

Exhibit H

Retail Water Management Procedure for the Storage of Ethanol Blended Fuels.

This procedure is to be followed by all Retail Operators and Delivery Operators

A. Prior to First Delivery:

Station Operator

- ❑ 1. Utilize manual tank gauge procedure to detect any water bottoms. Follow the procedure in the HSE Bluebook section PI-1. **Alcohol compatible water paste must be used and can be obtained from your local fuel equipment supplier.**
 - If more than $\frac{3}{4}$ " of water is detected have water removed immediately. **Product will not be delivered if water bottoms level meets or exceeds 1"**.
 - Check stick reading against the Automatic Tank Gauge (ATG) reading. If more than $\frac{1}{4}$ " discrepancy exists inspect the ATG for calibration.
 - Automatic Tank Gauge (ATG) water warning alarm to be set at $\frac{3}{4}$ ". Water to be pumped out to be when alarm condition is present
 - Automatic Tank Gauge (ATG) water shutdown alarm to be set at $1\frac{1}{2}$ ". Tank to be locked down and nozzles bagged and an approved product quality lab to be contacted for sampling and analysis.

B. Prior to Normal Delivery:

Driver Requirements for Delivery of Ethanol Based Based Fuels

- ❑ 1. Manual tank gauge procedures are required for detecting water bottoms. Veeder-Root reading should not be used as an accurate measure of water in tank.
 - A tank stick with water paste compatible with alcohol fuels is to be used. (Kolor Kut Water Finding Paste Modified for Reformulated or Oxygenated Fuels).
 - Fresh paste should be applied to the stick on each delivery.

- Water and product gauges must be recorded on the Bill of lading
 - If more than 1" of water is detected, do not deliver product and notify dealer/operator immediately.
- ❑ 2. Water in Fill boxes must be removed before a delivery can be started
 - If the driver on his arrival finds a small amount of liquid (less than three gallons) in the fill box, driver should stick the tank for water.
 - If **less than 1"** of water is detected, and more than 2000 gallons of gasoline is being delivered, driver may transfer the liquid in the fill box into the tank.
 - If **more than 1"** of water is detected in the tank, liquid in the fill box can not be returned to the tank. The Station Attendant should be notified and the delivery not made.
- ❑ 3. Delivery Completion
 - Inspect fill and vapor caps for damage and missing gaskets. Report to station operator if caps need to be replaced.
 - Inspect for loose or damaged fill and vapor adapters. Tighten as necessary. If a tight connection to the vapor and product delivery hoses cannot be made then report to the station operator that vapor and fill adapters need to be inspected and repaired.
 - At the completion of the delivery, make sure any liquid in the fill and vapor containment buckets is either drained into the tank and/or hand pumped from the vapor bucket into the tank. Fill and Vapor spill **containment buckets must be free of any liquid when leaving the site.** If product cannot be drained to the tank, the delivery operator must use a hand pump to transfer fuel from the spill bucket into the tank. Notify station any problems with the station delivery equipment prior to leaving the site.

Station Operator

- ❑ 4. If delivery driver reports of any problems with the fill/vapor caps, adapters, buckets, or other related equipment, the station operator must have the fuel system repaired.
- ❑ 5. Check Automatic Tank Gauge (ATG) water readings against delivery operator stick readings after each delivery. If a discrepancy of more than ¼" exists then the station operator must inspect the ATG for calibration.
- ❑ 6. If water bottoms exceeds ¾" as measured by the delivery operator, the station operator must
 - Immediately have the water removed.
 - If the water problem persists then Station Operator to investigate potential sources. Identified sources must be repaired as soon as possible.

- 7. If water bottoms exceeds 1 ½", the station operator must do the following:
 - Make sure tank is taken out of service by bagging the nozzles of the product taken out of service.
 - Immediately schedule a water pump out and contact a locally approved laboratory to sample the fuel to determine if fuel is within specification. **No deliveries for the product tank in question should be scheduled until water is removed and product is confirmed to meet quality specifications.**
 - Tank may be placed back into service once it has been confirmed with the testing lab that the fuel meets product specifications.

C. Daily Inspection/Maintenance Requirements

Station Operator

- 1. Check for water bottoms at the beginning of each shift for the first 48 hours after initial delivery utilizing manual tank stick method. **Alcohol compatible water paste must be used.**
- 2. Check Automatic Tank Gauge (ATG) daily for water. Compare with delivery stick readings after each delivery. If a discrepancy of more than ¼" exists then the station operator must inspect the Automatic Tank Gauge (ATG) for calibration.
- 3. If tank water bottoms level is measured at ¾" by the Automatic Tank Gauge (ATG) or by a tank stick reading then water must be removed prior to the next delivery following the steps listed in B.6. of the procedure. (Carriers will not deliver product into tanks water bottoms level of 1" or greater). It is the responsibility of the Station Operator to ensure that water bottoms is removed.
- 4. If water bottoms exceeds 1 ½", the station operator must perform the steps listed in B. 7. of this procedure. (Tanks are to be shutdown and nozzles bagged until a fuel sample is confirmed to meet product quality specifications)
- 5. Replace filters if pump/dispenser is running slow.
- 6. Perform a daily inspection of the product and vapor spill containment buckets. If water in the tank is less than ¾" and approximately three gallons or less of water is observed in the bucket then drain to the tank. If ¾" of water in the tank or more than approximately three gallons of water observed, arrange appropriate removal and disposal.