



Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room

34946 Flyover Court, Bakersfield, CA 93308

Wednesday, June 9, 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:

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

*Bill Bland attended in the central region.

Staff present - Southern Region (Bakersfield): Elyce Baldwin

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 MAY 12, 2010

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of May 12, 2010. Hearing none, the Minutes of May 12, 2010, were approved as submitted.

4. PUBLIC HEARING:

All those present to testify were sworn in by the Chair, and he requested they sign in. Patrick Houlihan introduced Michelle Franco as the new Clerk to the Board at this time.

Public Comments: None

Motion: Dunn Second: Wolber

AYES: Wolber, Dunn, Bland, Carlile; 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.

C. S-09-06M Modification Paramount Petroleum
6451 Rosedale Highway
Bakersfield, CA 93308

Petitioners: Max Simms
Melinda Hicks
June Christman

Patrick Houlihan presented the report. Paramount Petroleum Corporation (PPC) is requesting a modification of a regular variance for a period from June 9, 2010, to August 11, 2010, to allow PPC to assume the variance and continue the postponement of the current and upcoming RATA for the CEMS associated with the subject equipment.

Petitioner, Melinda Hicks, stated she just received the District's Staff Report this morning and was surprised to see the shortness of time allowed. They had requested the variances be extended for the same period that had been granted to Big West. Because Paramount has only had ownership for a week, Petitioner, June Christman, stated they were hoping to have until January of 2011 to evaluate their options on how they will move forward.

Patrick Houlihan stated the variance is not intended to end on August 11th. If what Paramount suggests is appropriate, then a lengthier term could be recommended. For now, the District can not go forward with so many unknowns. Also, the District would like Paramount's plan by July 28, 2010, in order to review it and be able to work with Paramount prior to coming before the Board.

Bill Bland added that in the past he has seen Petitioners present progress reports outlining their plans. While it's not a flat out denial, not enough information is being offered at this time for the Board to make a conclusive decision.

Patrick Houlihan pointed out that this variance has been ongoing since March 11, 2009. The California Health and Safety Code requires any variance going beyond a year must have increments of progress to be able to go forward.

John Stovall asked for clarification. Could this variance continue with a progress report being due on August 11, 2010.

Patrick Houlihan stated this variance can only go to August 11, 2010, and can only go forward with increments of progress submitted to the District.

Bill Bland read the District's Staff report, Page two, under "Previous Variances", where it states, "...BWC was granted a regular variance on March 10, 2010 (S-10-06R) to offer relief until March 11, 2011, or until the refinery was sold and a modification of the variance was requested by the new owner Mr. Bland asked Max Simms if he understood this.

Petitioner, Max Simms, asked what would be the process after submitting their plan. Could they file a continuation or would they need to file a new Petition?

Ryan Hayashi pointed out they would not be required to file a petition for a new variance. The plan is to modify the existing variance to adequately reflect what Paramount will be doing at the facility.

John Stovall expressed concern for the short time frame given and asked if a little more time could be given.

Ryan Hayashi reiterated that the Petitioner was aware the variance for Big West would end as soon as it was sold. The District is trying to work with them in order to get this prolonged.

Hollis Carlile asked the Petitioner if they have an idea as to when they would be ready to present their preliminary plans to the District.

June Christman answered they would be able to submit updates, but would like to have until January, but anytime beyond August would be helpful.

John Stovall asked for a comment from District counsel as to why this short time frame has been imposed. Catherine Redmond answered that not enough information is being given to the District. Granting a continuation of this variance would be a violation of the California Health and Safety Code. Because they just acquired the facility, the District is giving them until August 11, 2010, as an accommodation, so Paramount could come back with some sort of schedule as to how they plan to move forward and achieve compliance.

Public Comments:	None
Motion: Bland	Second: Dunn
AYES:	Wolber, Dunn, Carlile, 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-09-12M Modification Paramount Petroleum Corporation
6451 Rosedale Highway
Bakersfield, CA 93308
Petitioners: Max Simms
Melinda Hicks
June Christman

Patrick Houlihan presented the report. Paramount Petroleum Corporation (PPC) is seeking a Modification of the extended regular variance from June 9, 2010, to August 11, 2010, to allow PPC to assume the variance to continue operation of Wastewater Treatment Unit #83 without a functional or operating VRS, but would only provide relief during periods when the compressor is shut down due to overheating or pending overheating. In addition, the variance would require that PPC appear before the SRHB on August 11, 2010, to present a comprehensive plan outlining a path to compliance.

Petitioner, June Christman, stated she had the same objections as the previous Item and had nothing else to add.

Public Comments: None
Motion: Bland Second: Wolber
AYES: Wolber, Dunn, Carlile, 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-10-27S Short Mid-Set Cogeneration Company
P O Box 80178
Fellows, CA 93224
Petitioners: Cory Eagar
Alan Dartnell

Patrick Houlihan presented the report. Mid-Set Cogeneration Company (MID-SET) is seeking a short variance for a cumulative 24 hour period from June 9, 2010, and September 6, 2010, to allow continued operation of the subject turbine unit with excess emissions while the NO_x water system automatic control valve is adjusted.

Petitioner, Cory Eagar, stated the facility is running well, but will require some resetting of the constants (parameters) due to the recent replacement of hardware parts.

Kimm Wolber asked if 24 hours would be enough time. Cory Eagar agreed that 40 hours might be better.

Patrick Houlihan agreed to change the Petitioner's request to a *cumulative* 24 hour period instead of a consecutive 24-hour period.

Public Comments:	None
Motion: Stovall	Second: Wolber
AYES:	Wolber, Dunn, Carlile, 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.

Nancy Dunn left the meeting at this time.

F.	S-10-28S	Short	Chevron USA, Inc. P O Box 1392 Bakersfield, CA 93302
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Petitioners:	Larry Landis Jesse Younger
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Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) is requesting a short variance for a consecutive 16-hour period between June 10, 2010, and July 17, 2010, to allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS while the mister probe is unclogged or replaced.

Petitioner, Larry Landis, stated he had very little to add, but stressed that this is maintenance they must do for part of their vapor recovery system.

Public Comments:	None
Motion: Wolber	Second: Stovall
AYES:	Wolber, Carlile, 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.

G. S-10-29S Short Chevron USA, Inc.
P O Box 1392
Bakersfield, CA 93302

Petitioners: Larry Landis
Jesse Younger

Patrick Houlihan presented the report. Chevron USA, Inc., (CUSA) is seeking a short variance for a consecutive eight hour period to occur sometime between June 10, 2010, and September 10, 2010, to allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS while the foam detection probe is replaced.

Petitioner, Larry Landis, wished to clarify that because the probe is defective; they are putting extra defoamer chemical into the system to make sure there is no foam in the compressor. Once the probe is replaced, repaired or cleaned, the readings will be back to being true, they will no longer have to do this.

Public Comments: None

Motion: Stovall Second: Wolber

AYES: Wolber, Carlile, 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-10-30S Short Plains Exploration Production Company
1200 Discovery Drive Suite 500
Bakersfield, CA 93309

Petitioners: Bruce Magley
Ivan Tether
Kenneth Bork

Patrick Houlihan presented the report. Plains Exploration and Production (PXP) requests a short variance for a consecutive eight (8) hour period to occur on June 10, 2010, to allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating vapor recovery system.

Petitioner, Ivan Tether, stated on page four (4), Recommendation 2-B, PTO S-1372-370-1 is now S-1372-370-6 and the conditions they believe require variance coverage

are conditions 1 and 5. He also noted an error on the same page, where they were referred to as "Chevron" but it should read Plains Exploration & Production.

Public Comments:	None
Motion: Bland	Second: Wolber
AYES:	Wolber, Carlile, 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-10-31S	Short	Sycamore Cogeneration Company P O Box 80598 Bakersfield, CA 93308
	Petitioners:		Cory Eagar Kyle Todt Rob Hiestand

Patrick Houlihan presented the report. Sycamore Cogeneration Company (Sycamore) is requesting a short variance for a cumulative 40-hour period to occur sometime between June 9, 2010, and September 6, 2010, to allow the operation of the subject turbine unit with excess NO_x and CO emissions while Sycamore resets and tunes the combustion constants.

Cory Eagar made a comment regarding the pilot valve plating. There are many constituents, not just sulfur. Also, the emissions discussed in the staff report are a worst case scenario. They don't expect to exceed the daily limit.

Petitioner, Robert Hiestand, stated the turbine manufacturer, G.E., requested an analysis to figure out what was plating out on the pilot fuel gas valve. With such a small sample, they had to analyze one constituent at a time, which included sulfur, but that's not the only thing found on the valve.

Public Comments:	None
Motion: Wolber	Second: Stovall
AYES:	Wolber, Carlile, 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.

At this time Patrick Houlihan asked the Board's permission to present the staff reports for Items S-10-32S and S-10-33S, both Kern River Cogeneration Company and similar in nature.

J. S-10-32S Short Kern River Sycamore Cogeneration Company
P O Box 80478
Bakersfield, CA 93380

K. S-10-33S Short Kern River Sycamore Cogeneration Company
P O Box 80478
Bakersfield, CA 93380

Petitioners: Cory Eagar
Kyle Todt
Robert Hiestand

Patrick Houlihan presented the report. Under S-10-32S and S-10-33S, Kern River Cogeneration Company (KRCC) has requested a short variance for a cumulative 40-hour period from June 9, 2010, and September 6, 2010, to allow the operation of the subject turbine unit with excess No_x and CO emissions while KRCC conducts the necessary performance tests.

Patrick Houlihan indicated a change on page 4, Recommendation 4 – change 1795 lbs/day to 1076.8 lbs/day; and Recommendation 5, - change 740 lbs/day to 444 lbs/day. As well as S-10-33S, page 4, Recommendation 4 – change 1795 lbs/day to 1076.8 lbs/day; and Recommendation 5, - change 740 lbs/day to 444 lbs/day.

Petitioner, Cory Eagar, stated Kern River, Unit 3 and Unit 4 are essentially the same and requested the CO daily limit mentioned in the staff report be changed to 444 lbs/day. Mr. Eagar pointed out they are requesting 40 hours in case something goes wrong and more time would be needed to prevent having to come before the Board again.

Petitioner, Robert Hiestand, asked about Recommendation number 7, page 4, where it says "when GE and KRCC are planning to show final and prolonged compliance when the ATCs will be converted to PTOs".

Patrick Houlihan stated per ARB guidelines, the District should not support the same type of variances over and over. The concern here is what is going on with the GE hardware; will it be a viable option or does it need to be scrapped? Also, Kern should work with the District's Permitting Department to get a condition put on the permits that will allow for testing whenever new combustion hardware is installed. The issue is showing forward-movement to the Air Resources Board.

Cory Eagar stated he would like to see Condition Seven (7) struck from both of the dockets because they will meet this condition by the end of June. Patrick Houlihan advised Mr. Eagar to change the date of his report and resubmit it.

For Item S-10-32S

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

For Item S-10-33S

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

Having decided the petitions met the required findings, the Hearing Board voted to pass the Motion to grant the variances subject to the conditions and changes in the Staff Report.

5. The Southern Region Hearing Board heard one emergency variance since the last Hearing.
6. PUBLIC COMMENTS: None
7. HEARING BOARD MEMBER COMMENTS: None
8. NEW BUSINESS: The new Clerk of the Boards was introduced at the start of the meeting. Mr. Houlihan announced the Hearing Board stipend increase.
9. NEXT SCHEDULED MEETING: Wednesday, July 14, 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 meeting was adjourned at 12:55 p.m.