

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson David Hudson and Members  
of the Executive Committee

From: Chairperson Valerie J. Armento, Esq., and  
Members of the Hearing Board

Date: November 7, 2018

Re: Hearing Board Quarterly Report: July – September 2018

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**RECOMMENDED ACTION**

None; receive and file.

**DISCUSSION**

During the second calendar quarter of 2018 (July - September), the Hearing Board:

- Held no hearings (four were scheduled but cancelled);
- Processed a total of four orders; and
- Collected a total of \$11,119.00 in filing fees.

Below is a detail of Hearing Board activity during the same period:

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**Location:** Contra Costa County; City of Martinez

**Docket:** 3709 – Chevron Products Company – Request for Emergency Variance

**Regulation(s):** Regulation 8, Rule 5, Section 322.1 (Organic Compounds, Storage of Organic Liquids, Secondary Seal Requirements)

**Synopsis:** The Chevron Avon Terminal is a petroleum marketing and distribution terminal and receives petroleum products by pipeline and tanker truck. The Terminal operates petroleum storage tanks and blending equipment to provide fuel products to retail gasoline facilities. Tank 104 is the only tank used to store denatured ethanol at the Terminal. On June 27, 2018, Terminal personnel discovered defects on the secondary seal on Tank 104 while performing a semiannual tank seal inspection through the rooftop hatch. The Applicant identified tears on five feet of the secondary seal which is approximately 103 feet long and is installed around the circumference of the floating roof. The Applicant worked expeditiously to resolve this matter. The incident was unexpected and unforeseen because in January of 2015, a new secondary seal was installed in Tank 104 following an inspection. Tank 104 has been properly maintained in accordance with industry standards, so the new secondary seal on Tank 104 should have remained in service for many years without the need for repairs. The Applicant attempted to have the seal repaired while Tank 104 was in service. In the past, contractors would perform such repairs. Due to safety concerns, however, the

contractors are no longer willing to make repairs to tanks while in service. Instead, the Tank needed to be drained and degassed before the contractors would perform the work. The Terminal pursued approvals for another contractor that was willing to perform in-service repairs to tanks in the future but anticipated a waiting period to obtain the proper approvals for any new contractors to ensure that the contractor could meet Chevron standards.

**Status:** Application for Emergency Variance filed by Applicant on July 2, 2018; District staff response received on July 5; Hearing Board response received on July 9, 2018; Order Denying Emergency Variance filed on July 9.

**Period of Variance:** June 28, 2018 to July 28, 2018

**Estimated Excess Emissions:** 0.26 lbs. per day of Volatile Organic Compound, or 8.06 lbs total

**Fees collected this quarter:** \$1,149.00

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**Location:** Contra Costa County; City of Richmond

**Docket:** 3710 – West Contra Costa Sanitary Landfill, Inc. – Request for Interim and Regular Variances

**Regulation(s):** Regulation 8, Rule 34, Section 301 (Organic Compounds, Solid Waste Disposal Sites, Landfill Gas Collection and Emissions Control System Requirements); and Regulation 8, Rule 34, Section 219 (Organic Compounds, Solid Waste Disposal Sites, Continuous Operation)

**Synopsis:** The facility's internal combustion (IC) engines (S-5, S-6, and S-37) were in need of start-up and break in to ensure they were operating at optimum before a source test could be performed as required. The landfill gas being extracted was not of a quality that could initiate the start-up of the engine(s) without them shutting down before completely warming up. The applicant requested a variance from the permit conditions cited above to allow the utilization of propane or compressed natural gas (CNG) to be injected into the engines' pre-combustion chambers along with landfill gas for the initial start-up of the engine(s). This requirement of the engine was unforeseen when it was being rebuilt; the issue was discovered once the engine had been re-installed onsite and initial operation was attempted. It is assumed that the other IC Engines will have the same issue if/when they are rebuilt.

**Status:** Application filed on July 6, 2018; interim and regular variance hearings scheduled for August 14 and October 30; applicant requested to withdraw application on August 2; Order for Dismissal filed on August 2.

**Period of Variance Requested:** July 6, 2018 to July 6, 2019

**Estimated Excess Emissions:** 0.40 lbs of nitrogen oxide per day, or 146 lbs total

**Fees collected this quarter:** \$7,942.00

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**Location:** Contra Costa County; City of Martinez

**Docket:** 3711 – Chevron Products Company – Request for Short-Term Variance

**Regulation(s):** Regulation 8, Rule 5, Section 322.1 (Organic Compounds, Storage of Organic Liquids, Secondary Seal Requirements)

**Synopsis:** Chevron filed this application following the denial of its application for Emergency Variance (see Docket No. 3709) regarding the same matter on July 10, 2018. The Chevron Avon Terminal is a petroleum marketing and distribution terminal and receives petroleum products by pipeline and tanker truck. The Terminal blends products and distributes the blended products to retail gasoline facilities and operates petroleum storage tanks and blending equipment. Tank 104 is the only tank used to store denatured ethanol at the Terminal. On June 27, 2018, Terminal personnel discovered defects on the secondary seal on Tank 104 while performing a semiannual tank seal inspection through the rooftop hatch. The Applicant identified tears on five feet of the secondary seal which is approximately 103 feet long and is installed around the circumference of the floating roof. The Applicant worked expeditiously to resolve this unexpected and unforeseen incident. In January of 2015, a new secondary seal was installed in the subject tank following an inspection and Tank 104 has been properly maintained in accordance with industry standards.. The Applicant attempted to have the seal repaired while Tank 104 was in service. Due to safety concerns, however, the contractors are no longer willing to make repairs to tanks while in service. Instead, the Tank needed to be drained and degassed before the contractors would perform the work. The Terminal pursued approvals for another contractor that was willing to perform in-service repairs to tanks in the future but anticipated a waiting period to obtain the proper approvals for any new contractors to ensure that the contractor could meet Chevron standards.

**Status:** Applicant submitted application on July 13, 2018; Hearing scheduled for August 21; hearing continued to September 11 on August 20; Applicant requested to withdraw application on September 7; Order for Dismissal filed on September 10.

**Period of Variance Requested:** June 28, 2018 to July 21, 2018

**Estimated Excess Emissions:** 0.26 lbs. per day of Volatile Organic Compound, or 5.98 lbs total

**Fees collected this quarter:** \$2,028.00

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**Location:** Alameda County, City of Piedmont

**Docket:** 3712 - APCO vs. City Gateline, LLC., et al – Accusation

**Regulation(s):** Regulation 2, Rule 1 (Permits, General Requirements)

**Synopsis:** Respondents have owned or operated a gasoline dispensing facility in Piedmont, California, for which they must hold a District permit to operate pursuant to District Regulation 2, Rule 1. District records indicated they have owned or operated the facility since at least March 2011 but had not had a current or valid permit to operate the facility since May 1, 2011. The District was informed and believed and alleged that Respondents knew they must hold a permit to conduct auto body coating operations, since at least April 1, 2010, but that despite knowledge, had been operating it without one since at least May 1, 2011. Complainant sought an order that Respondents cease conducting these operations unless and until they obtain a District permit to do so.

**Status:** Accusation filed on August 6, 2018; hearing scheduled for September 11; hearing continued to October 21 on August 28; request to dismiss action filed by Complainant on September 18; Order for Dismissal filed on September 19.

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Respectfully submitted,

Valerie J. Armento, Esq.  
Chair, Hearing Board

Prepared by: Marcy Hiratzka  
Reviewed by: Vanessa Johnson