Ventura County Air Pollution Control District

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Michael Villegas
Air Pollution Control Officer

December 7, 2006

Robert Fletcher
Chief, Stationary Source Division
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Dear Mr. Fletcher:

Please find enclosed the document "Ventura County Air Pollution Control District Response and Action Plan for the California Air Resources Board's Program Review." The document is the District's action plan to address the recommendations in ARB's program review of our District's air pollution control program.

I believe ARB's program review and our action plan will result in improvements in our District programs. Further, District staff will submit a progress report on implementation of the action plan by June 1, 2007.

I would like to thank your staff for working cooperatively with District staff in conducting this program review and preparing ARB's final report. If you have any questions regarding this matter, please contact me at 805/645-1440 or Keith Duval at 805/645-1410.

Sincerely,

Michael Villegas
Air Pollution Control Officer

Enclosure

printed on recycled paper

Ventura County Air Pollution Control District
Response and Action Plan
for the
California Air Resources Board's
Program Review

December 7, 2006

Introduction

The California Air Resources Board conducted a comprehensive review of the Ventura County Air Pollution Control District's air quality program from May through July 2004. The program review was performed as part of ARB's oversight role with respect to districts in California and in accordance with section 41500 of the Health and Safety Code (HSC).

As part of this review, ARB evaluated the District's compliance, permitting, rule development, portable equipment registration, AB 2588 "Hot spots", emissions inventory and ambient air monitoring programs.

ARB issued a final program evaluation in October 2006. This report provides the Ventura County Air Pollution Control District's response and action plan in response to ARB's program review.

A. Compliance Program

Section A.1.1 – Inspection Staff Resources
ARB Recommendation: *The District should evaluate whether current staff resources are adequate to fully handle existing program requirements.*

District Response: The District continually looks for opportunities to maximize staff resources.

Section A.1.2 – Inspection Policies and Procedures
Recommendation: *The District should implement Rule 230 by using NTCs rather than NTSIs for minor violations. Further, the District should phase out the NTR program and replace it with the NTC program for violations found at gasoline dispensing facilities.*

APCD Response: The District agrees with ARB and has taken the following actions to implement this recommendation.

Compliance Division Policies and Procedures have been rewritten to remove the conflicts and inconsistencies that ARB noted and to clarify the issuance of Notices to Comply and Notices of Violation for recordkeeping violations. The Notice to Repair is no longer used for minor violations at gasoline dispensing facilities. The District will continue to use the Notice to Supply Information (NTSI) where the requested data is not required by a permit condition or rule, or where the collection of data during an inspection is not convenient (i.e., where there is no violation). Attachment 1 includes the following new District Policies and Procedures: D-1, Notices to Comply – Rule 230; D-2, Record Requests; D-3, Procedural Violations - Notices of Violation; and, D-4, Exceeding Permitted Throughput Limits.

Section A.1.4 – Inspection Documentation
Recommendation: *The District should begin collecting samples of coating and solvents and have them analyzed for compliance with permitted emission levels.*

APCD Response: The District agrees and will collect coating and solvent samples when appropriate.

Section A.1.5 – Compliance Results of ARB and District Staff Source Inspections
Recommendation: *The District should continue its efforts to ensure compliance rates are high for all permitted facilities. For specific source categories with low compliance rates, such as automotive refinishing and general coatings, the district may need to implement an outreach effort through increase compliance assistance, training and penalty action (when needed). The District should implement a consistent policy for requiring a 10 psig outlet pressure (at the tip) for HVLP spray guns.*

APCD Response: The District agrees and will take the following actions to implement the recommendations.

a. By March 1, 2007, the District will develop a compliance assistance program for autobody shops, including at a minimum a compliance assistance advisory
b. By June 1, 2007 the District will evaluate the need for compliance assistance in other industry segments.
c. By March 1, 2007, the District will develop a policy to address the inconsistent definitions of HVLP.

The District is considering revisions to its coating rules to clarify the spray gun pressure; Rule 74.30, Wood Products Coatings was revised in June 2006 with a new definition for High Volume-Low Pressure (HVLP).

Section A.2 – Legal Action Program

Recommendation: *The District should include multipliers for repeat offenses in the District's penalty schedule. The District should meet with County Counsel/DA to discuss developing written protocols or memoranda of understanding.*

APCD Response: The District agrees with ARB and will take the following actions to implement the recommendations.

a. By July 1, 2007, the District will update its penalty schedule and include a multiplier for repeat offenses.
b. By June 1, 2007, the District will propose a memorandum of understanding to our District Attorney regarding case referrals. In the event that a memorandum of understanding cannot be developed, we will develop a District policy on enforcement referrals.

Section A.3 – Complaint Program

Recommendation: *The District should examine the feasibility of having an on-call inspector for after-hour and weekend time periods who can periodically check received complaints and take action if warranted. The District should also inform complainants about the results or status of the complaint investigation referred by them.*

APCD Response: Over the years we have considered the issue of on-call inspectors for after-hour and weekend time periods. It is our belief that such a policy is not warranted for Ventura County. The majority of our complaint calls are odors, dust, open burning and painting operations. We believe that the most of these calls are received during the work week. Also, Ventura County does not have the type of industry (refineries and chemical plants) that would cause serious issues that would warrant an immediate response. District Compliance staff is on-call to the County's emergency services at all times.

In August 2005 the District revised its Complaint Policy to require the inspector to attempt to contact the complainant to discuss the findings of the investigation. Furthermore, the District inspectors have been reminded to complete the "Reply" field in the Complaint window of PEETS.

Section A.4 – Breakdown Program

Recommendation: *The District should use on-site investigations as the preferred method of investigation breakdown reports.*

APCD Response: The District agrees with ARB and will take the following actions to implement the recommendations.

a. The District will attempt to use on-site investigations when warranted.
b. By March 1, 2007 the District will review its Breakdown policy and update it as needed.
c. Inspectors will also be dispatched to investigate breakdown reports when feasible.

Section A.6 – Source Test Program

Recommendation: *The District should witness more source tests.*

APCD Response - The District agrees with ARB's recommendations and has taken the following action to address this issue.

Since ARB's audit an additional engineer has been assigned part-time to observe annual source tests and review source test reports. From January 2005 through April 2006 the District observed 86 of 160 annual source tests conducted. The District prioritizes source test observations depending on source size and type, equipment type and compliance history. The District reviews all of the source test reports that are submitted.

Section A.9 – Variance Program

Recommendation: *ARB recommends that the Hearing Board modify its hearing procedures so that the supporting evidence for each finding along with the determination that each finding can be made, is conveyed to the record. If excess emissions information is available, it should be included in the written variance orders. A discussion of possible adverse health effects should be included in the staff report supporting the variance.*

APCD Response: The District agrees with ARB and will take the following actions to implement ARB's recommendations.

a. The District will work with the Hearing Board to modify the Board's procedures regarding supporting evidence. By April 1, 2007, the District will discuss ARB's recommendations with the Hearing Board and will review materials from ARB's Variance Program materials.

b. The District has begun including a discussion of possible adverse health effects and estimates of excess emissions in staff reports and variance orders (see Hearing Board cases 783, 786 and 787).

B. Permit Program

Section B.1.4-Permit Emissions Tracking Database

ARB Recommendation: *The District should continue its efforts to upgrade its permitting database. Each engineering evaluation should be placed on the District's common network drive for shared access.*

District Response: The District agrees. Efforts to upgrade the permitting database have been ongoing. Engineering evaluations for all Title V sources have been relocated to a common "Title V" network drive and a common drive entitled "Engineering Analyses" has been set up for all other sources.

Section B.2-Permitting Policies

ARB Recommendation: *The District should continue organize all its permitting policies into one policy document and update them as needed.*

District Response: The District agrees and all existing permitting policies have been compiled into a single document. This policy document will be expanded and revised as necessary.

Section B.3-Best Available Control Technology (BACT) Determinations

ARB Recommendation: *To enable BACT determinations to be technology forcing and progressive, the District should allow applicants the opportunity to permit equipment at emission limits which are lower than current standards.*

The District should consistently state its rationale for its BACT determinations. BACT clearinghouses should be cited as part of the determination.

District Response: The District agrees and will attempt to better document BACT determinations and make them more technology forcing and progressive. The District has always provided detailed documentation for BACT determinations for sources with large equipment such as engines or turbines, or for unique equipment and processes. The District will attempt to make more technology forcing and progressive BACT determinations provided that the BACT limits are proven to be "achieved in practice for such emissions unit category" as required by District Rule 26, "New Source Review".

Section B.4-Adeqacy of Permit Conditions

ARB Recommendation: *The District should recognize that permitted emissions (facility wide) stated as the first condition on the permit are enforceable limits.*

The District should make sure that sources deep a copy of any attachments to their permits so that permits qualify as stand-alone documents and operators have a complete list of conditions to help them stay in compliance.

During permit renewal, the district should take the opportunity to correct those permits discussed above to improve the clarity and enforceability of the permit conditions.

District Response: The District agrees to recognize that facility wide permitted emissions are enforceable limits. The District is currently revising all Title V permits during reissuance to remove language stating that the permitted emissions are not enforceable. When a preponderance of the evidence suggests that facility wide permitted emissions are being exceeded, the District will take appropriate enforcement action.

Permit attachments are now mailed with each new and revised Permit to Operate. In addition, permit attachments are now mailed with every renewed permit. The District will include permit language to require that permit attachments be posted with the Permit to Operate.

The permit conditions referenced in ARB's report will be corrected at permit renewal. Additionally, the conditions referred to on permits 01368, 01045, 00006, and 00025 are identical or very similar to conditions on other permits. These other permits will also be updated at renewal.

Section B.5-Organization and Adequacy of Permit Evaluations

ARB Recommendation: *The District should explore revising the permit file for each application to include all supporting calculations to be kept with the engineering analysis section of the file.*

District Response: The District agrees and has created new procedures to implement this recommendation. A section entitled "Permitted Emissions" has been added to the standard engineering analysis template. This section will be used as necessary to document how the permitted emissions were calculated and will include discussions of throughputs, emission factors, and any assumptions used to calculate permitted emissions. As always, permitted emission calculations for any Permit to Operate (and all subsequent revisions) are in the District's electronic permitting database. The District has recently updated the Access reports that detail the permitted emission calculations to add any comments or explanations concerning the calculation that the engineer put in PEETS, which should help better document the calculations.

Section B.7-Community Bank

ARB Recommendation: *The District should adopt its proposed revisions to Rule 26.*

District Response: The revisions to Rule 26 were adopted by the Air Pollution Control Board on March 14, 2006.

C. Rule Development Program

ARB Recommendation: *The District should continue the rule amendment process for these 13 rules assessed in 2003 to ensure implementation of the "all feasible measures" requirement.*

APCD Response: The District is continuing the rule amendment process for the 13 rules assessed in 2003 to ensure implementation of the "all feasible measures" requirement.

Since the audit, the following rules have been amended or newly adopted to implement the "all feasible measures" requirement:

Rule 74.14, Polyester Resin Materials Operations
Rule 74.25, Restaurant Cooking Operations
Rule 74.30, Wood Products Coatings

The following rules are being re-examined to determine if they meet the "all feasible measures" requirement. The rule development schedule has the following target dates for adoption of rule amendments, if amendments are determined to be necessary:

Rule 70, Storage and Transfer of Gasoline	2008
Rule 74.6, Surface Cleaning and Degreasing	3rd quarter 2007
Rule 74.6.1, Batch Loaded Vapor Degreasers	3rd quarter 2007
Rule 74.12, Surface Coating of Metal Parts and Products	3rd quarter 2007
Rule 74.29, Soil Decontamination Operations	1st quarter 2007

The following rules have been re-examined and staff has determined that they meet the "all feasible measures" requirement in their current form:

<u>Rule 74.11, Natural Gas-Fired Residential Water Heaters</u>
SCAQMD reduced residential water heater emission limits to 10 nanograms per joule as of July 1, 2006. However, the manufacturers were granted a product variance by the SCAQMD Hearing Board in December 2005, further delaying implementation of the new limits. The variance is expected to be revisited in October 2006, and may be extended. Final compliance with the 10 ng/j limit is not expected until 2008. In April 2005, staff informed our Board that work on Rule 74.11 would be delayed until the implementation of SCAQMD Rule 1121 is complete. This delay should be continued.

<u>Rule 74.15, Boilers, Steam Generators and Process Heaters (1 to 5 MMBTUs)</u>
After examining rules from SCAQMD and San Joaquin Valley APCD, four scenarios of revised NOx reduction limits were evaluated. These scenarios include the following:

1. Reduce from 40 ppmv to 30 ppmv for all units (at 3% oxygen).
2. Reduce from 40 ppmv to 15 ppmv for units equal to or less than 20 MMBTU/hr
3. Reduce from 40 ppmv to 12 ppmv for units equal to or less than 20 MMBTU/hr
4. Reduce from 40 ppmv to 9 ppmv for units greater than 20 MMBTU/hr

The cost effectiveness of these scenarios varies between $24,616 per ton of NOx removed to $280,160 per ton. NOx emission reductions vary between 2.5 tons per year and 31.3 tons per year. Based on the District BACT threshold of $18,000 per ton of NOx reduced, no scenario is cost effective. On this basis, all proposed revisions to Rule 74.15 are infeasible.

Rule 74.19, Graphic Arts

Rule 74.19 limits the emissions of reactive organic compounds (ROC) from the use of inks, fountain solutions, coatings, adhesives, and cleaners used at graphic arts operations. This rule limits the ROC content of inks, coating, adhesives, and fountain solutions, while cleaning solvents are limited by ROC content and/or ROC composite vapor pressure. The South Coast AQMD has adopted technology-forcing requirements that dramatically reduce the ROC content of cleaning solvents used to clean ink application equipment in their Rule 1171. The effective date of these low-ROC cleaners is January 1, 2008, with the exception of cleaners used to clean newsprint presses, which took effect July 1, 2006. Given the technology-forcing nature of their proposal and the need to delay the implementation dates, it is premature to add Rule 74.19 to the All Feasible Measure list.

Rule 74.19.1, Screen Printing Operations

Rule 74.19.1 limits the emissions of ROC from the use of inks, coatings, adhesives, and cleaners used at screen printing operations. This rule limits the ROC content of inks, coatings, adhesives and fountain solutions, while cleaning solvents are limited by ROC content and ROC composite vapor pressure. On February 17, 2005, staff held a public workshop which included a proposal to reduce ROC emissions by reducing the ROC content of cleaning solvents, adhesives, metallic inks, and high-performance inks. Also, the proposal included eliminating the existing exemption for electronic screen printers. It was estimated that the 2005 proposal will reduce ROC emissions by 8.7 tons of ROC with 90 percent of the emission reductions resulting from the new limits on solvent cleaners. However, SCAQMD staff has delayed the effective date of the 100 g/l screen printing cleaners until January 1, 2008. Given the technology-forcing nature of their proposal with the need to delay the implementation date, and the fact that the new solvent cleaning requirements represents the lion's share of the emission reductions, it is premature to add Rule 74.19.1 to the All Feasible Measure list.

Rule 74.27, Storage Tank Degassing Operations

Rules 74.26 and 74.27 were compared to the most stringent of California's air district tank degassing rules in 2004. On 2/8/05 staff reported to the Board that the rules met the state's "all feasible measures" requirements. Nothing has changed since then.

D. Portable Equipment Registration Program

Recommendation: *The district should inspect ARB registered portable units on a routine basis. The district should continue to "post" on the ARB website inspection reports as required by section 2454(d) of the PERP regulation. See section A.1.1 of the report for a discussion of staff resources.*

APCD Response: The District agrees and will take the following actions to implement ARB's recommendations.

a. By March 1, 2007, the District will develop a program to inspect portable equipment on a routine basis.
b. The District will continue to post inspections to ARB's website.

E. "Hot Spots" Program

ARB Recommendation: *Some facilities that are in ARB's CEIDARS database are no longer in operation. The District should provide to ARB a list of all of the facilities and their status in the "Hot Spots" program each year. Although not required by law, the District should consider making their industrywide inventory spreadsheets available on their webpage. The District should continue to work with facilities early in the process of completing HRAs to ensure that all of the required information is included and submitted to the District within the specified timeframe. An effort should be make to evaluate and reprioritize facilities within the required timeframe.*

District Response: A list of facilities that are in the CEIDARS database that are no longer in operation was sent to ARB in September 2006. Facilities in CEIDARS will be reviewed annually and ARB will be notified of any that have shut down in the prior year.

Making industrywide inventory information available on the District's webpage is an excellent idea. Industrywide facilities are widespread and would likely be of interest to the public. Prior to publication of the industrywide inventory for auto body shops, the District would like to work with ARB to update the inventory, which is now out of date due to implementation of the ATCM for Emissions of Hexavalent Chromium and Cadmium Motor Vehicle and Mobile Equipment Coatings. Note that the industry wide inventory for perchloroethylene drycleaners is not yet complete pending publication of final CAPCOA guidelines.

The District will continue to work with facilities early in the process of completing HRAs to ensure that all of the required information is included and submitted to the District within the specified timeframe. Every effort will be made to evaluate and reprioritize facilities within the required timeframe.

F. Emission Inventory Program

ARB Recommendation: *The District should provide a merged criteria and toxic emission inventory to ARB. Annual toxics updates should be provided, if data is available. The District should use the most recent CEIDARS 2.5 transaction format for data submittals.*

ARB Addendum: *Since the audit in July 2004, the District began using CEIDARS 2.5 transaction format for data submittals, providing ARB appropriate growth and control factors, and has agreed to provide area source methodologies to ARB to be posted on the ARB's web site.*

District Response: The District agrees and will take the following actions to implement the recommendations.

a. By June 1, 2007, the District will submit final versions of the updated area source methodologies to post on the ARB Emissions Inventory web site.
b. The District staff is participating with ARB in discussions through the Emissions Inventory Technical Advisory Committee (EITAC) on merging the toxics and criteria data bases. However, District resources are currently limited, so making any significant merger of those data will depend on the availability of funding for this effort.