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July 10, 2015

R. Zachary Wasserman, Chair
San Francisco Bay Conservation
and Development Commission
455 Golden Gate Avenue, Suite 10600
San Francisco, CA 94102-7019

Submitted via email: jaimemichaels@bcdcc.ca.gov

**Subject: Comments on Tesoro Refining & Marketing Company
LLC State of California Marine Oil Terminal Engineering
and Maintenance Standards ("MOTEMS") Project
BCDC Permit Application No. 2014.006.00**

Dear Chair Wasserman and Commissioners:

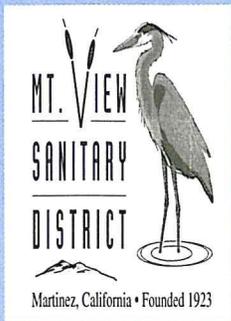
The Mt. View Sanitary District supports BCDC Permit Application No. 2014.006.00, submitted by Tesoro Refining & Marketing Company LLC ("Tesoro") for its State of California Marine Oil Terminal Engineering and Maintenance Standards ("MOTEMS") Project. Mt. View Sanitary District (MVSD) is a California Sanitary District providing wastewater collection, treatment and disposal for portions of the City of Martinez and unincorporated Contra Costa County. MVSD is regulated by the San Francisco Regional Water Quality Control Board under its Federal Clean Water Act and Porter-Cologne Water Quality Control Act authorities.

MVSD's treated effluent flows into a series of marshes, rather than a deep-water outfall as most treated wastewater does. These marshes, enhanced by the reclaimed effluent, are rich and diverse in wildlife and easily accessible to students, birders, researchers, and the general public. Biologists have identified 116 bird species, 69 plant species, over 20 mammals and at least 34 species of aquatic invertebrates making their homes in the wetlands. At least 15 species of birds use the marsh complex for nesting.

Moorhen Marsh is a 21-acre constructed wetland, the first wetland on the entire West Coast to use treated effluent as its primary water source. Moorhen Marsh is located on the west side of I-680 near the MVSD Administration Building and Treatment Plant and immediately adjacent to the Interpretive Center used by the students participating in the MVSD Wetlands Field Trip Program.

McNabney Marsh (formerly known as Shell Marsh) is a 130-acre restored, seasonally tidal wetland located east of I-680. MVSD owns the northernmost 40 acres and since 1988 has managed McNabney Marsh jointly with the East Bay Regional Park District, the Contra Costa County Mosquito and Vector Control District and the California Department of Fish and Wildlife. This joint management arrangement is the direct result of a

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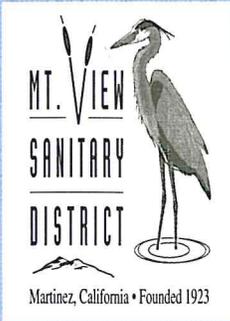
devastating oil spill into the former Shell Marsh with disastrous effects on the wildlife and habitat within the marsh.

MVSD supports the MOTEMS project which is required under the Oil Spill Prevention and Response Act of 1990 to ensure ongoing safety operation of marine terminals in the state and to minimize the potential of oil spills that would affect California waters and water quality. MVSD believes that McNabney Marsh, with its connection to the Carquinez Strait via Peyton Slough will benefit from the additional protection from oil spills that is a key component of the MOTEMS project. MVSD also notes that the planned modifications of Tesoro's terminal will not provide any increase or expansion of existing operations at the Martinez Refinery.

As your staff's report provides, the Tesoro project would permanently impact an approximately 0.02-acre area of tidal/brackish marsh suitable for the federally-listed salt marsh harvest mouse ("SMHM"), and temporarily impact an approximately 1.5-acre area of tidal/brackish marsh suitable for SMHM. Additionally, annual vegetation clearance at the site to facilitate pipe-way inspections would regularly impact an approximately 3.3-acre tidal/brackish marsh area suitable for SMHM and the federally-listed Ridgway rail.

To mitigate for these impacts to tidal/brackish marsh habitat, Tesoro has provided \$225,000.00 to improve habitat at McNabney Marsh through a project managed by MVSD on behalf of the Dorothy M. Sakazaki Environmental Endowment Fund, a 503(c) organization created to support the environmental programs of MVSD. Additionally, Tesoro has provided funding to purchase 12.56 acres of SMHM habitat at the Cordelia Slough Preserve Mitigation Bank and, to compensate for potential construction-related impacts and the periodic annual vegetation clearance impacts that could occur to Ridgway rail and SMHM, Tesoro has provided \$260,000.00 to restore a minimum of four acres of Ridgway clapper rail habitat at the San Pablo Bay National Wildlife Refuge.

The Tesoro MOTEMS project is being undertaken to both comply with state law and to improve the operational safety of the Tesoro Martinez marine terminal as determined by the State Lands Commission. It is designed to be protective of habitat by minimizing the potential of future oil spills. It has been approved by every other state and federal agency with jurisdiction over the project (including, USFWS, NMFS, and the San Francisco Regional Water Board), and the BCDC application before the Commission is the final approval needed for this important work which must begin early next month. We urge you to approve the Tesoro



Chair Wasserman & BCDC Commissioners
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application at your Commission meeting on July 16, 2015 so that environmental, health and safety improvements at the Tesoro marine terminal will not be delayed.

Sincerely,



Neal B. Allen
MVSD District Manager

