COMPLIANCE ASSISTANCE BULLETIN September 3, 2010

SETTLEMENT AGREEMENTS ALLOWING NON-COMPLYING FACILITIES TO CONTINUE OPERATIONS
IN-STATION DIAGNOSTICS DEADLINE OF SEPTEMBER 1, 2010

In response to the significant economic challenges that we face in the state and in our region, the San Joaquin Valley Air Pollution Control District ("District") in consultation with the Air Resources Board (ARB) and the California Air Pollution Control Officers Association (CAPCOA), will provide Gasoline Dispensing Facilities (GDFs) that have been unable to comply with the September 1, 2010 deadline additional time to install the required In-Station Diagnostics (ISD) systems.

In-Station Diagnostics is the last phase of Enhanced Vapor Recovery (EVR) and is required to be installed at all GDFs subject to EVR with an annual throughput greater than 600,000 gallons. The ISD system continuously monitors the vapor collection and vapor containment systems and notifies the GDF operator of possible problems in the systems through a series of alarms. All subject facilities within the District were required to either install ISD or take an annual gasoline throughput limit of 600,000 gallons or less on their permits by the deadline.

In an effort to assist GDFs that were unable, despite their best efforts, to complete the installation of ISD by September 1, 2010, the District will allow a non-compliant GDF to continue operating provided they enter into a binding settlement agreement. The agreements must be entered into **by October 1, 2010.** Under the agreements GDFs will be allowed to continue operating while completing the installation of ISD in accordance with the following compliance schedule deadlines:

1. **GDFs with Certified Phase II EVR for which there is a Certified ISD**
   ISD systems are currently certified for the Healy Phase II EVR System, the VST Phase II EVR System with a Veeder-Root Vapor Polisher or Veeder-Root Membrane Processor and the EMCO Wheaton Phase II EVR System. GDFs with one of these Phase II systems installed must: (1) upon entering into an agreement, submit an Authority to Construct (ATC) application for the installation of ISD (if they have not already done so) and (2) complete the ISD installation by no later than **March 1, 2011**.

2. **GDFs with Certified Phase II EVR for which there is not a Certified ISD**
   ISD systems are not currently certified for use on the VST Phase II EVR systems served by a Hirt VCS 100 processor or Healy Clean Air Separator. GDFs with

one of these two Phase II systems installed must enter into an agreement requiring that they: (1) submit an Authority to Construct (ATC) application for the installation of ISD **within 15 calendar days of the date an ISD system is certified for the applicable Phase II system** and (2) complete the ISD installation **within three months** of the same date.

Under the District's enforcement approach, all subject GDFs that were unable to complete the installation of ISD by September 1, 2010 will be issued Notices of Violation (NOVs) to document the violations. Operators of GDFs will then be given the opportunity to enter into a settlement agreement. **GDF operators that choose not to return a signed agreement, along with the any associated penalty payment set forth in the agreement, may not be allowed to continue to operate beyond October 1, 2010.**

Limiting Throughput to 600,000 Gallons
Those operators wishing to limit annual throughput to 600,000 gallons or less, that do not currently have a permit indicating such a limit, must submit an ATC application requesting that the limit be added to their permit.

QUESTIONS AND ADDITIONAL INFORMATION...

If you have any questions or need additional information regarding the information in this Bulletin, please feel free to contact:

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