

**San Joaquin Valley Air Pollution Control District  
NORTHERN REGION HEARING BOARD MEETING**

Northern Region Office Magnolia Room  
4800 Enterprise Way, Modesto, CA 95356

**ACTION SUMMARY MINUTES**

**Wednesday, February 4, 2009**

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

**AGENDA**

1. CALL MEETING TO ORDER The Chair, Mark Kanai, called the meeting to order at 10:0 a.m.

2. ROLL CALL

Roger Gohring—public	Present
Gerald Schneider—public	Absent
Steve Benak, MD—medical	Present
Alexander Scheflo—engineer	Present
Mark A. Kanai (Chair)—attorney	Present

Staff present—Northern Region (Modesto): Roger Gohring, Steve Benak, MD. (Medical), Alexander Scheflo (Engineer) and Mark A. Kanai (Chair/Attorney).

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist, Ryan Hayashi, Supervising Air Quality Specialist, Catherine Redmond, Assistant District Counsel, Diane Falcon & Lynn Sargenti, Sr. Office Assistants.

3. APPROVE MINUTES OF DECEMBER 3, 2008 -- The minutes were approved.

4. PUBLIC HEARING:

The Chair swore in all those present to testify for all matters.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
A. N-08-17R	Regular	Merced Power LLC 30 West Sandy Mush Road El Nido, CA 95317

Petitioners: David Righthouse and Steve Carew

Patrick Houlihan presented the report stating that on August 27, 2008, it was discovered that the continuous emission monitoring system of Merced Power was not calibrating as designed, even though it had been installed appropriately by Forney Corporation. Forney did return, however they were unable to repair the CEMS unit. Forney returned again on January 27, 2009, to fulfill terms of their contract. Forney believes they can get the CEMS unit operating early February, 2009. Merced Power was informed of the District's variance process August 14, 2008. In addition, on November 3, 2008, Ampersand Chowchilla Biomass (Merced's sister plant) applied for a variance. The District feels they were fully aware of variance process, but it wasn't until December 3, 2008, that the variance was received for the inoperable CEMS. Operation of Merced Power was also begun without an ammonia injection system for NO<sub>x</sub> control and also failed to source test within 120 days of initial start-up. They failed to notify the District's Compliance Division prior to start-up even after one of the District's inspectors stopped by before the plant was in operation and informed Merced Power of start-up inspection procedures.

Merced Power had requested a regular variance from District rules in addition to the conditions of the applicable ATC, which would be from January 1, 2009 to February 28, 2009. District recommends this variance be denied.

Mr. Houlihan, stated the District does not plan to close the plant, because they're aware of the current economic conditions and the District does not usually advocate the closing of any type of business.

5. PUBLIC COMMENTS -- No public comment.

Motion: Benak Second: Gohring

Ayes: Benak, Scheflo, Kanai, Gohring

Nays: None

Absent - Gerald Schneider

The Hearing Board voted to deny the granting of the variance to Merced Power LLC.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. N-08-20R	Regular	Cilion Inc. 4209 Jessup Road Keyes, CA 95328

Petitioners: Jarrett Hollis and Jeremiah Danielson

Mr. Houlihan presented the report stating Cilion is a new facility and that operations began late November, 2008. Shortly thereafter, Cilion noticed they had violated a condition on their ATC. The condition states they should have no more than 70 truck disconnects per day or no more than 25,550 per year. Because of Cilion's misunderstanding of the truck disconnects, Cilion was issued a Notice to Comply. They then submitted an application for a new ATC to increase the truck disconnects per day. Cilion requested a regular variance from District rules in additions to the conditions of the applicable ATC, if granted the variance would allow them to continue to ship out product and have more truck disconnects than which is allowed on the ATC.

Petitioner's comments: Cilion is willing to come into compliance by amending their ATC.

6. PUBLIC COMMENTS-- No public comment.

Motion:           Scheflo                           Second:       Gohring

Ayes:             Benak, Scheflo, Kanai, Gohring

Nays:             None

Absent - Gerald Schneider

*The Hearing Board voted to pass the Motion to grant the variance subject to the conditions in the staff report.*

7. ADJOURN-- The Chair adjourned the meeting at 11:15 a.m.