter 3 of this SEIR is divided into sections for each issue area and includes a detailed discussion of potential impacts. The **Alternatives Analysis (Section 15126.6)** is provided within each resource area, which evaluates environmental effects of project alternatives and identifies the environmentally superior project alternative.

The significance of each identified impact was determined using Appendix G of the CEQA Guidelines and the County Environmental Thresholds and Guidelines Manual. The following categories are used for classifying impacts related to the Proposed Project:

- ***Class I – Significant adverse impacts that are unavoidable:*** Significant impacts that cannot be effectively mitigated. No measures could be taken to avoid or reduce these adverse effects to insignificant or negligible levels. Even after application of feasible mitigation measures, the residual impact would be significant.
- ***Class II – Significant but mitigable adverse impacts:*** These impacts are potentially similar in significance to those of Class I, but can be reduced or avoided by the implementation of mitigation measures. After application of feasible mitigation measures, the residual impact would not be significant.
- ***Class III – Adverse but not significant impacts:*** While not required under CEQA to reduce an impact to a level of insignificant, mitigation measure(s) are often applied to an identified adverse but not significant impact to mitigate the impact to the maximum extent feasible in accordance with Santa Barbara County policy.
- ***Class IV – Beneficial impacts:*** Effects that are beneficial to the environment.

For each significant adverse impact identified, mitigation measures are presented where feasible to reduce the impacts to acceptable levels. In those instances where mitigation measures cannot reduce adverse impacts to less-than-significant levels, the impacts are categorized as Class I Impacts.

Chapter 4, “Cumulative Impacts,” (Section 15130) describes impacts that could occur from the combined effect of other past, present, and reasonably foreseeable future projects.

Chapter 5, “Growth-Inducing Impacts,” (Section 15126.2) includes a discussion of direct and indirect growth-inducing impacts that could be caused by the Proposed Project.

Chapter 6, “Significant Irreversible Environmental Effects,” (Section 15126.2) includes a discussion of significant adverse impacts that cannot be reduced to less-than-significant levels due to unavailable or infeasible mitigation measures, as well as any irreversible commitments of resources resulting from implementation of the Proposed Project.

Chapter 7, “List of Preparers,” (Section 15129) lists the individuals involved in preparing this SEIR.

Chapter 8, “References,” (Section 15129) identifies documents (printed references) and individuals (personal communications) consulted during preparation of this SEIR. This chapter includes agencies and people consulted to ascertain information and support for conclusions made in impact analyses.

Technical Appendices include the NOP, additional information, and technical studies that support environmental analyses contained within this document.

1.7 Public/Agency Involvement and Availability of the SEIR

One of the primary objectives of CEQA is to encourage and enhance public participation in the process of a planning a project. In addition to providing information and disclosing environmental impacts, the environmental review process provides several opportunities for the public to participate through scoping, public notice, public review of the CEQA document, and public hearings. Thus, public involvement is considered an essential feature of CEQA, and community members are encouraged to participate in the environmental review process, request to be notified, monitor newspapers for formal announcements, and submit substantive comments at every opportunity afforded by the lead agency. Additionally, agencies are required to consider comments from the scoping process in the preparation of the Draft SEIR and respond to public comments in the final SEIR.

This SEIR has been distributed to federal, State, County, and city agencies; citizens' groups; and local libraries with a comment period that runs from May 8, 2014 to June 22, 2014. The SEIR is also posted on the County's website and is available for review and download at <http://sbcountyplanning.org/environmental/active.cfm>. The County will hold a public hearing during the public review period on May 28, 2014 to receive public comments on the SEIR. The hearing will be scheduled from 6:00 to 8:00 p.m. in the Board of Supervisors Hearing Room in the Betteravia Government Center, located at 511 East Lakeside Parkway, Santa Maria CA, California. Notice of the public hearing has been published in the local newspaper and sent to various local agencies, special interest groups, and owners of properties adjacent to the project site. Comments received at the public hearing, as well as written comments received during the public review period, will be addressed in the final SEIR. Comments may be addressed to:

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