

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, September 10, 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 10:01 a.m.

2. Roll Call

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

Staff Present:

Southern Region (Bakersfield): Ellyce Baldwin, 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; Jessi Fierro, Assistant Legal Counsel; Carol Flores, Operations and Program Support Supervisor

3. Approve Minutes of August 13, 2014

The Chair asked if there were any comments regarding the Minutes for August 13, 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.

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-12-39X2	Extension	Covanta Delano 31500 Pond Road Delano, CA 93216

Petitioners: Kelly Champion, Jeff Hahn and Tim Myers

Mr. Houlihan presented the Staff Report.

Covanta has requested an extension of a previously granted regular variance from applicable requirements of District Rules 2070, 2520, and 4352, in addition to applicable conditions of the subject permits. The requested variance period would be from September 11, 2014, until September 9, 2015. If granted, the extension variance would allow Covanta to exceed the PSD NO_x and CO emission limits until the current permits can be modified to allow for higher PSD limits.

Mr. Padilla requested clarification on the time frame for modifying the PSDs. Mr. Houlihan explained the modification will be several months. Mr. Padilla asked if the final PSDs will be reviewed by the Governing Board. Mr. Houlihan explained the final PSDs will be submitted to EPA for a 45 day comment period. Mr. Padilla asked the difference between the limits of the current PSDs and the proposed limits. Mr. Houlihan explained the information is included in the permit included in the agenda packet. Mr. Hahn explained unit one has a District limit for NO_x of 40 lbs. /hour and the EPA limit for NO_x 32 lbs. /hour. He noted the emission limits are not changing for SO₂ and CO, only the methodology. Mr. Hahn added unit one will be cleaned to reduce PM10 to ensure emissions are less than 70 tons/year. Mr. Padilla asked if the equipment runs continuously. Mr. Hahn responded affirmatively.

Mr. Hahn reviewed items accomplished including working closely with District Permitting staff and determining the PSD would require a minor modification. He also reviewed a timeline of anticipated final modification to be completed by March 2015.

Ms. Champion commented much time has been allocated to reviewing all information to ensure its accuracy.

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.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. S-14-50S	Short	Chevron USA Inc. 8Z NEMU Oil Cleaning Plant McKittrick Oil Field

Petitioners: Lance Struckhoff and Dave Bone

Mr. Kalashian presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4623, in addition to the applicable conditions of the subject permits. The requested variance would be for a non-consecutive 48-hour period to occur sometime between September 11, 2014, and December 9, 2014, inclusive. If granted, the variance would allow the continued storage of VOC containing liquids in tanks without a functional or operating VRS.

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 Mr. Stovall, unanimously passed, the petitioner was granted a short variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. S-14-51S	Short	Freeport McMoRan Oil & Gas McKittrick Front Lease Cymric Oil Field

Petitioners: Charlotte Campbell

Mr. Moore presented the Staff Report.

Freeport has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, 4305, 4306 and 4320, in addition to conditions of the applicable permits. The requested variance period would occur between September 10, 2014, through November 10, 2014, inclusive. If granted, the variance will allow FMOG to continue to operate the steam generators while they prepare for a compliance source test scheduled for October 17, 2014.

Ms. Campbell commented the maintenance on the equipment will be more frequent.

Mr. Bland asked if there is another contractor available to perform the test. Ms. Campbell explained the process for a contractor to be approved by the Accounting Department is lengthy.

Mr. Padilla asked if the same contractor that performed the initial test will perform the upcoming test. Ms. Campbell responded affirmatively. Mr. Padilla asked if the District performs source testing. Mr. Houlihan stated the District does not do source testing. Mr. Padilla asked if the District has contractors to perform source testing. Mr. Houlihan explained facilities that are required to have source testing completed are responsible for obtaining their own contractor. He added the District does provide a list of possible ARB approved contractors on the District website.

Public Comments: None

Having decided the petition had met the required findings, on motion of Ms. Dunn 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>
D. S-14-52S	Short	Aera Energy LLC Metson Lease Midway Sunset Oil Field

Petitioners: Robert Beebout

Mr. Kalashian presented the Staff Report.

Aera has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4623, in addition to applicable conditions of the subject permits. The requested short variance would be for a consecutive 144-hour period to occur sometime between September 15, 2014, and December 13, 2014, inclusive. If granted, the variance would allow the continued storage of VOC containing liquids in the subject tanks without a functional and operating VRS while AERA performs the projects/maintenance outlined above.

Mr. Beebout commented the facility will have the VRS system upgrading which requires shut down of some systems.

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>
E. S-14-54S	Short	Chevron USA Inc. Station 31 Midway Sunset Oil Field

Petitioners: Ashley Dahlstrom

Mr. Houlihan presented the Staff Report.

Chevron has requested a short variance from applicable requirements of District Rules 2070, 2201, and 4623 in addition to the applicable conditions on the subject permits. The requested short variance period would be for a non-consecutive 120-hour period to occur sometime between September 10, 2014, and December 8, 2014, inclusive. If granted, the short variance would allow for the continued storage of VOC containing liquids in the tanks without a functional or operating VRS while CUSA installs the gas meters.

Ms. Dahlstrom clarified the 17S Steam Plant is an incineration device for two facilities including Station 31 and there is a flare and disposable well at the 109 station which can be used if necessary, Station 31 does not have those options. She also noted there are more than four tanks are at Station 31 but only four tanks are under vapor recovery.

Public Comments: None

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

5. Emergency Variance

The Southern Region Hearing Board heard and granted four emergency variances since the August 13, 2014, Hearing Board meeting.

6. Public Comments

No public comment.

7. Hearing Board Member Comments

Mr. Padilla asked if there will be more variances regarding PSD modifications due to the limits differing between the District and EPA. Mr. Houlihan explained that there may not be more variances due to the District obtaining oversight authority from EPA in December 2012. He added most cases have the District limits as more stringent than the PSDs. Mr. Houlihan directed Mr. Padilla to Homero Ramirez, District Air Quality Engineer who would be more knowledgeable of PSDs. Mr. Padilla asked if the District was going to inform stakeholders regarding the modified PSD information. Mr. Houlihan explained the modification would be on a case by case basis if the PSD had higher limits than the District.

8. New Business

None.

9. Next Scheduled Meeting

The next scheduled meeting is October 8, 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 10:55 a.m.