
SOUTH CENTRAL COAST BASINWIDE AIR POLLUTION CONTROL COUNCIL

Santa Barbara APCD 260 N. San Antonio Rd. Suite A Santa Barbara CA 93110 805-961-8800

TECHNICAL ADVISORY COMMITTEE

Michael Villegas, APCO
Ventura County APCD

Dave Van Mullem, APCO
Santa Barbara County APCD

Larry R. Allen, APCO
San Luis Obispo County APCD

COUNCIL MEMBERS

Mike Morgan
Council Member, City of Camarillo
Ventura County

Janet Wolf, Chair
2nd District Supervisor
Santa Barbara County

Debbie Arnold, Vice-Chair
5th District Supervisor
San Luis Obispo County

MEETING MINUTES May 31, 2013

Present

Council Members: Mike Morgan, Ventura County
Janet Wolf, Santa Barbara County
Jan Marx, San Luis Obispo County (alternate)

Staff: Mike Villegas, Ventura County
Dave Van Mullem, Santa Barbara County
Larry Allen, San Luis Obispo County

1. **Approval of Minutes of September 19, 2012**

Received and filed.

2. **Election of Chair and Vice-Chair**

Chair: Janet Wolf
Vice-Chair: Debbie Arnold

3. **Public Comment Period**

Sandra Burkhart, Western States Petroleum Association, asked if there has ever been a training or retreat for Board members of all 3 districts to get together for professional development in regional air quality, learn more about Health & Safety codes, ARB, etc. There was concurrence among the BCC Board members that a basinwide training could be valuable. Council members

asked staff to look into it for feasibility, Brown Act, costs, etc.; and then come back at next meeting prepared to discuss. Colby Morrow, Southern California Gas Co., was also in attendance.

4. CAPCOA's GHG Rx Exchange (Dave Van Mullem)

Dave Van Mullem reviewed a PowerPoint presentation created by CAPCOA regarding a new program they are developing, the GHG Rx Exchange (Rx). The objective of the Rx program is to provide a secure, low-cost, high quality, greenhouse gas mitigation for credits created in California to be used in California. Financial resources invested in-state will help create local jobs and realize needed air pollution co-benefits from projects in California. Credits will be derived from voluntary projects in CA and ensured by a GHG Rx Review Committee (GRRC) to be real, quantified, validated, permanent, enforceable, and additional/surplus. Once created, credits will be made available through the GHG Rx Registry, an administrative infrastructure and software platform developed by a CAPCOA GHG Rx Team. The Rx will then facilitate the transfer of credits to an applicant after approval is obtained for their project.

A question was raised about this being a statewide program because credits can be generated in one part of the state and then used in another, which could potentially impact the air quality in the receiving district and their ability to meet state and federal attainment if a facility has purchased, and is utilizing, a large amount of GHG credits. Staff feels that unlike regulated criteria pollutants which have known health impacts, GHG's have a climate impact with global effects, so reduction anywhere within the state would have co-benefits.

CAPCOA has developed administrative guidelines with several technical appendices. Appendix A is a sample MOU between an Air District and CAPCOA. The underlying infrastructure for the system is a software platform with a public side and a district side. The district side will be run by an administrator from South Coast AQMD for the first 18 months. Each participating agency will have a designated agency administrator. The GRRC reviews, approves and updates software and performs audits of different items that go in and out of the Rx. The GRRC is comprised of staff from various air districts. The CAPCOA Board reviews and approves protocols.

Dave reviewed an example of how credits would be issued for a boiler by adding an O₂ (trim) system to monitor, control and reduce excess combustion air. Baseline and reduction emissions would be calculated. The reductions would then be validated based on annual tests and records, and then the credits would be issued. If it's a new boiler, a permit would have to be issued. If it's an existing boiler, the permit would need to be modified. One of the requirements would be a fuel meter to monitor fuel use. Then there would be annual testing requirements and calibrations for the analyzer and fuel meters (as needed), and recordkeeping and reporting requirements. All co-benefits would also be looked at and annual reports would be required.

Participating air districts will need to:

- Obtain an MOU with CAPCOA
- Designate an Agency Administrator and GRRC rep
- Identify/seek projects that generate GHG credits
- Establish Credit Project Review Team
- Possible protocol development
- GHG banking rule or credit contract template
- Contribute funding for GHG Rx maintenance

The GHG Rx is CAPCOA's largest undertaking to date. For outreach purposes, a live demo of the Rx software platform will be available in early June, followed by training for Participating Districts. Workshops will then be available in June/July.

5. **South County Community Monitoring Project** (Larry Allen)

Larry Allen reviewed maps indicating stations where Particulate Matter (PM) has been monitored on the Nipomo Mesa for a couple of decades. Over the years significantly more exceedances of the state and federal air quality standards for PM have been measured on the Nipomo Mesa than any other area in the County. Two comprehensive studies (Phase 1 and Phase 2) have been conducted to try and find out what the cause is.

Both studies showed that the high concentration particulate episodes for both PM_{2.5} and PM₁₀ are associated with very strong Northwesterly winds off the ocean and across the dunes beginning between 8am-10am and lasting until 4pm-6pm during the spring months. The main source of the PM was found to be coming from the coastal dunes, and the Phase 2 study identified vehicle activity on the dunes as a significant contributor to that. 60-70 exceedances of the state PM₁₀ standard are measured on the Mesa every year, and the Federal standards are now being exceeded. The difference between the standards is State is 50 micrograms per cubic meter for a 24-hour average and the Federal is 150 micrograms per cubic meter for a 24-hour average. The reason it's so different is that the State standard is meant to protect the most sensitive members of the population with a margin of safety. The Federal standard is based on the 95th percentile.

The actual exposure that someone experiences is the concentration of the pollutant times the duration. What occurs in the South County are really high peak hourly high concentrations that represent a different exposure than we see any other place. PM₁₀ levels in Atascadero may exceed the 24-hour standard occasionally, but the concentration is fairly stable all day. Whereas the Nipomo Mesa sites closest to the dunes show large spikes during the active hours of the day, which represents a public health concern.

Because of this concern SLOAPCD decided to do a saturation monitoring study to determine how the PM concentrations in the populated areas of the Mesa relate to the concentrations measured at the three permanent monitoring sites on the Mesa. We wanted to better define the extent and neighborhood impacts of the dust plume for both the Nipomo Mesa and Oceano and try to use the results to refine our air quality forecasting for the area and provide better information for affected residents as well as to help State Parks in implementing dust controls at the off-road vehicle area.

To determine impacts of the dust plume on the Mesa and in Oceano we created a grid and did a very extensive data analysis. We placed 20 eBAMS (portable PM samplers) throughout the grid to sample PM during the highest wind season. For the Mesa area, data showed the CDF monitor had the highest concentrations, followed by the Western and Southern edge of the Mesa; the Northern and Eastern portion of the Mesa see the lowest concentrations. The plume also appears to extend inland into Santa Maria. As the plume moves inland, it falls off rapidly. We also saw high PM levels in Oceano, but they were confined to a small area near Pier Avenue.

Using the data collected, we were able to name the permanent monitoring that best represents the air quality experienced in each grid area sampled.

Dave Van Mullem noted that with Santa Maria being in such close proximity to the dunes, Santa Barbara APCD works closely with San Luis APCD staff and utilizes the data collected to determine how much of their own air quality is impacted by the transiting dust from dunes. They have

found PM concentrations in Santa Maria to be similar to the NRP monitoring site, which had some of the lower readings as compared to the CDF site. The districts also coordinate on air quality advisories when needed.

This study has helped SLOAPCD create new air quality forecast zones and created a much better tool for outreach. They have also been working with the County Health Officer to better forecast high PM days that might warrant issuing early Health Advisories to schools.

6. **Hydraulic Fracturing** (Mike Villegas)

Hydraulic fracturing has become a controversial subject in CA recently. According to the Dept. of Conservation, Division of Oil & Gas & Geothermal Resources (DOGGR), fracking started in 1947 in Kansas, and about 30 years ago in CA. According to DOGGR, in CA there has been no report of environmental degradation due to fracking, though there have been a few issues in other states.

What they do with fracturing is, approximately 6,000 ft. below the surface, they encounter a formation similar to Monterey Shale where the porosity of the rock is such that they can't get the oil to flow to the well so they inject fracking fluid. Fracking fluid consists of water & generally sand or sometimes a ceramic material (making up about 99% of the fluid) along with chemicals (about 1% of the fluid). The fluid is injected under high pressure to fracture the rock. The sand is in there to keep the crack from closing so the oil can still flow freely. The chemicals amount to about 10g/liter, which is a very low concentration.

Ventura County hasn't really had a lot of fracking activity. According to Frack Focus, a website manned by the Ground Water Protection Council, it looks like we have about 15 wells that have been fractured in the county recently. The major concern we keep hearing at our Board of Supervisors and Air Pollution Control Board in Ventura County is about water contamination because we are a large agricultural producer.

One thing DOGGR wants to do in its new regulation is improve well bore integrity so there is no loss of fluid into the aquifer. The other thing needed is zonal isolation, meaning you want the impermeable rock between the area being fracked and a mile up into the aquifer. The things they would be looking at is requiring studies making sure there are no faults in the area that could impact the operations, or for older oil well within the fracking zone.

The other thing they are looking at is notification to the public. Knowing when and where fracking will occur should help to ease public concern. Disclosure of the chemicals used would also help, but currently some of the compounds used are proprietary in nature and covered under trade secret provisions so DOGGR needs to develop their internal trade secret regulations. The unfortunate thing with the State is the rule making process is lengthy.

The surface concerns we have heard in our county are: What about methane emissions? What's happening to the flowback water that's coming back up containing the frack materials? And what about the portable engines involved in the fracking activities? From the portable side; the emissions have already been driven down and are pretty well regulated due to State ATCMs for portable engines requiring the use of cleaner engines. Because of the rules we have to handle any gases produced during the production of oil, we are not seeing any methane being released into the air through any of these activities. Methane is generally captured, treated and used or it is flared. Regarding flow-back fluids; under our regulations, fluids are coming up into vapor controlled tanks so we are not seeing any issues.

The other thing to keep in mind is in CA when oil is being produced, a lot of times they're also producing almost as much or more water, which in turn gets used in fracking fluid. In some cases, they are not using potable water for these fracking operations, so this speaks to the concern of using precious water resources.

There has been a large outcry in the South Coast because fracking is being done close to homes. However, a study was done in Baldwin Hills and showed no seismic risk, no risk to the aquifers and minimal impact to air quality. South Coast AQMD will be commencing studies and has created a Notification & Disclosure rule which requires a 10-day notification of any frack job and a posting on their website within 24 hours.

Because of concern in our county, we are looking into doing a rule similar to South Coast. We are proposing to work with DOGGR to make sure any air quality concerns are addressed on the surface side. We will be utilizing the information coming from South Coast to better address air quality because they will be doing a study to determine if any of their surface regulations for the oil industry need to be adjusted or amended to better address air emissions related to well enhancement activities, including hydraulic fracturing. Should the Ventura Air Pollution Control Board decide to adopt a regulation; we are proposing to do something similar to South Coast as well as require the disclosure of chemicals used on the FracFocus website.

The 2 issues we are facing with adopting a fracking rule are:

- Legal counsel has told us we cannot go to the Board during 2013 to adopt this rule because it was not included in the 2013 Rulemaking Calendar and
- We have to make a finding of nonduplication. With the DOGGR regulation coming out, that will be difficult to do.

7. Superior Court decision on the Oceano Dunes dust rule (Larry Allen)

After adopting Rule 1001, the SLOAPCD was sued by "Friends of the Oceano Dunes" (an off-road advocacy group), who was later joined by State Parks. The main issues raised were the science behind the rule, our ability to regulate state parks as a facility, our ability to require a permit of the facility because they felt it is an indirect source, and they claimed we didn't follow proper procedures to adopt the rule. A 2nd lawsuit from a local activist, Kevin P. Rice claimed SLOAPCD did not include their phone number on the rule notice so the rule should be rescinded because people did not have appropriate access to learn about the rule. The 2nd suit was later rolled into the 1st.

The trial occurred in January, and the decision was handed down in April. The 18-page decision upheld the district in every one of the issues, finding that the science was proper and peer reviewed; all proper procedures were followed; the facility was indeed a stationary facility; and the facility was a direct source of emissions and falls under a permit-able source for our regulations. The judge found every point raised by the plaintiffs in the suit had no merit. The Friends of the Oceano Dunes and State Parks have since appealed that decision and it will be going to the State Appellate court. Results of the appeal will affect agencies state-wide because it's challenging the definition of a stationary source, which could affect our ability to regulate similar sources.

8. Adjourn

Meeting was adjourned at 12:20 p.m.