

FAXED July 21, 2006

July 21, 2006

Mr. Richard Thompson
Director of Community Development
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, California 90266

**Re: Draft Environmental Impact Report for the Chevron Products Company - El
Segundo Refinery Heavy Crude Project**

Mr. Thompson,

The South Coast Air Quality Management District (SCAQMD) received your comment letter regarding the above referenced project. Thank you for reviewing and providing comments on the Draft Environmental Impact Report for the Chevron Products Company - El Segundo Refinery Heavy Crude Project. A copy of your comment letter received on June 8, 2006, and responses to the comments are enclosed. The Final EIR for this project, which will include your comment letter and SCAQMD responses, will be provided separately at a later date. If you have any questions or need other information on the environmental analysis for this project, please call Mr. Michael Krause on my staff at 909.396.2706. You can also call me at 909.396.3054.

Sincerely,

Steve Smith, Ph.D.
Program Supervisor
Planning, Rule Development & Area Sources
CEQA Section

Enclosure



City of Manhattan Beach

Community Development

Phone: (310) 802-5500
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June 8, 2006

Michael Krause
c/o CEQA Section, Planning
Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar CA 91765-4182

Re: Notice of Completion of Draft EIR / Chevron Products Company El Segundo Refinery Heavy Crude Project

Dear Mr. Krause:

The City of Manhattan Beach appreciates the opportunity to provide comments on the Draft EIR for the subject project. We have reviewed the document and have the following comments related to Noise and potential significant impacts to the City of Manhattan Beach.

1-1

The Noise Survey attached to the DEIR uses noise surveys conducted in 1999 and 2001, and was prepared in January 2001 for the CARB Phase 3 Clean Fuels project. The DEIR should include an evaluation to determine if the existing ambient noise in the area has changed since that time or is anticipated to change based on the proposed project and related projects in the area, and if there are significant impacts these need to be evaluated and mitigated.

1-2

The DEIR indicates that the City of Manhattan Beach does not limit construction noise. Section 5.48.060 of the Manhattan Beach Municipal Code regulates noise and does include construction noise standards. The City of Manhattan Beach Municipal Code standards do apply to the project. Chapter 5.48 is not limited to noise that is produced within the City limits but applies to all noise which has an impact on the City of Manhattan Beach. Another important section of the Manhattan Beach Municipal Code (as well as the City of El Segundo Municipal Code) is the "reasonable person" standard which is identified in Section 5.48.140, and states that it is unlawful to create any noise which disturbs the peace or quiet of any neighborhood or causes discomfort or annoyance to any reasonable person of normal sensitivity. It is critical to use this standard when evaluating the impacts of the project. This Section also includes criteria for determining significant noise impacts. A similar section is included in the City El Segundo noise ordinance. These sections state that the frequency, time duration, whether the noise is natural or manmade and a number of other criteria should be used when determining if a noise is a significant impact.

City Hall Address: 1400 Highland Avenue, Manhattan Beach, CA 90266
Visit the City of Manhattan Beach web site at <http://www.citymb.info>

- 1-3 A discussion of the City of Manhattan Beach noise ordinance should be included that indicates that although the City of Manhattan Beach Noise ordinance allows no noise increase above the existing ambient level the City of Manhattan Beach has agreed to an increase of no more than 2 dba as being reasonable since it is generally accepted that an increase of less than 2 dba is not perceivable to the human ear. For operations a 2 dBA maximum increase over the existing ambient should be required, plus no pure tones or narrow frequencies that would result in a perceivable change in the operational noise level in the City of Manhattan Beach.
- 1-4 The current evaluation indicates that the only impacts are related to construction noise. If after an evaluation of the current ambient noise environment is established and this is the only impact then the project needs to mitigate the construction noise impacts only. Construction in the City of Manhattan Beach as detailed in Section 5.48.060 is limited to 7:30 A.M to 6:00 PM Monday through Friday and 9:00 AM to 6:00 PM Saturday, prohibited on Sundays and holidays. The proposed project indicates that there will be nighttime shifts from 6:30 PM to 5:00 AM as well as daytime shifts from 6:30 AM to 5:00 PM for one 6-week period and another 2½ month period in 2007. For the daytime shift the DEIR states that construction will be Monday through Friday and possibly but not generally on weekends. For the nighttime shifts the DEIR does not indicate the days.
- 1-5 The City of Manhattan Beach understands the importance of completing the project in a timely manner, and balancing longer construction hours versus a longer construction schedule. In order to fully understand the potential impacts the DEIR should evaluate as an alternative no nighttime shifts as well as construction hours that conform to the City of Manhattan Beach as well as the City of El Segundo standards, whichever is the most restrictive. In any case, any weekend construction should conform to the most restrictive Code requirements. Mitigation measures for the construction noise that is proposed
- 1-6 for the north side of the property could also potentially be used on the south side of the site.
- 1-7 During construction the maximum noise levels should be ambient plus 5 dBA, or 65 dBA whichever is lower, for continuous noise and for intermittent (up to 30 minutes in one hour) the maximum noise level should be ambient plus 10 dBA. Measurements should be at the most impacted residential property, which may or may not be the nearest residential property line.
- 1-8 Thank you for your consideration and we look forward to receiving the Final EIR which addresses, the concerns as detailed in this letter. Should you have any questions, please contact Laurie B. Jester, Senior Planner at (310) 802-5510 or e-mail ljester@citymb.info.

Sincerely,



Richard Thompson
Director of Community Development

CC: Geoff Dolan, City Manager
Laurie B. Jester, Senior Planner
Erik Zandvliet, Traffic Engineer

Response to Comments from City of Manhattan Beach Correspondence
Dated June 8, 2006

- 1-1 The comment is correct that the noise survey that is in Appendix D.1 to the Draft EIR was conducted in 1999 and 2001. The results from this noise survey were used to establish the existing noise levels in the vicinity of the refinery, as described in Section 3.4.2 (pages 3-28 through 3-31) of the Draft EIR. The results from the noise survey in Appendix D.1 are considered representative of current conditions for the reasons presented in the following paragraphs.

The major sources of noise in the vicinity of the proposed project are noise from the industrial activities that occur within the refinery and from traffic on the streets in the vicinity of the refinery. The only major modifications to the refinery equipment subsequent to the noise survey that might affect noise levels are the modifications that were required to produce gasoline that complies with California Air Resources Board (CARB) Phase 3 specifications and construction of a new Hydrogen Plant at the refinery. Potential impacts to the environment, including noise impacts, from the modifications to produce CARB Phase 3 gasoline were evaluated in the EIR for the Chevron - El Segundo Refinery CARB Phase 3 Clean Fuels Project prepared by the SCAQMD (certified in November 2001). This EIR concluded that operation of the refinery modifications would not change noise levels in the vicinity of the refinery significantly. Potential impacts from construction of the new Hydrogen Plant were evaluated in the Negative Declaration (ND) for the Chevron Products Company Refinery Proposed Hydrogen Plant Project prepared by the SCAQMD (certified in July 2003) and in an Addendum to the July 2003 ND (adopted in July 2005). The ND and the Addendum concluded that operation of the Hydrogen Plant would not change noise levels in the vicinity of the refinery significantly. Therefore, current noise levels in the vicinity of the refinery caused by refinery activities are expected to not significantly change from the noise levels recorded at the time of the noise study in Appendix D.1 of the Draft EIR.

Traffic on the streets in the vicinity of the refinery has likely increased in the five years between 2006 and the time of the noise survey, in 2001. As presented on page 3-34 of the Draft EIR, the annual growth in traffic levels is assumed to be 0.5 percent per year. The corresponding increase in traffic levels over a five-year period would be approximately 2.5 percent. The increase in noise levels caused by this small increase in traffic is not expected to be measurable.

Thus, the results from the noise survey conducted in 1999 and 2001 are considered representative of current conditions, because noise levels from refinery activities and from traffic in the vicinity of the refinery are not expected to have significantly worsened from the time of the noise survey.

Regarding evaluation and mitigation of the potentially significant noise impacts caused by the proposed project, noise impacts are evaluated in Section 4.4 of the Draft EIR (see pages 4-60 through 4-69). This evaluation concluded that construction of the proposed project could potentially cause significant adverse noise impacts, and a mitigation measure was identified that will reduce these impacts to a less than significant level. The evaluation also concluded that operation of the proposed project would not cause significant adverse noise impacts.

- 1-2 The discussion of the Chapter 5.48 (Noise Regulations) of the City of Manhattan Beach Municipal Codes on page 3-28 of the Draft EIR was based on the City's Municipal Codes available on the City of Manhattan Beach's Web site (http://www.citymb.info/municode/Title_5/48/index.html). Although Section 5.48.060 A prohibits construction activities except between 7:30 a.m. and 6:00 p.m. Mondays through Fridays and between 9:00 a.m. and 6:00 p.m. on Saturdays, it does not specify quantitative limits to noise levels or to increases in noise levels caused by construction. Additionally, Section 5.48.250 states that: "Construction activities are exempted from the provisions of this chapter except as prohibited in Section 5.48.060." Based on these two sections of the City's Municipal Code, SCAQMD staff concluded that the City's Municipal Code does not specify quantitative limits for construction noise.

Section 5.48.060 of the City of Manhattan Beach Municipal Code prohibits construction activities except during certain hours and days of the week for projects located in the City of Manhattan Beach. Since the construction activities for the proposed project will occur entirely within the refinery, in the City of El Segundo, the prohibitions in Section 5.48.060 do not apply to construction of the proposed project. However, the SCAQMD is concerned with noise levels affecting persons in Manhattan Beach.

Based on the comment, the City of Manhattan Beach considers Section 5.48.140 (Noise disturbances) to apply to construction activities. As stated in the comment, Section 5.48.140 lists several criteria that should be used when determining if an activity causes a noise disturbance. None of these criteria specifies quantitative limits on noise levels or noise increases from construction activities. However, the SCAQMD significance criteria, presented on pages 4-60 and 4-61 of the Draft EIR, provide a quantitative approach to evaluating construction noise impacts to ensure that noise levels will not cause "discomfort or annoyance." These significance criteria consider a noise impact to be significant if the project increases ambient noise levels by more than three dBA at the site boundary. Table 4.4-6 in the Draft EIR (page 4-69) shows that ambient noise levels at the southern boundary of the refinery during construction of the proposed project are predicted to increase by two dBA or less. Therefore,

construction of the proposed project is not anticipated to cause significant adverse noise impacts.

1-3 The SCAQMD notes that the City of Manhattan Beach comment states that an increase of no more than two dBA over existing ambient noise levels during operation of the proposed project is acceptable. It is unclear what the basis of this statement is as quantitative noise levels that would cause annoyance to the receptor do not appear to be codified in any of the City's codes or ordinances (see response #1-2). As shown in Table 4.4-4 in the Draft EIR, the maximum increase in ambient noise levels in the City of Manhattan Beach during operation of the proposed project is estimated to be one dBA. Therefore, the conclusion in the Draft EIR that operational noise impacts are not significant is consistent with the City's comment.

1-4 The Draft EIR concluded that the only potentially significant adverse noise impacts would occur during construction of the proposed project. A mitigation measure to reduce the noise impacts during construction to less than significant was imposed in Section 4.4.4.1 of the Draft EIR. As discussed in the response to comment 1-1, the results from the noise survey in Appendix D.1 are considered representative of current conditions. Therefore, the Draft EIR correctly concludes that mitigated noise impacts during construction are less than significant.

Although Section 5.48.060 of the City of Manhattan Beach Municipal Code prohibits construction activities except during certain hours and days of the week for projects located in the City of Manhattan Beach, the construction activities for the proposed project will occur entirely within the refinery, in the City of El Segundo. Therefore, the prohibitions in Section 5.48.060 do not apply to construction of the proposed project.

The construction schedule for the proposed project is described on pages 1-5 and 2-17 of the Draft EIR. Nighttime construction activities will occur from 6:30 p.m. to 5:00 a.m., Monday through Saturday, during both the six-week turnaround for the No. 4 Crude Unit and the 2-1/2-month turnaround for the Coker.

1-5 Analyzing a project with no nighttime construction would serve no useful purpose for several reasons. First, requiring all construction to occur during the day on weekdays could potentially increase noise impacts, as more construction equipment would be required to maintain the construction schedule.

Second, the Draft EIR concluded noise impacts during construction will be mitigated to less than significant levels (please see Section 4.4.4.1 of the Draft EIR, pages 4-68 and 4-69). Table 4.4-6 of the Draft EIR (page 4-69) shows that mitigated construction noise impacts are conservatively expected to increase existing ambient sound levels at the most impacted residential receptor in the City of Manhattan Beach by three dBA, from 55 dBA to 58 dBA, during the day,

and by five dBA, from 51 dBA to 56 dBA, at night. These sound levels and increases do not exceed the maximum sound level during construction of 65 dBA or a maximum increase of five dBA recommended by the City of Manhattan Beach in comment 1-7.

These estimated noise impacts are conservatively high because they incorporate the assumption that the berm located on the southern refinery boundary, along Rosecrans Avenue, would only reduce sound levels by five dBA (-5 dBA). However, the berm is 20 feet high, 75 feet wide at its base, and 15 feet wide at the top. Because of its size, the berm would likely reduce sound levels by more than the -5 dBA that was assumed in the analysis. As a result, the sound levels at residential receptors in the City of Manhattan Beach during construction activities would likely be lower than the estimates in the Draft EIR.

Because mitigated noise impacts during construction for the proposed project are not significant, evaluation of alternatives that would reduce noise impacts is not warranted or required. Furthermore, an alternative to the proposed project that excluded nighttime construction during the turnaround periods for the No. 4 Crude Unit and the Coker would not be feasible. The No. 4 Crude Unit does not operate during the turnaround. Because the No. 4 Crude Unit performs the initial steps in refining most of the crude oil at the refinery, the refinery's capacity to process crude oil is reduced dramatically during the turnaround. Eliminating nighttime construction during the No. 4 Crude Unit turnaround would double the duration of the turnaround, from six weeks to 12 weeks, which would substantially reduce the production of motor fuels and other products by the refinery and potentially create supply shortages in southern California. Similarly, the Coker also does not operate during the Coker turnaround. Because operation of the Coker is required during the refining of any crude oil by the refinery, eliminating nighttime construction during the Coker turnaround would increase the turnaround from 2-1/2 months to five months, which would cause even larger reductions in motor fuel production than eliminating nighttime construction during the No. 4 Crude Unit turnaround.

Finally, as stated in the response to comment 1-4, the construction activities for the proposed project will occur entirely within the refinery, in the City of El Segundo. Therefore, the prohibitions in Section 5.48.060 of the City of Manhattan Beach Municipal Code do not apply to construction of the proposed project. Section 7-2-10D of the El Segundo Municipal code exempts construction noise from having to meet noise limits in 7-2-4 of the Municipal Code if construction activities do not occur between 6:00 p.m. and 7:00 a.m. Monday through Saturday, on Sundays, or on federal Holidays (see page 3-26 of the Draft EIR). However, the City of El Segundo Municipal Codes do not prohibit nighttime construction activities provided they comply with the noise limits in 7-2-4. Therefore, Chevron is not required to limit construction to the daytime.

- 1-6 Although the mitigation measure for noise impacts during construction that was imposed to reduce noise impacts north of the refinery could be considered to reduce impacts on the south side, noise impacts south of the refinery during construction are not significant. Therefore, additional mitigation is not required or necessary.
- 1-7 As discussed in the response to comment 1-5, noise impacts in the City of Manhattan Beach during construction for the proposed project do not exceed the levels in this comment.
- 1-8 Thank you for your comments.