October 26, 2012

2nd NOTICE

Enhanced Vapor Recovery Systems For New and Existing Aboveground Storage Tanks

The California Air Resources Board (CARB) previously issued Advisory 393, Enhanced Vapor Recovery Systems (EVR) for Aboveground Storage Tanks (attached). The advisory specifies three new requirements for new and existing aboveground storage tanks (ASTs): standing loss control, Phase I and Phase II. The advisory can also be found at ARB’s website: http://www.arb.ca.gov/vapor/advisories/advisories.htm.

Standing Loss Control
Standing loss control is a new requirement intended to reduce gasoline temperatures inside ASTs to minimize evaporation. Standing loss control is required for both retail and non-retail ASTs with a capacity of 250 gallons or greater, regardless of throughput.

Phase I
Phase I EVR is required for ASTs at retail GDFs with a capacity of 260 gallons or greater or at non-retail GDFs with a capacity greater than 550 gallons.

Phase II
Phase II EVR is required for ASTs at retail GDFs with a capacity of 250 gallons or greater and where more than 2,000 gallons are transferred into motor vehicle tanks in any calendar month. Phase II EVR is required at non-retail GDFs with a capacity greater than 550 gallons and where more than 2,000 gallons are transferred into motor vehicle tanks in any calendar month.

The following table is a summary of compliance deadlines as listed in the advisory:

<table>
<thead>
<tr>
<th>REQUIREMENTS</th>
<th>New AST</th>
<th>Existing AST</th>
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</thead>
<tbody>
<tr>
<td>Standing Loss</td>
<td>January 1, 2009</td>
<td>April 1, 2013</td>
</tr>
<tr>
<td>Phase I EVR</td>
<td>July 1, 2010</td>
<td>July 1, 2014</td>
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<tr>
<td>Phase II EVR</td>
<td>No timeline for the installation of Phase II EVR Systems or equipment has been established at this time.</td>
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</tbody>
</table>

Existing AST Balance GDFs with Phase II
If you currently operate a balance AST, which has Phase II vapor recovery and need to replace hanging hardware (nozzles, breakaways, hoses, swivels, etc.), you must install components which are certified. ARB issued Advisory 408, which specifies components certified for replacement. This advisory is also attached and can be found at http://www.arb.ca.gov/vapor/advisories/adv408.pdf.

Prior to upgrading your AST to meet any of these new requirements, you must submit an application to the District and obtain an Authority to Construct. For information regarding applications and/or permitting requirements for ASTs, please contact Mahiany Luther at (858) 586-2725. If you would like information regarding compliance requirements and/or timelines please contact Randy Smith at (858) 586-2677.

MA:jl