



Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room

34946 Flyover Court, Bakersfield, CA 93308

Thursday, November 12, 2009, 10:00 a.m.

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

MINUTES

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
Hollis Carlile (chair) - Engineer	Present
Bill Bland, Public*	Present
John Stovall – Attorney	Absent
Donna Carpenter – Alternate Public	Present

*Bill Bland attended in the central region.

Staff present - Southern Region (Bakersfield): Amelia Yuan

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

3. APPROVE MINUTES OF OCTOBER 14, 2009

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of October 14, 2009. Hearing none, the Minutes for October 14, 2009, were approved as submitted.

4. PUBLIC HEARING:

The Chair asked the Clerk if all items had been properly noticed. The Clerk responded yes, they had been properly noticed. All those present to testify were sworn in by the Chair, and he requested that they sign in.

A. S-09-61S Short Aera Energy, LLC
29235 Highway 33
Maricopa, CA 93252

Petitioners: Robert Beebout
Timothy Perkins

Patrick Houlihan presented the report. Aera Energy, LLC (Aera) is seeking a short variance period for a cumulative, consecutive period of 96 hours to occur sometime between January 11, 2010, and April 11, 2010, to allow the continued storage of VOC containing liquids in storage tanks without an operational vapor recovery system.

Petitioner, Robert Beebout, stated their petition was accurately described; but wished to add a few bits of information regarding the 25 Hill properties. Aera was formed by the merger of Cal Resources, a Shell, LLC, and Mobile Oil California Operations, and Arco. Each had their own electrical distribution systems. Over the past ten years they have been working to consolidate these systems to make them more efficient.

Now they have come to the point where National Lease should have its own electrical recloser to separate it from the main distribution system. This is the next step in consolidating and making the system more reliable. The work will probably not last 96 hours, but are requesting extra time in case something comes up. They expect to have the work done in less than 24 hours.

Hollis Carlile asked if his assumption was correct in stating the systems work well, but over time it's apparent that they don't work well together.

Petitioner, Timothy Perkins, answered yes, but they are on top of a hill and get hit by a lot of storms. Separating and adding another recloser will help because when there's an occurrence, it will be only to National Lease.

Public Comments: None

Motion: Wolber Second: Carpenter

AYES: Wolber, Carpenter, Bland, Carlile

NAYS: 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 in the staff report.

B. S-09-63i Interim South Kern Industrial Center, LLC
P. O. Box 265
Taft, CA 93268

Petitioners: Doug McCormick
Robert Miesbauer
Ted Guth
Lorrie Loder

Patrick Houlihan presented the report. South Kern Industrial Center (SKIC) is seeking a regular variance from November 12, 2009, until January 13, 2010, to allow for the continued manufacturing of compost while the biofilters are shut down to repair the underlying drainage system.

The District issued a notice of violation to SKIC for not keeping the biofilters adequately moist per conditions of their Permit to Operate. SKIC then applied too much water, which plugged the dispersal system. The District believes that one drain per biofilter is inadequate to properly drain such a large biofilter. The District is not requiring SKIC to shut down or cease production, but does require that they make the appropriate retro-fits and come into compliance, which SKIC is actively undertaking at this time.

Since there is no certainty that the six findings can be made, specifically Finding Number Two which states,

“That, due to conditions beyond the reasonable control of the petitioner, requiring compliance would result in either, (1) an arbitrary or unreasonable taking of property, or (2) the practical closing and elimination of a lawful business.”,

Mr. Houlihan stated the District believes good cause could not be made and therefore recommended that the Southern Region Hearing Board deny South Kern Industrial Center's request for a regular variance.

Petitioner, Ted Guth, stated they were concerned about violating the terms of their Permit by shutting down to do the maintenance. They assumed they needed to get a Variance to do so, which is why they are here.

Mr. Houlihan explained that while a facility is under violation, they are required to take the appropriate steps to come into compliance. Shutting down will not cause an additional violation; it is considered part of the remedy.

Catherine Redmond asked for clarification of the District's position. Ryan Hayashi explained that although it's not referred to in the Notice of Violation, shutting down to fix something while a facility is in violation is only a continuation of the original violation.

Mr. Houlihan presented two options to CUSA. Option one is to conduct a Source Test immediately. If it passes, it will stop the daily violation. Option two is fix it as soon as possible and follow up with a Source Test as soon as possible.

Ryan Hayashi reiterated that CUSA is already in violation of Condition Number Three of their ATC, which reads, "Air pollution equipment ... shall be properly maintained in good operating condition at all times." CUSA will not get another violation while trying to get back into compliance.

Ryan Hayashi further stated they will amend the Notice of Violation so it is clearly stated.

Ted Guth asked for an e-mail from the District stating this information so they can take it back to their corporate officials.

- Public Comments: None
- Motion: Wolber Second: Carpenter
- AYES: Wolber, Carpenter, Bland, Carlile
- NAYS: None

Having decided the petition has not made the definition of good cause, the Hearing Board voted to deny the Motion to grant the variance request.

Hollis Carlile recused himself from the meeting due to a conflict of interest. William Bland took over as Chair.

C. S-09-55R Regular Chevron USA, Inc.
P. O. Box 1392
Bakersfield, CA 93302

Petitioners: John Gruber
Martin Lundy
Carrie O'Rourke

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) is requesting a short variance period from January 1, 2010, and June 1, 2010, to allow the eight subject turbines a shakedown period, whereby emissions would be higher than District rule limits, so CUSA can work out any problems that might occur and to accommodate a curing period. The variance would allow the postponing of source testing beyond January 1, 2010. CUSA also requests that NO_x and CO daily and annual emission limits not apply until compliance is demonstrated.

Donna Carpenter asked if six months was a normal term for a Regular Variance. Patrick Houlihan explained that a Regular Variance allows up to a year for relief. A short Variance allows up to 90 days.

Petitioner, John Gruber, stated the District's presentation was accurate but wished to point out that these particular cogens are 25 years old and have never been retrofitted, by any other company, to his knowledge. Because of the amount of changes being done, they need a few months per unit. Even though there were some delays from EPA and delays with their ATCs, they expect to have most of the units done within 60 days but are asking for a six-month window.

Ms. Wolber asked if six months would be enough time. Ms. O'Rourke answered yes.

Public Comments: None

Motion: Wolber Second: Carpenter

AYES: Wolber, Carpenter, Bland

NAYS: 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 changes in the Staff Report.

D. S-09-60S Short Chevron USA, Inc.
P. O. Box 1392
Bakersfield, CA 93302

Petitioners: John Gruber
Bob Langner
Justin Fehr

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) is requesting a short variance for a cumulative, non-consecutive 12 hour period to occur sometime between November 12, 2009, and February 9, 2010, to allow tank T-2 to remain in continual operation without an operational or functional vapor recovery system.

Petitioner, John Gruber, stated the District's report was accurate; however wanted to point out that its necessary to take the power off line as well as the VRU in order to perform the necessary electrical and piping work. Even though they asked for 12 hours, they don't think it will take that long.

Public Comments: None

Motion: Carpenter Second: Wolber

AYES: Carpenter, Wolber, Bland

NAYS: 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 changes in the Staff Report.

E. S-09-62S Short Chevron USA, Inc.
P. O. Box 1392
Bakersfield, CA 93302

Petitioners: John Gruber
 Bob Langner
 Justin Fehr

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) is requesting a short variance for a cumulative, consecutive 12-hour period to occur sometime between November 13, 2009, and February 10, 2010, to allow CUSA to isolate the two drain tanks from the VRS while new vapor lines are tied into the existing vapor recovery system.

Patrick Houlihan noted a correction in the variance period date. The variance period should read "...between November 13, 2009, and February 10, 2010". Also, Recommendation One, Page Four, should read "...between November 13, 2009, and February 10, 2010".

Donna Carpenter asked a question regarding the distance pieces; whether the best available technology is being used. Patrick Houlihan explained that this is current existing technology for most oil field operations. In the past, oil field facilities would vent out into the atmosphere, but now they have vapor recovery systems installed.

Petitioner, John Gruber, stated the District's report was accurate. They find the conditions in the staff report to be acceptable. Mr. Gruber added that they will be exchanging their IC Engine compressors for electrical compressors, which will result in fewer emissions.

Ms. Wolber asked if they are quieter than the older compressors. Mr. Gruber answered yes, they are quieter.

Public Comments: None

Motion: Wolber Second: Carpenter

AYES: Wolber, Carpenter, Bland

NAYS: 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 changes in the Staff Report.

Hollis Carlile returned to the meeting and the Vice Chair relinquished the Chair.

F. S-09-57S Short Inergy Propane, LLC
 9224 Tupman Road
 Tupman, CA 93276

This item was withdrawn by Petitioners.

5. The Southern Region Hearing Board heard two emergency variances since the last Hearing.
6. PUBLIC COMMENTS: None
7. HEARING BOARD MEMBER COMMENTS: None
8. NEW BUSINESS: Patrick Houlihan stated the District would like to wrap up the comment period for any increases in the Hearing Board member stipends. Hopefully, within the next month or two, the request will go to our Director then to our Governing Board.
9. NEXT SCHEDULED MEETING: Wednesday, December 9, 2009, at 10:00 a.m. The meeting will be held via video teleconferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC.
10. ADJOURNMENT: The Chair adjourned the meeting at 12:25 p.m.