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11 BEFORE THE HEARING BOARD OF THE
12 SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
13

14 **In the Matter of**

15 SOUTH COAST AIR QUALITY
16 MANAGEMENT DISTRICT,

17 Petitioner,

18 vs.

19 FENICO, LLC

20 [Facility ID No. 194027]

21 Respondent.
22

CASE NO. 6287-1

**[PROPOSED] FINDINGS AND
DECISION FOR A STIPULATED
ORDER FOR ABATEMENT**

District Rules 203, 1147, 1402, 1407.1

Date: April 22, 2026

Time: 9:30 a.m.

Place: Hearing Board

South Coast Air Quality

Management District

21865 Copley Drive

Diamond Bar, CA 91765
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24 **FINDINGS AND DECISION OF THE HEARING BOARD**

25 This petition for a Stipulated Order for Abatement was heard on April 22, 2026, pursuant
26 to notice and in accordance with the provisions of California Health and Safety Code Section
27 40823 and District Rule 812. The following members of the Hearing Board were present: Micah
28 Ali, Chair; Robert Pearman, Vice Chair; Mohan Balagopalan; Cynthia Verdugo-Peralta; and Dr.

1 Jerry P. Abraham, MD, MPH, CMQ. The Executive Officer of the South Coast Air Quality
2 Management District (hereinafter referred to as “South Coast AQMD” or “District” or
3 “Petitioner”), was represented by Josephine Lee, Principal Deputy District Counsel, and Nathan
4 Wong, Deputy District Counsel. Respondent Fenico, LLC (hereinafter referred to as
5 “Respondent” or “Fenico”), was represented by Charles H. Pomeroy, Esq. of Stiles Pomeroy
6 LLP.

7 The public was given the opportunity to testify. The matter was submitted and evidence
8 received. The Hearing Board finds and decides as follows:

9 **FINDINGS OF FACT**

10 1. Petitioner is a body corporate and politic established and existing pursuant to Health
11 and Safety Code §40000, *et seq.* and §40400, *et seq.*, and is the sole and exclusive local agency with
12 the responsibility for comprehensive air pollution control in the South Coast Basin.

13 2. Respondent operates a facility (“Facility”) located at 7805 Madison Street,
14 Paramount, CA 90723, where it conducts investment casting with various metal alloys. The Facility
15 is within South Coast AQMD’s jurisdiction and subject to South Coast AQMD rules.

16 3. As a part of its business, and relevant to this Order for Abatement, Respondent
17 operates the following equipment:

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Equipment	Description
P/O G64489	Wax burn-off furnace, 375,000 BTU/hour (“Furnace One”)
P/O G64488	Wax burn-off furnace, 565,000 BTU/hour (“Furnace Two”)
P/O G64490	Wax burn-off furnace, 565,000 BTU/hour (“Furnace Three”)
A/Ns 663615, 663616, and 663617	Three metal melting crucibles
A/N 663618	Dust collector

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1 **Rule 1147**

2 4. **District Rule 1147- Emissions of Oxides of Nitrogen from Miscellaneous**
3 **Sources**, was adopted in December 2008 and was last amended in May 2022.

4 5. Depending on the permit and the age of the burner, as determined by District Rule
5 1147(f), the owner or operator is required to operate the unit to meet the applicable nitrogen oxide
6 (NOx) emission limits specified in either Table 1 or Table 2 under the rule. The NOx emission limit
7 for Table 1 is 60 ppmv, whereas the NOx emission limit is more stringent in Table 2, at 30 ppmv.

8 6. **District Rule 1147(d)(3)(A)** allows burners that are younger than 12 years old by
9 January 1, 2023, to continue meeting the Table 1 limits if the unit has an existing permit condition
10 that meets the NOx emission limit in Table 1 (hereinafter “60 ppm NOx limit”).

11 7. Units without an existing permit condition limiting their NOx emissions are
12 required under **District Rule 1147(d)(2)** to meet the applicable NOx and CO limits in Table 2
13 (hereinafter “30 ppm NOx limit”) as demonstrated by a source test, by the schedule specified in
14 **Rule 1147(e)(1)**.

15 8. In lieu of complying with the requirements of paragraphs (d)(1) through (d)(6),
16 **District Rule 1147(d)(7)** states an owner or operator of a unit may elect to comply with the
17 following: NOx emissions less than one pound per day averaged over a calendar month pursuant to
18 subdivision (g) and maintain records pursuant to subdivision (j), or any new or existing permit limit
19 of less than one pound of NOx per day, whichever is lower.

20 9. **District Rule 1147(h)(1)** states that owners or operators of units shall determine
21 compliance with the applicable NOx emission limit under subdivision (d) using a South Coast
22 AQMD approved test protocol. The test protocol shall be submitted to South Coast AQMD no
23 later than 90 days prior to the scheduled test and approved by the Source Testing Division.

24 10. **District Rule 1147(h)(13)(A)** requires owners and operators of in-use units,
25 meaning units that were in operation at the current location prior to May 6, 2022, to conduct
26 source testing no later than May 6, 2024.

27 11. Respondent operates three furnaces, Furnaces One, Two, and Three (P/Os G64489,
28 G64488 and G64490, respectively, hereinafter “Furnaces”).

1 12. Furnaces One, Two, and Three are in-use units for purposes of Rule 1147.

2 13. Respondent asserts that the burners for Furnaces One, Two, and Three were most
3 recently replaced in 2012. However, to date, Fenico has not provided documentation required under
4 **Rule 1147(f)(2)** to support this contention. As such, subject to **Rule 1147(f)(3)**, the burners on
5 Furnaces One, Two, and Three shall be deemed to be 32 years old as of January 1, 2023.

6 14. Per **Rule 1147(e)(2)(A)(i)**, the three furnaces were required to submit permit
7 applications to limit emissions to the 30 ppm NOx limit on or before July 1, 2023. Respondent
8 failed to submit permit applications to limit emissions for these furnaces by the deadline.

9 15. Additionally, per **Rule 1147(h)(13)(A)**, Furnaces One, Two, and Three must
10 demonstrate compliance with the applicable NOx limit using a District approved source test
11 protocol by the May 6, 2024 deadline. Respondent failed to conduct source testing for these
12 furnaces by the deadline.

13 16. Petitioner also contends that Respondent was unable to demonstrate, based on
14 facility fuel records, that the emissions from the Furnaces was less than one pound per day per **Rule**
15 **1147(d)(7)**.

16 17. On or around October 9, 2025, Petitioner issued Notice of Violation (“NOV”)
17 P80436, alleging, among others, the Facility failed to conduct initial source testing for the three
18 wax burn-off furnaces to demonstrate compliance with the applicable NOx limits by the May 6,
19 2024, deadline stated in **Rule 1147(h)(13)(A)**.

20 18. For Furnaces One, Two, and Three, Petitioner contends that Respondent is in
21 violation of **District Rules 1147(e)(2)(A)(i)** for failing to submit a permit application to limit NOx
22 emissions to the 30 ppm limit. Petitioner also contends that Respondent is in violation of
23 **1147(h)(13)(A)** for all three Furnaces for failing to demonstrate compliance with the applicable
24 NOx limit through source testing by May 6, 2024. Furthermore, Petitioner contends that
25 Respondent is in violation of **Rule 1147(d)(5)** for continuing to operate a unit that exceeds the
26 applicable NOx emissions limits after the applicable date specified in subdivision (e).

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1 **Rule 1407.1**

2 19. **District Rule 1407.1 – Control of Toxic Air Contaminant Emissions from**
3 **Chromium Alloy Melting Operations** was adopted in January 2021.

4 20. **District Rule 1407.1** imposes emission limits for toxic air contaminants, including
5 hexavalent chromium, on owners and operators of chromium alloy melting facilities for all
6 chromium alloy melting furnaces and associated emission control devices, as demonstrated through
7 source tests under subdivision (h).

8 21. **District Rule 1407.1(d)(1)** imposes concentration limits on aggregate hexavalent
9 chromium emissions based on the distance from the source to the nearest property line of the closest
10 sensitive receptor.

11 22. **District Rule 1407.1(d)(1)** also requires demonstration of compliance with the
12 applicable hexavalent chromium limits through source tests, pursuant to subdivision (h).

13 23. Starting on or around September 10, 2025, the City of Paramount’s air monitor at
14 15701 Minnesota Avenue recorded three consecutive samples of hexavalent chromium at elevated
15 levels. This prompted Petitioner to conduct a compliance investigation of the Facility as it operates
16 within close proximity to the City of Paramount’s air monitor.

17 24. During the inspection, Petitioner found that Respondent had five melting crucibles
18 at the Facility. District staff determined one crucible to be exempt under Rule 219. Another crucible
19 was confirmed to be rendered inoperable. The remaining three melting crucibles, which do not have
20 permits with the District, were in operation at the time of the inspection. These crucibles vent to a
21 dust collector that also does not operate under a District permit.

22 25. The Facility’s three melting crucibles are subject to Rule 1407.1.

23 26. The Facility is located less than 50 meters from the closest sensitive receptor
24 (residential homes). Therefore, the applicable hexavalent chromium emission limit under Rule
25 1407.1 is 0.40 mg/hr.

26 27. Prior to the hearing, Respondent submitted Class III (Equipment Operating Without
27 a Permit) Applications to continue operating its melting crucibles and dust collector (A/Ns 663615,
28 663616, and 663617 for the melting crucibles, and A/N 663618 for the dust collector). However,

1 the District cannot proceed with processing the applications until the Facility demonstrates
2 compliance with Rule 1407.1 through a source test conducted according to an approved source test
3 protocol.

4 28. Petitioner issued NOV P80441, alleging that Respondent failed to demonstrate
5 compliance with the rule by not conducting a source test in violation of **District Rule 1407.1(d)(1)**.

6 29. Since issuance of NOV P80441, Respondent submitted a source test protocol to
7 determine Rule 1407.1 compliance on or around March 13, 2026, with a request for expedited
8 review submitted on or around March 16, 2026.

9 30. On or around March 27, 2026, Source Test Engineering determined the source test
10 protocol for the melting crucibles to be conditionally acceptable.

11 31. A source test has not yet been conducted.

12 32. Petitioner alleges that Respondent is in violation of **District Rule 1407.1(d)(1)** for
13 failing to demonstrate compliance with hexavalent chromium emission limits through source
14 testing. Respondent is also in violation of **District Rule 1407.1(d)(5)(C)** for failing to submit
15 permits to construct for the three crucibles and the associated dust collector by January 1, 2022.
16 Moreover, Respondent is in violation of **District Rule 203(a)** for operating and continuing to
17 operate equipment that may cause the issuance of air contaminants, and equipment that reduces or
18 controls of air contaminants without first obtaining a written permit to operate.

19 **Rule 1402**

20 33. **District Rule 1402 – Control of Toxic Air Contaminants from Existing Sources**
21 was first adopted in April 1994, and was last amended in October 2016.

22 34. **District Rule 1402(d)** requires an owner or operator of a facility to submit an Air
23 Toxics Inventory Report (“ATIR”) from a facility when, after an investigation, emission levels from
24 the facility could potentially cause an exceedance of the Notification Risk Level. The Notification
25 Risk Level, as defined under Rule 1402(c)(12), is when the estimated probability of an individual
26 contracting cancer as a result of exposure to toxic air contaminants is greater than ten chances in
27 one million.

28 35. **District Rule 1402(d)(2)** requires submittal of the full ATIR within 150 days after

1 the District notifies the facility that they must prepare an ATIR according to District guidelines.

2 36. Petitioner conducted an analysis of hexavalent chromium monitoring data over
3 several years in the vicinity of the Facility and determined that the ten chances in one million
4 threshold was exceeded, triggering **Rule 1402(d)**.

5 37. On or around October 9, 2025, the District notified the Respondent that they must
6 prepare an ATIR by March 6, 2026, 150 days after the letter was sent.

7 38. Respondent requested an extension of time to complete the ATIR, which was denied.

8 39. Respondent did not submit an ATIR by the March 6 deadline.

9 40. Petitioner contends Respondent is in violation of **District Rule 1402(d)(2)** for
10 failing to submit the full ATIR within 150 days of notification.

11 CONCLUSION

12 1. The parties have stipulated to the issuance of this Order for Abatement, pursuant to
13 Health & Safety Code Section 42451(b). In accordance with that section and District Rule 806(b),
14 the Hearing Board is not required to make a finding that Respondent is in violation of District rules
15 or regulations. Good cause exists to grant this Stipulated Order for Abatement.

16 2. This Stipulated Order for Abatement is not intended to be nor does it act as a
17 variance. Respondent is subject to all rules and regulations of the District and to all applicable
18 provisions of California law. Nothing herein shall be deemed or construed to limit the authority of
19 the District to issue Notices of Violation, to seek civil penalties or injunctive relief, or to seek other
20 administrative or legal relief. The Findings of Fact are based on evidence presented by Petitioner
21 and Respondent as of the date hereof.

22 3. The issuance of the Order for Abatement is not expected to result in the closing or
23 elimination of an otherwise lawful endeavor, but if it does result in such closure or elimination, the
24 District contends that it would not be without a corresponding benefit in reducing air contaminants.

25 4. Issuance of this Stipulated Order for Abatement, upon a fully noticed hearing, will
26 not constitute a taking of property without due process of law.

ORDER

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2 THEREFORE, in reliance on the stipulation of the parties, the aforesaid statements,
3 additional evidence and testimony, and good cause appearing, Respondent is hereby ordered to cease
4 and desist from all violations of District Rules 203, 1147, 1402, 1407.1 regarding the operation of
5 the wax burn-off furnaces (P/Os G64489, G64488, and G64490), the three metal melting crucibles
6 (A/Ns 663615, 663616, and 663617) and the associated air pollution control system (A/N 663618)
7 or, in the alternative, to comply with the following conditions:

8 1. Respondent shall immediately limit natural gas throughput of each wax burn-off
9 furnace (Permits to Operate G64489, G64488, and G64490, hereinafter “Furnaces”) as recorded by
10 totalizing fuel meters, to no more than 391,900 scf/month for each Furnace.

11 2. No later than 30 calendar days, Respondent shall submit an Administrative Change
12 permit application for each Furnace to incorporate applicable the Rule 1147(d)(7) requirement.
13 Respondent shall submit the application for expedited review.

14 3. Respondent shall maintain gas usage records, including totalizing gas meter readings,
15 for each of the Furnaces to demonstrate compliance with Condition No. 1 and provide these records
16 to Steve Tran, stran@aqmd.gov and Raymond Chung, rchung@aqmd.gov for each month, no later
17 than the 3rd day of the following month, starting May 3, 2026. Conditions 1 and 3 shall expire upon
18 issuance of a permit for each Furnace as provided in Condition 2.

19 4. If the natural gas usage records for the Furnaces are incomplete or exceed the fuel
20 limit under Condition No. 1, Respondent shall submit permit applications for replacement burners
21 for the Furnaces to demonstrate compliance with the 30 ppm NOx limit under Rule 1147 within 90
22 calendar days of the written notice from the District.

23 5. No later than 45 calendar days, Respondent shall conduct source tests for the three
24 melting crucibles (A/Ns 663615, 663616, and 663617, hereinafter “Crucibles”) to demonstrate
25 compliance with the requirements of Rule 1407.1 and for the purposes of quantifying metal
26 emissions for Rule 1402 pursuant to the following conditions:

- 27 a. Aggregate hexavalent chromium emissions shall not exceed 0.40 milligrams per
28 hour.

- 1 b. The alloy that shall be processed in the crucibles during the source test is
2 identified as 310 Stainless Steel.
- 3 c. The source test shall include analysis of all metals (mercury may be excluded)
4 listed in Table 1 of CARB Method 436.
- 5 d. Submit notice of the source test to Steve Tran, stran@aqmd.gov, Raymond
6 Chung, rchung@aqmd.gov, and Alejandro Nieto Mora, amora@aqmd.gov, at
7 least 7 calendar days prior to the scheduled source testing date.
- 8 e. Submit the final source testing results to South Coast AQMD Source Testing
9 Engineering Division [sourcetesting@aqmd.gov] no later than 72 hours after
10 receipt, with a copy to Steve Tran, stran@aqmd.gov, Raymond Chung,
11 rchung@aqmd.gov, and Vanessa Tanik, vtanik@aqmd.gov.

12 6. Respondent shall cease operations of all affected Crucibles within 24 hours following
13 receipt of the source test results if hexavalent chromium emissions are greater than the 0.40
14 milligrams per hour emission limits set forth in Rule 1407.1(d)(1) Table 1, or if the emission
15 collection system does not meet the requirements of Rule 1407.1(j)(3) and (j)(4).

16 7. The Respondent shall notify Steve Tran, stran@aqmd.gov, Raymond Chung,
17 rchung@aqmd.gov and Vanessa Tanik, vtanik@aqmd.gov within 24 hours of stopping operation.

18 8. If the Class III permit applications (Equipment Operating Without a Permit) for the
19 Crucibles (A/Ns 663615, 663616, and 663617) are denied for failing to demonstrate compliance
20 with Rule 1407.1, Respondent shall submit Permit to Construct applications for each Crucible and
21 their associated APCD(s) within 30 calendar days of the denial. Respondent shall submit the
22 application for expedited review. Respondent shall not operate the Crucibles until the Permit to
23 Construct is issued.

24 9. No later than 30 calendar days, Respondent shall submit the Air Toxics Inventory
25 Report to Vanessa Tanik, vtanik@aqmd.gov.

26 10. Respondent shall request expedited review and processing of any Source Test
27 Protocol and the Source Test Report by submitting the Expedited Evaluation Request Form 222-
28 XST.

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11. The Hearing Board may modify the Order for Abatement without the stipulation of the parties upon a showing of good cause, therefore, and upon making the findings required by Health and Safety Code Section 42451(a) and District Rule 806(a). Any modification of the Order shall be made only at a public hearing held upon 10 days published notice and appropriate written notice to Respondent.

12. Respondent shall notify the Clerk of the Board in writing when final compliance has been achieved.

13. The Hearing Board shall retain jurisdiction over this matter until October 30, 2026 or until Respondent has fully complied with the terms of this Order and achieved compliance, whichever occurs earlier, unless this Order is amended and modified

FOR THE BOARD: _____

DATED: _____

Reviewed by Charles H. Pomeroy, Representative for Respondent

Prepared by Josephine Lee, Attorney for Petitioner