

Action Summary Minutes SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room 34946 Flyover Court, Bakersfield, CA 93308

Wednesday, March 9, 2011, 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 10:02 a.m.

2. ROLL CALL:

Kimm Wolber – Medical Present
Nancy Dunn – Public Present
Hollis Carlile (Chair) – Engineer Present

Bill Bland – Public Arrived at 10:06 a.m.

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, Michael Carrera, Compliance Manager and Vicki Christie, acting as Deputy Clerk to the Board.

3. <u>APPROVE MINUTES OF FEBRUARY 9, 2011</u>

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of February 9, 2011. 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-10-13X Extension Kawneer Company Inc 7200 Doe Avenue

Visalia, CA 93278

Petitioners: Dan Carr, Kevin Madry, William Fleming, Eric King, Alex Golombek

KAWNEER is requesting an extension of the regular variance from District Rule 4603. The requested extension period would be from March 11, 2011, until October 31, 2011. If granted, the variance would allow for the continued operation of the metal parts

Southern Region Hearing Board ACTION SUMMARY MINUTES March 9, 2011 Page 2 of 5

coating operation controlled by a VOC control device that does not meet 90% control efficiency as required by Rule 4603.

Mr. Eric King thanked Mr. Houlihan for putting together this summary. Mr. Houlihan stated that the District is satisifed with the proposed timeline and requirements as written, with one change in condition number five on page five as follows. Remove the word "regular" so that the condition now states:

Excess VOC emissions shall not exceed 7,520 pounds over the duration of the variance period.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Wolber, seconded by Mr. Stovall, unanimously passed, the petitioner was granted an extension to their regular variance subject to the amended conditions.

B. S-10-68R Regular Aera Energy, LLC

Section 13 Cogeneration Facility

Lost Hills Oil Field

Petitioners: Brent Winn, Lowell Pollema

AERA has requested a regular variance from the requirements of District Rules 2010, 2070.7.0, 2201, 2520 and 4703, in addition to conditions of the subject ATC and PTOs. The requested variance would be for a period to occur between March 31, 2011 and June 30, 2011. If granted, the variance would allow the subject cogeneration unit to restart with NOx and ammonia emissions higher than the ATC and Rule 4703 limit allows. In addition, the variance would allow the postponing of compliance demonstration source testing beyond the rule compliance date of January 1, 2011.

Brent Winn thanked Patrick for the report. He did a good job of laying out the delays associated with this project and Mr. Winn feels that another 90 days of variance is what they need to come into compliance.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Wolber, seconded by Mr. Stovall, unanimously passed, the petitioner was granted a regular variance.

C. S-11-07S Short Alon Bakersfield property, Inc.

6451 Rosedale Hwy Bakersfield, CA 93308

Petitioners: Brian Pellens, June Christman

ALON has requested a short variance from District Rules 2070.7.0, 2201, 2520 and 4623, in addition to conditions of the applicable PTOs. The requested variance period would be from March 9, 2011 to June 6, 2011. If granted, the variance would allow ALON to continue to store VOC containing liquids in the storage tanks without a functional or operating VRS.

Southern Region Hearing Board ACTION SUMMARY MINUTES March 9, 2011 Page 3 of 5

Brian Pellens thanked Patrick for the report. Mr. Pellens explained that there are quite a few preventative and routine maintenance issues that need addressed, that can not be done while the plant is in operation.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Dunn, seconded by Mr. Stovall, unanimously passed, the petitioner was granted a short variance.

D. S-11-08S Short Chevron USA Inc.

2F & 31E OCP; 2F Seam Plant

Midway Sunset Oil Field

Petitioners: Martin Lundy, David Moore

CUSA has requested a short variance from District Rules 2010, 2070.7.0, 2201, 2520, 4401 and 4623, in addition to conditions of the applicable ATCs and PTOs. The requested short variance period would be effective for a consecutive 7-day period to occur between March 9, 2011 and June 6, 2011. If granted, the variance would allow CUSA to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS while CUSA conducts the proposed maintenance. In addition, it will allow wells with closed casing vents to produce into tanks that do not have a functional or operating VRS.

Martin Lundy thanked Patrick for the report. Mr. Lundy did ask that one change be made to condition number four on page five. 72 hours was replaced by 96, so that it reads:

CUSA shall notify the district at least 24 hours, but no more than 96 hours before the VRS is scheduled to be shut down.

The District approved the requested change.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Wolber, seconded by Ms. Dunn, unanimously passed, the petitioner was granted an extension to their short variance subject to the amended conditions.

E. S-11-09S Short Chevron USA Inc

SE Sec, 22, T31S, R22E

Midway Sunset Oil Field

Petitioners: Martin Lundy, David Moore

CUSA has requested a short variance from District Rules 2010, 2070.7.0, 2201, 2520 and 4623, in addition to conditions of the applicable ATCs and PTOs. The requested short variance period would be effective for a consecutive three-day period to occur between March 9, 2011 and June 6, 2011. If granted, the variance would allow for the continued storage of VOC containing liquids in the tanks and vessels without a functional or operating VRS while CUSA implements the electrical upgrades. It would also allow the operation of the flare during a non-emergency event.

Southern Region Hearing Board ACTION SUMMARY MINUTES March 9, 2011 Page 4 of 5

Mr. Lundy thanked Patrick for his accurate report. The petitioners did not have any further comments.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Stovall, seconded by Ms. Wolber, unanimously passed, the petitioner was granted a short variance.

F. S-11-10S Short Chevron USA Inc

Station 31

Midway Sunset Oil Field

Petitioners: Martin Lundy, David Moore

CUSA has requested a short variance from District Rules 2070.7.0, 2201, and 4623, in addition to the applicable conditions of the subject PTOs. The requested short variance period would be for a consecutive seven-day period to occur between March 9, 2011 and June 6, 2011. If granted, the variance would allow for the continued storage of VOC containing liquids in the tanks and vessels without a functional or operating VRS while CUSA conducts the preventative maintenance.

Mr. Lundy thanked Patrick for his report. Mr. Lundy requested that the variance period be changed to a non-consecutive period. The condition was changed to state the following:

The variance shall be effective for a non-consecutive seven-day period to occur sometime between March 9, 2011 and June 6, 2011, or until the maintenance is completed, whichever occurs first.

The District approved the requested change.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Bland, seconded by Ms. Dunn, unanimously passed, the petitioner was granted a short variance.

G. S-11-01S Short Chevron USA Inc

26C Cogeneration Plant Midway Sunset Oil Field

Petition is continued until April 13, 2011 Hearing Board Meeting

- 5. The Southern Region Hearing Board granted an emergency variance to Shell Pipeline Company, Inc. on February 19, 2011.
- 6. Public Comments: None
- 7. HEARING BOARD MEMBER COMMENTS: None
- 8. New Business: Mandatory Ethics Training will have to be completed by Ms. Dunn.

Southern Region Hearing Board ACTION SUMMARY MINUTES March 9, 2011 Page 5 of 5

- 9. Next Scheduled Meeting: Wednesday, April 13, 2011, 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 meeting was adjourned at 11:53 a.m.