

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2009-1207-IWD-E **TCEQ ID:** RN100248749 **CASE NO.:** 38053
RESPONDENT NAME: Southwest Shipyard, L.P.

ORDER TYPE:		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input checked="" type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Southwest Shipyard, 18310 Market Street, Channelview, Harris County</p> <p>TYPE OF OPERATION: Barge cleaning, maintenance, and repair facility which also receives and treats off-site third party wastes</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on March 15, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732 TCEQ Enforcement Coordinator: Mr. Jorge Ibarra, P.E., Enforcement Division, Enforcement Team 3, MC R-04, (817) 588-5890; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Mr. Anand Ramamurthy, Executive Vice President, Southwest Shipyard, L.P., 18310 Market Street, Channelview, Texas 77530 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 16, 2009</p> <p>Date of NOV/NOE Relating to this Case: July 23, 2009 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>WATER</p> <p>Failure to comply with permit effluent limits for dissolved oxygen, total suspended solids, ammonia nitrogen, nickel, flow, chlorine, carbonaceous biochemical oxygen demand, phenols, silver, pH, and cyanide [Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0002605000, Effluent Limitations and Monitoring Requirements Nos. 1, 2, and 3 for Outfalls 001, 003, 004, 005, and 006, 30 TEX. ADMIN. CODE § 305.125(1), and TEX. WATER CODE § 26.121(a)].</p>	<p>Total Assessed: \$72,385</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$36,192</p> <p>Total Paid to General Revenue: \$36,193</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Orders Justification: The Respondent has three repeated enforcement actions over the prior five year period for the same violation.</p>	<p>Ordering Provisions:</p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>2) The Order will also require the Respondent to, within 90 days after the effective date of this Agreed Order, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0002605000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self-reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations.</p>

Additional ID No(s): WQ0002605000

Attachment A
Docket Number: 2009-1207-IWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Southwest Shipyard, L.P.

Payable Penalty Amount: Seventy-Two Thousand Three Hundred Eighty-Five Dollars
(\$72,385)

SEP Amount: Thirty-Six Thousand One Hundred Ninety-Two Dollars
(\$36,192)

Type of SEP: Pre-approved

Third-Party Recipient: Galveston Bay Foundation-"Marsh Mania"

Location of SEP: Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute to the SEP offset amount to the Third-Party Recipient named above. The contribution will be to Galveston Bay Foundation to be used for the Galveston Bay Foundation "Marsh Mania" as set forth in the agreement between the Third-Party Recipient and the TCEQ. SEP monies will be used to restore shoreline elevations, growing plants for shoreline restoration, and planting new habitat. Historic subsidence and erosion have resulted in shoreline elevations which are too low to support vegetation. This project will seek to raise elevations by scraping and terracing. Scraping involves the use of earthmoving equipment to grade an eroded, bluff-like shoreline so that it slopes gradually towards the water resulting in the ability of plant growth. Terracing uses earthmoving equipment to create small levees by burrowing and stacking sediment in shallow water. The high elevation can then be planted with emergent vegetation. SEP monies will be used to pay for the direct costs of the implementation of the project, including material, equipment, and labor costs.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing food and shelter for a variety of native fish, shellfish, birds, and mammals. The marshes will also result in the reduction of pollution by filtering

Southwest Shipyard, L.P.
Agreed Order – Attachment A

particulates and excess nutrients from runoff. In addition, the new habitat will protect shorelines from erosion and will help reduce the effects of flooding.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Mr. Bob Stokes, President
Galveston Bay Foundation
17234-A Highway 3
Wester, Texas 77598

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

Southwest Shipyard, L.P.
Agreed Order – Attachment A

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	27-Jul-2009	Screening	30-Jul-2009	EPA Due	
	PCW	6-Aug-2009				

RESPONDENT/FACILITY INFORMATION			
Respondent	Southwest Shipyard, L.P.		
Reg. Ent. Ref. No.	RN100248749		
Facility/Site Region	12-Houston	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	38053	No. of Violations	2
Docket No.	2009-1207-IWD-E	Order Type	Findings
Media Program(s)	Water Quality	Government/Non-Profit	Yes
Multi-Media		Enf. Coordinator	Jorge Ibarra, P.E.
		EC's Team	Enforcement Team 3
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section	
TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1 \$15,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1	
<small>Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.</small>	
Compliance History	400.0% Enhancement Subtotals 2, 3, & 7 \$62,000

Notes
The Respondent was issued two 1660 Agreed Orders, one Findings Order, one Criminal Conviction, two NOV's with the same/similar type of violations, five NOV's without the same/similar type of violations, and self-reported 53 months of effluent violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes
The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$5,600
Approx. Cost of Compliance	\$40,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$77,500
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OTHER FACTORS AS JUSTICE MAY REQUIRE	-6.6%	Adjustment	-\$5,115
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes
Recommend reduction in penalty amount so that monthly self-reported violations do not overly impact the penalty amount and to prevent double-enhancement of the penalty amount for same violations that were self-reported.

Final Penalty Amount	\$72,385
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$72,385
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes
No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$72,385
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Screening Date 30-Jul-2009

Docket No. 2009-1207-IWD-E

PCW

Respondent Southwest Shipyard, L.P.

Policy Revision 2 (September 2002)

Case ID No. 38053

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100248749

Media [Statute] Water Quality

Enf. Coordinator Jorge Ibarra, P.E.

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	55	275%
	Other written NOVs	5	10%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	1	50%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 400%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondent was issued two 1660 Agreed Orders, one Findings Order, one Criminal Conviction, two NOVs with the same/similar type of violations, five NOVs without the same/similar type of violations, and self-reported 53 months of effluent violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 400%

Screening Date 30-Jul-2009 **Docket No.** 2009-1207-IWD-E **PCW**

Respondent Southwest Shipyard, L.P. *Policy Revision 2 (September 2002)*

Case ID No. 38053 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100248749

Media [Statute] Water Quality

Enf. Coordinator Jorge Ibarra, P.E.

Violation Number 1

Rule Cite(s) Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0002605000, Effluent Limitations and Monitoring Requirements Nos. 1, 2, and 3 for Outfalls 001, 003, 004, 005, and 006, 30 Tex. Admin. Code § 305.125(1), and Tex. Water Code § 26.121(a)

Violation Description Failed to comply with permit effluent limits. See attached Effluent Limit Violation Table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			x	10%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0%

Matrix Notes

A simplified model was used to evaluate ammonia nitrogen (NH3-N) and carbonaceous biochemical oxygen demand (5-day) (CBOD5) to determine whether the discharged amounts of pollutants exceeded levels protective of human health or the environment. Total suspended solids (TSS), dissolved oxygen (DO), chemical oxygen demand (COD), total nickel, phenols, chlorine residual, total silver, pH, total cyanide, and flow values were also considered. As a result of these discharges, human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events: 13 .334 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$13,000

Thirteen quarterly events are recommended based on the months the permitted limits were exceeded for Outfalls 001 (4 quarters), 003 (4 quarters), 004 (3 quarters), 005 (1 quarter), and 006 (1 quarter).

Good Faith Efforts to Comply

0.0% Reduction **\$0**

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$13,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5,600 **Violation Final Penalty Total** \$60,710

This violation Final Assessed Penalty (adjusted for limits) \$60,710

Economic Benefit Worksheet

Respondent Southwest Shipyard, L.P.
Case ID No. 38053
Reg. Ent. Reference No. RN100248749
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment	\$30,000	1-May-2008	1-May-2010	2.00	\$200	\$4,000	\$4,200
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$10,000	1-May-2008	1-May-2010	2.00	\$67	\$1,333	\$1,400
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to evaluate the Facility, purchase any needed equipment, perform any labor associated with equipment repairs/replacements, and develop and implement procedures to ensure compliance with permit effluent limits. Date Required is the first day of non-compliance, Final Date is the expected compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$40,000

TOTAL

\$5,800

Screening Date 30-Jul-2009 **Docket No.** 2009-1207-IWD-E **PCW**
Respondent Southwest Shipyard, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 38053 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100248749
Media [Statute] Water Quality
Enf. Coordinator Jorge Ibarra, P.E.
Violation Number 2
Rule Cite(s) TPDES Permit No. WQ00026050001, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 004, 30 Tex. Admin. Code § 305.125(1), and Tex. Water Code § 26.121(a)
Violation Description Failed to comply with permit effluent limits. See attached Effluent Limit Violation Table.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		x		25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes
 A simplified model was used to evaluate total silver to determine whether the discharged amounts of pollutants exceeded levels protective of human health or the environment. As a result of these discharges, human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events: 1 30 Number of violation days

- mark only one with an x
- daily
 - weekly
 - monthly
 - quarterly
 - semiannual
 - annual
 - single event

Violation Base Penalty \$2,500

One monthly event is recommended for the month of June 2008.

Good Faith Efforts to Comply

0.0% Reduction \$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes
 The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$11,675

This violation Final Assessed Penalty (adjusted for limits) \$11,675

Economic Benefit Worksheet

Respondent Southwest Shipyards, L.P.
Case ID No. 38053
Reg. Ent. Reference No. RN100248749
Media Water Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

See violation No. 1.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Southwest Shipyard, L.P.
Docket No. 2009-1207-IWD-E; RN100248749, Permit No. WQ0002605000
Case No. 38053

Outfall 001									
	Jun-08	Jul-08	Aug-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar--09
DO Min. 4 mg/L	0	c	c	3.0	1.4	c	c	c	c
TSS Daily Ave. Load. 16.7 lbs/day	c	c	c	c	c	22	c	18.3	c
NH3-N Daily Ave. Conc. 3 mg/L	c	5.38	c	c	c	c	3.1	c	c
NH3-N Daily Max. Conc. 6 mg/L	c	17	c	c	c	c	7.5	c	c
Total Ni Daily Ave. Conc. 0.012 mg/L	0.018	c	c	c	c	c	c	c	c
Total Ni Daily Max. Conc. 0.5 mg/L	c	0.569	c	c	c	c	c	c	c
Flow Daily Max. 0.2 MGD	c	c	1.0361	c	c	c	c	c	c
Min. Cl2 Res. 1 mg/L	0	c	0.21	0.56	0.004	0.63	0.2	c	0.7
Max. Cl2 Res. 4 mg/L	c	c	c	c	4.1	4.7	6.4	c	c
CBOD5 Daily Ave. Conc. 10 mg/L	c	c	20.13	c	c	c	10.5	c	c
CBOD5 Daily Max. Conc. 20 mg/L	c	c	25	c	c	c	c	c	26
Phenols Daily Max. Conc. 0.05 mg/L	0.09	c	c	c	c	c	c	c	c

Outfall 003						
	Jun-08	Jul-08	Aug-08	Sep-08	Jan-09	Mar-09
TSS Daily Ave. 50 mg/L	62	c	c	c	c	c
Total Ag Daily Ave. 0.009 mg/L	< 0.01	0.012	< 0.01	< 0.0148	0.011	< 0.02
Total Ag Daily Max. 0.018 mg/L	c	0.023	c	c	c	0.02

Outfall 004					
	Jun-08	Jul-08	Dec-08	Jan-09	Mar-09
Min. pH 6 su	c	c	5.6	c	2.3
Total CN Daily Ave. 0.009 mg/L	c	c	c	0.012	c
Total Ag Daily Ave. 0.009 mg/L	0.049	0.0295	c	0.012	< 0.01
Total Ag Daily Max. 0.018 mg/L	0.081	c	c	c	c

Outfall 005	
	Aug-08
TSS Daily Max. 100 mg/L	118

Outfall 006	
	May-08
COD Daily Max. 150 mg/L	1910
TSS Daily Max. 100 mg/L	184

Name	Abbreviation
Milligram per liter	mg/L
pounds per day	lbs/day
million gallons per day	MGD
standard units	su
Average	Ave.
Maximum	Max.
Minimum	Min.
Loading	Load.
Concentration	Conc.
Residual	Res.
Chlorine	Cl ₂
total suspended solids	TSS
carbonaceous biochemical oxygen demand (5-day)	CBOD ₅
ammonia nitrogen	NH ₃ -N
dissolved oxygen	DO
chemical oxygen demand	COD
Nickel	Ni
Cyanide	CN
Silver	Ag
Compliant	c

Compliance History Report

Customer/Respondent/Owner-Operator:	CN600135354 Southwest Shipyard, L.P.	Classification: AVERAGE	Rating: 12.96
Regulated Entity:	RN100248749 SOUTHWEST SHIPYARD	Classification: AVERAGE	Site Rating: 28.38
ID Number(s):	WASTE WATER GENERAL PERMIT	PERMIT	2E0000020
	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0686T
	AIR OPERATING PERMITS	PERMIT	1260
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD000820274
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31208
	WASTEWATER	PERMIT	WQ0002605000
	WASTEWATER	PERMIT	TPDES0092282
	WASTEWATER	PERMIT	TX0092282
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	59001
	AIR NEW SOURCE PERMITS	PERMIT	4759
	AIR NEW SOURCE PERMITS	PERMIT	9442
	AIR NEW SOURCE PERMITS	REGISTRATION	12182
	AIR NEW SOURCE PERMITS	REGISTRATION	23134
	AIR NEW SOURCE PERMITS	REGISTRATION	34783
	AIR NEW SOURCE PERMITS	PERMIT	36241
	AIR NEW SOURCE PERMITS	REGISTRATION	35698
	AIR NEW SOURCE PERMITS	REGISTRATION	35353
	AIR NEW SOURCE PERMITS	PERMIT	43774
	AIR NEW SOURCE PERMITS	REGISTRATION	43909
	AIR NEW SOURCE PERMITS	PERMIT	44294
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0686T
	AIR NEW SOURCE PERMITS	REGISTRATION	54007
	AIR NEW SOURCE PERMITS	REGISTRATION	75783
	AIR NEW SOURCE PERMITS	AFS NUM	4820100826
	AIR NEW SOURCE PERMITS	REGISTRATION	55646
	AIR NEW SOURCE PERMITS	REGISTRATION	75319
	AIR NEW SOURCE PERMITS	REGISTRATION	77255
	AIR NEW SOURCE PERMITS	REGISTRATION	78546
	AIR NEW SOURCE PERMITS	REGISTRATION	81480
	AIR NEW SOURCE PERMITS	REGISTRATION	84578
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1012781
	STORMWATER	PERMIT	TXR05V732
	WASTEWATER LICENSING	LICENSE	WQ0002605000
	WATER LICENSING	LICENSE	1012781
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	31208
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HG0686T

Location: 18310 MARKET ST, CHANNELVIEW, TX, 77530

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: October 07, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 07, 2004 to October 07, 2009

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Jorge Ibarra, P.E. Phone: (817) 588-5890

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A

4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2009 Repeat Violator: NO

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 10/11/2004 ADMINORDER 2003-1450-IHW-E
 Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.2(b)
 Description: Disposed of hazardous waste at an unauthorized disposal facility and placed four 55-gallon drums of hazardous waste in a trash compactor used for Class 1 plant trash.

Effective Date: 04/13/2007 ADMINORDER 2005-0097-MLM-E
 Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(B)

Rqmt Prov: O-01260, General Terms and Conditions OP
 Description: Failure to submit deviation reports for 2004 and for the first semiannual reporting period of 2005.

Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: 9442, SC 11D PERMIT
 O-01260, SC 10 OP

Description: Failed to install a continuous run time flow monitor to record average hourly values of flow and composition for FL-1 and FL-3.

Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: 36241, SC 10C PERMIT
 O-01260, SC 10 OP

Description: Failed to record and develop an accurate monthly report for VOC emissions in pounds per hour lbs/hr on a daily basis for Barge Rail Painting facility.

Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: 43774, SC 16E PERMIT
 O-01260, SC 10 OP

Description: Failed to record and develop an accurate monthly report for VOC emissions in lbs/hr on a daily basis for DD1, DD2 and DD3STK.

Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: EF and MR No. 1 OP
 Description: Failure to comply with the permitted effluent limits at Outfall 001 for the months of March 2003, July 2003, October 2003, November 2003, December 2003, January 2004 and

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: EL and MR NO. 1 OP

Description: Failure to comply with permitted effluent limits at Outfall 003. Specifically, Southwest was non-compliant with the Total Suspended Solids ("TSS") daily average limit of 50 milligrams per liter ("mg/L") for February 2004 with a reported value of 62 mg/L.

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: EL and MR NO. 1 OP

Description: Failure to comply with the permitted effluent limits at Outfall 004 for the months of March 2003, May 2003, November 2003, December 2003, and February 2004.

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: EL and MR NO. 1 OP

Description: Failure to comply with the permitted effluent limits at Outfall 005. Specifically, Southwest was non-compliant with the TSS daily average limit of 50 mg/L for August 2003 with a reported value of 90 mg/L.

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: EL and MR No. 1 OP

Description: Failure to comply with the Ammonia Nitrogen effluent limit of 6 mg/L at Outfall 001. Specifically, grab samples taken indicated the following ammonia nitrogen levels: 17 mg/L on July 10, 2001; 10.8 mg/L on October 1, 2001; and 11.2 mg/L on September 27, 2002.

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: EL & MR No. 1 OP

Description: Failure to comply with the permitted effluent limits at Outfall 006. Specifically, Southwest was non-compliant with the Chemical Oxygen Demand daily maximum limit of 150 mg/L for April 2003 with a reported value of 178 mg/L.

Effective Date: 06/05/2008

ADMINORDER 2007-0794-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: Q-01260, SC10.A. OP
Permit No. 9442, SC8 PERMIT

Description: Failure to route all emissions from barge cleaning operations to a vapor collection system.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: O-01260, SC10.A. OP
Description: Failure to operate according to representations made in the permit application for New Source Review Permit No. 9442.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: O-01260, SC10.A. OP
Permit No. 9442, SC14 PERMIT

Special Condition 15(H) PERMIT

Description: Failure to maintain the maximum loading rate limit of 300 gallons per hour.

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter F 115.542(b)(2)
30 TAC Chapter 115, SubChapter F 115.542(b)(3)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: O-01260, SC6.A.(ii) OP
Special Condition 8 PERMIT

Description: Failure to design and operate degassing and cleaning equipment top prevent VOC leaks.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: O-01260, SC10.A. OP
Description: Failure to operate according to representations made in the 2000 permit application for New Source Permit No. 9442.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 9442, SC8 PERMIT
O-01260, SC10A OP

Description: Failure to route emissions from barge cleaning operations to a vapor collection system.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: O-01260, SC 10.A. OP
Description: Failure to operate according to representations made in the 2000 permit application for New Source Review Permit No. 9442.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 9442, SC 8 PERMIT
O-01260, SC 10.A. OP

Description: Failure to route emissions from barge cleaning operations to a vapor collection system.

B. Any criminal convictions of the state of Texas and the federal government.

Conviction Date: 2/15/2007 12:00:00AM Type of Action: COURTORDER

Classification: Moderate

Rqmt Prov:

Citation: 2A TWC Chapter 7, SubChapter A 7.147

Description: On February 15, 2007, Southwest Shipyard plead guilty to 3 felony counts and 1 misdemeanor count of an unauthorized discharge in violation of the TWC. Southwest Shipyard was assessed a \$350,000 fine. The charge was based on the illegal discharge of industrial waste into the Houston Ship Channel.

Classification: Major

Rqmt Prov:

Citation: 2A TWC Chapter 7, SubChapter A 7.145

Description: On February 15, 2007, Southwest Shipyard plead guilty to 3 felony counts and 1 misdemeanor count of an unauthorized discharge in violation of the TWC. Southwest Shipyard was assessed a \$350,000 fine. The charge was based on the illegal discharge of industrial waste into the Houston Ship Channel.

Classification: Major

Rqmt Prov:

Citation: 2A TWC Chapter 7, SubChapter A 7.145

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Classification: Major

Rqmt Prov:

Citation: 2A TWC Chapter 7, SubChapter A 7.145

Description: On February 15, 2007, Southwest Shipyard plead guilty to 3 felony counts and 1 misdemeanor count of an unauthorized discharge in violation of the TWC. Southwest Shipyard was assessed a \$350,000 fine. The charge was based on the illegal discharge of industrial waste into the Houston Ship Channel.

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	11/23/2004	(362128)
2	11/30/2004	(341461)
3	12/17/2004	(336782)
4	12/27/2004	(387534)
5	01/12/2005	(344032)
6	02/25/2005	(425259)
7	02/28/2005	(350825)
8	03/16/2005	(374296)
9	03/28/2005	(387533)
10	05/24/2005	(425260)
11	05/24/2005	(425261)
12	05/24/2005	(425263)
13	06/27/2005	(425262)
14	07/15/2005	(399621)
15	07/20/2005	(400393)
16	07/22/2005	(401264)
17	07/22/2005	(401526)
18	07/29/2005	(402207)
19	07/29/2005	(402214)
20	08/05/2005	(403530)
21	08/15/2005	(404723)
22	08/15/2005	(405185)
23	08/17/2005	(405561)
24	08/17/2005	(405682)
25	08/22/2005	(406438)
26	08/24/2005	(445848)
27	08/29/2005	(418286)
28	09/08/2005	(418359)
29	09/08/2005	(418488)

30	09/23/2005	(445849)
31	09/23/2005	(445850)
32	10/24/2005	(477804)
33	11/28/2005	(477805)
34	12/06/2005	(435708)
35	12/27/2005	(477806)
36	01/20/2006	(477807)
37	02/13/2006	(439838)
38	02/24/2006	(477802)
39	03/23/2006	(477803)
40	04/24/2006	(504260)
41	04/24/2006	(504263)
42	05/23/2006	(504261)
43	06/21/2006	(504262)
44	06/30/2006	(464066)
45	08/22/2006	(526607)
46	09/07/2006	(511322)
47	10/24/2006	(550776)
48	11/27/2006	(550777)
49	11/27/2006	(550778)
50	11/29/2006	(511970)
51	01/18/2007	(587094)
52	02/15/2007	(572090)
53	02/26/2007	(587088)
54	03/23/2007	(587089)
55	03/23/2007	(587093)
56	04/16/2007	(543446)
57	04/23/2007	(587090)
58	05/07/2007	(540997)
59	05/10/2007	(541065)
60	05/23/2007	(587091)
61	06/06/2007	(561260)
62	06/20/2007	(564230)
63	06/25/2007	(587092)
64	06/27/2007	(565356)
65	06/29/2007	(543322)
66	07/30/2007	(558312)
67	08/22/2007	(604911)
68	09/06/2007	(559858)
69	09/24/2007	(604912)
70	09/24/2007	(604913)
71	09/24/2007	(604914)
72	11/26/2007	(625940)
73	11/29/2007	(610012)
74	12/11/2007	(611342)
75	12/27/2007	(625941)
76	01/22/2008	(675811)
77	02/19/2008	(617789)
78	02/25/2008	(694162)
79	03/25/2008	(675808)
80	03/25/2008	(675809)
81	03/25/2008	(675810)
82	05/22/2008	(694163)
83	06/16/2008	(682820)
84	06/27/2008	(694164)
85	07/09/2008	(685423)

86 08/14/2008 (681552)
 87 08/28/2008 (715551)
 88 11/18/2008 (731273)
 89 01/05/2009 (731275)
 90 01/14/2009 (731274)
 91 01/23/2009 (754565)
 92 03/25/2009 (723751)
 93 04/10/2009 (703406)
 94 04/28/2009 (771826)
 95 04/28/2009 (771829)
 96 05/05/2009 (771827)
 97 05/14/2009 (745115)
 98 05/28/2009 (771828)
 99 07/23/2009 (742713)
 100 08/07/2009 (763643)
 101 09/21/2009 (776740)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 10/31/2004 (362128) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 11/30/2004 (387534) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 12/31/2004 (362129) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 01/13/2005 (344032) CN600135354
 Self Report? NO Classification: Moderate
 Citation: 02605-000 PERMIT
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to calibrate the Outfall 001 flow meter, as required.
 Self Report? NO Classification: Moderate
 Citation: 02605-000 PERMIT
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to maintain compliance with the permitted effluent limits.
 Self Report? NO Classification: Moderate
 Citation: 2605-000 PERMIT
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to collect grab samples for the required permit parameters at Outfall 001.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 319, SubChapter A 319.11(a)
 30 TAC Chapter 319, SubChapter A 319.11(b)
 Description: Failure to collect the oil & grease samples at Outfall 006, as required.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 319, SubChapter A 319.7(a)
 30 TAC Chapter 319, SubChapter A 319.7(c)
 Description: Failure to calibrate the pH meter, as required.
 Self Report? NO Classification: Moderate
 Citation: 02605-000 PERMIT
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to comply with the permitted effluent limits for Outfall 001.
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 319, SubChapter A 319.11(b)
Description: Failure to analyze the pH at Outfalls 003, 004, and 005 within the required hold time.

Self Report? NO Classification: Moderate

Citation: 2605-000 PERMIT
30 TAC Chapter 319, SubChapter A 319.5(a)
Description: Failure to collect the pH sample for Outfall 006, when discharging.

Date: 01/31/2005 (425259) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 02/28/2005 (387533) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 03/31/2005 (425260) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 04/30/2005 (425261) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2005 (425262) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 06/30/2005 (425263) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 07/31/2005 (445848) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 08/31/2005 (445849) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2005 (477804) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 10/31/2005 (477805) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 11/30/2005 (477806) CN600135354

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 12/06/2005 (435708) CN600135354
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

No. 02605 Pages 2-2d PERMIT
 Description: Failure to maintain compliance with the permitted effluent limits for carbonaceous biochemical oxygen demand (CBOD), total suspended solids (TSS), ammonia-nitrogen (NH3-N), nickel (Ni), silver, phenols, total petroleum hydrocarbons (TPH), total chlorine residual (Cl2 res.), and dissolved oxygen (DO).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 No. 02605 Page 5, no. 7c PERMIT
 Description: Failure to provide effluent violation notification letters in accordance with the permit requirements and applicable State regulations.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 319, SubChapter A 319.5(b)
 No. 02605 Page 2, No. 4 PERMIT
 Description: Failure to monitor the effluent pH at outfall 001 at the frequency specified in the permit.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 No. 02605 Page 3, No. 1b PERMIT
 Description: Failure to accurately calculate and report the daily average flows.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 319, SubChapter A 319.7(c)
 No. 02605 Page 18, No. 3 PERMIT
 No. 02605 Page 2, No.1 PERMIT
 Description: Failure to report all of the required values on the Discharge Monitoring Reports (DMRs).

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 319, SubChapter A 319.11(b)
 Description: Failure to store biomonitoring samples at 4 degrees C.

Date: 01/31/2006 (477802) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter

Date: 02/28/2006 (477803) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter

Date: 03/31/2006 (504260) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter

Date: 04/30/2006 (504261) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2006 (504262) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter

Date: 06/30/2006 (504263) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter

Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	07/31/2006 (526607)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	08/31/2006 (445850)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	09/30/2006 (550776)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	10/31/2006 (550777)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	11/30/2006 (587094)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	12/31/2006 (550778)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	01/31/2007 (587088)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	02/28/2007 (587089)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	03/31/2007 (587090)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	04/16/2007 (543446)	CN600135354	
Self Report?	NO	Classification:	Minor
Citation:	30 TAC Chapter 281, SubChapter A 281.25(a)		
Description:	Failure to provide erosion control measures for the storm water outfalls.		
Date:	04/30/2007 (587091)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	05/31/2007 (587092)	CN600135354	

Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	06/30/2007 (587093)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	07/31/2007 (604911)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	07/31/2007 (558312)	CN600135354	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 116, SubChapter F 116.617 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THC Chapter 382, SubChapter D 382.085(b) O-01260, SC 10.A. OP		
Description:	Failure to record the operating parameters of the thermal oxidizer (TO-1).		
Date:	08/31/2007 (604912)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	09/30/2007 (604914)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	10/31/2007 (625940)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	11/30/2007 (625941)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	12/31/2007 (675811)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	01/31/2008 (694162)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	02/29/2008 (675808)	CN600135354	
Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	03/31/2008 (675809)	CN600135354	
Self Report?	YES	Classification:	Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 05/31/2008 (694164) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 06/30/2008 (675810) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 07/31/2008 (715551) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 08/14/2008 (681552) CN600135354
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.146(2)
 5C THSC Chapter 382 382.085(b)
 O-01260 General Terms and Conditions OP
 Description: Failure to submit PCC within 30 day time limit.
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
 5C THSC Chapter 382 382.085(b)
 O-01260 General Terms and Conditions OP
 Description: Failure to submit deviation report within 30 day time limit.
 Date: 08/31/2008 (604913) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 09/30/2008 (731273) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 10/31/2008 (731274) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 11/30/2008 (754565) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 12/31/2008 (731275) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 01/31/2009 (771826) CN600135354
 Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter
 Date: 02/28/2009 (771827) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter
 Date: 03/31/2009 (771828) CN600135354
 Self Report? YES Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter
 Date: 04/10/2009 (703406)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 FOP Spec. Cond. 12 OP
 NSR Spec. Cond. 1 PERMIT

Description: Failure to complete monthly emissions report.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 106, SubChapter T 106.452(2)(A)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 FOP Spec. Cond. 13 OP

Description: Failure to maintain abrasive use below permitted limits.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 NSR Spec. Cond. 1 PERMIT
 Spec. Cond. 12 OP

Description: Failure to control excessive nitrogen oxide and carbon monoxide emissions.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 5C THSC Chapter 382 382.085(b)
 Gen. Terms & Cond. OP

Description: Failure to submit complete and accurate deviation report.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 117, SubChapter B 117.310(f)
 5C THSC Chapter 382 382.085(b)

Description: Failure to conduct engine testing at the proper time.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 117, SubChapter B 117.345(f)(10)
 5C THSC Chapter 382 382.085(b)

Description: Failure to maintain records of engine testing.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.146(5)(C)
 5C THSC Chapter 382 382.085(b)
 Gen. terms & Cond. OP

Description: Failure to submit complete annual compliance certification
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter E 115.421(a)(15)(A)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT II 63.783(a)
 5C THSC Chapter 382 382.085(b)
 Spec. Cond 12 OP

Description: Failure to maintain VOC limits below permitted levels.
Date: 05/31/2009 CN600135354
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter
Date: 08/10/2009 (763643) CN600135354
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 319, SubChapter A 319.7(a)
30 TAC Chapter 319, SubChapter A 319.7(c)
Description: Failure to maintain a temperature log for the refrigerated composite sampler at Outfall 001.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 319, SubChapter A 319.5(b)
TPDES Permit No. 02605-000 PERMIT
Description: Failure to conduct the pH, dissolved oxygen (D.O.), and total chlorine residual analyses at the required frequency.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TPDES Permit No. 02605-000 PERMIT
Description: Failure to comply with the Best Management Practices (BMPs) which are required to be followed and documented in Other Requirement No. 7 of TPDES permit No. 02605-000.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TPDES Permit No. 02605-000 PERMIT
Description: Failure to comply with Other Requirement No. 9 of TPDES permit No. 02605-000.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
SOUTHWEST SHIPYARD, L.P.
RN100248749

§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2009-1207-IWD-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Southwest Shipyard, L.P. ("the Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a barge cleaning, maintenance, and repair facility which also receives and treats off-site third party wastes located at 18310 Market Street in Channelview, Harris County, Texas (the "Facility").

Outfall 003						
	Jun-08	Jul-08	Aug-08	Sep-08	Jan-09	Mar-09
TSS Daily Ave. 50 mg/L	62	c	c	c	c	c
Total Ag Daily Ave. 0.009 mg/L	< 0.01	0.012	< 0.01	< 0.0148	0.011	< 0.02
Total Ag Daily Max. 0.018 mg/L	c	0.023	c	c	c	0.02

Outfall 004					
	Jun-08	Jul-08	Dec-08	Jan-09	Mar-09
Min. pH 6 su	c	c	5.6	c	2.3
Total CN Daily Ave. 0.009 mg/L	c	c	c	0.012	c
Total Ag Daily Ave. 0.009 mg/L	0.049	0.0295	c	0.012	< 0.01
Total Ag Daily Max. 0.018 mg/L	0.081	c	c	c	c

Outfall 005	
	Aug-08
TSS Daily Max. 100 mg/L	118

Outfall 006	
	May-08
COD Daily Max. 150 mg/L	1,910
TSS Daily Max. 100 mg/L	184

Name	Abbreviation
Milijgram per liter	mg/L
pounds per day	lbs/day
million gallons per day	MGD
standard units	su
Average	Ave.
Maximum	Max.
Minimum	Min.
Loading	Load.
Concentration	Conc.
Residual	Res.
Chlorine	Cl2
total suspended solids	TSS
carbonaceous biochemical oxygen demand (5-day)	CBOD5
ammonia nitrogen	NH3-N
dissolved oxygen	DO
chemical oxygen demand	COD
Nickel	Ni
Cyanide	CN
Silver	Ag
Compliant	C

- The Respondent received notice of the violations on July 28, 2009.

II. CONCLUSIONS OF LAW

- The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE chs. 7 and 26 and the rules of the Commission.
- As evidenced by Findings of Fact No. 3, the Respondent failed to comply with permit effluent limits, in violation of Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0002605000, Effluent Limitations and Monitoring Requirements Nos. 1, 2, and 3 for Outfalls 001, 003, 004, 005, and 006, 30 TEX. ADMIN. CODE § 305.125(1), and TEX. WATER CODE § 26.121(a).
- Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
- An administrative penalty in the amount of Seventy-Two Thousand Three Hundred Eighty-Five Dollars (\$72,385) is justified by the facts recited in this Agreed Order, and considered in light of

the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Thirty-Six Thousand One Hundred Ninety-Three Dollars (\$36,193) of the administrative penalty. Thirty-Six Thousand One Hundred Ninety-Two Dollars (\$36,192) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Seventy-Two Thousand Three Hundred Eighty-Five Dollars (\$72,385) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Southwest Shipyard, L.P., Docket No. 2009-1207-IWD-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 4 above, Thirty-Six Thousand One Hundred Ninety-Two Dollars (\$36,192) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The Respondent shall, within 90 days after the effective date of this Agreed Order, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0002605000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self-reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Water Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

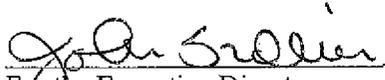
4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

3/16/2010
Date

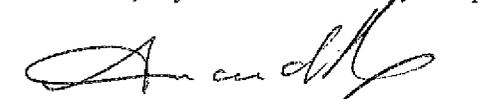
I, the undersigned, have read and understand the attached Agreed Order in the matter of Southwest Shipyard, L.P. I am authorized to agree to the attached Agreed Order on behalf of Southwest Shipyard, L.P., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Southwest Shipyard, L.P. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

12-14-2009
Date

ANAND RAMAMURTHY

Name (Printed or typed)
Authorized Representative of
Southwest Shipyard, L.P.

Executive Vice President

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2009-1207-IWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Southwest Shipyard, L.P.

Payable Penalty Amount: Seventy-Two Thousand Three Hundred Eighty-Five Dollars (\$72,385)

SEP Amount: Thirty-Six Thousand One Hundred Ninety-Two Dollars (\$36,192)

Type of SEP: Pre-approved

Third-Party Recipient: Galveston Bay Foundation-“Marsh Mania”

Location of SEP: Harris County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute to the SEP offset amount to the Third-Party Recipient named above. The contribution will be to Galveston Bay Foundation to be used for the Galveston Bay Foundation “Marsh Mania” as set forth in the agreement between the Third-Party Recipient and the TCEQ. SEP monies will be used to restore shoreline elevations, growing plants for shoreline restoration, and planting new habitat. Historic subsidence and erosion have resulted in shoreline elevations which are too low to support vegetation. This project will seek to raise elevations by scraping and terracing. Scraping involves the use of earthmoving equipment to grade an eroded, bluff-like shoreline so that it slopes gradually towards the water resulting in the ability of plant growth. Terracing uses earthmoving equipment to create small levees by burrowing and stacking sediment in shallow water. The high elevation can then be planted with emergent vegetation. SEP monies will be used to pay for the direct costs of the implementation of the project, including material, equipment, and labor costs.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing food and shelter for a variety of native fish, shellfish, birds, and mammals. The marshes will also result in the reduction of pollution by filtering

Southwest Shipyard, L.P.
Agreed Order – Attachment A

particulates and excess nutrients from runoff. In addition, the new habitat will protect shorelines from erosion and will help reduce the effects of flooding.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Mr. Bob Stokes, President
Galveston Bay Foundation
17234-A Highway 3
Wester, Texas 77598

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

Southwest Shipyard, L.P.
Agreed Order - Attachment A

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

