

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.:** 2010-0196-AIR-E **TCEQ ID:** RN101041598 **CASE NO.:** 39101  
**RESPONDENT NAME:** LBC Houston, L.P.

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input 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"/> IMMEDIATE AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" 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 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><b>SITE WHERE VIOLATION(S) OCCURRED:</b> LBC Houston Bayport Terminal, 11807 Port Road, Seabrook, Harris County</p> <p><b>TYPE OF OPERATION:</b> Bulk liquid storage terminal</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on July 12, 2010. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> None  <b>TCEQ Enforcement Coordinator:</b> Ms. Heather Podlipny, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2603; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495  <b>Respondent:</b> Mr. Rafael E. Mendez, Environmental Health &amp; Safety Manager, LBC Houston, L.P., 11666 Port Road, Seabrook, Texas 77586  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> September 1, 2009</p> <p><b>Date of NOE Relating to this Case:</b> January 9, 2010</p> <p><b>Background Facts:</b> This was a routine investigation.</p> <p><b>AIR</b></p> <p>Failure to prevent unauthorized emissions that occurred during an event on August 12, 2009. Specifically, the Respondent released 1,642 pounds of unauthorized propylene oxide emissions from the Propylene Oxide Filter into the atmosphere during the three minute event. The event occurred due to a gasket failure caused by an improper tightening technique during a filter change. Since the emissions event was avoidable due to operator error, it does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH &amp; SAFETY CODE § 385.085(b) and New Source Review Permit No. 3467B, Special Condition No. 5].</p>	<p><b>Total Assessed:</b> \$4,425</p> <p><b>Total Deferred:</b> \$885  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$3,540</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that by November 30, 2009, the Respondent implemented the following corrective measures at the Site:</p> <p>a. Ensured the gasket manufacturer-recommended torque is used and implemented changes in replacing gaskets when the differential pressure reaches ten pounds or 75,000 barrels, whichever comes first;</p> <p>b. Replaced all stud bolts and nuts, removed the filter head, inspected the seating surface and machined any uneven surfaces; and</p> <p>c. Ensured gasket compatibility and size with vendor.</p>

Additional ID No(s): HG0029P



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

<b>DATES</b>	Assigned	2-Feb-2010	Screening	2-Feb-2010	EPA Due	
	PCW	4-Feb-2010				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	LBC Houston, L.P.		
Reg. Ent. Ref. No.	RN101041598		
Facility/Site Region	12-Houston	Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	39101	No. of Violations	4
Docket No.	2010-0198-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Heather Podlipny
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

Notes

**Culpability**   Enhancement **Subtotal 4**

Notes

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement **Subtotal 6**

Total EB Amounts  \*Capped at the Total EB \$ Amount  
 Approx. Cost of Compliance

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

**PAYABLE PENALTY**

Screening Date 2-Feb-2010

Docket No. 2010-0196-AIR-E

PCW

Respondent LBC Houston, L.P.

Policy Revision 2 (September 2002)

Case ID No. 39101

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101041598

Media [Statute] Air

Enf. Coordinator Heather Podlipy

### 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)	4	20%
	Other written NOVs	11	22%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	3	60%
	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	0	0%
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 judgments 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)	0	0%
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) 102%

>> 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 penalty was enhanced due to four NOVs for similar violations, eleven NOVs for dissimilar violations, and three 1660-style orders.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 102%

Screening Date 2-Feb-2010

Docket No. 2010-0198-AIR-E

PCW

Respondent LBC Houston, L.P.

Policy Revision 2 (September 2002)

Case ID No. 39101

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101041598

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 385.085(b) and New Source Review Permit No. 3467B, Special Condition No. 5

Violation Description Failed to prevent unauthorized emissions that occurred during an event on August 12, 2009, as documented during an investigation conducted on September 1, 2009. Specifically, the Respondent released 1,642 pounds of unauthorized propylene oxide emissions from the Propylene Oxide Filter into the atmosphere during the three minute event. The event occurred due to a gasket failure caused by an improper tightening technique during a filter change. Since the emissions event was avoidable due to operator error, it does not meet the demonstration for an affirmative defense in 30 Tex. Admin. Code § 101.222.

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 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 as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended based on the emissions event.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes The Respondent returned to compliance on November 30, 2009 and the NOE is dated January 29, 2010.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$94

Violation Final Penalty Total \$4,425

This violation Final Assessed Penalty (adjusted for limits) \$4,425

# Economic Benefit Worksheet

**Respondent:** LBC Houston, L.P.  
**Case ID No.:** 39101  
**Reg. Ent. Reference No.:** RN101041598  
**Media:** Air  
**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
No commas or \$							

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$4,450	12-Aug-2009	30-Nov-2009	0.30	\$4	\$89	\$94
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 costs for ensuring the appropriate torque is used in replacing gaskets, monitoring quantity of product moved for gasket changes, replacing all stud bolts and nuts, removing the filter head, inspecting and machining any uneven seating surfaces and ensuring gasket compatibility with the vendor. The Date Required is the date of the emissions event and the Final Date is the date of compliance.

### 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

\$4,450

**TOTAL**

\$94

# Compliance History Report

Customer/Respondent/Owner-Operator: CN601179849 LBC Houston, L.P. Classification: AVERAGE Rating: 2.50  
 Regulated Entity: RN101041598 LBC HOUSTON BAYPORT TERMINAL Classification: AVERAGE Site Rating: 1.99

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0029P
	AIR OPERATING PERMITS	PERMIT	1001
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD096602941
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30985
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD000719286
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30489
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50068
	WASTEWATER	PERMIT	WQ0002110000
	WASTEWATER	PERMIT	TPDES0075302
	WASTEWATER	PERMIT	TX0075302
	WASTEWATER	PERMIT	WQ0002590000
	WASTEWATER	EPA ID	TX0091235
	WASTEWATER	PERMIT	TX0091235
	AIR NEW SOURCE PERMITS	PERMIT	3467B
	AIR NEW SOURCE PERMITS	PERMIT	5152
	AIR NEW SOURCE PERMITS	PERMIT	5153
	AIR NEW SOURCE PERMITS	PERMIT	11816
	AIR NEW SOURCE PERMITS	PERMIT	6251
	AIR NEW SOURCE PERMITS	PERMIT	19733
	AIR NEW SOURCE PERMITS	PERMIT	4305
	AIR NEW SOURCE PERMITS	REGISTRATION	49604
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0029P
	AIR NEW SOURCE PERMITS	REGISTRATION	52512
	AIR NEW SOURCE PERMITS	REGISTRATION	54556
	AIR NEW SOURCE PERMITS	REGISTRATION	54938
	AIR NEW SOURCE PERMITS	REGISTRATION	54879
	AIR NEW SOURCE PERMITS	REGISTRATION	55750
	AIR NEW SOURCE PERMITS	REGISTRATION	70202
	AIR NEW SOURCE PERMITS	AFS NUM	4820100183
	AIR NEW SOURCE PERMITS	REGISTRATION	70341
	AIR NEW SOURCE PERMITS	REGISTRATION	71622
	AIR NEW SOURCE PERMITS	REGISTRATION	78293
	AIR NEW SOURCE PERMITS	REGISTRATION	79347

	AIR NEW SOURCE PERMITS	REGISTRATION	81115
	AIR NEW SOURCE PERMITS	REGISTRATION	81343
	AIR NEW SOURCE PERMITS	REGISTRATION	81838
	AIR NEW SOURCE PERMITS	REGISTRATION	84570
	AIR NEW SOURCE PERMITS	REGISTRATION	87827
	AIR NEW SOURCE PERMITS	PERMIT	N99
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HG0029P
Location:	11807 PORT RD, SEABROOK, TX, 77586		

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: February 02, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: February 02, 2005 to February 02, 2010

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

Name: Heather Podlipny Phone: 239 - 2603

### 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: 03/21/2005

ADMINORDER 2004-1192-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter H 101.352(b)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to hold a quantity of allowances in the compliance account that is equal to or greater than the total emissions of NOx emitted during the 2003 control period. Specifically, on March 1, 2004, LBC held a total of 7.4 tons of allowances, but had 8.7 tons of actual NOx emissions for the 2003 control period, leaving

Effective Date: 07/22/2006

ADMINORDER 2006-0309-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmnt Prov: TCEQ AIR PERMIT No. 462, SC #18 PERMIT

Description: LBC failed to prevent an avoidable emissions event.

Effective Date: 05/25/2007

ADMINORDER 2006-0975-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.725(d)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to install and operate continuous flow and on-line analyzer monitors for a flare in Highly Reactive Volatile Organic Compound (HRVOC) service as required

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: SC 13 PERMIT

Description: Failed to meet the minimum heating value of 300 British thermal units per standard cubic foot ("BTU/scf") when waste gas containing isobutylene was sent to the flare

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

N/A

C. Chronic excessive emissions events.

N/A

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

1	02/18/2005	(423933)
2	02/18/2005	(425165)
3	03/15/2005	(388035)
4	03/21/2005	(387433)
5	04/22/2005	(423934)
6	04/22/2005	(425166)
7	04/29/2005	(378715)
8	05/19/2005	(423935)
9	05/19/2005	(425167)
10	05/27/2005	(380027)
11	06/17/2005	(423936)
12	06/17/2005	(425168)
13	07/22/2005	(444734)
14	07/22/2005	(445772)
15	07/27/2005	(401493)
16	07/27/2005	(401917)
17	07/28/2005	(402369)
18	08/05/2005	(403936)
19	08/10/2005	(403963)
20	08/12/2005	(404804)
21	08/15/2005	(405102)
22	08/18/2005	(405752)
23	08/18/2005	(405997)
24	08/23/2005	(444735)
25	08/23/2005	(445773)
26	09/06/2005	(418722)
27	09/06/2005	(418935)
28	09/23/2005	(444736)
29	09/23/2005	(445774)
30	10/21/2005	(475563)
31	10/21/2005	(477646)
32	11/01/2005	(418293)
33	11/15/2005	(475564)
34	11/15/2005	(477647)
35	01/16/2006	(475565)
36	01/16/2006	(477648)

37	02/22/2006	(475561)
38	02/22/2006	(477644)
39	02/28/2006	(456971)
40	03/14/2006	(256259)
41	03/23/2006	(475562)
42	03/23/2006	(477645)
43	04/24/2006	(502978)
44	04/24/2006	(504140)
45	05/01/2006	(463580)
46	05/23/2006	(502979)
47	05/23/2006	(504141)
48	05/31/2006	(480394)
49	06/19/2006	(502980)
50	06/19/2006	(504142)
51	07/14/2006	(525318)
52	07/14/2006	(526520)
53	07/19/2006	(457332)
54	07/19/2006	(480973)
55	08/23/2006	(509312)
56	08/28/2006	(525319)
57	08/28/2006	(526521)
58	09/01/2006	(463898)
59	09/19/2006	(525320)
60	09/19/2006	(526522)
61	10/24/2006	(550043)
62	10/24/2006	(550725)
63	11/13/2006	(515305)
64	11/15/2006	(550044)
65	11/15/2006	(550726)
66	12/18/2006	(550045)
67	12/18/2006	(550727)
68	01/22/2007	(584936)
69	01/22/2007	(587010)
70	01/22/2007	(623434)
71	01/26/2007	(532889)
72	02/15/2007	(584931)
73	02/15/2007	(587005)
74	03/15/2007	(584932)
75	03/15/2007	(587006)
76	03/26/2007	(532507)
77	03/26/2007	(538426)
78	04/12/2007	(556355)
79	04/25/2007	(584933)
80	04/25/2007	(587007)
81	04/30/2007	(558610)
82	05/23/2007	(584934)
83	05/23/2007	(587008)
84	06/21/2007	(584935)
85	06/21/2007	(587009)
86	07/11/2007	(604389)
87	07/11/2007	(604891)
88	08/20/2007	(604390)
89	08/20/2007	(604892)
90	09/13/2007	(604391)
91	09/13/2007	(604893)
92	10/23/2007	(623431)
93	10/23/2007	(625678)
94	11/02/2007	(598839)
95	11/07/2007	(599674)

96 11/15/2007 (623432)  
 97 11/20/2007 (625679)  
 98 12/20/2007 (623433)  
 99 12/20/2007 (625680)  
 100 01/07/2008 (610515)  
 101 01/22/2008 (625681)  
 102 02/15/2008 (674751)  
 103 02/15/2008 (694066)  
 104 03/17/2008 (675723)  
 105 03/17/2008 (693071)  
 106 04/28/2008 (693072)  
 107 04/28/2008 (694067)  
 108 05/27/2008 (693073)  
 109 05/27/2008 (694068)  
 110 06/18/2008 (682323)  
 111 06/24/2008 (714297)  
 112 06/24/2008 (715412)  
 113 07/28/2008 (714298)  
 114 07/28/2008 (715413)  
 115 08/25/2008 (714299)  
 116 08/25/2008 (715414)  
 117 09/25/2008 (714300)  
 118 09/25/2008 (715415)  
 119 10/16/2008 (714301)  
 120 10/16/2008 (715416)  
 121 11/17/2008 (730284)  
 122 11/17/2008 (731203)  
 123 12/10/2008 (730285)  
 124 12/10/2008 (731204)  
 125 01/15/2009 (753494)  
 126 01/15/2009 (754465)  
 127 02/20/2009 (753493)  
 128 02/20/2009 (754464)  
 129 03/12/2009 (770970)  
 130 03/12/2009 (771730)  
 131 04/20/2009 (770971)  
 132 04/20/2009 (771731)  
 133 05/21/2009 (770972)  
 134 05/21/2009 (771732)  
 135 06/09/2009 (742329)  
 136 09/29/2009 (777626)  
 137 11/23/2009 (782769)  
 138 12/16/2009 (767516)  
 139 12/18/2009 (781234)  
 140 01/29/2010 (768022)

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

Date: 03/31/2005 (425166) CN601179849  
 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: 01/31/2006 (477644) CN601179849  
 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: 01/31/2006 (475561) CN601179849  
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 (456971)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)  
5C THC Chapter 382, SubChapter A 382.085(b)  
O-1001, SC 16 OP  
Permit 3467B, SC 1D PERMIT  
Description: Failure to perform internal IFR seal inspection to verify the seal integrity during a specified ten year period.

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 THC Chapter 382, SubChapter A 382.085(b)  
O-1001, SC 16 OP  
Permit 3467B, SC 1J PERMIT  
Description: Failure to operate without visible liquid leaks or spills at loading/unloading facilities

Date: 02/28/2006 (475562) CN601179849  
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: 08/24/2006 (509312) CN601179849  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter A 382.085(b)  
OP O-01001, Special Condition 1A OP  
Description: Failure to provide visible emissions daily notation for Flares 4 and 5.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 115, SubChapter C 115.216(4)(A)(i)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter A 382.085(b)  
OP, O-01001, Special Condition 1A OP  
Description: Failure to provide daily record of the registry of the marine vessel and owner/operator.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter A 382.085(b)  
NSR Permit # 3467B, Special Condition 1D PERMIT  
OP, # O-01001, Special Condition 16 OP  
Description: Failure to verify seal integrity for tank B-407.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
NSR Permit #3467B, Special Condition 29K PERMIT  
OP, O-01001, Special Condition 16 OP  
Description: Failure to record instrument readings when performing LDAR monitoring for the fugitive areas.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THC Chapter 382, SubChapter A 382.085(b)  
OP, O-01001 OP

Description: Failure to provide a complete deviation report.

Date: 01/26/2007 (532889) CN601179849

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
ELMR No.1 PERMIT

Description: Failure to maintain compliance with the permitted effluent limits for chemical oxygen demand (COD).

Date: 01/31/2007 (587005) CN601179849

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: 03/26/2007 (532507) CN601179849

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THC Chapter 382, SubChapter D 382.085(b)  
O-01001, General Terms and Conditions OP

Description: Failure to report all incidents of deviations during the semiannual period beginning September 18, 2005, through March 18, 2006. This constitutes a violation of 30 TAC § 122.145(2)(A).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
O-01001, SC 16 OP

Description: Failure to operate the Emergency Flare (FL-6) listed in permit 3467B as an emergency flare during the maintenance activities that occurred on August 9, 2006, from 9:00 a.m. through 9:45 a.m. This constitutes a violation of 30 TAC § 116.116(a)(1).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
O-01001, SC 16.A. OP  
Permit No. 3467B, SC5 PERMIT

Description: Failure to send authorized emissions to Emergency Flare (FL-6) during maintenance activities that occurred on August 9, 2006.

Date: 10/31/2007 (625679) CN601179849

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 (625681) CN601179849

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 (694066) CN601179849

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: 08/21/2009 (749563)

CN601179849

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter F 115.541(a)(1)(B)  
3467B SC 30(C) PERMIT  
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain at least a 90% destruction rate efficiency.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter F 115.542(a)(6)  
3467B SC 30(A) PERMIT  
5C THSC Chapter 382 382.085(b)

Description: Failure to monitor VOC concentration for required 5 -12 hour intervals.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter F 115.546(1)(D)  
5C THSC Chapter 382 382.085(b)

Description: Failure to monitor and record VOC concentration during degassing operations.

Date: 12/16/2009 (767516)

CN601179849

Self Report? NO Classification: Moderate

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)  
SC #1D PERMIT  
Special Condition (SC) #16 OP

Description: Failure to perform the required seal inspection of the internal floating roof for tank B-31 from November 2007 through February 2008. (Category B19(g) violation)

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)  
SC #16 OP  
SC #21 PERMIT

Description: Failure to maintain tank B-506 temperature below 60 degrees Fahrenheit from July 26, 2008 to July 30, 2008. (Category B19(g) violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 1, SubChapter C, PT 61, SubPT V 61.242-6(a)(1)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT EEEE 63.2346(c)  
5C THSC Chapter 382 382.085(b)  
SC #13 OP  
SC #16 OP  
SC #1A OP  
SC #2E PERMIT

Description: Failure to plug open ended lines from September 2, 2007 through March 6, 2008. (Category C10)

Self Report? NO Classification: Moderate

Citation: 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 EEEE 63.2346(a)(3)  
5C THSC Chapter 382 382.085(b)  
SC #13 OP  
SC #16 OP  
SC #5 PERMIT  
SC #6 PERMIT

Description: Failure to prevent tank V-9206 from landing during tank filling operations from November 7, 2007 through November 14, 2007. (Category B19(g))

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions (GT&C) OP

Description: Failure to report in semiannual deviation reports during the period, September 7, 2007 through September 6, 2008, incident #s 102734, 103918, 105058, 98081, 08-029, 08-041, 08-061, 08-074, 08-092, 08-111, 08-112, 08-125, 08-126, and 08-129. (Category C3)

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)

SC #3 OP  
Description: Failure to conduct in second quarter, on April 4, 2008, visible observation of the vapor oxidizer (VO-1). (Category B19(g))

Date: 12/18/2009 (781234) CN601179849  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
ELMR, No. 1 PERMIT  
Description: Failure to maintain compliance with the permitted effluent limits for Chemical Oxygen Demand (COD).

- 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  
LBC HOUSTON, L.P.  
RN101041598

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

AGREED ORDER  
DOCKET NO. 2010-0196-AIR-E

I. JURISDICTION AND STIPULATIONS

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding LBC Houston, L.P. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a bulk liquid storage terminal at 11807 Port Road in Seabrook, Harris County, Texas (the "Site").
2. The Site consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about February 2, 2010.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Four Thousand Four Hundred Twenty-Five Dollars (\$4,425) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Three Thousand Five Hundred Forty Dollars (\$3,540)

of the administrative penalty and Eight Hundred Eighty-Five Dollars (\$885) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that by November 30, 2009, the Respondent implemented the following corrective measures at the Site:
  - a. Ensured the gasket manufacturer-recommended torque is used and implemented changes in replacing gaskets when the differential pressure reaches ten pounds or 75,000 barrels, whichever comes first;
  - b. Replaced all stud bolts and nuts, removed the filter head, inspected the seating surface and machined any uneven surfaces; and
  - c. Ensured gasket compatibility and size with vendor.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. 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.
12. 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.

## II. ALLEGATIONS

As owner and operator of the Site, the Respondent is alleged to have failed to prevent unauthorized emissions that occurred during an event on August 12, 2009, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 385.085(b) and New Source Review Permit No. 3467B, Special Condition No. 5, as documented during an investigation conducted on September 1, 2009. Specifically, the Respondent released 1,642 pounds of unauthorized propylene oxide emissions from the Propylene Oxide Filter into the atmosphere during the three minute event. The event occurred due to a gasket failure caused by an improper tightening technique during a filter change. Since the emissions event was avoidable due to operator error, it does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

## III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

## IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: LBC Houston, L.P., Docket No. 2010-0196-AIR-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

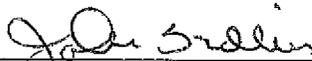
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, 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.
4. 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.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

6/17/2010  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

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

5/10/10  
Date

Rafael E. Mendez  
Name (Printed or typed)  
Authorized Representative of  
LBC Houston, L.P.

Manager, HSE + Q  
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.

