



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

Notice of Determination

To: <input checked="" type="checkbox"/> County Clerk	From: Public Agency:	San Joaquin Valley Unified Air Pollution Control District
County: San Joaquin County	Address:	1990 E. Gettysburg Ave.
Address: 6 S. El Dorado St., 2 nd Floor		Fresno, CA 93726
Stockton, CA 95202	Contact:	Jessica Willis
	Phone:	(559) 230-5818

Responsible Agency: San Joaquin Valley Unified Air Pollution Control District
Address: 1990 East Gettysburg Avenue
 Fresno, CA 93726-0244
Contact: Jessica Willis
Phone: (559) 230-5818

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number: (if submitted to State Clearinghouse): 2006072109

Project Title: M & L Commodities (dba Inland Cold Storage) Project Number N-1062096

Project Location: The facility will be located at 315 Port Road 5 and 333 Port Road 6 in Stockton, California

Project Description: The San Joaquin Valley Unified Air Pollution Control District (District) received an Authority to Construct (ATC) Application from M & L Commodities to conduct methyl bromide fumigation operation at the Port of Stockton. This operation will be conducted inside three galvanized steel chambers. Upon completion of the fumigation cycle, the spent fumigant will be vented to a carbon bed and scrubber system. This system is expected to control at least 81% of the spent fumigant that would otherwise be emitted into the atmosphere. Since the fumigation chambers will be located inside one building, only one Authority to Construct permit will be issued pursuant to the precedent established under projects N1000890 and N1043018

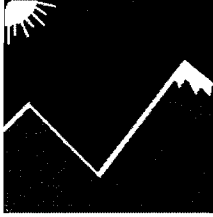
This is to advise that the San Joaquin Valley Unified Air Pollution Control District, acting as a Responsible Agency, has approved the above described project on 6-25-08, and has made the following determinations regarding the above described project:

1. The project will will not] have a significant effect on the environment.
2. The District considered the Environmental Impact Report as prepared by the Port of Stockton.
 A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan was was not] adopted for this project.
5. A statement of Overriding Considerations was was not] adopted for this project.
6. Findings were were not] made pursuant to the provisions of CEQA.

This is to certify that the District's Findings Document is available to the General Public at:
 Central Region Office 1990 E. Gettysburg Street, Fresno, CA

Signature(Public Agency):  Title: Director of Permit Services

Date: June 26, 2008



**San Joaquin Valley
Air Pollution Control District**

**M & L Commodities (dba Inland Cold Storage)
Project Number N-1062096**

**Port of Stockton
Inland Cold Storage Stockton Lease Approval**

SCH No. 2006072109

**California Environmental Quality Act
Statement of Findings, Statement of Overriding
Considerations, and Mitigation Monitoring Program**

June 2008

**SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT GOVERNING
BOARD 2008**

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Supervisor, Tulare County

AIR POLLUTION CONTROL OFFICER

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I. INTRODUCTION

The San Joaquin Valley Unified Air Pollution Control District (District) has received an Authority to Construct application from M & L Commodities (dba Inland Cold Storage) to develop a cold storage facility on 16 acres within the Port of Stockton's East Complex. The facility could store and distribute up to 1,120 million pounds of food products per year. Facility operations would include methyl bromide fumigation of fruits as in accordance with Animal and Plant Health Inspection Service (APHIS) specifications. Fumigation operations will be conducted inside three galvanized steel chambers. Upon completion of the fumigation cycle, the spent fumigant will be vented to a carbon bed and scrubber system. This system is expected to control at least 81% of the spent fumigant that would otherwise be emitted into the atmosphere. Collectively these actions constitute the Project. Since the fumigation chambers will be located inside one building, only one ATC permit will be issued pursuant to the precedent established under projects N1000890 and N1043018. The Port of Stockton is the public agency having principal responsibility for approving the M & L Commodities project. As such, the Port of Stockton serves as the Lead Agency for the project. Under CEQA the Lead Agency is required to:

- Conduct preliminary reviews to determine if applications are subject to CEQA [CCR §15060].
- Conduct review to determine if project is exempt from CEQA [CCR §15061].
- Prepare initial studies for projects that may have adverse environmental impacts [CCR §15063].
- Determine the significance of the environmental effects caused by the project [CCR §15064].
- Prepare Negative Declarations or Mitigated Negative Declarations for projects with no significant environmental impacts [CCR §15070].
- Prepare, or contract to prepare, Environmental Impact Reports (EIR) for projects with significant environmental impacts [CCR §15081].
- Adopt reporting or monitoring programs for the changes made to projects or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment [PRC §21081.6 & CCR §15097].
- Comply with CEQA noticing and filing requirements.

The Port of Stockton determined that the project would have a significant adverse environmental impact and prepared an Environmental Impact Report (EIR) for the Project. In certifying the Final EIR on August 6, 2007, the Port of Stockton determined that after implementing all feasible mitigation measures the increase in criteria pollutant emissions from truck traffic, maritime activity, and area sources resulting from the proposed project's operations would be significant and unavoidable. The Port of Stockton approved the project and prepared a Statement of Overriding Considerations (SOC), in accordance with CEQA Guidelines §15093(a).

The Port of Stockton made the following determinations regarding the Project:

1. The project will have a significant effect on the environment.
2. An EIR was prepared and certified pursuant to the provisions of CEQA.
3. Mitigation measures were made conditions of approval for the project.
4. A mitigation monitoring plan was adopted for the project.
5. Findings were made for the project pursuant to CEQA Guidelines section 15091.
6. A statement of Overriding Considerations was adopted for the project.

The District is a Responsible Agency for the project because of its discretionary approval power over the project via its Permits Rule (Rule 2010) and New Source Review Rule (Rule 2201), (CEQA Guidelines §15381). Rule 2010 requires operators of emission sources to obtain an Authority to Construct (ATC) and Permit to Operate (PTO) from the District. Rule 2201 requires that new and modified stationary sources of emissions mitigate their emissions using best available control technology (BACT) and for non-agricultural sources offsetting emissions when above certain thresholds (SB 700). As a responsible agency the District complies with CEQA by considering the EIR prepared by the Lead Agency, and by reaching its own conclusion on whether and how to approve the project involved (CEQA Guidelines §15096).

The District must perform the following to comply with CEQA requirements as a Responsible Agency:

- Decide on the adequacy of the EIR or Negative Declaration for use by the District [CCR §15096(e)].
- Consider the environmental effects of the project as shown in the EIR or Negative Declaration [CCR §15096(f)].
- Adopt feasible alternative or mitigations for the direct or indirect environmental effects of those parts of the project, which it decides to carry out, finance, or approve [CCR §15096(g)].
- Prepare and submit mitigation monitoring and reporting programs where appropriate [PRC §21081.6 & CCR §15097].
- Make appropriate findings [CCR §15096(h)].
- File appropriate notices [CCR §15096(i)].

II. SUMMARY OF THE PROPOSED PROJECT

The cold storage facility will receive, treat, store and distribute imported refrigerated and chilled products, with particular focus on handling Chilean fruits during the winter import season. Approximately 1,500 to 2,500 pallets from each shipload of fruit (4,500 to 5,000

pallets per shipload) will need to be fumigated upon arrival. During the last five (5) days of the sea voyage, the temperature of the fruit will be adjusted such that it will be ready for fumigation. Upon arrival, these pallets will be placed in galvanized steel fumigation chambers. These chambers will be evacuated to form a temporary seal to prevent fumigant leakage. As each type of fruit requires a specific dosage, the methyl bromide will be injected into the sealed chambers in accordance with specifications identified in treating schedules established by APHIS. These treating schedules can be found online at: http://www.aphis.usda.gov/import_export/plants/manuals/ports/downloads/treatment_pdf/05_02_t100schedules.pdf.

Upon completion of fumigation, methyl bromide chambers will be vented to a carbon bed for sufficient amount of time period to decrease the methyl bromide concentration to five (5) parts per million (ppm) or less. The carbon bed is expected to adsorb 90% of the methyl bromide injected into the chambers. The remaining 10% will be released to the atmosphere through a 72-foot stack. After completing the adsorption cycle, hot air will be injected evenly through the carbon bed to desorb the trapped methyl bromide. The desorbed methyl bromide will be passed through a diffuser plate type scrubber system containing thiosulfate solution, where methyl bromide reacts with thiosulfates to form non-hazardous products. The scrubber is expected to convert 90% of methyl bromide into a non-hazardous solution.

This facility will be located at 315 Port Road 5 and 333 Port Road 6 in Stockton, California. Neither location is within 1,000 feet of any K-12 school, nor do they trigger a school notice pursuant to California Health and Safety Code Section 42301.6.

III. STATEMENT OF FINDINGS

CEQA requires the District, as a responsible agency, to meet the following standard in making its findings under CEQA Guidelines §15096(h):

A responsible agency must make one or more of three findings pursuant to CEQA Guidelines §15091(a).

- (1) Changes have been incorporated in the project to avoid or substantially lessen the identified significant environmental effect.
- (2) The changes are within the jurisdiction of another agency and the changes have been or should be adopted by that other agency.
- (3) Specific economic, legal, social, technological or other considerations, including provisions of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

These findings must be explained and supported by substantial evidence in the record.

Pursuant to CEQA Guidelines 15091(a), the District has considered the Final EIR certified by the Port of Stockton on August 6, 2007 for the Inland Cold Storage Stockton Lease Approval project. The District finds that the EIR adequately characterizes the project's potential impact on the environment and that mitigation measures were incorporated into the project that would reduce the potentially significant adverse air quality impacts. Additionally, the District has prepared an Authority to Construct Application Review (Project No. N-1062096) incorporated herein by reference and has determined that compliance with District rules and required mitigation measures will reduce project specific stationary source emissions to less than significant levels.

The following sets forth the District's findings for significant adverse impacts to air quality identified in the EIR. The findings are supported by substantial evidence in the record as explained in each finding.

POTENTIAL AIR QUALITY IMPACTS WHICH CANNOT BE MITIGATED TO A LEVEL OF LESS THAN SIGNIFICANT

1. The increase in emissions of criteria air pollutants from truck traffic, maritime activity, and area sources (mobile sources) as a result of the project would be significant and unavoidable.

Finding: The District makes the following findings with respect to this impact:

The District finds that impacts from mobile source emissions are within the jurisdiction of the California Air Resources Board (ARB).

Explanation: The District has statutory authority for regulating stationary source emissions and, as indicated in the District's engineering evaluation, has imposed permit conditions and required mitigation measures to reduce stationary source emissions to levels below the District's significance thresholds. The ARB, not the District, sets and enforces emission standards for motor vehicles.

POTENTIAL AIR QUALITY IMPACTS WHICH CAN BE MITIGATED TO A LEVEL OF LESS THAN SIGNIFICANT

1. Operational (stationary source) emissions of criteria pollutants will be less than significant.

Finding: The District makes the following findings with respect to this impact:

The District has prepared an Authority to Construct Application Review (N-1062096) incorporated herein by reference and has determined that compliance with District rules and required mitigation measures will reduce project specific stationary source emissions to less than significant levels.

Explanation: The District is a Responsible Agency for the project because of its discretionary approval power over the project via its Permits Rule (Rule 2010) and New Source Review Rule (Rule 2201), (CEQA Guidelines §15381). Rule 2010 requires operators of emission sources to obtain an Authority to Construct (ATC) and Permit to Operate (PTO) from the District. Rule 2201 requires that new and modified stationary sources of emissions mitigate their emissions using best available control technology (BACT). If after applying BACT, the project's emissions still equal or exceed New Source Review offset thresholds, the applicant is required to mitigate the project's emissions to below the significance threshold using Emission Reduction Credits (ERCs). The District has imposed permit conditions requiring the applicant to meet BACT. Thus, the District concludes that through project design elements and permit conditions, project specific stationary source emissions will be reduced and mitigated to less than significant levels.

IV. MITIGATION MONITORING PLAN

CEQA requires an agency to prepare a plan for reporting and monitoring compliance with and implementation of measures to mitigate significant environmental impacts. Mitigation monitoring requirements are included in CEQA Guidelines §15097 which specifically state:

When making findings as required by subdivision (a) of Public Resources Code §21081 or when adopting a Negative Declaration pursuant to Paragraph (2) of subdivision (c) of Public Resources Code §21080, the public agency shall adopt a reporting or monitoring program for the changes to the project which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of an agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead or responsible agency, prepare and submit a proposed reporting or monitoring program.

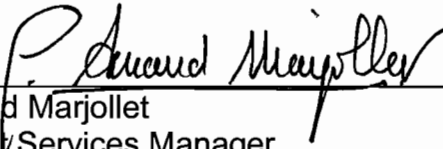
The provisions of CEQA Guidelines §15097 are triggered when the lead agency certifies a CEQA document in which mitigation measures, changes, or alterations have been required or incorporated into the project to avoid or lessen the significance of adverse impacts identified in the CEQA document.

Mitigation Monitoring and Reporting Requirements

Monitoring and reporting requirements will be required as permit conditions of the ATC and the PTO for emission reduction measures for which the District has statutory authority. The District will inspect the facility for compliance with District regulations and permit conditions, as appropriate.

V. CONCLUSION

The District has reviewed the EIR developed by the Port of Stockton and finds it to be adequate. The District has determined that changes or alterations have been incorporated into the project to mitigate or minimize the potentially significant adverse impacts on air quality during operation. The District will issue the ATC and file a Notice of Determination with San Joaquin County. The District will issue the PTO after completion and inspection of the facility to ensure that it is in compliance with all permit conditions.



Arnaud Marjollet
Permit Services Manager

Date