

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET
SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000**

APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
9:30 a.m., Monday, May 24, 2004

1. **Call to Order – Roll Call:** Vice-Chair Jerry Hill called the meeting to order at 9:30 a.m.

Present: Jerry Hill, Vice-Chairperson; Roberta Cooper, John Silva, Marland Townsend, Gayle Uilkema .

Absent: Mark DeSaulnier, Julia Miller, Mark Ross, Shelia Young.

Also Present: Scott Haggerty (9:54 a.m.).
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of March 22, 2004:** Director Townsend moved approval of the minutes; seconded by Director Uilkema; carried unanimously without objection.
4. **Report on Proposed Amendments to Regulation 8, Rule 8: Wastewater (Oil-Water) Separators:** *Staff gave a status report on the development of proposed amendments to Regulation 8, Rule 8: Wastewater (Oil-Water) Separators. The proposed amendments are the result of information developed pursuant to Further Study Measure FS-9 from the 2001 Ozone Attainment Plan. This is an informational item only.*

Damian Breen, Air Quality Specialist, presented the report and described the refinery wastewater process system, which includes wastewater collection, separation and treatment. The treatment portion of the system is the last step before wastewater is discharged in compliance with the Regional Water Quality Control Board standards. A large portion of the emissions from refinery wastewater systems occur in the separation process and, under the current rule, these emissions have been controlled since 1982. Mr. Breen reviewed some of the equipment options identified to control the emissions, such as wastewater control vents, carbon canisters, sealed sewers, fixed covers, wastewater seals or “P” trap drains. The wastewater seals are the most common at refineries.

Mr. Breen reviewed the rule development process, which included a Technical Workgroup that was formed with the California Air Resources Board (CARB) in February 2002; a September 2002 draft Technical Assessment Document (TAD); a final draft TAD in March 2004, and two public workshops. The proposed new requirements include the following:

- 500 ppm volatile organic compound (VOC) leak concentration limit for wastewater collection system components at refineries.
- Installation of controls for leaking wastewater collection system components.
- An inspection and maintenance program.
- Record keeping requirements.
- A January 1, 2005 compliance date which would require all controlled drains to meet an emissions limit of 500 ppm.
- Alternative compliance consisting of phase-in controls on all drains by December 31, 2006, or uncontrolled components can be inspected and controlled as needed.

The amendments would reduce VOC emission by 2.1 tons per day and the cost effectiveness is \$1,900 to \$4,300 per ton. Future steps include keeping the workgroup in place, a sampling plan and emissions modeling is under discussion. If necessary, once the data on excess emissions from the treatment systems is available, staff will bring a treatment rule before the Board.

The following individuals spoke on this agenda item:

Dennis Bolt
Western States Petroleum Association
Concord, CA 94518

Terrence Valen
Communities for a Better Environment
Oakland, CA 94612

There was discussion on the repair period and Peter Hess, Deputy APCO, noted that the Air District is reviewing all of the comments submitted and that the rule is scheduled to come before the Board of Directors on July 7, 2004. There was also discussion on the timeline and the differences between what WSPA feels is appropriate versus what CBE feels is appropriate. In response to a question from Director Cooper, Jack Broadbent, Executive Officer/APCO, stated that a number of the refineries are already implementing some of the proposed requirements.

Director Townsend discussed hard piping as an alternative solution and Mr. Breen noted that alternative methods of control were looked at in the TAD, but staff did not find them to be cost-effective.

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

5. Summary of Supplemental Environmental Project (SEP) Distribution: *Staff gave a status report on the distribution of SEP funding to select projects.*

Juan Ortellado, Grants Program Manager, provided a summary of the Supplemental Environmental Projects (SEP) distribution and reviewed the steps necessary for a project to qualify for SEP funding. Qualification of a project is based on a five-step process that ensures the project: 1) meets the basic definition of SEP; 2) satisfies all guidelines, including nexus; 3) fits within one or more of the designated SEP categories; 4) the cost does not exceed 25% of the total settlement, without administrative costs; and 5) it satisfies all implementation and other criteria. The SEP categories are: public health, pollution prevention, pollution reduction, environmental restoration and protection, environmental compliance audits, comprehensive environmental training, and emergency planning and preparedness.

Mr. Ortellado reviewed the SEP projects in Martinez (\$270,000); Rodeo (\$50,000); East Palo Alto (\$50,000); and Livermore (\$25,000). In conclusion, Mr. Ortellado stated that the Air District has a policy for SEPs and that all SEPs were selected in accordance with the policy. It was noted that the current policy is very restrictive. The Committee directed staff to look at the current policy to see if a certain amount of flexibility can be used in the establishment of the criteria for the allocation of funds that could go to regional projects.

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

- 6. Committee Member Comments/Other Business:** There were none.
- 7. Time and Place of Next Meeting:** 9:30 a.m., Monday, July 26, 2004, 939 Ellis Street, San Francisco, California 94109
- 8. Adjournment:** 10:50 a.m.

/s/ Mary Romaidis

Mary Romaidis
Clerk of the Boards

STATIONARY SOURCE COMMITTEE

Follow-Up Items for Staff

May 24, 2004

1. The Committee directed staff to look at the current SEP policy to see if a certain amount of flexibility can be used in the establishment of the criteria for the allocation of funds that could go to regional projects.