

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.

Tuesday, March 11, 2003 10:00 a.m.

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

- <u>Call Meeting to Order</u> The Chair, Hollis B. Carlile, called the meeting to order at 10:07 a.m.
- 2. Roll Call was taken and a quorum was present.

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

Medical
Attorney
Public
Public
Engineer

(*) Participated from Long Beach, Ca. via cell phone.

Also present in the Southern Region Office (Bakersfield)
Creighton Smith, Supervising Air Quality Inspector and Allan

Phillips, Supervising Air Quality Inspector

Also present in the Central Region Office (Fresno) – Meggin Boranian, Assistant Counsel, Robert J. Kard, Director of Compliance, Michael Carrera, Senior Air Quality Inspector and Sissy Smith, Clerk to the Board.

 Approve Minutes of: February 12, 2003 – The Chair asked if there were any corrections to the Minutes. Hearing no comments the Chair declared that the Minutes of February 12, 2003 were approved as submitted.

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

All persons testifying were sworn in by the Chair.

Action Summary Minutes Southern Region Hearing Board March 11, 2003

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.)

Docket S-03-05S, Short Variance, Aera Energy LLC, 59231 Main Camp Road, McKittrick, CA. 93251. Type of Business: Crude Oil and Gas Production Facility.

Creighton Smith provided additional testimony for the District.

Petitioners – John Haley and Charlie Tufts.

Public Comments – No Public Comments.

<u>Decision</u> – Board Member Dean made the motion to grant the variance. Board Member Dean stated that based on the testimony received during the hearing the six findings set forth on pages 2 and 3 of the Staff Report could be made. Board Member Dean noted that the variance is subject to fifteen conditions set forth on pages 4 and 5 of the Staff Report. Board Member Dean noted the following modification to Condition # 9:

20% of 2.) Tank, T-201A and

20% of 3.) Tank, T-201B offsets similar to Docket S-03-06S, Chevron USA, Inc. Mr. Dean stated that this will not affect 1.) Tank T – F3005. Mr. Dean stated that the Petitioner stated that 1.) Tank T – F3005 was already in the process of being modified.

The motion was not seconded. The Chair asked the Board if they would like to make another motion.

<u>Decision</u> – Board Member Bland made the motion to grant the variance. Board Member Bland stated that the six findings set forth on pages 2 and 3 of the Staff Report could be made. Board Member Bland stated that the variance is subject to fifteen conditions as set forth on pages 4 and 5 of the Staff Report. Seconded by Board Member Wolber and carried with the following *Roll Call Vote:*

Before the Roll Call Vote Board Member Dean stated that he was going to vote no on the motion. Board Member Dean stated that it was not in reference that he did not support the Petitioners request but he would not support the variance. Board Member Dean stated that he thinks that it is very irresponsible for the Board to not try and do what we can to take seriously the fact that we have a serious attainment problem in this District. And that we do not try putting burdens on the District. Board Member Dean stated that the Petitioner has stated clearly that they would be willing to do so if that was required and that it wouldn't put a burden on them. Board Member Dean stated that we ought to be serious about trying to get a handle on the excess emissions in this District. Instead of just blanketly releasing these things because we feel like if the District staff doesn't recommend it then we shouldn't try to do anything. Board Member Dean stated that he thinks that it is irresponsible and he would like his comments to be in the record.

The Chair stated that he would like to comment as the chair. The Chair stated that he does not think that we are blanketly passing variance requests. The Chair stated that he did not believe that Board Member Dean intended to make that statement. The Chair stated that the Board reviews each of the variances that appear before them. The Chair stated that there is going to be considerations and thoughts that will vary among the Board Members. The Chair stated that he respects each idea and thought that comes from each Board Member. The Chair stated that he wanted to go on record that we do not blanketly approve variance requests because they come from the Air Pollution Control District.

The motion carried with the following: Roll Call Vote:

Ayes: Wolber, Bland and Carlile.

Noes: Dean. Absent: Thomson.

Therefore, the Board granted a Short Variance to Docket S-03-05S, Aera Energy LLC. The variance shall only be effective from March 12, 2003 to June 9, 2003, or until the subject tanks are reconnected to the VRS and compliance achieved, whichever occurs first. The variance is subject to fifteen conditions set forth on pages 4 and 5 of the Staff Report. The fifteen conditions shall be set forth in the Order.

The Chair, Hollis B. Carlile, indicated a conflict of interest in respect to: B.) Docket S-03-06S, Chevron USA, Inc.

Therefore, Mr. Carlile left the room for this portion of the hearings. Vice Chair, William L. Bland, Jr., chaired this portion of the hearings.

B.)

Docket S-03-06S, Short Variance, Chevron USA, Inc., P O Box 1392, Bakersfield, CA. 93302. Type of Business: Heavy Crude Oil Production Facility.

Petitioners – Larry Landis and John Yeomans represented the Petitioners.

The Petitioners provided the Board with the following handouts:

Exhibit # 1, Surge tank operating normally

Surge tank with reduced oil pad

Surge tank draining

Surge tank drained and ready for cleaning

Public Comments – No Public Comments.

Board Member Dean thanked the Petitioners for taking the initiative of surrender of emission reduction credits (ERC) equal to 20% of the excess VOC emissions or 35 lbs. Board Member Dean stated that he would like his comments to be included for the record. Board Member Dean noted that the Petitioner has gone beyond what most corporate people would do when they come in here. Because they were not forced to do it and they've taken it upon themselves and he really appreciated that. Board Member Dean stated that he would be very happy to make this motion.

<u>Decision</u> – Board Member Dean made the motion to grant the variance. Board Member Dean stated that based on the testimony received during the hearing the six findings set forth on pages 2 and 3 of the Staff Report can be made. Board Member Dean stated that he would like to incorporate the recommendations set forth on pages 3, 4 and 5 of the Staff Report. Seconded by Board Member Wolber and carried unanimously with the following <u>Roll Call Vote</u>:

Ayes: Wolber, Dean and Bland.

Excused: Carlile.

Absent: Thomson.

Therefore, the Board granted a Short Variance to Docket S-03-06S, Chevron USA, Inc. The variance shall only be in effect for a consecutive 45-day period to occur sometime between March 13, 2003 and June 10, 2003, or until Surge Tank #7 is reconnected to the VRS and compliance achieved, whichever occurs first. The variance is subject to fourteen conditions set forth on pages 3, 4, and 5 of the Staff Report. The fourteen conditions shall be set forth in the Order.

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

5. <u>Administrative Agenda – Receive and File</u> – The Southern Region Hearing Board approved the following Emergency Variance order:

A.) Docket S-03-07E Aera Energy LLC P O Box 11164

Bakersfield, CA. 93389

6. Public Comments – Larry Landis, stated that he would like to repeat his suggestion once again that the Emission Reduction Credits (ERCs) offset issue be addressed by the Board and staff. Mr. Landis stated that the Board should get input from the public and the District on just where all these different break points are going to be. Mr. Landis stated that it is very difficult from the standpoint of a petitioner to prepare a petition and know in advance depending on the makeup of the Board whether it is going to be adopted. Mr. Landis stated that this is just a suggestion that there are other ways to handle this besides on a case by case basis.

The Chair noted that the Board appreciates Mr. Landis's comments. However, he knows that Board Member Dean has asked several times for clarification from the District to provide the Board guidance.

7. Hearing Board Member Comments - Board Member Dean noted that District staff has indicated that they are going to provide the Board with a workshop on the ERC offset issue. Board Member Dean stated that perhaps when the Board returns from the CARB Advanced Hearing Board Workshop District staff will provide a ERC offset workshop for the Board. Board Member Dean requested that he is also interested in hearing how other air districts handle the offset issue as well.

The Chair asked staff to comment in respect to a District workshop pertaining to the ERC issue. The Chair stated that he hopes it will not be the next Board Meeting (April 9, 2003) because he will not be available.

Michael Carrera stated that the District is currently putting together the information that Board Member Dean and the Board have requested. Mr. Carrera stated that it will also be with respect to how other districts handle their emissions and whether or not there are fees associated with their ERCs or how they handle that. Mr. Carrera noted that the District will attempt to hold a separate meeting other than a Board Meeting and invite all of the hearing board members so that we don't have problems with Board Members not being in attendance. Mr. Carrera stated that we want to plan it far enough out that everybody has an opportunity to schedule. Mr. Carrera stated that during the hearing board meetings we will notify the Board Members that are in attendance

Action Summary Minutes Southern Region Hearing Board March 11, 2003

verbally and then we will also send out a flyer identifying the date and time and locations.

The Chair stated that he would prefer that the Board receive the information before the meeting so the Board has an opportunity to review and comment more directly at the workshop.

- 8. **New Business** No New Business.
- 9. Next Scheduled Meeting Wednesday, April 9, 2003 at 10:00 a.m. the meeting will be held via video teleconferencing (VTC) in the Southern Region Office, 2700 M Street, Suite 275, VTC Room, Bakersfield with the Central Region Office, Fresno participating via VTC.
- 10. **Adjournment** The Chair adjourned the meeting at 11:02 a.m.

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