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**Vacant**  
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**Vacant**  
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**Vacant**  
Small City, Central Region

**Seyed Sadredin**  
Executive Director  
Air Pollution Control Officer

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**Action Summary Minutes**

**SOUTHERN REGION HEARING BOARD MEETING**

Southern Region Office Video Teleconference (VTC) Room

2700 "M" Street, Bakersfield, CA 93301

**Wednesday, February 13, 2008**

**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 10:02 a.m.
2. ROLL CALL:

Kimm Wolber—medical	present
Nancy Dunn—public	present
Charles Brehmer—attorney *	present
William Bland (Vice-Chair)—public	present
Hollis Carlile (Chair)—engineer	present

\* arrived during item 3.A

Staff present—Southern Region (Bakersfield): Creighton Smith, Supervising Air Quality Inspector

Central Region (Fresno): Wayne Clarke, Compliance Manager; Phil Jay, District Counsel; and Toni Taber, Clerk to the Boards.

3. APPROVE MINUTES OF JANUARY 9, 2007  
The Chair asked if there were any comments regarding the Minutes. Hearing none, the Chair declared the Minutes 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.

Wayne Clarke stated that the staff reports as included in the Southern Region Hearing Board Agenda Packet used a new method of charging for excess emission fees. In the past, petitioners who exceed one ton of emissions could purchase emissions reduction credits (ERC), or surrender them if they

already had them. The pollution reductions gained by ERC's may not be realized for years, so the new method requires the petitioner to pay money for each pound of excess emissions. That money would go directly into the District's ERIP program to gain emissions reductions immediately.

Because the District feels stakeholders should have more input on this decision, this new method is being postponed. Therefore, each staff report needs to be changed to use the prior method of calculation.

A. S-08-01i Interim Sierra Power Corp  
PO Box 10060  
Terra Vella, CA 93270

Petitioners: Mary Jane Wilson, WZI Inc.

Patrick Houlihan presented the report. He stated condition seven on page three should read: After annual heat input of 30 billion MMBtu is exceeded, all emissions will be counted as excess emissions, based on the differential between Rule 4306 and actual emissions observed. Condition eight and nine are deleted. Condition 12 should read: Should excess NOx emissions exceed one ton, SPC shall submit emission reduction credits (ERC) equal to 20% of the total amount of excess NOx emissions. Initiation of said surrender shall occur within 30 days of achieving compliance. Ms. Wilson stated the facility would produce fewer emissions and asked to be given credit for these reductions.

Public Comment: Martin Lundy, Chevron, stated that since the facility would emit less emissions, it seemed they shouldn't be charged ERC's.

Motion: Bland Second: Wolber

AYES: Wolber, Dunn, Bland, Carlile  
NAYS: None  
ABSTAIN: Brehmer

*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 with the change to conditions 7 and 12 as noted above, and the deletion of condition 8 and 9.*

B. S-08-02S Short Kern River Cogeneration Company

Petitioner: Daniel Beck, Cory Eagar

Patrick Houlihan presented the report. Mr. Houlihan stated that condition eight on page 4 should be replaced with the following: Should excess NOx emissions exceed one ton, Kern River Cogeneration shall submit emission reduction credits (ERC) equal to 20% of the total amount of excess NOx emissions. Initiation of said surrender shall occur within 30 days of achieving compliance. Daniel Beck stated he concurred with staff.

Motion:       Dunn                    Second:       Wolber

AYES:         Wolber, Dunn, Brehmer, Bland, Carlile  
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 with the change to condition eight as noted above.*

C. S-08-12S    Short                    Sycamore Cogeneration Company

Petitioner: Daniel Beck, Cory Eagar

Patrick Houlihan presented the report. He stated that condition eight on page four should be deleted, and 10.D should also be deleted because it references condition eight.

Motion:       Brehmer                    Second:       Wolber

AYES:         Wolber, Dunn, Brehmer, Bland, Carlile  
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 with the change to condition eight as noted above, and the deletion of Condition 10.D.*

D. S-08-13S    Short                    Kern River Cogeneration Company

Petitioner: Daniel Beck, Cory Eagar

Patrick Houlihan presented the report. He stated that condition seven should be replaced with: "Should excess NOx emissions exceed one tone, Kern River Cogeneration shall submit emission reduction credits (ERC) equal to 20% of the total amount of excess NOx emissions. Initiation of said surrender shall occur within 30 days of achieving compliance." Daniel Beck stated it is a condition in their permit that requires District approval for use of the emergency diesel fired generator for a length greater than one hour per week.

Motion:       Wolber                    Second:       Dunn

AYES:         Wolber, Dunn, Brehmer, Bland, Carlile  
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 with the change to condition seven as noted above.*

E. S-08-05S      Short                      Big West of California, LLC

Petitioner: Max Sims

Patrick Houlihan presented the report. He stated that condition six should be deleted, and condition 10.D should also be deleted because it refers to condition six. Mr. Sims stated the report is an accurate description of their variance request.

Motion:            Bland                                      Second:            Brehmer

AYES:            Wolber, Dunn, Brehmer, Bland, Carlile  
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 with the deletion of conditions six and 10.D.*

F. S-08-09S      Short                      Big West of California, LLC

Petitioner: Max Sims

Patrick Houlihan presented the report. He stated that condition six should be deleted, and condition 10.D should also be deleted because it refers to condition six. Mr. Sims stated the report is an accurate description of their variance request.

Motion:            Brehmer                                      Second:            Wolber

AYES:            Wolber, Dunn, Brehmer, Bland, Carlile  
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 with the deletion of conditions six and 10.D.*

Hollis Carlile stepped down as chair and removed himself from the meeting due to a conflict of interest. William Bland, Vice Chair, took over as Chair.

G. S-08-06S      Short                      Chevron USA, Inc.

Petitioner: Larry Landis, Ron Preston

Patrick Houlihan presented the report. He stated in condition one, "or until PG&E restores power, whichever occurs first" should be deleted and replaced with "Or until construction and maintenance activities are complete, whichever occurs first." He also stated in condition three "Until PG&E restores power" shall be deleted. Larry Landis thanked District staff.

Motion: Brehmer Second: Wolber

AYES: Wolber, Dunn, Brehmer, Bland, Carlile  
NAYS: None  
RECUSED: Carlile

*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 with the changes to conditions one and three as noted above.*

H. S-08-07S Short Chevron USA, Inc.

Petitioner: Martin Lundy, David Moore

Patrick Houlihan presented the report. He stated condition 12 should be replaced with the following: "Should excess Nox emissions exceed one tone, CUSA shall submit emission reduction credits (ERC) equal to 20% of the total amount of excess NOx emissions. Initiation of said surrender shall occur within 30 days of achieving compliance." He also stated that because 13.E referenced the original condition 12, 13.E should be deleted.

Motion: Wolber Second: Dunn

AYES: Wolber, Dunn, Brehmer, Bland, Carlile  
NAYS: None  
RECUSED: Carlile

*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 with the changes to condition 12 as noted above, and the deletion of 13.E.*

I. S-08-10S Short Chevron USA, Inc.

Petitioner: John Gruber, John Fleetham, Barry Silken

Patrick Houlihan presented the report. He stated condition 11 should be replaced with the following: "Should excess Nox emissions exceed one tone, CUSA shall submit emission reduction credits (ERC) equal to 20% of the total amount of excess NOx emissions. Initiation of said surrender shall occur

within 30 days of achieving compliance.” He also stated that because 12.D referenced the original condition 11, 12.D should be deleted. John Gruber stated that they would like the full 90 day period instead of the 30 day period.

Public Comment: Chris Norton, Latham Watkins, thanked the district for changing the fee method to the ERC method.

Motion: Brehmer Second: Wolber

AYES: Wolber, Dunn, Brehmer, Bland, Carlile  
NAYS: None  
RECUSED: Carlile

*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 with the changes to condition 11 as noted above, and the deletion of 12.D.*

J. S-08-11i interim Chevron USA, Inc.

Petitioner: John Gruber, Tom Reis, Bob Langner

Patrick Houlihan presented the report. He stated condition 11 should be replaced with the following: “Should excess Nox emissions exceed one tone, CUSA shall submit emission reduction credits (ERC) equal to 20% of the total amount of excess NOx emissions. Initiation of said surrender shall occur within 30 days of achieving compliance.” He also stated that because 12.D referenced the original condition 11, 12.D should be deleted.

Motion: Dunn Second: Wolber

AYES: Wolber, Dunn, Brehmer, Bland, Carlile  
NAYS: None  
RECUSED: Carlile

*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 with the changes to condition 11 as noted above, and the deletion of 12.D.*

Hollis Carlile returned to the meeting as Chair.

5. The Southern Region Hearing Board approved the following emergency variances orders: S-08-03E, Chevron USA Inc.; S-08-04E, Berry Petroleum Company; S-08-08E, Crimson Resources Management; S-08-14E, Chevron USA Inc.
6. PUBLIC COMMENTS: No public comments.

7. HEARING BOARD MEMBER COMMENTS: No Hearing Board member comments
  
8. NEW BUSINESS: Phil Jay informed the Hearing Board that the Citizen's Advisory Committee is interviewing potential alternates.
  
9. NEXT SCHEDULED MEETING: Wednesday, March 12, 2008 at 10:00 a.m.  
The meeting will be held via video conferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC.

ADJOURNMENT

The Chair adjourned the meeting at 10:50 a.m.