



Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room

34946 Flyover Court, Bakersfield, CA 93308

Wednesday, November 10, 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

Staff present - Southern Region (Bakersfield): Ellyce Baldwin, Supervising Air Quality Inspector

Central Region (Fresno): Patrick Houlihan, Sr. Air Quality Specialist; Ryan Hayashi, Supervising Air Quality Specialist; Catherine Redmond, Legal Counsel; and Vicki Christie, acting as Deputy Clerk to the Board

3. APPROVE MINUTES OF OCTOBER 13, 2010

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of October 13, 2010. Hearing none, the Minutes were approved as submitted.

4. PUBLIC HEARING:

All those present to testify were sworn in by the Chair, and he requested they sign in.

A. S-10-56R Regular Chevron USA, Inc.
Sunset Midway Steam Plant
PO Box 1392
Bakersfield, CA 93302

Petitioners: Martin Lundy, David Moore

Patrick Houlihan presented the report. CUSA has requested a regular variance from District Rules 1081, 2070.7.0, 2201 and 2520 in addition to the applicable conditions on the subject Permits to Operate (PTOs). The requested regular variance would be for a period between November 16, 2010 and June 30, 2011. If granted, the regular variance would allow for the postponement of the annual PM₁₀ source test until CUSA can alleviate the problems with the scrubber and mist eliminator's ancillary equipment and waste gas stream.

There were two changes to conditions of the staff report. Conditions number seven and eight should read:

7. *CUSA shall monitor and record NOx and CO emissions from the subject steam generators once a month using a portable emissions analyzer in accordance with permit conditions.*
8. *CUSA shall notify the District at least 24 hours, but not more than 7 days before operating the scrubber and mist eliminator. This change will accommodate the upcoming holidays.*

Petitioner, Martin Lundy, thanked Patrick Houlihan and stated the District's staff report was accurate and the changes to the conditions were acceptable. David Moore stated that the equipment has been sitting without use since last October (2009) and the company decided not to use it until all the changes to bring it into compliance could be made. There was general discussion regarding equipment deterioration during periods of non-use.

Public Comments:	None
Motion:	Stovall
Second:	Dunn
AYES:	Wolber, Bland, Dunn, Carlile, 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 of the staff report.

B. S-10-62S Short Chevron USA Inc.
8Z NEMU
PO Box 1392
Bakersfield, CA 93302

Petitioners: John Gruber and Jake Stubblefield

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) has requested a short variance from the requirements of District Rules 2070.7.0, 2520, and 4623, in addition to the applicable conditions of the subject Permits to Operate (PTOs). The requested variance would be for 16 non-consecutive hours to occur sometime between November 11, 2010 and February 9, 2011. If granted, the variance would allow the continued storage of VOC containing liquids in storage tanks without a functional or operating VRS.

Petitioner, John Gruber, stated the District's staff report was accurate and captures the details of the petition. Mr. Carlile was concerned that the belts are wearing out too quickly. Is it the equipment or belt material causing the problem? Jake Stubblefield stated the belts have stretched. CUSA plans to replace the belts at this time.

Public Comments:	None
Motion:	Wolber
Second:	Dunn
AYES:	Wolber, Bland, Dunn, Carlile, 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 of the staff report.

C.	S-10-63S	Short	Chevron USA Inc. Cahn 3 Oil Cleaning Plant PO Box 1392 Bakersfield, CA 93302
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Petitioners: Larry Landis, Barry Silken, Joel Unruh

Patrick Houlihan presented the report. Chevron USA, Inc. (CUSA) has requested a short variance from District Rules 2010, 2070.7.0, 2201, 2520 and 4623, in addition to conditions of the applicable Permits to Operate (PTOs) and Authorities to Construct (ATC). The requested short variance would be a single consecutive 48-hour period to occur sometime between November 10, 2010 and February 8, 2011. If granted, it would allow the continued storage of VOC containing liquids in the other 26 subject tanks without a functional or operating VRS while CUSA replaces the valve and reconnects with VRS piping to the tank.

The petitioner, Larry Landis stated the District's staff report was accurate and thanked Patrick Houlihan for his assistance. CUSA offered a new piece of information. When the petition was submitted, the 26 tanks connected to the vapor control system would have to be shut down. There is an isolation valve that serves the tank in question as well as two other tanks, so the entire vapor control system will not need to be shut down for the majority of the tanks. At this time CUSA is not prepared to to revise the petition because Petitioner is unprepared to provide permit numbers for these tanks.

Public Comments:	None
Motion:	Dunn
Second:	Stovall
AYES:	Wolber, Bland, Dunn, Carlile, 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 of the staff report

D.	S-10-64S	Short	Kern River Cogen Co 1600 China Grade Loop PO Box 80478 Bakersfield, CA 93380
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Petitioners: Cory Eagar

Patrick Houlihan presented the report. KRCC has requested a short variance from District Rules 2070.7.0, 2201, 2520 and 4703, in addition to conditions of the applicable Permit to Operate (PTO) and Authority to Construct (ATC) . The requested short variance would be a cumulative 40-hour period to occur sometime between November 10, 2010 and February 8, 2011. If granted, the variance would allow the operation of the subject turbine unit with excess NOx and CO emissions while KRCC conducts the necessary performance tests.

There were two changes to condition number 2. It should read as follows:

Variance relief shall be granted from the applicable requirements of District Rules 2070.7.0, 2201, 2520 and 4703 in addition to the following:

- A. Condition 6 of PTO S-88-0-2; and*
- B. Conditions 38, 39 and 40 of PTO S-88-1-16.*

Petitioner, Cory Eager thanked Patrick Houlihan for his accurate report and agrees with the recommended changes to the conditions.

Public Comments:	None
Motion:	Bland
Second:	Wolber
AYES:	Wolber, Bland, Dunn, Carlile, 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 of the staff report.

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: None
9. NEXT SCHEDULED MEETING: Wednesday, December 8, 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 11:08 a.m.