

Action Summary Minutes

CENTRAL REGION HEARING BOARD MEETING

Central Region Office Governing Board Room

1990 E. Gettysburg Ave., Fresno, CA 93726
and

Wednesday, January 19, 2011, 10:00 a.m.

MINUTES

1. **CALL MEETING TO ORDER:**

The Chair, Jerry Boren, called the meeting to order at 10:01 a.m.

2. **ROLL CALL:**

Jerry Boren, Chair – Engineer	Present
Robert Schumacher – Public	Present
Jim Waterman – Attorney	Present
Gerry Mulligan – Public	Present
Dr. James Glaser, M.D. - Medical	Present

Staff present – Central Region (Fresno): Ryan Hayashi, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Phil Jay, Legal Counsel; Katy Linebach, Air Quality Specialist; Anna Myers, Air Quality Specialist; George Heinen, Supervising Air Quality Engineer; Lynn Sargenti, Senior Office Assistant

3. Approval of Minutes from December 15, 2010

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. The Chair asked that the agenda packet and any addenda brought forth to be entered into the official record.

Docket Numbers A, B & C were heard together due to all three petitioners requesting the variance for the same issue.

A. C-10-29i American Standard Water Heaters
2808 Metropolitan Place
Pomona, CA 91767

- B. C-10-30i Bradford White Corporation
200 Lafayette Street
Middleville, MI 49333
- C. C10-31i AO Smith Water Products Company
Tennessee Waltz Boulevard
Ashland City, TN 37015

Petitioners: Christopher R. Baker, Tom Alkine, Michael Chaudakian, D. Jay Nethercot, Chad Hatfield, James Bridegum, Matt Schultz

Patrick Houlihan presented the staff report. The water heater manufacturers are requesting the variance due to changes in Rule 4308 effective January 1, 2011. The change requires the NOx emissions go from 77 ppm down to 20 ppm. The rule requires each model unit be certified to demonstrate compliance. The rule changes also require other changes made to the industry. The petitioners need time to make the required changes to the product.

Patrick mentioned that the manufactures will return in February for a full product variance.

Mr. Boren asked about manufacturer representation present in regards to percentage of sales within the District.

Patrick explained that in the past year there has been a lot of consolidation and the District felt the three petitioners present were a good representation of water heater sellers within the valley.

There was discussion between District staff and Hearing Board members regarding the differences of time allowed by different air districts for the manufactures to come into compliance with this rule. Katy Linebach explained the development of the rule changes and how they arrived at the required deadline.

Mr. Bridegum spoke about the Bay Area and South Coast Air Districts. He stated he was shocked that SJVAPCD are expecting compliance in one year compared to the 2-3 years time allowed by the other districts. He talked about the burdens the rule changes has put on consumers and manufactures.

Mr. Waterman asked about the differences of older water heaters and newly manufactured units. Mr. Bridegum explained the differences.

Mr. Baker with Bradford White had some comments regarding the industries issues of trying to achieve compliance. Mr. Nethercot followed with a Power Point presentation and comments regarding specific changes needed and time line for the product to come into compliance. He also spoke about current technology changes proposed and being tested.

Mr. Mulligan asked why the petitioners were not able to achieve compliance by the required date. Mr. Baker stated they were not aware of the required changes until December of 2010, which did not give them time to make the technological and necessary factory changes to achieve product change.

Mr. Boren asked about emission ratio between residential and commercial water heaters. Mr. Houlihan explained the District's Rules and that residential water heaters are held to a more stringent limit.

Continued discussion between District staff, petitioners, and Board members regarding the requirements of commercial industry and residential regarding permitting issues and building requirements. Discussion included requirements of new residential building, incentives and costs to both residential and commercial. At this time, the District does not have incentives for the cost of these changes.

Matt Schultz, with AO Smith Water Products, presented his comments. He spoke about the required changes being made and the engineering going into the products.

Mr. Waterman asked about the "hot-water-on-demand" technology. Mr. Schultz talked about some of the pros and cons of that technology.

Mr. Boren asked District staff why the manufacturer did not have knowledge of the rule changes until December of 2010 and the notification process. Mr. Houlihan stated they did send out notices. However, it was possible that the District did not have a correct or current address for some facilities. Mr. Houlihan said it is also publicly noted on the District website and in newspapers.

Mr. Boren expressed his concern that proper notification was not made. Mr. Houlihan briefly explained the notification process.

Public Comment: No public comment

At this time, Mr. Boren commented that although everyone is here to work on improving air quality, this needs to be consistent with economics as well and it would place undue burden on people if the Board did not go along with the variance request.

Mr. Mulligan asked about the findings. Mr. Houlihan stated that the findings are not required at this time, but they will be required and discussed in February when the petitioners return for the product variance request.

Moved: Mulligan
Second: Waterman

Ayes: Mulligan, Schumacher, Waterman, Boren, Glaser

The Hearing Board voted unanimously to grant the variance to all three facilities with the conditions as stated.

D. C-10-23S Saint-Gobain Containers, Inc. (continued)
24441 Avenue12
Madera, CA 93637

Mr. Houlihan explained that the continuance is needed due to the facility needing to bring in equipment that is currently in the permitting process and requires a 45 day comment period. A variance cannot be granted on unpermitted equipment. Possible that they will need to request a continuance again.

The Board voted on allowing the continuance.

Moved: Waterman
Second: Schumacher

Ayes: Mulligan, Schumacher, Waterman, Boren, Glaser

The Hearing Board voted unanimously to grant the continuance.

5. The Central Region Hearing Board had not heard nor granted any emergency variances since the December 15, 2010 meeting.
6. **PUBLIC COMMENTS:** No public comments.
7. **HEARING BOARD COMMENTS:** None.

8. **NEW BUSINESS**: Election of Hearing Board Chair and Vice Chair for 2011.

Mr. Waterman nominated Mr. Boren for Chair and Mr. Schumacher as Vice Chair for another term.

Moved: Waterman
Second: Mulligan

All Hearing Board members voted unanimously that Jerry Boren continue as the Chair and Mr. Schumacher as Vice Chair for 2011.

9. **NEXT SCHEDULED MEETING**: February 16, 2011. This meeting will be held in the Central Region Office (Fresno) in the Governing Board room.
10. **ADJOURNMENT**: The Chair adjourned the meeting at 10:54 a.m.