

Bay Area Air Quality Management District
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APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
9:30 a.m., Monday, April 12, 2010

Call to Order – Roll Call: Chairperson Gayle Uilkema called the meeting to order at 9:30 a.m. without a quorum.

Present: Gayle B. Uilkema, Chairperson; and Committee Members Susan Garner, and Carole Groom

Absent: Vice Chairperson James Spring, and Committee Members John Gioia, Scott Haggerty, David Hudson, Carol Klatt and Nate Miley

Also Present: Board Chairperson Brad Wagenknecht, and Director Mark Ross

Public Comment Period: None

3. Approval of Minutes of March 5, 2010

Due to a lack of a quorum, the minutes of March 5, 2010 were deferred to the next meeting.

4. Status Report on Pacific Steel Casting Company (PSC)

Kelly Wee, Director of Compliance and Enforcement, provided a presentation regarding Pacific Steel Casting Company (PSC), stating that PSC produces steel parts in three plants. Plant #1 began operations in the 1930's, Plant #2 began operations in 1975, and Plant #3 began operations in 1981. Mr. Wee displayed an aerial map of the plant's location and noted that the District's air monitoring station is located east of the plant, in West Berkeley.

Mr. Wee described the plant's process operations, noting that sand molds are created, scrap metal is melted, molten metal is poured into the molds, metal is allowed to cool and harden, castings are removed, and castings are then finished by various processes.

Air pollutants include criteria pollutants, precursor organics, toxic metals, GHG and odors. Emissions come from scrap metal handling, mold making, melting, pouring and colling, casting removal, and finishing operations. Mr. Wee described emission controls for plants as hoods and building vents, baghouses and carbon which control PM sources and odors.

He stated that the air monitoring station has been in place for two years. All ambient air quality standards were met, except for the 24-hour national PM 2.5 standard and the very stringent annual State PM standards, which is typical during winter months. Toxic air contaminant levels were below all of the Reference Exposure Levels (REL), Manganese levels were well below the REL's, and calculated cancer risks are typical levels observed in the Bay Area for industrial areas.

For 2009 air monitoring, all ambient air quality standards were met except the 24-hour national PM 2.5 standard. Toxic Air Contaminant (TAC) levels were below all REL's, Manganese levels were below the REL's and slightly below the 2008 levels. Preliminary calculated cancer risks are those typically seen, and he said a final report will soon be released.

Regarding facility improvements, Mr. Wee reviewed those taken for Plants 1, 2 and 3, as follows:

- Plant #1: New baghouse for electric arc furnace, designated areas were established for pouring and cooling, and there is improved fugitive emission capture and control;
- Plant #2: New less odorous pre-coated sand;
- Plant #3: Improved capture and control, and new low VOC binder

The Odor Management Plan was developed as a result of enforcement actions which incorporate odor management into daily operations. The plan requires preventative odor control measures, written procedures on air pollution control maintenance and operations, performance of operation measures, and odor control training. The plan also provides continuous odor control improvements.

Mr. Wee presented a complaint history for all three plants, noting that the last complaint received regarding any of the three plants was November 2008.

Next steps include continued ambient air monitoring, continued regulation of emissions, improvement of complaint handling procedures, development of a metal melting operations regulation, and adoption of a toxics risk reduction regulation.

Committee Comments/Discussion:

Director Groom questioned and confirmed that approximately 300 union employees are currently employed by PSC. Mr. Wee knew of no Division of Occupational Safety and Health (OSHA) complaints, and approximately \$3 million in improvements have been made in recent years.

Chairperson Uilkema noted that the plants have reduced operations due to the recession, and she questioned if increased economic activities may generate more complaints. She reported receiving positive results and no recent complaints. Mr. Wee explained that the largest reductions were due to installation of the carbon bed at Plant #3, which he said yielded a 72% reduction in odor and emissions.

Board Chairperson Wagenknecht confirmed that the District constantly looks at capturing emissions more efficiently and effectively, that Bay Area plants have much more robust equipment than the rest of the nation, and that District staff looks for continual improvement in their operations.

Public Comments:

Calvin Fong, Mayor Tom Bates Office, City of Berkeley, thanked District staff for working with the City of Berkeley and PSC in providing major improvements and reductions; however, he said there remains frustration that more can be done.

Janice Schroeder, West Berkeley Alliance, discussed health impacts associated with PSC and requested the District to revise PSC's odor management plan and she distributed a handout of suggestions and recommendations. She encouraged staff to conduct fence-line monitoring, requested re-evaluating PSC risks in light of recent changes in OEHHA methods for Manganese, and also encouraged no grandfathering in of existing facilities. She also requested that child care centers receive prior notice in order to keep children indoors during days of pouring and other high emission operations.

Ken Kloc, Environmental Law and Justice Clinic & West Berkeley Alliance, echoed Ms. Schroeder's comments. He said there is no true buffer zone and requested staff consider fence-line monitoring with mobile monitoring noting that the air monitoring done at 6th and Camellia Streets is three and a half blocks away.

5. Proposed Metal Melting Rule

Chairperson Uilkema referred to the melting of gold and silver jewelry which has been heavily advertised in newspapers and in the media. She asked staff to include an explanation of whether these operations fall under the proposed metal melting rule.

Principal Air Quality Specialist, Victor Douglas, explained that the District is looking at metal plating and many other operations. He said that the effort was listed as Measure 1 in the Draft Clean Air Plan, noted metal melting and processing facilities include foundries, forges, scrap/recycling facilities, and furnaces/ovens and there are 25-30 facilities in the District and 16 located in CARE facilities.

He reviewed and explained processes for metal management, charging and metal melting, tapping, shake out, cooling, pouring/casting, mold and core making.

He then reviewed current federal rules for toxics, which include:

- Major sources of iron and steel foundries
- Secondary aluminum production
- Electric Arc furnace steelmaking facilities
- Area source iron and steel foundries
- Aluminum, copper and other nonferrous foundries

State Regulations include non-ferrous metal melting ATCM, and

District rules, which include: Permits, particulate matter, and odorous substances

Mr. Douglas indicated that the focus of review has been on emissions of odorous compounds, toxic compounds and particulate matter, and mitigation options relating to best practices, new technologies, capture and control and monitoring.

He then reviewed the District's site visits, technical research performed to date, outreach to stakeholders and said next steps include:

- Regulatory concepts
- Consultation with stakeholders (ongoing)
- Draft Rule
- Workshop (summer)
- Socioeconomic and environmental analyses
- Final proposal
- Public hearing (fall)

Committee Comments/Discussion:

Director Groom disclosed that one month ago she visited a foundry in San Francisco. She learned that it is a complicated business and the owners and managers of plants in Northern California want to cooperate. They have safe plants and she believed that the visit was of great value.

Board Chairperson Wagenknecht thanked staff for the report and reiterated that the District is trying to formulate the best regulatory package with the least obtrusion and the most public health benefit.

Chairperson Uilkema acknowledged staff's work to educate the Board and thanked Mr. Douglas for his presentation.

Director Garner questioned whether some regulations were inadequate or had gaps and need refinement. Mr. Douglas replied there are five federal regulations and some address ferrous and non-ferrous materials, which were promulgated in the last 10 years. There are requirements for new facilities, and the new regulations would grandfather in existing facilities.

Director Garner requested a table of compounds and concentrations for older versus newer facilities, and stressed the need for a balance between businesses closing and protecting the public's health. Mr. Broadbent discussed federal, state and local requirements and also acknowledged the considerable number of complaints received from metal melting facilities. He said staff is cautious in addressing odor management and strives for balance so as not to be cost-prohibitive. He recognized the good working relationships with staff and facilities and personally thanked representatives who approached the District early on.

Chairperson Uilkema confirmed with staff that the proposed metal melting rule is included in the Clean Air Plan, which will be considered in the fall. She questioned electroplating operations and the application of hex chromium, which Mr. Douglas explained stating that the District ensures facilities minimize toxic emissions as much as possible in such operations.

Chairperson Uilkema reported receiving many questions about newspaper articles and advertisements regarding foundries holding collection events all over the Bay Area. She requested a footnote be included in future presentations regarding regulating refiners of gold and silver jewelry melting operations.

Director Garner reviewed the facility locations and requested staff include a map showing each facility's location at an upcoming Committee meeting.

Public Comments:

James Simonelli, California Metals Coalition, El Dorado Hills, provided a background of the coalition stating they have 6,000 metal facilities, none of which are cash for gold a referred to by Chairperson Uilkema, and most are located in Southern California. They employ 250,000 Californians in high wage jobs and are, by volume, the largest recycler in California. He commended staff and the Board for meeting with them early on, said their goal is one of education, noted that all facilities are different in how they process metal, and reported on their work CARB to take SF6 out of magnesium casting, which is the worst GHG. They also proactively work with the State legislature regarding issues to remove lead from products that touch drinking water. He thanked the Committee for their work and offered invitation to the Committee to tour their facilities.

6. Proposed Stationary Source Measures in Draft Bay Area Clean Air Plan

Dan Belik, Rule Development Manager, provided an overview of the Clean Air Plan (CAP) Stationary Source Control Measures, stating that the purpose of the CAP is to update the 2005 Ozone Strategy and to develop an integrated multi-pollutant plan to improve air quality, protect public health, reduce exposure both at regional scale and in impacted communities, and protect the climate.

Mr. Belik reported on the Plan's progress to date, stating there has been extensive public outreach, many workshops and collaboration with regional agency partners, consultation with CARB and neighboring air districts, and development of multi-pollutant evaluation methods to evaluate and quantify benefits/disbenefits of measures. He said draft Control Strategy workshops were held in September 2009, the Draft CAP and Draft EIR were issued March 11, 2010, the socioeconomic analysis was issued April 5, 2010, and three public workshops were held April 6th, 7th, and 8th.

Mr. Belik noted that the Control Strategy is comprised of 55 measures, as listed below. He also reviewed and described each of the measures and their various control strategies:

- 18 stationary source measures
- 10 mobile source measures
- 17 transportation control measures
- 6 land use and local impacts measures
- 4 energy and climate measures
- 17 further study measures
- Leadership platform – the District works with CARB and the legislature for advocacy.

Mr. Belik then reviewed the Rule Development process undertaken by the District which includes: assessing viable technology, contact of stakeholders, assessing costs and emissions reductions, drafting workshop report, receiving comments, re-drafting proposal based on comments, conducting the socioeconomic analysis and CEQA analysis and scheduling of the public hearing before the Board.

He reviewed the draft schedule of the 2010, 2011 and 2012 regulatory agenda, identifying each measure to be presented and scheduled for public hearings, as follows:

2010 Regulatory Agenda:

- SSM 1 Metal Melting Facilities
- SSM 5 Vacuum Trucks
- SSM 6 General Particulate Matter (Reg. 6-1)
- SSM 9 Cement Kilns
- SSM 10 NOx from Petroleum Refineries (Reg. 9-10)
- SSM 17 New Source Review for Toxics (Reg. 2-5)
- SSM 18 Air Toxics Hot Spots

2011 Regulatory Agenda:

- SSM 4 Natural Gas Production and Dist. (Reg. 8-37)
- SSM 7 Open Burning (Reg. 5)
- SSM 8 Petroleum Coke Calcining
- SSM 11 NOx from Residential Fan Furnaces (Reg. 9-4)
- SSM 10 NOx from Large Res. and Comm. Space Heating
- SSM 17 New Source Review for PM 2.5
- LUM 2 Indirect Source Review Rule

2012 Regulatory Agenda:

- SSM 2 Digital Printing
- SSM 3 Livestock Waste
- SSM 13 NOx from Dryers, Ovens, Kilns
- SSM 14 NOx from Glass Furnaces (Reg. 9-12)
- SSM 15 Greenhouse Gases in Permitting

Committee Comments/Discussion:

Chairperson Uilkema questioned where wood burning fits into the measures. Mr. Belik explained that there is a control measure in the plan that looks at enhancing wood burning regulations but does not propose rule amendments. It has to do with the complaint process to potential amendments, which would be an additional stationary source measure should the findings dictate an amendment is necessary.

Chairperson Uilkema cited the initial hostility regarding wood burning from constituents in her District. However, people understand it better and she said there is far more receptivity, given the education provided about the public health issue of the rule, and she commended staff.

Director Garner questioned and confirmed with Mr. Belik that staff has prioritized the schedule in order to achieve the best air quality improvements for the money.

Public Comments - None

7. Committee Member Comments/Other Business:

Chairperson Uilkema noted that the May meeting would include update on the Flare Management Plan and the NOx Rule, and suggested refineries be made aware of the next meeting date.

Time and Place of Next Meeting: Thursday, May 13, 2010, at 9:30 a.m.

Adjournment: The meeting adjourned at 10:35 a.m.

/s/ Lisa Harper
Lisa Harper
Clerk of the Boards