

Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room

2700 "M" Street, Bakersfield, CA 93301

Wednesday, January 14, 2009, 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
Nancy Dunn - 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): Dave Baldwin

Central Region (Fresno): Ryan Hayashi, Supervising Air Quality Specialist; Patrick Houlihan, Sr. Air Quality Specialist; Phil Jay, District Counsel; and Michelle Banuelos, acting as Clerk to the Boards.

3. APPROVE MINUTES OF DECEMBER 23, 2008

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of December 23, 2008. The Minutes for December 23, 2008, are 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-08-92S Short Sycamore Cogeneration Company
1600 China Grade Loop
Bakersfield, CA 93308

Petitioners: Daniel Beck
 Cory Eagar

Patrick Houlihan indicated a change in the Petition. He stated the Petition was originally filed for Sycamore Unit Number One, but Unit Number Two went off line and needs a variance exactly as that of Unit Number One. This Hearing is for Unit number Two, Permit Number S-511-2-13.

Cory Eagar interjected a change in Recommendation Number Two-B, page four, to read as follows: *Conditions 50, 51, and 52 of ATC #S-511-2-13.*

Patrick Houlihan proceeded with the District's Staff Report. Sycamore Cogeneration Company is seeking a short variance to occur between January 14, 2009, and April 12, 2009, to allow the operation of the subject turbine Unit Two with excess NO_x and CO emissions while Sycamore conducts the necessary performance tests.

Petitioner, Mr. Daniel Beck, stated the District's Staff report was accurate in describing Sycamore's Petition; However, reiterated the Petition is for Unit Two and will request a Variance for Unit One at a later time.

Public Comments: None

 Motion: Wolber
 Second: Stovall

 AYES: Wolber, Dunn, Bland, Carlile, Stovall
 NAYS: None
 Abstained: None

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 and/or changes in the staff report on pages three, four and five, to occur sometime between January 14, 2009, and April 12, 2009.

B. S-08-88S Short Elk Hills Power, LLC
4026 Skyline Road
Tupman, CA 93276

Petitioners: Marilyn Teague
 Patrick Ramsey
 Sonnie Pineda

Patrick Houlihan presented the report. He indicated a change in the verbiage of Petitioner's Request, as follows: Elk Hills Power, LLC is seeking a short *non-consecutive* variance period to occur between January 14, 2009, and February 28, 2009, to allow the combustion turbine Unit One to be operated with excess NO_x emissions while it is undergoing performance testing.

Patrick Ramsey stated Unit Number One had a problem with the installed rotor. Instead of sending the rotor for repair, it was decided to buy a new one. As part of the brand-new rotor run procedure, as required by the manufacturer, the rotor must be run for four hours on full speed, no load, to ensure vibrations do not exist within the combustion turbine.

Public Comments: None

Motion: Stovall
Second: Wolber

AYES: Wolber, Dunn, Bland, Carlile, Stovall
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 pages three, four and five.

Having a conflict of interest, John Stovall and Hollis Carlile excused themselves from the meeting at this time. Mr. Carlile turned the meeting over to the Vice Chair, William Bland.

C. S-08-88S Short Chevron USA, Inc.
Station 2-22
Midway Sunset Oil Field
Fellows, CA 93224

Petitioners: Martin Lundy
 David Moore

Patrick Houlihan presented the report. Chevron USA, Inc., is seeking a short cumulative, non-consecutive, 14-day variance period to occur sometime between January 14, 2009, and April 13, 2009, to allow the continued receiving, storage, and/or processing of VOC containing fluids in the subject tanks without an operational vapor recovery system while Chevron USA, Inc., hooks up the new tanks to the Vapor Recovery System.

Mr. Lundy stated the District's Staff report was accurate in describing Chevron's Petition and had no comments to add.

Public Comments: None
Motion: Wolber
Second: Dunn
AYES: Wolber, Bland, Dunn, Wolber
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 January 14, 2009, and April 13, 2009.

D. S-08-066S Short Chevron USA, Inc.
15Z Oil Cleaning Plant
Cymric Oil Field
McKittrick, CA 93224

Petitioners: John Gruber
Bob Langner
Bradley Boreham

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA's) original request is for a short variance period from January 19, 2009, through April 18, 2009, to allow the sludge to be handled without using a vapor leak-free container while the sludge is mixed with bentonite or a similar product to remove the liquid. In addition, it would allow the active vapor recovery system to be shut down to tie in the new tanks. Patrick Houlihan indicated a change to Recommendation number 10-A, page Five of the District's Staff Report to read as follows:

A. Summary of all work performed during the variance period, including details to indicate that the tank cleaning provisions of Rule 4623 and PTO S-2010-4-3 conditions were followed;

William Bland pointed out a correction to the section NATURE OF THE PROBLEM, page one, paragraph one, sentence two, and should read as follows:

The subjects of this variance request are three 5,000 barrel fixed roof tanks located at 15Z Oil Cleaning Plant (OCP), which receives produced crude oil.

John Gruber stated the District's presentation accurately captured the activities of Chevron's 15Z Oil Cleaning Plant and reiterated that they estimate the tie-in work will not take longer than 24 hours. Mr. Gruber requested a change in the variance period as follows:

Page two, Petitioner's Request: *The variance period will be from February 2, 2009, through May 2, 2009*

Page four, Recommendation one: *The variance shall be effective from February 2, 2009, until May 2, 2009, or until the two new tanks are tied into the VRS and the sludge from S-2010-4-3 is properly disposed of.*

Page five, Condition Ten: *By May 17, 2009, or no later than 15 days after achieving compliance, CUSA shall submit to the District a written report...*

Public Comments: None

Motion: Dunn Second: Wolber

AYES: Wolber, Dunn, 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 changes in the conditions in the staff report to occur between February 2, 2009, and May 2, 2009.

Hollis Carlile and John Stovall returned to the meeting. William Bland turned over the Chairmanship to Mr. Carlile.

5. The Southern Region Hearing Board heard no emergency variances.

6. PUBLIC COMMENTS: No public comments.

HEARING BOARD MEMBER COMMENTS: No Hearing Board member comments.

7. New Business: Patrick Houlihan stated that this is the last meeting at the District's current Southern Region location. The next meeting will be held at the District's new office. Address and telephone number will be provided.

Patrick Houlihan requested more comments from the Hearing Board members regarding their comments relating to an increase in their Stipend amount.

8. NEXT SCHEDULED MEETING: Wednesday, February 11, 2009, 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.

9. ADJOURNMENT

The Chair adjourned the meeting at 10:57 a.m.