

**Action Summary Minutes**  
**SOUTHERN REGION HEARING BOARD MEETING**

Southern Region Office Video Teleconference (VTC) Room

2700 "M" Street, Bakersfield, CA 93301

**Wednesday, December 10, 2008, 10:00 a.m.**

**Meeting held via teleconferencing (VTC) with the  
Central Region Office (Fresno) participating via VTC.**

**AGENDA**

1. CALL MEETING TO ORDER:  
The Chair, Hollis Carlile, called the meeting to order at 10:05 a.m.

2. ROLL CALL:

Kimm Wolber - Medical	Present
Donna Carpenter - Public	Present
John Stovall - Attorney	Present
William Bland - Public *	Present
Hollis Carlile (chair) - Engineer	Present

*\* attended in Central Region Office*

Staff present—Southern Region (Bakersfield): Creighton Smith

Central Region (Fresno): Michael Carrera, Supervising Air Quality Inspector; Patrick Houlihan, Sr. Air Quality Specialist; Catherine Redmond, Assistant District Counsel; and Michelle Banuelos, acting as Clerk to the Board.

3. APPROVE MINUTES OF NOVEMBER 12, 2008  
The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of November 12, 2008. Mr. Carlile mentioned that his copy of the November 12, 2008, Minutes, page three, omitted his name as voting yes to grant the motion for Docket Number S08-73S. The Clerk, after checking the District's website, confirmed that his name was listed on the copy posted on the website. The Minutes for November 12, 2008, were approved.

4. PUBLIC HEARING:  
The Chair asked the Clerk to verify that all items had been properly noticed. The Clerk responded that they had. All those present to testify were sworn in by the Chair, and he requested that they sign in.

A. S S-08-71R Regular Occidental of Elk Hills, Inc.  
P. O. Box 1001  
Tupman, CA 93276

Petitioners: Dennis Champion

Having a conflict of interest, John Stovall excused himself from the Meeting.

Patrick Houlihan presented the report. Occidental of Elk Hills, Inc. (OEHI) is seeking a regular (retroactive) variance to occur between October 17, 2008, and May 1, 2009, to allow new ATCs to be issued with higher allowable VOC concentrations.

Petitioner, Mr. Champion, stated the District's Staff report was accurate in describing OEHI's situation; However, added a comment to Condition five, which states OEHI shall conduct weekly monitoring of the subject compressors. Mr. Champion wished to change it to monthly monitoring instead of weekly. Patrick Houlihan asked if they had already applied for the ATC. Mr. Champion responded they had been applied for and expecting them within a week or two. Patrick Houlihan stated they would leave it at weekly monitoring since the ATC will be issued within the next week or two.

Public Comments: None

Motion: Bland

Second: Wolber

AYES: Wolber, Bland, Carlile, Carpenter

NAYS: None

ABSTAINED: Stovall

Having decided the petition has met the required findings, the Hearing Board voted to pass the Motion to grant the variance subject to the conditions in the staff report to occur between October 17, 2008, and May 1, 2009.

John Stovall returned to the meeting at this time.

B. S-08-74R Regular Land O' Lakes  
400 South M Street  
Tulare, CA 93274

Petitioners: Doug Findley  
Rahul Pendse  
Charles Lee

Patrick Houlihan presented the report. Land O' Lakes (LOL) is seeking a short variance to occur between December 1, 2008, and April 1, 2009, to allow the installation and proper operation of a new boiler.

Patrick Houlihan indicated a change in the staff report due to LOL requesting to extend the variance period to June 1, 2009.

The Staff report, page four, Recommendation one, shall read as follows:

*The regular variance shall be effective from December 1, 2008, through June 1, 2009, or until the new 4306 compliant boiler is installed and operational, whichever occurs first.*

Patrick Houlihan pointed out that the verbiage on Recommendation ten would also need to be changed to June 1, 2009.

Mr. Findley stated the District's Staff report was accurate in describing LOL's petition; However, added that they have a commitment to make the best product possible and by putting in a steam coil into their dryers will reduce the potential for carcinogens to enter these products. There has been a delay in the process of obtaining their Authority to Construct, which is the primary reason for getting the variance extension.

Public Comments: None

Motion: Wolber

Second: Stovall

AYES: Wolber, Bland, Carlile, Stovall, Carpenter

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report on page four, to occur between December 1, 2008, and June 1, 2009.

C. S-08-77S    Short    Crimson Resource Management  
1630 North Lincoln  
Taft, CA 93308

Petitioners:                    Debra Sovay  
   Justin Helgeson

Patrick Houlihan presented the report. Crimson Resource Management is requesting a short variance for the period between December 17, 2008, and March 17, 2009, to allow the postponement of the annual source test until engine number two can be repaired and returned to operational status.

Ms. Sovay stated there's a lot of leg work involved in getting the engine repaired. It had to be shipped in two pieces; the crankshaft is separate from the crank case. They have contracted a third party to service their equipment. Mr. Helgeson stated the engine has been shipped to a contractor's shop and they anticipate it will take at least two months to rebuild.

Patrick Houlihan stated they would like to add a Condition to the Recommendations. It will be Condition number four and read as follows:

*Crimson shall source test within 15 days of bringing the engine back to operational status.*

Ms. Sovay stated they would not have a problem with that as long as the District would wave the 30 day noticing period for source testing. Patrick Houlihan agreed.

Public Comments: None

Motion: Stoval

Second: Wolber

AYES: Wolber, Bland, Carlile, Stovall, Carpenter

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report.

D. S-08-082S Short Nestle Purina Petcare Company  
1710 Golden Cat Road  
Maricopa, CA 93252

Petitioners: David Brown  
Scott McLain  
Gobi Sandhu  
Mike Kelly

Patrick Houlihan presented the report. Nestle Purina Petcare Company (Nestle) is requesting a short variance for the period between December 1, 2008, and February 28, 2009, to allow the continued operation of the conventional dryer beyond the compliance deadline, with excess emissions of NO<sub>x</sub> until the dryer can be retrofitted with FGR and fired on natural gas.

Patrick Houlihan stated Nestle is also seeking partial retroactive relief as the compliance deadline was December 1, 2008. They submitted their Petition on November 26<sup>th</sup>. District policy allows us to support a variance with retroactive relief.

Petitioner, David Brown, stated they agreed with the District's report and indicated changing to natural gas from butane is part of their compliance strategy.

Mr. McLain stated the manufacturer predicated that on certain conditions the installation of Flue Gas Recirculation would help reduce emissions.

Public Comments: None

Motion: Bland

Second: Wolber

AYES: Wolber, Bland, Carlile, Stovall, Carpenter

NAYS: None



Patrick Houlihan presented the report. Sycamore Cogeneration Company (Sycamore) is seeking a short variance to occur between December 19, 2008, and March 19, 2009, to allow the operation of the subject turbine unit with excess NO<sub>x</sub> and CO emissions while Sycamore conducts the necessary performance tests.

Petitioner, Daniel Beck stated the District's report was accurate in stating Sycamore's petition; However, wished to note a few things. Sycamore has installed new Combustion technology and is experiencing growing pains. Unit two received an emergency variance in November, 2008, due to some emissions-related issues. Unit four is experiencing the same degradation. They are planning to install some new fuel nozzles in Unit Four before it gets as bad as Unit Two. This variance period is for preventative measures.

Public Comments: None

Motion: Stovall

Second: Carpenter

AYES: Wolber, Bland, Carlile, Stovall, Carpenter

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions in the staff report to occur between December 19, 2008, and March 19, 2009.

The meeting was turned over to Bill Bland. Due to a conflict of interest, the Chair, Hollis Carlile and Hearing Board Member, John Stovall, abstained from the next four items. William Bland, Vice-Chair, acted as Chair.

G. S-08-43R     Regular     Chevron USA, Inc.  
Midway Sunset Oilfield  
Fellows, CA 93224

Petitioner:                     Martin Lundy  
David Moore

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) is requesting a Regular variance to be effective for a consecutive 24 hour period to occur between December 10, 2008, and March 13, 2009, to allow the subject storage tanks to continue to store VOC containing liquids without an operating vapor recovery system (VRS). In addition, it would allow for the use of the subject flare during a non-emergency event.

Patrick Houlihan stated the Petitioner requested a change from a 24 hour period to a 48 hour period. Patrick Houlihan pointed out that the verbiage on Recommendations One, Four and Five would need to be changed as follows:

Condition One, page four:

*The variance shall be effective for a consecutive 48 hour period to occur sometime between December 10, 2008, and March 13, 2009, or until the subject vapor recovery systems are brought back on line, whichever occurs first.*

Condition Four, page five:

*Excess VOC emissions shall not exceed 1698.8 lbs. for the entire variance period.*

Condition Five, page five:

*Excess CO emissions shall not exceed 138 lbs. for the entire variance period.*

Petitioner, Martin Lundy agreed with the District's report. He stated there were some delays in getting the work started due to some contracting issues. They need the 48 hours because they are now in the fog weather and it would be dangerous to work at night.

David Moore reiterated the delays were also due to staffing issues with people going on vacations, etc. New equipment had to be installed for a safety shutdown so they don't bring production to a downed facility and overflow the facility. That equipment was not performing to their standards, but they are scheduled to attempt it soon with a full staff versus partial staff. The cold weather could cause spills. The request for more time is a safety as well as an environmental issue.

Public Comments: None

Motion: Wolber

Second: Carpenter

AYES: Wolber, Carpenter, Bland

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report to occur between December 10, 2008, and March 13, 2009.

H. S-08-75S    Short    Chevron USA, Inc.  
Station 1-09  
Midway Sunset Oil Field  
Fellows, CA 93302

Petitioner:                    Martin Lundy  
David Moore

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) is requesting a short variance period from December 10, 2008, and March 7, 2009, to allow continued receiving, storage, and/or processing of VOC containing fluids in the

subject tanks without an operation vapor recovery system while CUSA tests a new exhaust gas SO<sub>x</sub> scrubber serving three SMSP steam generators. In addition, the variance would allow the use of the flare during a non-emergency event.

Mr. Lundy agreed with the District's report and stated they need to test certain parameters of the compressors and the new scrubber to see what the limits of operation are in order to set the alarms at a point where they can stay in compliance. They don't anticipate using the full 14 days, but just in case they have issues, they ask for 14 days.

Public Comments: None

Motion: Carpenter

Second: Wolber

AYES: Wolber, Carpenter, Bland

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report to occur between December 10, 2008, and March 7, 2009.

I. S-08-78S      Short      Chevron USA, Inc.  
31E Oil Cleaning Plant  
Midway Sunset Oilfield  
Taft, CA 93224

Petitioner:                      Martin Lundy  
Dave Moore

Patrick Houlihan presented the report. Chevron is requesting a short variance for a cumulative, non-consecutive 28 day period from December 10, 2008, and March 9, 2009, to allow CUSA to operate the subject tanks without a vapor recovery system while CUSA modifies the primary compressor to redirect gas.

Martin Lundy agreed with the District's Staff Report. Dave Moore stated the reason they are doing this project is mostly because of liability. Because of the mixing of gasses the run time is not as efficient and they continue to get deviations and breakdown requests from the District. They hope to go to a more traditional style of incineration at this plant and hope to fix a lot of the compliance issues they have at this facility.

Public Comments: None

Motion: Wolber

Second: Carpenter

AYES: Wolber, Carpenter, Bland

NAYS: None



Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report to occur between December 10, 2008, and March 9, 2009.

J. S-08-78S    Short            Chevron USA, Inc.  
31E Oil Cleaning Plant in Midway Sunset Oilfield  
Taft, CA 93224  
Petitioner:                    Larry Landis  
Ron Preston

Patrick Houlihan presented the report. Chevron USA, Inc. is requesting a short variance for a consecutive 96 hour period to occur between January 20, 2009, and February 20, 2009, to allow the continued storage of VOC containing fluids in the subject tanks without an operational vapor recovery system and the possible release of fugitive VOC emissions from field equipment, compressors and the glycol reboiler. In addition, it would allow the operation of an emergency generator during a non-emergency event.

Patrick Houlihan stated there will be a change on Condition Six, page four, and shall read as follows:

*Only one stationary electrical generator , S-55-10-2, shall operate during the variance period.*

Petitioner, Larry Landis agreed with the District's Staff Report. He added that they will be eliminating production during this power outage, as well as curtailing the operation of their air pollution control equipment. He stressed that they are replacing a temporary transformer that was installed as a result of an accident this past summer, when a car hit a power pole.

Public Comments: None

Motion: Carpenter

Second: Wolber

AYES: Wolber, Carpenter, Bland

NAYS: None

Hollis Carlile and John Stoval returned to the meeting at this time. William Bland relinquished the chairmanship back to Mr. Carlile.

5. The Southern Region Hearing Board heard no emergency variances from September 10, 2008 up to December 10, 2008.

6. PUBLIC COMMENTS: No public comments.

HEARING BOARD MEMBER COMMENTS: No Hearing Board member comments

7. NEW BUSINESS:

- a. Creighton Smith announced his retirement.
- b. Patrick Houlihan made note that next year the Hearing Board will probably be meeting at the new Valley Air District office.
- c. Patrick Houlihan welcomed Donna Carpenter to the board and added that she will be the alternate for Nancy Dunn.
- d. Kimm Wolber nominated Hollis Carlile to be the Chair in 2009 and nominated Bill Bland to be the Vice Chair in 2009. It was seconded by John Stoval. The Board unanimously agreed that Hollis Carlile will serve as Chair and Bill Bland will serve as Vice Chair in 2009.

8. NEXT SCHEDULED MEETING: **A Special Meeting will be held on Tuesday, December 23, 2008, at 10:00 a.m.** The meeting will be held via video teleconferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC.

9. The regularly scheduled meeting will be held on Wednesday, January 14, 2009. The meeting will be held via video teleconferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC.

10. ADJOURNMENT

The Chair adjourned the meeting at 11:16 a.m.