



**Action Summary Minutes**

**SOUTHERN REGION HEARING BOARD MEETING**

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

**Wednesday, May 9, 2012, 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 10:00 a.m.

2. ROLL CALL:

Dr. Dean Haddock – Medical	Present
Hollis Carlile (Chair) – Engineer	Present
John Stovall – Attorney	Present
William Bland – Public	Absent
Donna Carpenter – Public	Present

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

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist, Ryan Hayashi, Supervising Air Quality Specialist, Annette Ballatore-Williamson, Assistant Legal Counsel, Michelle Banuelos, acting as Deputy Clerk to the Board.

3. APPROVE MINUTES OF APRIL 11, 2012

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of April 11, 2012. Hearing no comments, the Chair declared 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-11-53X Short Chevron USA Inc.  
P. O. Box 1392  
Bakersfield, CA 93302

Petitioner: Mike Norton, Dave Bone

CUSA has requested an extension of the previously granted regular variance from the requirements of District Rules 2010, 2070.7.0, 2201, 2520, and 4703 in addition to conditions of the subject PTO and ATCs. The requested variance period would be from June 1, 2012, until August 31, 2012. If granted, the variance would allow the two replacement turbines to enjoy a shakedown period, whereby emissions would be allowed to be higher than Rue 4703 limits. In addition, the variance would allow for the postponement of source testing beyond the rule compliance date of January 1, 2012.

Mr. Bone thanked Mr. Houlihan for his accurate presentation and pointed out that they expect the excess emissions to be lower than what is estimated in the staff report.

Mr. Norton added that their EPC general contractor, who was not familiar with CUSA standards and safety policies, made a number of errors in the beginning. They failed to operate proper quality control and underestimated the availability of qualified electricians, which caused most of the delays. Despite the delays in construction, they are hoping to be ready to conduct a source test by mid-July.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Stovall and seconded by Ms. Carpenter, unanimously passed, the petitioner was granted an extension.

B. S-12-18S Short Chevron USA Inc.  
P. O. Box 1392  
Bakersfield, CA 93302

Petitioner: Martin Lundy, Steve Enns, Kenny White

CUSA has requested a short variance from District rules 2070.7.0, 2201, 2520, and 4623 in addition to conditions of the applicable Permits to Operate (PTOs). The requested short variance would be from May 26, 2012, until August 23, 2012. If granted, it would allow the continued storage of VOC containing liquids in the subject tanks without a functional VRS.

Mr. Lundy stated they have had problems with pressures in the line and believe it is because Occidental has installed numerous new wells and are adding more gas of their own. The contract allows Occidental to put their gas in first, then CUSA's second, which causes pressure in the line. Although the VRS is operational, the tanks occasionally vent due to the extra pressure.

Mr. Carlile expressed concern regarding working with another company. Since there are contract requirements, CUSA may need to get modifications in order to be able to handle the high pressure gas.

Mr. Stovall expressed concern that Occidental has no contractual requirement to take CUSA's gas and hopes when CUSA comes back, that they have something more concrete than "I hope they take our gas."

Mr. Lundy stated there's no reason why they wouldn't take their gas.

Mr. White added that Occidental is delayed as well. Occidental has installed two large compressors and they hope that once those are operational, around July 1, CUSA should be back in compliance.

Public Comments: None

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

C. S-12-08R Regular G.E. Betz  
3050 Pegasus Drive  
Bakersfield, CA 93308

Petitioners: Anthony Rowe

GE has requested a regular variance from District Rule 4307 in addition to conditions of the applicable PEER. The requested variance would be from May 9, 2012, until September 28, 2012. If granted, it would allow the continued operation of the subject boiler with excess NO<sub>x</sub> emissions.

Mr. Rowe thanked the board for their time and thanked Mr. Houlihan for the report. He stated they purchased the boilers and plan to install in late July. They will be conducting a source test for their own record and hope to close the variance by September.

Public Comments: None

Having decided the petition has met the required findings, on motion of Dr. Haddock and seconded by Mr. Stovall, unanimously passed, the petitioner was granted a Regular variance.

D. S-12-09R Regular Vintage Production California, LLC  
Section 25, T30S, R21E  
Bakersfield, CA 93311

Petitioners: Joey Barulich

Vintage has requested a regular variance from District Rules 2010, 2201, and 2520 in addition to conditions of the applicable Authority to Construct (ATC). The requested variance would be from May 9, 2012, until August 31, 2012, or until the amended ATC is received, whichever occurs first. If granted, it would allow the subject flare to exceed its annual fuel flow rate.

Mr. Barulich thanked Mr. Houlihan for the accurate report and added that they are working closely with APCD Staff to amend their Authority to Construct.

Public Comments: None

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

E. S-12-16R Regular Alon Bakersfield Property, LLC  
6451 Rosedale Highway  
Bakersfield, CA 93308

Petitioner: Helen Ordway

ALON has requested a Regular variance from District Rules 2070.7.0, 2201, 2520, 4305, 4306, and 4351 in addition to conditions of the applicable (PTOs). The requested variance period would be from May 9, 2012, until July 11, 2012. If granted, the variance would allow ALON to operate the 21-H18 heater with NO<sub>x</sub> emissions greater than 30 ppm.

Mr. Houlihan noted a correction to the staff report, Item 3, Page four. It should read, The variance shall allow the heater (21H18) to operate with excess No<sub>x</sub> emissions.

Ms. Ordway thanked Mr. Houlihan and Mr. Hayashi for their time and their help and added Alon has made a number of checks and changes. They plan to do testing soon. If needed, will go to Plan B, which might be to purchase a new burner.

Public Comments: None

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

F. S-12-19i Interim Rio Bravo Poso  
19100 Von Karmen, Suite 570  
Irvine, CA 93308

Petitioners: Ted Guth

RBP has requested an interim, to be followed by a regular variance, from District Rules 2070.7.0, 2201, 2520, and 4352, in addition to conditions of the applicable Permits to

Operate (PTOs), The requested variance period would be from May 9, 2012, until July 11, 2012, or until the petition for the regular variance can be heard, whichever occurs first. If granted, the interim variance would allow RBP to operate with excess CO, VOC, NO<sub>x</sub>, and So<sub>x</sub> emissions while they ramp up and down and operate at reduced loads.

Mr. Guth thanked Mr. Houlihan for understanding their issues of natural gas prices rising and having to ramp down to idle mode each night.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Carpenter and seconded by Mr. Stovall, unanimously passed, the petitioner was granted an interim variance.

G. S-12-20S Short ExxonMobil Production Company  
P. O. Box 4358  
Houston, TX 77210

Petitioners: Jack Jones

ExxonMobil has requested a short variance from District Rules 2070.7.0, 2201, and 4623, in addition to the applicable conditions of the Permit to Operate (PTO). The requested variance period would be effective for a consecutive nine day period to occur sometime between May 9, 2012, and August 7, 2012, inclusive. If granted, the variance would allow the draining, degassing, and cleaning of the subject tank and its isolation from the VRS.

Mr. Jones stated theirs is a simple request. They want to take an old tank out of service and build a new tank.

Public Comments: None

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

H. S-12-21S Short Santa Fe Aggregates, Inc.  
P.O.Box 15002  
Sacramento, CA 95851

Petitioners: Doug Reynolds

Santa Fe has requested a short variance from District Rules 1081, 2010, 2201, and 4309, in addition to conditions of the applicable Permit to Operate (PTO). The requested variance period would be from May 29, 2012, until August 26, 2012. If granted, the variance would allow Santa Fe to postpone the compliance source test.

Mr. Reynolds stated the District's summary was very comprehensive and added that they are requesting a short variance to enable them to arrange sales that would match the volume of material they need in order to arrange and conduct a source test.

Public Comments: None

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

5. The Southern Region Hearing Board granted three emergency variances since the April 11, 2012, Hearing Board meeting.
6. PUBLIC COMMENTS: None.
7. HEARING BOARD MEMBER COMMENTS: Mr. Stovall stated the new counsel, Annette Ballatore-Williamson, did a good job.
8. NEW BUSINESS: None
9. NEXT SCHEDULED MEETING: Wednesday, June 13, 2012, 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 11:55 a.m.