

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

**In The Matter Of:**

SOUTH COAST AIR QUALITY  
MANAGEMENT DISTRICT,

Petitioner,

v.

BAKER COMMODITIES, INC.,

[Facility ID no. 800016]

Respondent.

Case No. 6223-1

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

Dates: ~~FBD~~ May 29, 2024

Time: ~~FBD~~ 9:30 a.m.

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

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

**BACKGROUND**

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

allow the Facility to operate equipment necessary for its trap grease and used cooking oil operations and its associated wastewater treatment systems.

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

### **FINDINGS OF FACT**

The Hearing Board finds and decides as follows:

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

### **CONCLUSIONS**

1. Good cause exists to issue this Second Modified Order to allow Baker to operate, at the Facility, a collection center for the receipt and short-term storage of raw rendering material within a Permanent Total Enclosure before transportation of the material offsite to a

licensed rendering or processing facility, ~~at the Facility.~~ This is in addition to its existing used cooking oil and trap grease recycling and associated wastewater operations.

2. The Second Modified Order ~~should be amended to~~will allow Baker, subject to the conditions set forth in Attachment A, to operate a collection center ~~now~~, while it is constructing ~~its~~ three new capital improvements described in section 7 of Attachment A.
3. This Second Modified Order shall terminate upon Baker's achievement of final compliance and notice thereof to the Hearing Board and the District. Final compliance is ~~the completion and operation of the new capital improvements described in Section 7 of Attachment A, defined as the issuance of the permits to operate the three new enclosures—over the (i) grease pit trash area, (ii) J&M skimmer trash bin, and (iii) Centrisys trash bin (section 7 of Attachment A)—and issuance of the permit to operate the expanded raw material receiving area.~~
4. ~~Baker shall notify~~ Upon termination of the Hearing Board and the District that it has achieved final compliance within 7 calendar days of achieving final compliance. The District will confirm final compliance in writing within 14 days of Baker's notification. ~~The Second Modified Order will automatically terminate following the District's written approval of Baker's final compliance.~~
- 5.4. Upon termination of this Second Modified Order and subject to permitting, Baker may continue to ~~conduct~~operate as a collection center ~~operations~~with permanent capital and operational improvements in effect, in addition to ~~its~~ used cooking oil and trap grease recycling and associated wastewater operations, ~~subject to maintenance of the permanent capital and operational improvements.~~

#### **ORDER AND CONDITIONS**

THEREFORE, based on the Findings of Fact and evidence and testimony presented at the hearing, and Goodgood cause appearing, the Hearing Board orders Baker to abide by the modified conditions set forth in Attachment A. This Second Modified Order fully replaces both the First Modified Order ~~and the Original Order. This Second Modified Order shall terminate upon Baker's final compliance, which includes completion and operation of the three new capital improvements~~

~~set forth below in Section 7 of Attachment A, and notification to the Hearing Board and District of such final compliance. Upon termination of the Second Modified Order, Baker may continue to conduct collection center operations, in addition to used cooking oil and trap grease recycling and associated wastewater operations, subject to maintenance of the permanent capital and operational improvements as described in Baker's Request to Modify of Abatement and the Original Order.~~

This Second Modified Order is not and does not act as a variance; Baker is subject to all rules and regulations of the District and to all applicable provisions of California law. Nothing herein shall be deemed or construed to limit the authority of the District to issue Notices of Violation, to seek civil penalties or injunctive release, or to other administrative legal relief. The Findings of Fact are based on evidence presented by the Executive Officer and Baker as of the date hereof.

Good cause appearing, it is so ordered.

BOARD MEMBER: \_\_\_\_\_

DATE: \_\_\_\_\_

## ATTACHMENT A

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### Second Modified Conditions for Baker Commodities

1. Respondent shall not resume ~~rendering-grinding, cooking and downstream~~ operations related to rendering of animal products at the Facility. Respondent shall ~~submit Forms 200-C to inactivatedisconnect (if not already) and keep disconnected~~ any ~~permitsgas, fuel, and/or steam lines~~ to ~~operate associated with suchcookers used for rendering-operations within 7 days of this Second Modified Order's effective date, including but not limited to Device D-411 and D-224.~~ 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~~Respondent's permit application related to its raw materials receiving area enclosure expansion ~~and its operation or if such permit application is otherwiseis withdrawn,~~ denied or rejected, Respondent ~~has 7 days from the date of withdrawal or denial or rejection toshall~~ submit a new permit application to operate as a collection center- within 7 days from the date of withdrawal, denial or rejection.
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 a 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.~~plant or pet food processor. The location of the collection center operation involved is identified in Exhibit A. Respondent shall not use the Facility as a collection center, until applications for permit to construct the three enclosures listed in 7.a. have been deemed complete. If any of the three permits to construct have not been issued within 120 days of the order or if any of the applications for any of these three enclosures are rejected or denied, Respondent shall cease operating as a collection center. Respondent shall submit a new permit application (or applications) within 7 days of the denial or rejection. Respondent may resume operating as a collection center once all three permits to construct have been issued.
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~~

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- ~~the enclosures.~~<sup>1</sup> 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~~Permits to Construct 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~~If the District ~~does not agree to continued collections operations after 90 days,~~ Baker may submit a request for extension to the Hearing Board to continue collections operations. Baker shall suspend collection operations until such enclosures are complete or until the Hearing Board has approved its request for extension of time- ~~for continued collections operations pending completion.~~ Baker shall comply with ~~permits~~Permits to ~~construct~~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 within 52 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. Collections Operations Conditions

- a) Baker shall not begin collections operations until applications for the permit to construct the three enclosures in 7.a. are deemed complete.
- b) Baker shall store a maximum of 60,000 lbs. of Hard Material in its Raw Material Enclosure at any time, prior to completion of the extension of the Raw Material Enclosure. No other raw material shall be stored in the Raw Material Enclosure. "Hard Material" is defined as animal fat and bone, including animal carcasses and parts, packing house or grocery store cuttings and out-of-date products, viscera, offal, feces and other organic matter generated by food processors, but expressly excluding any trap or restaurant grease material.
- c) Hard Material shall only be received from 8:00 am to 8:00 pm.
- d) Baker shall only receive 15 deliveries of Hard Material each day.
- e) No storage of Hard Material shall remain overnight at the Facility. By 9:00 pm each day, all Hard Material shall be removed from the Facility.
- f) Baker shall comply with Rule 415(e), including the washdown provision.
- g) Baker shall inspect the exterior of the Raw Material Enclosure daily, to ensure that no Hard Material escapes from the Raw Material Enclosure to the exterior.

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<sup>1</sup> The Device ID Numbers and photographs of each feature are set forth in Exhibit B. Baker has already submitted its permit applications and fees to the District for each of the enclosures.

- h) If Hard Material is discovered to have escaped from the Raw Material Enclosure to the exterior, Baker shall promptly clean up such material, investigate how such material escaped, and take corrective action to prevent Hard Material from escaping in the future.
- i) Baker shall not load or unload any Hard Material outside of the Raw Material Enclosure.
- j) Baker shall keep records, in the form of weight tickets from the Facility scale, of the inbound and outbound material to demonstrate compliance with the 60,000 lbs. of Hard Material in its Raw Material Enclosure. The records shall be made readily available during any inspection or upon any request from South Coast AQMD personnel.
- k) Respondent shall send the previous month's material records to South Coast AQMD (Attn: Paolo Longoni at plongoni@aqmd.gov) on the first Tuesday of each month.
- l) If an odor is detected at or beyond the property line of the Facility by South Coast AQMD personnel and/or site staff, the Respondent shall determine the odor source(s) as soon as possible and shall undertake remedial measures immediately, and no later than 30 minutes, to correct the problem. If after remedial measures are taken, an odor is still detected at or beyond the property line of the Facility, Respondent shall take additional remedial measures as requested by the South Coast AQMD personnel, including but not limited to immediately foregoing receipt of additional materials for collection or removal of existing materials within 3 hours.
- m) Respondent shall keep a contemporaneous daily log of odors detected at or beyond the property line of the Facility by South Coast AQMD personnel and/or on site staff and any remedial measure(s) taken. Such records shall be available to South Coast AQMD staff upon request.

~~10.11.~~ 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.

12. A hearing on the status on the matter and possible modification of the order shall be heard on August 7, 2024, or as soon thereafter as the Hearing Board and the parties may schedule. Upon the stipulation of both parties, the hearing may be requested to be taken off calendar.

~~11.13.~~ The Second Modified Order automatically terminates following:

- a. Respondent achieving final compliance, which is the ~~completion and operation~~issuance of the Permits to Operate the new capital improvements described in Section 7 and Permit to Operate the expanded raw material receiving area enclosure, 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.~~

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