



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

INSTRUCTIONS AND EXPLANATIONS

The Process

Initial step:

The first step in the process is to have an authorized officer of the GDF read and understand all the attached documents, decide whether or not to participate in this process, and, if so, fill out completely and sign the following documents:

1. Declaration of Gas Dispensing Facility; and
2. Settlement Agreement.

The information you provide in these documents should be checked carefully for any errors as inaccurate information may be grounds for voiding the Settlement Agreement and the Stipulated Order for Abatement. (Note: explanation for each document is provided below).

After fully completing these documents, the documents may be submitted by mail or in person (NOT by e-mail or facsimile). You must include with these documents a check to cover the initial penalty amount for each month of operation starting with April 2009 to the current month, if after April. In addition, if your GDF receives a Notice of Violation for violating Rule 461(i), failure to file a compliance plan or permit application, then you must also include a separate check for \$500 to cover that violation. Keep a copy of the documents for your record and reference. Once the properly completed documents and payment are received, your GDF will be scheduled for the next available hearing date for the stipulated Order for Abatement. A copy of the countersigned settlement agreement will be returned to the GDF preferably by e-mail along with notice of the date and time of your hearing. You need not appear at the hearing. The GDF will be notified after the Order for Abatement is approved.

Operating while not fully in compliance:

Operations after April 1 contrary to the terms of the signed Settlement Agreement will void the agreement. The GDF must pay the monthly penalty as stated in the Settlement Agreement on or before the first of each month. Delinquent payments are subject to an additional 50% penalty if not paid by the tenth of each month. The Settlement Agreement will also be voided if the full penalty payment is not paid 30 days after it is due. To provide an incentive to complete the upgrade as early as feasible, the penalty amount is increased after August 31, 2009. A penalty may be waived if the GDF temporarily shuts down fuel dispensing operations until it complies fully with any applicable P-II EVR and September 1, 2009 ISD requirements, and notifies the AQMD of such intention by submitting the attached Statement of Temporary Shut Down.

The GDF is also reminded that it must operate the equipment according to the applicable CARB Executive Order and the terms of the permit issued for the existing equipment. The Settlement Agreement does NOT provide any exception to proper operation of the equipment. The AQMD continues to conduct compliance inspections and will take appropriate enforcement actions if violations are observed.

Voided Settlement Agreement:

In case the Settlement Agreement is voided, the GDF may be prosecuted for the full amount of penalties (maximum of \$25,000 per day or higher) allowed under the law as well as the possible tag-out or shut-down of the GDF.

Notifying the AQMD of full compliance:

After the installation of PII-EVR equipment and, if applicable, ISD equipment, the system must be tested pursuant to the CARB Executive Order under which the system is certified. AQMD rules require such tests to be performed within ten days after the system starts dispensing fuel. Full compliance with PII-EVR and ISD requirements is achieved by passing all the required tests. Once this is achieved, the GDF completes the Statement of Full Compliance included in the package and sends it to the address provided. Submittal by e-mail is preferred and will speed up the process. The AQMD will notify the Hearing Board of your compliance. No GDF is allowed to operate without PII-EVR equipment, or ISD equipment required by September 1, 2009, past December 31, 2009 under the Settlement Agreement or the Stipulated Order for Abatement. The Hearing Board retains jurisdiction of the case past December 31, 2009 to exercise its authority over those GDFs that fail to comply by this date.

Contact Information for question and status inquiries:

Web page: http://www.aqmd.gov/comply/Rule461/Useful_doc/advisory01-09.htm
Telephone Number: (909) 396-3546

Submittal addresses:

E-mail address for scanned documents: evrstipulatedoa@aqmd.gov

Fax Number: (909) 396-3791

Mailing Address:

District Prosecutor's Office
EVR Phase II
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-9819

Description and Explanation for Enclosed Documents

**PETITION FOR STIPULATED GROUP ORDER FOR ABATEMENT ("Petition")
AND PROPOSED ORDER FOR ABATEMENT**

This document was filed by the District to initiate a formal and public proceeding before its administrative Hearing Board, which typically consists of 5 Board members, to

March 24, 2009

have them issue the attached Proposed Order against your GDF. The basis for the Proposed Order will be the facts contained in the Petition and your Declaration and Stipulation, described later. If the Hearing Board issues the Proposed Order, you must comply with the terms of the Order. As a result, you should:

- 1) Determine who the appropriate person in charge of the GDF that has the authority to make binding agreements on its behalf is.
- 2) Have that person carefully review the Petition and the Proposed Order.
- 3) From this point on in these instructions, that person will be referred to as “You.”

DECLARATION OF GAS DISPENSING FACILITY (“Declaration”)

This document will be filed with the Hearing Board and provides it with the basis to issue the proposed stipulated order of abatement on its consent calendar. You are being asked to agree to certain facts and conditions, which will enable the Hearing Board to proceed without a hearing and without your presence to issue the Proposed Order.

You should:

- 1) Carefully review and accurately fill out the blanks in this document.
- 2) Date and sign this Declaration under the penalty of perjury and fill out the city in which this Declaration was signed. If the city is not in the state of California, you may write in the correct state.
- 3) You must mail or hand-deliver this Declaration with the Agreement to the address listed above.

SETTLEMENT AGREEMENT (“Agreement”)

This document is a binding agreement between you and the District. It is the document that enables your GDF to operate beyond April 1, 2009 in violation of both state and District requirements without being tagged out and without being subject to penalties greater than that specified in the Agreement, as allowed under state law. However, you need to comply with all the terms of the Agreement in order to gain this protection. This Agreement only protects your GDF until December 31, 2009. You should:

- 1) Carefully review and accurately fill out the blanks in this document.
- 2) Carefully review Tables 1 and 2 to determine the amounts of monthly penalties you must pay, double-check those amounts, and then write down those amounts as required in the Agreement. However, monthly penalties are waived if you decide to temporarily stop dispensing operations until after full compliance with the Phase II EVR and any applicable September 1, 2009 ISD requirements are achieved.
- 3) Note that the settlement only cover those violations associated with the failure, if any, to file a PII-EVR compliance plan by December 31, 2008, and the failure to operate CARB certified PII-EVR and any September 1, 2009 required ISD equipment occurring between April 1, 2009 and December 31, 2009 and NOT any other violations. An additional penalty of \$500 must be paid with a separate check by those who are issued a notice of violation for violating District Rule 461(i).
- 4) Note that monthly penalties must be paid in advance by the first of each month and are subject to an additional 50% penalty if received by the District past the 10th of the month. If the payment is late by more than 30 days, the Agreement

will be void and your GDF will no longer be protected under the terms of this Agreement.

- 5) Notify the District within 5 calendar days of achieving full compliance by completing the enclosed Statement of Full Compliance and submitting it to the District as directed on the form.
- 6) Sign and date the Agreement making sure that the name of the GDF is correct.
- 7) You must mail or hand-deliver this Agreement with the Declaration along with the necessary checks to the address listed above.

STATEMENT OF FULL COMPLIANCE

This document is for notifying the AQMD that your GDF has been retrofitted with a certified P-II EVR system, and an ISD system if required by September 1, 2009; AND has been successfully tested in accordance with the Executive Order under which the installed system is certified by CARB. Complete, sign, and submit this statement within five (5) days after passing the tests. Submittal may be by fax, e-mail or postal mail. After receiving this statement, the AQMD will notify the Hearing Board of your status update.

STATEMENT OF TEMPORARY SHUT DOWN

This document is for notifying the AQMD that you are temporarily shutting down gasoline dispensing operations at your facility until such time that the GDF is fully equipped with required certified equipment including ISD, if required by September 1, 2009. As such, no penalty will be assessed after the date of the shut down. Complete and submit this statement by fax, e-mail or postal mail. After receiving this statement, the AQMD will update the status of your facility and stop assessing you a monthly penalty. The AQMD may conduct inspections to confirm your non-operational status. Illegal operations at the GDF can be prosecuted for the full amount of penalties (maximum of \$25,000 per day or higher) allowed under the law as well as the possible tag-out or shut-down of the GDF.

After installing the certified equipment, you may then commence operation but within 10 days of the start of operations, you must conduct AND pass all required certification tests. You must then notify the AQMD within five days after achieving final compliance with the applicable requirements using the Statement of Full Compliance.