



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

MARK DeSAULNIER –CHAIRPERSON
ROBERTA COOPER
SCOTT HAGGERTY
JOHN SILVA
SHELIA YOUNG

JERRY HILL - VICE CHAIRPERSON
ERIN GARNER
MICHAEL SHIMANSKY
GAYLE B. UILKEMA

MONDAY
SEPTEMBER 26, 2005
9:30 A.M.

7th FLOOR BOARD ROOM

AGENDA

1. **CALL TO ORDER - ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*)
Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF MINUTES OF MAY 23, 2005**
4. **STATUS REPORT ON REGULATION 12, RULE 12: FLARES AT PETROLEUM REFINERIES**
H. Hilken/4642
hhilken@baaqmd.gov
Staff will report on two specific elements of the rule, as directed by the Board of Directors at the July 20, 2005 Board meeting.
5. **STATUS REPORT ON REFINERY RULE DEVELOPMENT EFFORTS**
H. Hilken/4642
hhilken@baaqmd.gov
Staff will report on progress of rule development efforts with regard to refinery operations.
6. **STATUS REPORT ON OZONE AND PARTICULATE MATTER PLANNING EFFORTS**
H. Hilken/4642
hhilken@baaqmd.gov
Staff will update the Committee on the status of the 2005 Ozone Strategy and the PM control measure implementation schedule.
7. **COMPLIANCE PROGRAM FY 04-05 YEAR IN REVIEW**
K. Wee/4760
kwee@baaqmd.gov
Staff will provide an overview of one of the District's core programs, the Compliance Program.
8. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**
Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

9. TIME AND PLACE OF NEXT MEETING – 9:30 a.m., NOVEMBER 28, 2005, 939 ELLIS STREET, SAN FRANCISCO, CA.

10. ADJOURNMENT

CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109

(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting, so that arrangements can be made accordingly.

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000**

DRAFT MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
9:30 a.m., Monday, May 23, 2005

1. **Call to Order – Roll Call:** Chairperson Mark DeSaulnier called the meeting to order at 9:32 a.m.

Present: Mark DeSaulnier, Chairperson; Roberta Cooper, Erin Garner, Scott Haggerty, John Silva, Gayle B. Uilkema, Shelia Young.

Absent: Jerry Hill, Julia Miller.

Also Present: Pamela Torliatt (9:47 a.m.), Marland Townsend.
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of March 28, 2005:** Director Cooper moved approval of the minutes; seconded by Director Silva; carried unanimously without objection.
4. **Status Report on Particulate Matter Control Measures:** *Staff gave the Committee an overview on the status of particulate matter control measures.*

Henry Hilken, Director of Planning and Research, presented the report and provided information on the following:

- An overview of SB 656 PM requirements for the Air Resources Board (ARB) and the Air District.
- The sources of particulate matter, which can be very complicated
- The nature of PM in the Bay Area.
- The current District PM activities.
- The ARB list of potential PM measures and the evaluation of the list.
- The conclusions of the ARB PM measures evaluation.
- The potential SB 656 PM Control Measures for the Bay Area.
- Wood burning measures and some additional PM measures that are not on the ARB list.

Director Pamela Torliatt arrived at 9:47 a.m.

Mr. Hilken reviewed the next steps, which include public workshops, consideration of the public input, a proposed schedule to bring the matter to the Board for public hearing and conducting workshops on additional wood burning measures.

Committee Action: None. This report provided for information only.

5. Refinery Flare Control Rule Development Update: *Staff provided an update on the development of the Refinery Flare Control Rule.*

Jack Broadbent, Executive Officer/APCO, stated that this rule represents one of the Air District's top priorities in rule making. It is anticipated that the rule will be before the Board for adoption at its July 20th meeting.

Dan Belik, Rule Development Manager, stated that the purpose of this rule is to reduce emissions from flares at petroleum refineries by minimizing the frequency and magnitude of flaring. Mr. Belik updated the Committee on the development of the Refinery Flare Control Rule and provided an overview of the rule, the comments that were received and the Air District's responses, and potential rule revisions.

The next steps include completing California Environmental Quality Act (CEQA) and socioeconomic analyses; a CEQA 30-day comment period; finalizing the draft rule language; and conducting the public hearing on the rule.

Mr. Broadbent commented that this new rule is the first of its kind and that there was an extensive public process in developing the rule. Chairperson DeSaulnier requested staff provide a written summary of the history of the rule making process when the rule goes to the Board.

Speakers: The following individuals spoke on this agenda item:

Marleen M. Quint
Independent Patient Advocate
El Cerrito, CA 94530

Richard Drury
Pipe Trades Local 342; IBEW Local 302
So. San Francisco, CA 94080

Julia May
Plumbers & Steamfitters Local 342; IBEW 302

Greg Karras
Communities for a Better Environment
Oakland, CA 94612

Committee Action: None. This report provided for information only.

6. Air Toxics New Source Review Program Rule Development Project: *Staff provided an update on the development of the Air Toxics New Source Review program rule development project.*

Brian Bateman, Director of Engineering, updated the Committee on the Toxics New Source Review (TNSR) rule development project. Mr. Bateman reviewed the existing Air Toxics NSR program, the risk management policy, the goals of the air toxics NSR rule development, and public comments received on the proposed rule. The next steps include addressing the CEQA requirements and the public hearing to consider adoption of this rule is set for the June 15, 2005 Board meeting.

Speaker: The following individual spoke on this agenda item:

Dennis Bolt
Western States Petroleum Association
Concord, CA 94518

Committee Action: None. This report provided for information only.

7. **Committee Member Comments/Other Business:** There were none.
8. **Time and Place of Next Meeting:** 9:30 a.m., Monday, July 25, 2005, 939 Ellis Street, San Francisco, California 94109
9. **Adjournment:** The meeting adjourned at 10:52 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Office Memorandum

To: Chairperson DeSaulnier and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 19, 2005

Re: Status Report on Regulation 12, Rule 12: Flares at Petroleum Refineries

RECOMMENDED ACTION

Receive and file.

BACKGROUND

On July 20, 2005 the Board of Directors adopted Regulation 12: Miscellaneous Standards of Performance, Rule 12: Flares at Petroleum Refineries. In adopting the rule, the Board directed staff to examine issues related to two provisions of the rule and report back to the Stationary Source Committee beginning in September, 2005. Specifically, the Board directed staff to report on comments made at the public hearing related to:

- The trigger point for the most detailed level of causal analysis, and
- A proposed limit of 160 ppm hydrogen sulfide for gases sent to a flare.

DISCUSSION

Staff will present background on how these issues were addressed during the rule development process and in the adopted rule. Staff will summarize additional information gathered to date on these issues, and outline next steps for further analysis.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Office Memorandum

To: Chairperson DeSaulnier and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 19, 2005

Re: Status Report on Refinery Rule Development Efforts

RECOMMENDED ACTION

Receive and file.

BACKGROUND

The 2001 Ozone Attainment Plan included stationary source control measures and further study measures. Many of the control measures and all of the further study measures addressed emissions from petroleum refineries and related operations. All of the control measures have been adopted and the analysis anticipated in the further study measures has largely been completed. Evaluation of and action on the few remaining further study measures are nearing completion.

DISCUSSION

Staff will summarize progress to date and update the Stationary Source Committee on the status of each of the remaining measures. The report will include:

- Summary of 2001 Ozone Attainment Plan Control Measures and Further Study Measures
- Accomplishments to date
- Status of measures in progress
- Remaining steps

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Office Memorandum

To: Chairperson DeSaulnier and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 26, 2005

Re: Status Report on the 2005 Ozone Strategy and Particulate Matter Implementation Schedule

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The District has recently released the Draft Bay Area 2005 Ozone Strategy for public review and comment. The Ozone Strategy is a roadmap showing how the San Francisco Bay Area will achieve compliance with the State one-hour ozone standard as expeditiously as practicable and how the region will reduce transport of ozone and ozone precursors to neighboring air basins.

The District has also recently released the Proposed Particulate Matter Implementation Schedule for public review and comment. Pursuant to SB 656 (Sher, 2003), the District has evaluated existing rules and programs to reduce particulate matter emissions in the Bay Area, and has identified additional control measures that could be implemented to further reduce particulate matter emissions in the region.

DISCUSSION

Staff will present an update on the 2005 Ozone Strategy and PM Implementation Schedule, including:

- Release of the draft documents for public review and open comment period.
- Public involvement process, including scheduled workshops in October 2005.
- Summary of the proposed control measures.
- Next steps.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Office Memorandum

To: Chairperson DeSaulnier and Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 26, 2005

Re: Compliance Program FY04-05 Year in Review

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND:

The Compliance Program is one of the District's major core programs to maintain and improve air quality. It encompasses a wide range of activities from inspections, source testing, sampling & laboratory analysis, and compliance assistance to citations, penalties and settlements, and Hearing Board activity. The Program's mission is to deliver the emission reductions expected from adoption of District Regulations, State or Federal Law, and permit conditions. The Program provides companies with assistance in complying with air quality rules and regulations, and when companies cannot comply, the District applies an appropriate level of enforcement action proportional to the non-compliance.

Enforcement, Penalties and Settlements, Hearing Board

The Enforcement component of the Program consists of activities designed to respond when sources are discovered in violation of applicable District, state, or federal regulations. This comprehensive and technically-based Enforcement component provides both an essential deterrent to continued or future non-compliance as well as consistency in practices throughout the regulated industries. This Program component includes all activities necessary to address non-compliance; issuing Notices of Violation and Notices to Comply; identifying causes of non-compliance and solutions for compliance; assessing penalties; and providing research and testimony before the District's Hearing Board. Other elements of the program include responding to citizen complaints about air pollution and assuring sources return to compliance.

Accomplishments achieved in FY 04-05 include:

- Received and investigated 3,031 citizen complaints.
- Discovered 1,972 violations of District, State and/or Federal regulations resulting in issuance of 1,182 Notices of Violation and 790 Notices to Comply.
- Settled 1,287 Notices of Violation for \$3.118 Million in penalties.
- Filed 13 cases in Small Claims Court for recovery of penalties.
- Provided technical assessments for 25 Hearing Board cases. Filed one accusation for a conditional order of abatement against the Tesoro Refinery.

Compliance Assurance, Source Testing, Sampling & Laboratory Analysis

The Compliance Assurance component concentrates on assurance of continued compliance through: conducting compliance inspections; source testing emissions; reviewing continuous emission, ground level and parametric monitors; sampling & laboratory analysis of coatings. Routine inspections combined with targeted audits of sources of air pollution help ensure that emission reductions, anticipated with adoption of regulations, are actually achieved. The Compliance Assurance component utilizes a cooperative working relationship with the regulated sources, in conjunction with graduated levels of enforcement actions, to maintain compliance with air quality regulations.

Accomplishments achieved in FY 04-05 include:

- Conducted inspections, sources tests, and sampling & laboratory analysis:
 - 9,717 Source Inspections
 - 1,495 Service Station Inspections
 - 1,634 Asbestos Demolition and Renovation Site Inspections
 - 294 Inspections at open burn/prescribed burn sites
 - 890 Idling Port Truck Surveillances
 - 36,727 Valve, Flange, & Connector inspections at refineries & chem. plants.
 - 622 Reviews of CEMs, GLMs, & Parametric Monitors.
 - 820 Source Tests conducted by District Staff
 - 6,859 Source Tests conducted by private contractors and reviewed by District staff.
 - 415 Samples collected and laboratory analyses conducted.
- Investigated five air pollution incidents and posted incident reports to the District website within 24 hours.
- Completed the following activities in support of Title V enforcement:
 - Audited the Title V Landfills within the District for compliance with Title V and Regulation 8, Rule 34.
 - Audited petroleum bulk terminals in Contra Costa County for compliance with Regulation 8, Rules 5, 18, 33, & 44 and Title V requirements.
 - Completed an Inspection Program Review that resulted in inspection frequency changes that prioritizes inspections to achieve the greatest emissions reductions.
 - Completed an in-depth analysis of the compliance history from 2001 to 2004 for two Title V Refineries.

Compliance Assistance

The Compliance Assistance component includes a full range of educational and technical activities directed at individual companies, industry groups, trade associations, small businesses, and green business programs. Compliance assistance outreach to affected industries is planned for those industries where new requirements are being implemented from either rule amendments or future effective dates codified in the regulations. Multiple language translations are increasing the effectiveness of program outreach. Operations activities comprise the framework for District rule administrative requirements, such as notifications, plans and petitions, reportable compliance activities, etc., which are sometimes evaluated jointly with Meteorology or Air Monitoring staff.

Accomplishments achieved in FY 04-05 include:

- Conducted a series of Industry Compliance Schools for Automobile Refinishing Operators (Regulation 8, Rule 45).
- Provided timely response to 740 compliance questions on the same-day that they were received via the email and telephone Compliance Assistance Hotline.
- Published and posted to the District website a variety of new or revised compliance assistance documents, including:
 - Eight (8) Compliance Assistance Advisories, which are timely alerts focused on rule or policy changes.
 - One (1) new Policies and Procedures Guideline, which are documents that provide the foundation for self-instituted compliance programs by industry and consistent enforcement implementation by Inspection staff.
 - Seven (7) Compliance Tips, which are quick reference fact sheets directed at small businesses that put rule requirements into easily understandable language.
- Supported the ABAG Green Business Program and conducted 79 compliance inspections within six counties for Green Business certifications. Participated in other local pollution prevention planning activities.
- Established Reg 12-11 Flare Monitoring Information on the District website.
- Initiated review of Division In-Service Training program to better align with rule and policy changes.
- Reviewed and evaluated over 100 plans and petitions for materials usage changes, Prescribed, Stubble or Marsh burns and grading proposals where Naturally Occurring Asbestos (NOA) is present in the soil (all pursuant to rule administrative procedures).
- Processed almost 10,000 notifications for asbestos demolition or renovation activities, Reportable Compliance Activities, open burning and soil or tank removals.
- Processed over 26,400 Smoking Vehicle complaints.

Summary

The overall compliance rate is 97-98% for all Compliance Program activities combined. This high level of compliance is due to an aggressive program that seeks to provide industry with all the necessary information in order to comply with air quality regulations, but then applies appropriate levels of enforcement action when non-compliance is discovered and assures follow-up on every violation.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Kelly Wee