

**San Joaquin Valley Air Pollution Control District**  
**SOUTHERN REGION HEARING BOARD MEETING**

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

**ACTION SUMMARY MINUTES**

**Wednesday, August 13, 2014**

*Meeting held via teleconferencing with the  
Central Region Office (Fresno) and the  
Southern Region Office (Bakersfield)*

1. Call Meeting to Order

The Chair, William Bland, called the meeting to order at 10:00 a.m.

2. Roll Call

Dr. Dean Haddock – Medical	Present
William Bland (Chair) – Public	Present
John Stovall – Attorney	Present
Daniel Padilla – Engineer	Present
Donna Carpenter – Public	Present

Staff Present:

Southern Region (Bakersfield): Amelia Yuan, Supervising Air Quality Inspector

Central Region (Fresno): Clay Bishop, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Shannon Moore, Air Quality Specialist; Chris Kalashian, Air Quality Specialist; Annette Williamson, Legal Counsel; Jessi Fierro, Assistant Legal Counsel; Carol Flores, Operations and Program Support Supervisor

3. Approve Minutes of July 9, 2014

The Chair asked if there were any comments regarding the Minutes for July 9, 2014. Having decided the Minutes were accurate, on motion of Dr. Haddock and seconded by Mr. Stovall, unanimously passed, the Minutes were approved with no changes.

Mr. Bland welcomed Ms. Carpenter, Public Alternate Member.

Ms. Williamson introduced Ms. Fierro, Assistance District Counsel.

4. Public Hearing

The Chair swore in all those present to testify for all matters.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
A. S-14-42S	Short	Aera Energy LLC Dehydration Facility #2 Belridge Oil Field

Petitioners: John Ludwick and Rachel Wiechman  
Mr. Moore presented the Staff Report.

Aera has requested a short variance from District Rules 2070, 2201, 2520, and 4623, in addition to conditions of the applicable permits. The requested short variance would be for seven consecutive days to occur sometime between August 13, 2014, through November 10, 2014, inclusive. If granted, the variance would allow the continued storage of VOC containing liquids in the subject and pressure vessels without a functional or operating VRS while Aera replaces, repairs, and/or bypasses the first scrubber.

Mr. Moore noted the following modification to the Recommendation:

4. Excess VOC emissions shall not exceed 210 lbs. over the entire variance period.

The petitioners had no further comments.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. S-14-44S	Short	Chevron USA Inc. 2F, 31E, & 29D Oil Cleaning Plant Midway Sunset Oil Field

Petitioners: Ashley Dahlstrom, Richard Uriarte, Steve Enns and Kevin Wagner

Mr. Houlihan presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2201, 2070, 2520, 4401, and 4623, in addition to applicable conditions of the subject permits. The requested variance would be for a non-consecutive 21-day period to occur sometime between August 13, 2014, and November 10, 2014, inclusive. If granted, the variance would allow CUSA to continue to store VOC containing liquids in tanks without a functional or operating VRS. In addition, it will allow wells with closed casing vents to produce into tanks that do not have a functional or operating VRS.

Ms. Carpenter asked for clarification regarding the maximum exceedance. Mr. Houlihan explained the staff report will explain a worst case scenario maximum exceedance for the facility. He added if the facility does exceed that amount then the facility will receive a Notice of Violation (NOV). Mr. Houlihan explained a facility that exceeds 2000 lbs. of excess emissions does have to mitigate the excess emissions and the funds will be used for incentive grant programs.

Mr. Stovall commented the cost to Chevron if the variance is not granted would be \$600,000 per day. Mr. Houlihan noted the facility could keep the facility in operation

and they would receive an NOV and based on the days and amount of the emissions the facility would be fined. He added the facility could stop production and service the equipment but would incur costs associated with lost production.

Ms. Dahlstrom commented the previous variance was postponed so that all work could be done at once and minimizes the time the system is down.

Mr. Padilla asked if there was a mobile tank to limit emissions. Ms. Dahlstrom stated an application was submitted for a limited use of a portable flare. She explained part of the time the OCPs will be able to be hooked up to the portable flare and reduce the variance down time.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. S-14-45S	Short	Chevron USA Inc. Station 2-22 Midway Sunset Oil Field

Petitioners: Ashley Dahlstrom, Richard Uriarte, Steve Enns and Kevin Wagner

Mr. Kalashian presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, 4401, and 4623, in addition to applicable conditions on the subject permits. The requested short variance period would be for a non-consecutive 10 day period to occur sometime between August 13, 2014, and October 10, 2014, inclusive. If granted, the variance would allow the shutdown of the VRS while the work described above is performed. In addition, it will allow wells with closed casing vents to produce into tanks that do not have a functional or operating VRS.

Ms. Dahlstrom asked if the Hearing Board has copies of the most updated staff report with revised conditions. Mr. Houlihan responded affirmatively.

Mr. Bland asked for clarification on the revised conditions. Mr. Houlihan explained the previous report had an erroneous permit number.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
D. S-14-46S	Short	Midway Sunset Cogeneration Company Aera Energy LLC 3466 West Crocker Springs Road Fellows, CA 93224

Petitioners: Ray Smith and Doug McCormick

Mr. Houlihan presented the Staff Report.

Midway Sunset Cogeneration has requested short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4703, in addition to the applicable conditions of the subject permits. The requested variance period would be for a consecutive 96-hour period to occur sometime between October 1, 2014 and December 1, 2014, inclusive. If granted, the variance would allow Midway Sunset Cogeneration to emit excess NO<sub>x</sub> emissions while they replace the concrete steam line covers.

Mr. Houlihan noted the modification to the following Recommendation:

4. Excess NO<sub>x</sub> emissions shall not exceed 3609 pounds over the variance period. Excess emissions shall be calculated as total NO<sub>x</sub> subtracted by the uncontrolled emissions of 10%. This is based on the SCR control efficiency of 90%.

Mr. Bland asked the quantity of concrete covers that need replacing. Mr. Smith responded the longest covers are 17 feet long and there are approximately 30 covers that need replacing.

Public Comments: None

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

5. Emergency Variance

The Southern Region Hearing Board heard and granted two emergency variances since the July 9, 2014, Hearing Board meeting.

6. Public Comments

No public comment.

7. Hearing Board Member Comments

None.

8. New Business

None.

9. Next Scheduled Meeting

The next scheduled meeting is September 10, 2014. The meeting will be held via video teleconferencing in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via video teleconferencing.

10. Adjourn

The Chair adjourned the meeting at 10:50 a.m.