



State Water Resources Control Board



Executive Office

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Arnold Schwarzenegger
Governor

November 1, 2007

Mr. Glenn Walker
Vapor Systems Technologies, Inc.
650 Pleasant Valley Drive
Springfield, OH 45066

Dear Mr. Walker:

EVALUATION OF THE VAPOR SYSTEMS TECHNOLOGIES, INC. (VST) PHASE II EVR SYSTEM (VR-203-A)

Assembly Bill 2955 (Statutes 2004, Chapter 649) added section 25290.1.2(a) to Chapter 6.7 of the Health and Safety Code (H&SC). This section requires the Air Resources Board (ARB) and State Water Resources Control Board (State Water Board) to certify, to the best of their knowledge and using existing resources, that equipment meeting the ARB's Enhanced Vapor Recovery (EVR) requirements also meets underground storage tank (UST) statutory requirements.

We have received three separate information packets from Vapor Systems Technologies, Inc., (VST) which provide a detailed explanation of your Phase II EVR system. The system consists of dispenser hanging hardware that works to minimize vapor pressure in the UST ullage space, and a vapor processor that can extract clean air from the UST ullage space when pressure exceeds a preset threshold. A Veeder-Root TLS-350 control panel and associated sensors are used to monitor UST ullage pressure and control vapor processor operation. The design, construction, installation, and operation of the VST Phase II EVR system have been reviewed by a California Registered Professional Engineer, as indicated in the enclosed signed statement. Based on this signed statement and the information that you provided, we have found no evidence that the VST Phase II EVR system conflicts with H&SC Chapter 6.7.

UST owners who intend to install this system in California should be aware that:

For UST systems installed prior to July 1, 2003, tank vent lines are excluded from the statutory definition of "underground storage tank" if they are designed to prevent, and do not hold, standing fluid¹. Based on the professional engineer's evaluation, the VST vapor processor does not increase the likelihood of liquid-phase product accumulating in the underground tank vent lines². Because the engineering evaluation indicates that the VST system does not increase the likelihood of liquid-phase product, vent lines that are currently excluded from the definition of "underground storage tank" may continue to be excluded once the VST Phase II EVR system has been installed.

¹ California Health and Safety Code, Chapter 6.7, section 25281.5(a)(4)

² The engineer's evaluation indicates that the vapor concentration returned from the processor to the tank are only 1.8% higher than the vapor concentration found in tank vent lines without a vapor processor.

California regulations³ specify that any installation, repair, maintenance, or programming of monitoring equipment must be done by a qualified service technician meeting the requirements of California Code of Regulations, Title 23, section 2715(i). Installation of the VST Phase II EVR system involves adding sensors, wiring, and possibly software to the Veeder-Root TLS-350 control panel. In cases where the Veeder-Root TLS-350 control panel is being used to satisfy monitoring requirements for the UST system, all work related to the TLS-350 must be performed by a qualified service technician meeting the requirements of section 2715(i).

Permitting and inspection requirements vary among the local regulatory agencies implementing the State Water Board's UST program in jurisdictions throughout California. Depending on the location of the UST, the local agency may require the UST owner/operator to obtain a permit prior to installation of the VST Phase II EVR system and/or to conduct functional testing of the monitoring system after the VST Phase II EVR system has been installed.

Pursuant to H&SC section 25290.1.2(a) the State Water Board certifies that, to the best of its knowledge, the Vapor Systems Technologies, Inc. Phase II EVR system meets the requirements of H&SC Chapter 6.7. This determination assumes the Vapor Systems Technologies, Inc. Phase II EVR system is installed in accordance with applicable ARB Executive Orders, manufacturer's instructions, and the limitations outlined in this letter.

If you have questions regarding this letter, please contact Ms. Laura Chaddock at (916)341-5871, or by email at lochaddock@waterboards.ca.gov.

Sincerely,



Dorothy Rice
Executive Director

Enclosure: Certification Statement for the VST Phase II EVR System

³ California Code of Regulations, Title 23, sections 2611 and 2638

Engineering Statement

Section 1

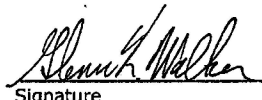
Certification Statement for VST's ECS Membrane Processor¹

Based on a careful review and analysis, I hereby certify that the ECS Membrane Processor, which is under consideration for California Air Resources Board (ARB) certification, meets the requirements of Chapter 6.7 of the California Health and Safety Code (the State Water Resources Control Board's underground storage tank requirements, including enhanced leak detection and continuous vacuum, pressure, or hydrostatic monitoring.)².

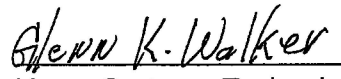
The ECS Membrane Processor warranty is valid as long as the system is installed, operated, and maintained according to manufacturer's instructions and in a manner that does not exceed the limitations described.

Limitations: See the attached Appendix B


 Signature Date
 California Professional Engineer
 C 50985


 Signature Date
 Company Representative

Bernie Lingnau
 Pacific Petroleum Equipment
 5465 Gaines St., #102
 San Diego, California 92110


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 650 Pleasant Valley Drive
 Springboro, Ohio 45066

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Phone: 937-704-9333

¹ This certificate statement is part of the guidelines developed by the California Air Resources Board (ARB) and State Water Resources Control Board (State Water Board) to implement provisions of Assembly Bill 2955 (Statutes 2004, Chapter 649: McCarthy).

² This certification is based on the presumption that the ECS Membrane Processor is constructed, installed, maintained, and operated in accordance with all applicable requirements of Chapter 6.7 of California Health and Safety Code, and Chapter 16 of California Code of Regulations.