



Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room

34946 Flyover Court, Bakersfield, CA 93308

Wednesday, April 14, 2010, 10:00 a.m.

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

MINUTES

1. CALL MEETING TO ORDER:
Bill Bland, acting as Chair, called the meeting to order at 10:05 a.m.

2. ROLL CALL:

Kimm Wolber – Medical	Present
Nancy Dunn – Public	Present
Hollis Carlile (chair) – Engineer	Absent
Bill Bland – Public*	Present
John Stovall – Attorney	Present

*Bill Bland attended in the central region.

Staff present - Southern Region (Bakersfield):

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 MARCH 10, 2010
Bill Bland, acting as the Chair, asked if there were any comments regarding the Minutes of March 10, 2010. Hearing none, the Minutes for March 10, 2010, 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-10-12S Short

Kern River Cogeneration Co.
1600 China Grade Loop
Bakersfield, CA 93308

Petitioners: Cory Eagar
Daniel Beck

Patrick Houlihan presented the report. Kern River Cogeneration Company (KRCC) is seeking a short variance for a cumulative 24-hour period to occur between May 1, 2010, and July 29, 2010, to allow the operation of the subject turbine unit with excess No_x per day and CO emissions while KRCC conducts the necessary performance tests.

Petitioner, Cory Eager stated the District's staff report was well outlined and went on to say performance testing is always necessary with hardware changes. He stated they have been speaking with District Staff to see if KRCC can modify their permit to get variance relief written into the permit so they won't have to come before the Board so often. The Unit #4 outage is planned for mid-May. The excess emissions are stated at a worse case scenario.

Stovall said if it's less than 24 hours, it could even be less No_x and CO.

Public Comments: None

Motion: Wolber Second: Stovall

AYES: Wolber, Dunn, Bland, Stovall

NAYS: None

RECUSED: Stovall

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-10-14S Short

Aera Energy, LLC
Lost Hills Oil Field
Lost Hills, CA

Petitioners: John Haley
Stan Bell

Patrick Houlihan presented the report. Aera Energy, LLC, (AERA) is seeking a short variance for a 12 hour period between April 14, 2010, and July 13, 2010, to allow AERA to continue to store VOC containing liquids in the subject tanks without

a functional or operational VRS while the electrical power to the VRS is shut off. They would also take this time to move an oil sample valve on an electrical transformer to facilitate future maintenance.

Petitioner, John Haley, stated Patrick Houlihan accurately described their situation and added that since power will be down, there will be no production, which will help minimize the emissions. Petitioner, Stan Bell, added there will be a lot of fluid coming to the surface. This is an old well that must be taken care of.

Public Comments: None
Motion: Stovall Second: Dunn
AYES: Wolber, Dunn, Bland, Stovall
NAYS: None
RECUSED: 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.

C. S-10-15S Short ExxonMobil Production Company
 Hill Property Diatomite Water Plant
 Belridge Oil Field
 18271 Highway 33
 McKitrick, CA 93251

Petitioners: Jack Jones
 Clare Hoang

Patrick Houlihan presented the report. ExxonMobil Production Company (ExxonMobil) is seeking a short consecutive 28-day variance period to occur sometime between April 14, 2010, and June 12, 2010, to allow the degassing and draining of air floatation oil/water separator and its isolation from the VRS.

Petitioner, Clare Hoang, pointed out that they will be completing the degassing in about eight to 10 hour window. The 28 days is quite lenient for them. They will be following guidelines as outlined in Rule 4623 when they degass, clean, and put the tank back in service.

Bill Bland asked for clarification regarding the degassing procedure, whether no other volatile compounds would be present. Jack Jones explained when the vessel is drained, it will be filled with fresh water and nitrogen will be put on it. They will push all the gas out and then close the discharge lines to the vessel and open it up to the atmosphere at that time.

Public Comments: None
Motion: Dunn Second: Wolber

AYES: Wolber, Dunn, Bland, Stovall

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-10-16S	Short	Chevron USA, Inc. 31X Oil Cleaning Plants Cymric Oil Field McKittrick, CA
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Petitioners: Bob Langner
John Gruber

Patrick Houlihan presented the report. Chevron USA, Inc., (CUSA) is seeking a short variance for a six hour period sometime between April 14, 2010, and May 28, 2010, to allow the continued storage of VOC containing liquids in the subject tanks without an operational VRS while a valve is replaced on the VRS line.

Petitioner, John Gruber, stated the District's staff report was accurate and added that the replacement of the valve is necessary so that the standby compressors can be made available for service again. They expect to have the work completed in less time than requested.

Public Comments: None

Motion: Wolber Second: Stovall

AYES: Wolber, Dunn, Bland, Stovall

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-09-17S	Short	Chevron USA, Inc. 31X Oil Cleaning Plant Cymrick Oil Field McKittrick, CA
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Petitioners:

This Petition was withdrawn by Petitioners.

G. S-10-19S Short Aera Energy LLC
59231 Main Camp Road
McKittrick, CA 93251

Petitioners: John Haley
Oreste Lencioni

Patrick Houlihan presented the report. Aera Energy, LLC is requesting a regular variance for multiple 16-hour periods to occur sometime between April 15, 2010, and July 13, 2010, to allow the continued storage of VOC containing liquids in the subject tanks and pressure vessels without a functional or operating VRS while Aera ties in the equipment to the new VRS line.

Patrick Houlihan pointed out a change to Condition One (1), page Four (4), to read as follows:

1. The variance shall be effective for multiple 16-hour periods to occur sometime between April 15, 2010, and July 13, 2010, or until the new VRS line is installed, and the tank and vessels are tied in, and the VRS is back in compliance, whichever occurs first.

Petitioner, John Haley, mentioned there are more vessels than there are tanks. Initially they will shut the system down to tie-in a new section of piping and over a period of time will be cutting over from the old system to the new system. Oreste Lencioni added that the change in the material from carbon steel to stainless steel is based on the recommendation of the Corrosion and Material Consultants of their firm.

Public Comments: None

Motion: Stovall Second: Wolber

AYES: Wolber, Dunn, Bland, Stovall

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.

H. S-10-20i Interim Styrotek, Inc.
P. O. Box 1180
Delano, CA 93216-1180

Petitioners: Doug McCormick
Dale Arthur

Patrick Houlihan presented the report. Styrotek, Inc. is seeking an interim variance period to occur between April 28, 2010, and June 9, 2010, to allow the continued

operation of the expanded polystyrene molding operation until the RTO returns to 99% destruction efficiency.

Petitioner, Doug McCormick, stated the District's Staff Report was well written and fairly accurate. He added that they went to RTO technology last year. This year their source test came back at 98% control. They plan to conduct additional tests to verify that the unit is operating correctly. The manufacturer came yesterday and tested the unit. Based on their test, the unit is operating at 99.2% destruction efficiency. They believe the problem lies in the way source tests are conducted. Bag samples are taken from the outlet stream and the inlet steam and taken to a lab. If the samples are not collected properly it could result in false readings. They will be looking into this possibility.

Public Comments: None

Motion: Wolber Second: Stovall

AYES: Wolber, Dunn, Bland, Stovall

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.

I.	S-10-13S	Short	Kawneer Company Inc. P O Box 3148 Visalia, CA 93278
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Petitioners: Jill Stohl

Patrick Houlihan presented the Hearing Board and Petitioner with an amended Staff Report. The Chair called a five-minute recess in order to allow all parties enough time to read the new Staff Report.

Patrick Houlihan presented the report. Kawneer is requesting a short variance for a period from April 14, 2010, until June 7, 2010, to allow the continued operation of the metal parts coating operation without a VOC in operation, or with a VOC control device that cannot meet 95% destruction efficiency.

Petitioner, Jill Stohl, pointed out a change in the lab report results, which are at 87.4 not 85. Kawneer experienced a problem with the Zero Fuel Adsorber (ZFA) that destroyed a large portion of the filter media and rendered the unit inoperable. Due to a design flaw and equipment failure, hot air was bypassing into the cold section and ultimately overheated, which lead to the media burning up. We are asking for time to conduct more testing and to allow the engineer time to figure out how to solve this problem. We do have some options, but we need time to make these improvements.

Public Comments: None

Motion: Stovall Second: Dunn

AYES: Wolber, Dunn, Bland, Stovall

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.

5. The Southern Region Hearing Board heard three emergency variances since the last hearing.
6. PUBLIC COMMENTS: None
7. HEARING BOARD MEMBER COMMENTS: None.
8. NEW BUSINESS: Patrick Houlihan noted the Hearing Board's Petition to increase the pay stipend will be recommended to the Governing Board in the April meeting.
9. NEXT SCHEDULED MEETING: Wednesday, May 12, 2010, 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
10. ADJOURNMENT: The Chair adjourned the meeting at 11:30 p.m.