



San Joaquin Valley Air Pollution Control District

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Action Summary Minutes for the Southern Region Hearing Board Meeting San Joaquin Valley Unified Air Pollution Control District 2700 M Street, Suite 275 Video Teleconferencing (VTC) Room Bakersfield, CA.

Wednesday, February 12, 2003
10:00 a.m.

Meeting held via video teleconferencing (VTC) with the Central Region Office (Fresno) participating via VTC.

1. **Call Meeting to Order** – The Chair, Hollis B. Carlile, called the meeting to order at 10:47 a.m.

2. **Roll Call was taken and a quorum was present.**

Kimm Wolber	Medical
Andrew C. Thomson (absent)	Attorney
Marvin Dean	Public
William L. Bland, Jr., Vice Chair	Public
Hollis B. Carlile, Chair	Engineer

Also present in the Southern Region Office (Bakersfield)

Creighton Smith, Supervising Air Quality Inspector, Patrick Houlihan, Air Quality Inspector, Glenn Slitor and Michael Oldershaw, Senior Air Quality Inspectors and Leonard Scandura, Supervising Air Quality Engineer.

Also present in the Central Region Office (Fresno)

Philip M. Jay, District Counsel, Meggin Boranian, Assistant Counsel, Michael Carrera, Senior Air Quality Inspector and Sissy Smith, Clerk to the Board.

Philip M. Jay, District Counsel, introduced Meggin Boranian, Assistant Counsel, to the Board and noted that Ms. Boranian would be working with the District's Hearing Boards.

3. **Approve Minutes of December 11, 2002** – The Chair ask if there were any corrections, comments or additions to the Minutes. Hearing no comments the Chair declared that the Minutes of December 11, 2002 were approved as submitted.

The Chair requested the Petitioners to sign the Sign In Sheet.

All persons testifying were sworn in by the Chair

The Chair asked if the Petitions had been properly noticed and on file with the Clerk to the Board. Ms. Smith responded affirmative.

The Chair requested the Hearing Board Packet and any addenda brought forth in today's hearings be entered into the Official Record.

4. **Public Hearings:**

Michael Carrera presented the Staff Reports.

A.) *Withdrawn*

Docket S-02-56S, Short Variance, Berry Petroleum Company, 5201 Truxtun Avenue, Suite 300, Bakersfield, CA. 93309-0604. Type of Business: Steam Enhanced Crude Oil Production Facility

B.) *Withdrawn*

Docket S-03-02S, Short Variance, Occidental of Elk Hills, Inc., P O Box 1001, Tupman, CA. 93276-1001. Type of Business: Crude Oil Production Facility

The Chair, asked if the Petitioners or the District had any objections with items C.) and D.) being heard at the same time. No objections were forthcoming.

The Chair, Hollis B. Carlile, indicated a conflict of interest in respect to:
C.) Docket S-03-03S, Short Variance, Chevron USA, Inc., P O Box 1392, Bakersfield, CA. 93302. Type of Business: Oil and Gas Production Facility.
and

D.) Docket S-03-04S, Short Variance, McFarland Energy, Inc., P O Box 1392, Bakersfield, CA. 93302. Type of Business: Oil and Gas Production Facility.

Therefore, Mr. Carlile left the dais for this portion of the hearings.

Vice Chair, William L. Bland, Jr., chaired this portion of the hearings.

Petitioners – Frank Maccioli, J. J. Wilson and Jim Bloomquist.

Public Comments – Bob Langner, consultant for Chevron/Texaco, noted that in the Staff Report for D.) Docket S-03-04S, under Recommendations it indicates that the company name is McFarland Energy, **LLC**. Mr. Langner noted that the correct name of D.) Docket S-03-04S, is McFarland Energy **Inc.**

Decision – Board Member Dean made the motion to grant the variance. Mr. Dean stated that based on the testimony received during the hearing the six findings set forth on pages 2 and 3 can be made. Mr. Dean noted that the following recommendations were amended during the hearing 1, 3, 4, 5, and 6. The motion was seconded by Board Member Wolber and carried unanimously with the following **Roll Call Vote:**

Ayes: **Wolber, Dean and Bland.**

Absent: **Thomson.**

Excused: **Carlile.**

Therefore, the Board granted a Short Variance to Docket S-03-03S, Chevron USA, Inc., effective for a single 72-hour period to occur sometime between March 3, 2003 and May 31, 2003. The variance is subject to nine conditions set forth on page 3 of the Staff Report with amendments to 1, 3, 4, 5, and 6 with #1, effective date changed from March 15, 2003 and April 14, 2003 to March 3, 2003 and May 31, 2003.

#3, added language at end of sentence: and systems returned to a normal state of operation.

#4, added language at end of sentence: and systems returned to a normal state of operation.

#5, added language at end of sentence: all or any excess emissions shall be 100% offset through the involuntary curtailment of the crude oil production equipment.

#6, added language at end of sentence: and systems returned to a normal state of operation.

D.) Docket S-03-04S, Short Variance, McFarland Energy, Inc., P O Box 1392, Bakersfield, CA. 93302. Type of Business: Oil and Gas Production Facility.

Petitioners - Frank Maccioli, J. J. Wilson and Jim Bloomquist.

Decision: Board Member Dean made the motion to grant the variance. Mr. Dean stated that based on the testimony received during the hearing the six findings set forth on pages 2 and 3 can be made. Mr. Dean noted that the following recommendations were amended during the hearing 1, 3, 4, 5, and 6, the motion also included the typo correction for page 3 of the Staff Report under

RECOMMENDATION: corrected McFarland Energy, LLC to McFarland Energy, Inc. The motion was seconded by Board Member Wolber and carried unanimously with the following **Roll Call Vote:**

Ayes: **Wolber, Dean and Bland.**

Absent: **Thomson.**

Excused: **Carlile.**

Therefore, the Board granted a Short Variance to Docket S-03-04S, McFarland Energy, Inc., effective for a single 72-hour period to occur sometime between March 3, 2003 and May 31, 2003. The variance is subject to nine conditions set forth on page 3 of the Staff Report with amendments to 1, 3, 4, 5, and 6 with #1, effective date changed from March 15, 2003 and April 14, 2003 to March 3, 2003 and May 31, 2003.

#3, added language at end of sentence: and systems returned to a normal state of operation.

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#5, added language at end of sentence: all or any excess emissions shall be 100% offset through the involuntary curtailment of the crude oil production equipment.

#6, added language at end of sentence: and systems returned to a normal state of operation.

The Vice Chair relinquished the chairmanship back to the Chair, Hollis B. Carlile.

5. **Administrative Agenda – Receive and File** – The Southern Region Hearing Board has not heard or approved an emergency variance order since January 8, 2003.
6. **Public Comments** – No Public Comments.
7. **Hearing Board Member Comments** – Board Member Dean noted that in the January 8, 2003 Minutes it states that staff will be in attendance during today's meeting to provide the Hearing Board with a presentation regarding ERC offset issues.

Board Member Dean stated that it has been noted that, that presentation may not take place today. Board Member Dean noted that he is still very interested in receiving that presentation from staff. Board Member Dean stated that he would like to mention a few things he would appreciate receiving in that presentation:

- (1.) How are air district's such as Ventura and Los Angeles County handling the ERC credits when petitions are in excess of excess emissions.
- (2) When does the district's recommend more than 20% ERC credits retired when the petition is in excess of excess omissions on their permit. (Board Member Dean cited the following example: we had two petitions that we were going to be heard today that were withdrawn. In petition number S-02-33S and the District was in support of granting the variance and the excess emissions were in excess of 200% of excess emissions had to be mitigated. Board Member Dean stated that what he was asking is when we do the presentation that we would have the District state when it would make a difference between 20% or when we go higher and this is the highest he has ever seen incorporated in the Staff Report.

Board Member Dean stated that also he does not know if the other Hearing Board Members noticed but there was a story in the Californian which he thought was really good in the Sunday February paper. Board Member Dean stated that it talked about ERC credits and he thought it shared a real good light for those who may not be that familiar with ERC credits and how it works. Board Member Dean stated that it was a real good story and he thought it was some good information and he just wanted to make that comment on the record.

Board Member Dean noted that he received a CARB notice for an Advanced Hearing Board Workshop March 12, and 13, 2003, Fish Camp, CA. Board Member Dean expressed interest in attending and queried staff about the possibilities of attending.

The Chair asked staff for their interpretation of EPA's release of information regarding ERC credits.

Creighton Smith responded that the issue is credits that were accrued prior to 1990 and we are not really certain at this point where we're going to draw the line or what to do in this case. Mr. Smith stated that he did not know if Mr. Jay had any other insight on this issue.

Mr. Jay responded that it is in discussion on what to do with the pre 1990 credits. Mr. Jay stated that it has only come up so far on a permit by permit bases. Mr. Jay explained that he knows one particular project that's being discussed and that's really about all he can say.

The Chair also asked staff about the possibility of members of the Board attending the ARB Advanced Hearing Board Workshop scheduled for March.

Staff responded that funds are available for that workshop. Staff requested that if any members of the Board are interested in attending to contact staff and arrangements will be made.

Staff noted that the Southern Region Hearing Board has a meeting scheduled for Wednesday, March 12, 2003 and that date will be rescheduled. **(This meeting date was subsequently changed to Tuesday, March 11, 2003)**

8. **New Business** – No New Business.
9. **Next Scheduled Meeting** – Wednesday, February 12, 2003 at 10:00 a.m. The meeting will be held via video conferencing (VTC) in the Southern Region Office, 2700 M Street, Suite 275, VTC Room, Bakersfield with the Central Region Office (Fresno) participating via VTC. **(This meeting was subsequently rescheduled to Tuesday, March 11, 2003)**
10. **Adjournment** – The Chair adjourned the meeting at 11:27 a.m.

Sissy Smith, Clerk to the Board
Southern Region Hearing Board
San Joaquin Valley Unified APCD