

1 **BEFORE THE HEARING BOARD OF THE**
2 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

3 **In The Matter Of:**

4 SOUTH COAST AIR QUALITY
5 MANAGEMENT DISTRICT,

6 Petitioner,

7 v.

8 BAKER COMMODITIES, INC.,

9 [Facility ID no. 800016]

10 Respondent.

Case No. 6223-1

**[PROPOSED] FINDINGS AND
DECISION GRANTING SECOND
MODIFIED ORDER FOR ABATEMENT**

Dates: TBD

Time: TBD

Place: Hearing Board Room
South Coast Air Quality
Management District
21865 Copley Drive
Diamond Br, CA 91765

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12 Baker Commodities Inc.'s request to modify the June 21, 2023 Modified Order for
13 Abatement ("First Modified Order for Abatement") to (i) reflect that Baker will cease rendering
14 operations at its Facility located at 4020 Bandini Boulevard, Vernon, CA (the "Facility") and (ii)
15 allow the Facility, subject to certain improvements being constructed, to operate as a collection
16 center for the receipt and short-term storage of raw rendering material within a Permanent Total
17 Enclosure before transportation of the material offsite to a licensed rendering or processing
18 facility, was heard on _____, pursuant to notice provided in accordance with the
19 provisions of California Health and Safety Code, sections 40823 and 42451, subdivision (a), the
20 South Coast Air Quality Management District's ("District" or "South Coast AQMD") Rule 812,
21 and the Hearing Board Rules and Procedures, Rule 8, subdivision (k).

22 **BACKGROUND**

23 1. In 2022, the Hearing Board found Baker in violation of Rule 415, 2004, and 3002,
24 and its permit conditions as set forth in the Hearing Board's Order for Abatement ("Original
25 Order"). The Original Order shut down Baker's rendering, trap grease, and wastewater processing
26 operations, until the Facility put certain operations or equipment into a permanent total enclosure
27 or closed system. In 2023, the Hearing Board issued the First Modified Order for Abatement to
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1 allow the Facility to operate equipment necessary for its trap grease and used cooking oil
2 operations and its associated wastewater treatment systems.

3 2. On October 5, 2022, Baker filed a Petition for Writ of Mandate and Complaint
4 challenging the issuance of the Original Order, among other claims, which is currently pending in
5 Los Angeles Superior Court. The parties to that lawsuit seek to resolve all claims arising under or
6 related to the Original Order, including through the issuance of this Second Modified Order.

7 **FINDINGS OF FACT**

8 The Hearing Board finds and decides as follows:

- 9 1. Baker and the District have engaged in constructive discussions to develop an acceptable
10 compliance approach and to fully resolve the violations that Baker is disputing in
11 Superior Court. Baker has decided to cease rendering operations at the Facility and
12 memorialize that in the relevant permits. Instead, Baker will utilize the Facility as a
13 collection center for the receipt and short-term storage of raw rendering material within a
14 Permanent Total Enclosure before transportation of the material offsite to a licensed
15 rendering or processing facility, effective immediately, and will make certain substantial
16 capital and operational improvements at the Facility as further described in the Order and
17 Conditions below.
- 18 2. Termination of the Second Modified Order will occur upon completion and operation of
19 the three new enclosures, including over the (1) grease pit trash area, (ii) J&M skimmer
20 trash bin, and (iii) Centrisys trash bin. Upon termination of the Second Modified Order
21 Baker may continue to operate as a collection center with the permanent capital and
22 operational improvements in effect, in addition to its used cooking oil and trap grease
23 recycling and associated wastewater operations.

24 **CONCLUSIONS**

- 25 1. Good cause exists to issue this Second Modified Order to allow Baker to operate a
26 collection center for the receipt and short-term storage of raw rendering material within a
27 Permanent Total Enclosure before transportation of the material offsite to a licensed
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1 rendering or processing facility, at the Facility, in addition to its existing used cooking oil
2 and trap grease recycling and associated wastewater operations.

3 2. The Second Modified Order should be amended to allow Baker, subject to the conditions
4 set forth in Attachment A, to operate a collection center now, while it is constructing its
5 three new capital improvements.

6 3. This Second Modified Order shall terminate upon Baker's achievement of final
7 compliance and notice thereof to the Hearing Board and the District. Final compliance is
8 the completion and operation of the new capital improvements described in Section 7 of
9 Attachment A.

10 4. Baker shall notify the Hearing Board and the District that it has achieved final compliance
11 within 7 calendar days of achieving final compliance. The District will confirm final
12 compliance in writing within 14 days of Baker's notification. The Second Modified Order
13 will automatically terminate following the District's written approval of Baker's final
14 compliance.

15 5. Upon termination of this Second Modified Order, Baker may continue to conduct
16 collection center operations, in addition to used cooking oil and trap grease recycling and
17 associated wastewater operations, subject to maintenance of the permanent capital and
18 operational improvements.

19 **ORDER AND CONDITIONS**

20 THEREFORE, based on the Findings of Fact and evidence and testimony presented at the
21 hearing, and Good cause appearing, the Hearing Board orders Baker to abide by the modified
22 conditions set forth in Attachment A. This Second Modified Order fully replaces both the First
23 Modified Order and the Original Order. This Second Modified Order shall terminate upon Baker's
24 final compliance, which includes completion and operation of the three new capital improvements
25 set forth below in Section 7 of Attachment A, and notification to the Hearing Board and District of
26 such final compliance. Upon termination of the Second Modified Order, Baker may continue to
27 conduct collection center operations, in addition to used cooking oil and trap grease recycling and
28 associated wastewater operations, subject to maintenance of the permanent capital and operational

ATTACHMENT A

Second Modified Conditions for Baker Commodities

1. Respondent shall not resume rendering operations at the Facility. Respondent shall submit Forms 200-C to inactivate any permits to operate associated with such rendering operations within 7 days of this Second Modified Order's effective date. Within 14 days of the Second Modified Order's effective date, Respondent shall pay expedited permit application fees and submit any necessary additional permit applications to modify other processes as may be necessary to operate as a collection center.
2. If Respondent withdraws its permit application related to its raw materials receiving area enclosure expansion and its operation or if such permit application is otherwise denied or rejected, Respondent has 7 days from the date of withdrawal or denial or rejection to submit a new permit application to operate as a collection center.
3. Respondent may use the Facility as a collection center, which is the receipt of raw rendering material for the purpose of short-term storage within Permanent Total Enclosure before transportation of the material offsite to another licensed rendering or pet food processing facility. The location of the transloading operation involved is identified in **Exhibit A**.
4. Respondent shall not use the Open-Air Pit to store any "sludge" or water-bearing waste generated from the Facility unless such water-bearing waste is in an enclosure, covered container, or within a closed system.
5. Respondent may operate its wastewater treatment system to process rainwater, washdown water, and water related to processing of used cooking oil.
6. Respondent shall continue to comply with all obligations to operate its trap grease deliveries or process trap grease, including any current permit requirements for fully enclosing or putting into a closed system elements of the wastewater treatment system.
7. Respondent shall implement the following capital improvements:
 - a. **New Capital Improvements:** Baker shall construct enclosures over the (i) grease pit trash area, (ii) J&M skimmer trash bin, and (iii) Centrisys trash bin, the locations of which are identified in **Exhibit A**. The Device ID Numbers and photographs of each feature are set forth in **Exhibit B** (which is Exhibit C to Baker's Request to Modify). Baker has already submitted its permit applications and fees to the District for each of the enclosures. Baker shall apply for any other permits that may be necessary to construct such features within 30 days of approval of this Second Modified Order. Baker shall complete construction of the three enclosures within 120 calendar days of the issuance of District permits and notify the District of completion of each enclosure. If the enclosures are not completed within 90 days, Baker shall cease its collection operations, unless otherwise agreed with the District, and shall notify the District. Unless otherwise agreed with the District, Baker may submit a request for extension to the Hearing Board. Baker shall suspend collection operations until such enclosures are complete or until the Hearing Board has approved its request for extension of time. Baker shall comply with permits to construct the capital improvements, including source test requirements.
 - b. If the District requests additional information to process the applications for enclosures and the raw material area expansion, Baker shall provide such additional information

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within 5 working days unless there is a demonstrated need for additional time, or within the timeframe requested by the District, whichever is later.

- 8. All trash or wastewater, digested sludge shall be disposed of in roll-off bins that will remain covered except when such bins are being filled. This condition applies to devices, including but not limited to D-269, D-329, D-234, D-368, and D-369. When material is dropped into roll-off bins, the bins shall have its freeboard height enclosed.
- 9. For any equipment that discharges trash materials or digested sludge from trap grease wastewater operations into trash bins via a freeboard drop, Respondent shall cover the free board drop.
- 10. Respondent shall notify the Clerk of the Hearing Board (ClerkofBoard@aqmd.gov) and South Coast AQMD inspector (plongoni@aqmd.gov) within 7 calendar days of achieving final compliance.
- 11. The Second Modified Order automatically terminates following:
 - a. Respondent achieving final compliance, which is the completion and operation of the new capital improvements described in Section 7, and
 - b. Respondent's notification to the Clerk of the Hearing Board and the District of final compliance.
- 12. Following termination of the Second Modified Order, Respondent may continue to conduct collection operations in addition to used cooking oil and trap grease recycling and associated wastewater operations.