

**Executive Summary – Enforcement Matter – Case No. 50215  
SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM  
GULF OF MEXICO LLC  
RN106036494  
Docket No. 2015-0389-IHW-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

IHW

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

SOCOTHERM GULF OF MEXICO, 817 Shields Street, Channelview, Harris County

**Type of Operation:**

Pipeline coating services company

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** December 11, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$30,563

**Amount Deferred for Expedited Settlement:** \$6,112

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$12,226

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$12,225

Name of SEP: The Trust for Public Land (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** No

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

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**Docket No. 2015-0389-IHW-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** September 30, 2014

**Date(s) of NOE(s):** February 20, 2015

***Violation Information***

1. Caused, suffered, allowed, or permitted the unauthorized discharge of industrial solid waste. Specifically, the investigator documented a spill of an oily material on the ground in the vicinity of the Facility Maintenance Area and accumulations of spent abrasive blasting material were observed on the ground and within the immediate area of a punctured super sack in the Dust Collection/Blast Area. An estimated 400 square yards appear to have been affected. Analyses of soil samples indicated the presence of chromium, lead, barium, and mercury [30 TEX. ADMIN. CODE § 335.4].
2. Failed to immediately notify the agency of the spills at the Facility's Maintenance Area and the Dust Collection/Blast Area [TEX. WATER CODE § 26.039(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has undertaken the following corrective measures:

- a. Notified the agency of spills impacting soils at the Facility on September 30, 2014; and
- b. Submitted a Spill Investigation and Remediation Activities Report on August 3, 2015 describing sampling and remediation activities undertaken at the two identified spill areas: (i) the facility maintenance area and (ii) the dust collection/blasting area (hereinafter respectively, "Facility Maintenance Area and Dust Collection/Blast Area").

**Technical Requirements:**

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
  - a. Within 30 days, initiate an Affected Property Assessment for the two spills identified in the Facility Maintenance Area and Dust Collection/Blast Area; and

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- b. Within 60 days after receipt of final laboratory analytical results for all samples collected in support of the Affected Property Assessment Report (“APAR”), submit an APAR for the Facility Maintenance Area and the Dust Collection/Blast Area.
- c. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the APAR within 15 days after the date of such requests or by any other deadline specified in writing by the TCEQ.
- d. If the Executive Director (“ED”) determines that the APAR indicates that additional response actions for the Facility Maintenance Area and/or Dust Collection/Blast Area are necessary:
- i. Comply with all applicable requirements of the Texas Risk Reduction Program, which may include: plans, reports, and notices under Subchapter E (30 TEX. ADMIN. CODE §§ 350.92 to 350.96); financial assurance (30 TEX. ADMIN. CODE § 350.33(l)); and Institutional Controls under 30 TEX. ADMIN. CODE Subchapter F;
  - ii. Perform additional necessary response actions (if any) in accordance with all approved plans and/or schedules as directed by the ED; and
  - iii. Respond, completely and adequately, as determined by the TCEQ, to all requests for information concerning any response actions within 15 days after the date of such requests, or by any other deadline specified by the TCEQ in writing.
- e. Submit written certification to demonstrate compliance with a. through d. either:
- i. Within 30 days after the APAR is approved, if no additional response actions are determined to be necessary by the ED for the Facility Maintenance Area or Dust Collection/Blast Area; or
  - ii. Within 30 days after the Response Action Completion Report is approved, if additional response actions are determined to be necessary by the ED for either the Facility Maintenance Area or Dust Collection/Blast Area (or both).

***Litigation Information***

**Date Petition(s) Filed:** N/A  
**Date Answer(s) Filed:** N/A  
**SOAH Referral Date:** N/A  
**Hearing Date(s):** N/A  
**Settlement Date:** N/A

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**Docket No. 2015-0389-IHW-E**

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Tiffany Maurer, Enforcement Division,  
Enforcement Team 6, MC 128, (512) 239-2696; Melissa Cordell, Enforcement Division,  
MC 219, (512) 239-2483

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division,  
MC 219, (512) 239-3565

**Respondent:** Noel Knape, Western Hemisphere Controller, SHAWCOR PIPE  
PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC,  
500 North Broadway Suite 1600, Saint Louis, MO 63102-2122

Suzanne Pawlow, Director, SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN  
AS SOCOTHERM GULF OF MEXICO LLC, 500 North Broadway Suite 1600, Saint  
Louis, MO 63102-2122

**Respondent's Attorney:** N/A

**Attachment A**  
**Docket Number: 2015-0389-IHW-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC</b>
<b>Penalty Amount:</b>	<b>Twenty-Four Thousand Four Hundred Fifty-One Dollars (\$24,451)</b>
<b>SEP Offset Amount:</b>	<b>Twelve Thousand Two Hundred Twenty-Five Dollars (\$12,225)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Administrator SEP</b>
<b>Third-Party Administrator:</b>	<b>The Trust for Public Land</b>
<b>Project Name:</b>	<b><i>The Trust for Public Land's Galveston Bay Natural Area Acquisition and Conservation Program</i></b>
<b>Location of SEP:</b>	<b>Brazoria, Chambers, Galveston, and Harris Counties</b>

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 Offset 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 the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **The Trust for Public Land** for *The Trust for Public Land's Galveston Bay Natural Area Acquisition and Conservation Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used for property acquisitions that will preserve open space in the Galveston Bay watershed, thereby contributing to improved water quality, conserving wetlands and other special habitats, and increasing public access to the Bay, its tributaries, and their habitats. TPL's professional staff (a) works with local interests to identify acquisition projects, (b) purchases the land to remove it from the market, and (c) transfers the land to a public agency or nonprofit organization, which will be the ultimate fee title holder and permanent steward of the property. TPL will ensure that each property is encumbered with a conservation easement that will preserve the property into perpetuity. SEP Offset Amount will be used for the purchase of land. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC  
Agreed Order - Attachment A

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent’s signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

The preservation of open space in the Galveston Bay watershed provides substantial environmental, economic, and community benefits for the region. Open space contributes free ecological services, services that society must pay for otherwise. A key environmental benefit for acquisitions along Galveston Bay system waterways will be maintaining/restoring stream buffers that will help filter contaminants before they reach the water, and providing wildlife habitat. Forested buffers provide the additional benefit of improving air quality through the removal of carbon dioxide, ozone, and sulfur dioxide. Acquiring habitat along the bay front or along streams would also provide a buffer for coastal wetlands, preventing their further degradation, and ensuring greater protection of uplands from storm surge and other erosional forces.

The habitats of the Galveston Bay system - barrier islands, oak and riparian woodlands, coastal prairies, cypress swamps, seagrass meadows, saltgrass marshes, and oyster reefs host an astounding cornucopia of wildlife, including 95 percent of the recreationally and commercially important fish species of the Bay and Gulf systems, and 75 percent of North America's bird species. Yet, these habitats have suffered substantial losses and changes: increases in open water, losses of seagrass beds and coastal prairie uplands, conversion of freshwater wetlands to brackish wetlands or agricultural lands, and degradation of estuarine marshes.

c. Minimum Expenditure

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

SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC  
Agreed Order - Attachment A

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **The Trust for Public Land SEP** and shall mail the contribution with a copy of the Agreed Order to:

The Trust for Public Land  
Attention: Scott Parker, Texas State Director  
2579 Western Trails Boulevard, Suite 130  
Austin, Texas 78745

**3. Records and Reporting**

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

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

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC  
Agreed Order - Attachment A

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

**5. Publicity**

Any public statements concerning this SEP and/or project, 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. Recognition**

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 Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a 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 4 (April 2014)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned</b>	23-Feb-2015	<b>Screening</b>	4-Mar-2015	<b>EPA Due</b>	
	<b>PCW</b>	8-Sep-2015				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC
<b>Reg. Ent. Ref. No.</b>	RN106036494
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Minor

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	50215	<b>No. of Violations</b>	2
<b>Docket No.</b>	2015-0389-IHW-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Industrial and Hazardous Waste	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Tiffany Maurer
		<b>EC's Team</b>	Enforcement Team 6
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$23,750**

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

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

**Compliance History** **30.0%** Enhancement **Subtotals 2, 3, & 7** **\$7,125**

Notes: Enhancement for one court order containing a denial of liability.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$312**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts: \$2,290  
Estimated Cost of Compliance: \$20,500  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$30,563**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$30,563**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$30,563**

**DEFERRAL** **20.0%** Reduction **Adjustment** **-\$6,112**

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

Notes:

Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$24,451**

Screening Date 4-Mar-2015

Docket No. 2015-0389-IHW-E

PCW

Respondent SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM

Policy Revision 4 (April 2014)

Case ID No. 50215

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106036494

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Tiffany Maurer

### Compliance History Worksheet

#### >> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	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 ( <i>number of judgments or consent decrees meeting criteria</i> )	1	30%
	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 ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	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 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	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)** 30%

#### >> Repeat Violator (Subtotal 3)

No

**Adjustment Percentage (Subtotal 3)** 0%

#### >> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

**Adjustment Percentage (Subtotal 7)** 0%

#### >> Compliance History Summary

Compliance History Notes

Enhancement for one court order containing a denial of liability.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 30%

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 30%

Screening Date 4-Mar-2015

Docket No. 2015-0389-IHW-E

PCW

Respondent SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM C

Policy Revision 4 (April 2014)

Case ID No. 50215

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106036494

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Tiffany Maurer

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 335.4

Violation Description

The Respondent caused, suffered, allowed, or permitted the unauthorized discharge of industrial solid waste. Specifically, the investigator documented a spill of an oily material on the ground covering an area of approximately 400 square yards. Additionally, accumulations of spent abrasive blasting material were observed on the ground and within the immediate area of a punctured super sack. Analyses of soil samples indicated the presence of chromium, lead, barium, and mercury.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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 as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 6

155 Number of violation days

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

Violation Base Penalty \$22,500

Six monthly events are recommended from the September 30, 2014 investigation to the March 4, 2015 screening date.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/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 \$22,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,290

Violation Final Penalty Total \$29,250

This violation Final Assessed Penalty (adjusted for limits) \$29,250

## Economic Benefit Worksheet

**Respondent** SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC

**Case ID No.** 50215

**Reg. Ent. Reference No.** RN106036494

**Media** Industrial and Hazardous Waste

**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)				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	\$20,000	22-Jul-2013	5-Nov-2015	2.29	\$2,290	n/a	\$2,290
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

Estimated cost to conduct an Affected Property Assessment for the two spill areas and submit an Affected Property Assessment Report and to comply with all applicable requirements of the Texas Risk Reduction Program. The date required is the initial investigation date, and the final date is the estimated 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**

<b>Approx. Cost of Compliance</b>	\$20,000	<b>TOTAL</b>	\$2,290
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Screening Date 4-Mar-2015

Docket No. 2015-0389-IHW-E

PCW

Respondent SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCO

Policy Revision 4 (April 2014)

Case ID No. 50215

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106036494

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Tiffany Maurer

Violation Number 2

Rule Cite(s) Tex. Water Code § 26.039(b)

Violation Description Failed to immediately notify the agency of the soil contamination at the Facility's maintenance area and the blast/dust collection area.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (0.0%).

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent (5.0%).

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1 Number of violation days 1

Table for frequency: daily, weekly, monthly, quarterly, semiannual, annual, single event. Single event is marked with X.

Violation Base Penalty \$1,250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$312

Table for Good Faith Efforts: Extraordinary, Ordinary (marked X), N/A.

Notes The Respondent came into compliance on September 30, 2014, prior to the February 20, 2015 Notice of Enforcement.

Violation Subtotal \$938

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,313

This violation Final Assessed Penalty (adjusted for limits) \$1,313

## Economic Benefit Worksheet

**Respondent** SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC  
**Case ID No.** 50215  
**Reg. Ent. Reference No.** RN106036494  
**Media** Industrial and Hazardous Waste  
**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
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)	\$500	30-Sep-2014	30-Sep-2014	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to notify the agency of the soil and groundwater contamination at the Facility. The date required is the investigation date, 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	\$500	<b>TOTAL</b>	\$0
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- 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 SHAWCOR PIPE  
PROTECTION LLC FORMERLY  
KNOWN AS SOCOTHERM GULF  
OF MEXICO LLC  
RN106036494

§ BEFORE THE  
§  
§  
§ TEXAS COMMISSION ON  
§  
§  
§ ENVIRONMENTAL QUALITY

AGREED ORDER  
DOCKET NO. 2015-0389-IHW-E

I. JURISDICTION AND STIPULATIONS

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 361 and TEX. WATER CODE chs.7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a pipeline coating services company located at 817 Shields Street in Channelview, Harris County, Texas (the "Facility").
2. The Facility involves the management of industrial solid waste ("ISW") as defined in TEX. HEALTH & SAFETY CODE ch. 361.
3. The Executive Director 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 25, 2015.
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 Thirty Thousand Five Hundred Sixty-Three Dollars (\$30,563) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twelve Thousand Two Hundred Twenty-Six Dollars (\$12,226) of the administrative penalty and Six Thousand One Hundred Twelve Dollars (\$6,112) 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. Twelve Thousand Two Hundred Twenty-Five Dollars (\$12,225) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").
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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has undertaken the following corrective measures:
  - a. Notified the agency of spills impacting soils at the Facility on September 30, 2014; and
  - b. Submitted a Spill Investigation and Remediation Activities Report ("Spill Report") on August 3, 2015 describing sampling and remediation activities undertaken at the two identified spill areas: (i) the facility maintenance area and (ii) the dust collection/blast area (here by respectively known as the "Facility Maintenance Area" and the "Dust Collection/Blast Area").
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 Facility, the Respondent is alleged to have:

1. Caused, suffered, allowed, or permitted the unauthorized discharge of ISW, in violation of 30 TEX. ADMIN. CODE § 335.4, as documented during an investigation conducted on September 30, 2014. Specifically, the investigator documented a spill of an oily material on the ground in the vicinity of the Facility Maintenance Area and accumulations of spent abrasive blasting material were observed on the ground and within the immediate area of a punctured super sack in the Dust Collection/Blast Area. An estimated 400 square yards appear to have been affected. Analyses of soil samples indicated the presence of chromium, lead, barium, and mercury.
2. Failed to immediately notify the agency of the spills at the Facility's Maintenance Area and the Dust Collection/Blast Area, in violation of TEX. WATER CODE § 26.039(b), as documented during an investigation conducted on September 30, 2014.

### 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: SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC, Docket No. 2015-0389-IHW-E" to:  

Financial Administration Division, Revenue Operations 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 I, Paragraph 6 above, Twelve Thousand Two Hundred Twenty-Five Dollars (\$12,225) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. 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. It is further ordered that the Respondent shall undertake the following technical requirements:

SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC

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- a. Within 30 days after the effective date of this Agreed Order, initiate an Affected Property Assessment for the two spills identified in the Facility Maintenance Area and Dust Collection/Blast Area, pursuant to 30 TEX. ADMIN. CODE § 350.51; and
- b. Within 60 days after receipt of final laboratory analytical results for all samples collected in support of the Affected Property Assessment Report ("APAR"), submit an APAR for the Facility Maintenance Area and the Dust Collection/Blast Area, pursuant to 30 TEX. ADMIN. CODE § 350.91, to the Executive Director at the following address:

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

- c. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the APAR within 15 days after the date of such requests or by any other deadline specified in writing by the TCEQ.
- d. If the Executive Director determines that the APAR indicates that additional response actions for the Facility Maintenance Area and/or Dust Collection/Blast Area are necessary:
  - i. Comply with all applicable requirements of the Texas Risk Reduction Program, which may include: plans, reports, and notices under Subchapter E (30 TEX. ADMIN. CODE §§ 350.92 to 350.96); financial assurance (30 TEX. ADMIN. CODE § 350.33(l)); and Institutional Controls under 30 TEX. ADMIN. CODE Subchapter F;
  - ii. Perform additional necessary response actions (if any) in accordance with all approved plans and/or schedules as directed by the Executive Director; and
  - iii. Respond, completely and adequately, as determined by the TCEQ, to all requests for information concerning any response actions within 15 days after the date of such requests, or by any other deadline specified by the TCEQ in writing.
- e. Submit written certification as described in Ordering Provision No. 3.f., and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.a. through 3.d. either:
  - i. Within 30 days after the APAR is approved, if no additional response actions are determined to be necessary by the Executive Director for the Facility Maintenance Area or Dust Collection/Blast Area; or

- ii. Within 30 days after the Response Action Completion Report is approved, if additional response actions are determined to be necessary by the Executive Director for either the Facility Maintenance Area or Dust Collection/Blast Area (or both).
- f. The certification shall be notarized by the State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is 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:

Waste 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. 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.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

**SIGNATURE PAGE**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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

\_\_\_\_\_  
Date

  
For the Executive Director

5/26/16  
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

21 OCTOBER 2015  
Date

NOEL KNAPE

WESTERN HEMISPHERE CONTROLLER  
Title

Name (Printed or typed)

Authorized Representative of

SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC

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



**Attachment A**  
**Docket Number: 2015-0389-IHW-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC</b>
<b>Penalty Amount:</b>	<b>Twenty-Four Thousand Four Hundred Fifty-One Dollars (\$24,451)</b>
<b>SEP Offset Amount:</b>	<b>Twelve Thousand Two Hundred Twenty-Five Dollars (\$12,225)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Administrator SEP</b>
<b>Third-Party Administrator:</b>	<b>The Trust for Public Land</b>
<b>Project Name:</b>	<b><i>The Trust for Public Land's Galveston Bay Natural Area Acquisition and Conservation Program</i></b>
<b>Location of SEP:</b>	<b>Brazoria, Chambers, Galveston, and Harris Counties</b>

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 Offset 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 the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **The Trust for Public Land** for *The Trust for Public Land's Galveston Bay Natural Area Acquisition and Conservation Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used for property acquisitions that will preserve open space in the Galveston Bay watershed, thereby contributing to improved water quality, conserving wetlands and other special habitats, and increasing public access to the Bay, its tributaries, and their habitats. TPL's professional staff (a) works with local interests to identify acquisition projects, (b) purchases the land to remove it from the market, and (c) transfers the land to a public agency or nonprofit organization, which will be the ultimate fee title holder and permanent steward of the property. TPL will ensure that each property is encumbered with a conservation easement that will preserve the property into perpetuity. SEP Offset Amount will be used for the purchase of land. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC  
Agreed Order - Attachment A

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

The preservation of open space in the Galveston Bay watershed provides substantial environmental, economic, and community benefits for the region. Open space contributes free ecological services, services that society must pay for otherwise. A key environmental benefit for acquisitions along Galveston Bay system waterways will be maintaining/restoring stream buffers that will help filter contaminants before they reach the water, and providing wildlife habitat. Forested buffers provide the additional benefit of improving air quality through the removal of carbon dioxide, ozone, and sulfur dioxide. Acquiring habitat along the bay front or along streams would also provide a buffer for coastal wetlands, preventing their further degradation, and ensuring greater protection of uplands from storm surge and other erosional forces.

The habitats of the Galveston Bay system - barrier islands, oak and riparian woodlands, coastal prairies, cypress swamps, seagrass meadows, saltgrass marshes, and oyster reefs host an astounding cornucopia of wildlife, including 95 percent of the recreationally and commercially important fish species of the Bay and Gulf systems, and 75 percent of North America's bird species. Yet, these habitats have suffered substantial losses and changes: increases in open water, losses of seagrass beds and coastal prairie uplands, conversion of freshwater wetlands to brackish wetlands or agricultural lands, and degradation of estuarine marshes.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator 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 Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **The Trust for Public Land SEP** and shall mail the contribution with a copy of the Agreed Order to:

The Trust for Public Land  
Attention: Scott Parker, Texas State Director  
2579 Western Trails Boulevard, Suite 130  
Austin, Texas 78745

**3. Records and Reporting**

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

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

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

SHAWCOR PIPE PROTECTION LLC FORMERLY KNOWN AS SOCOTHERM GULF OF MEXICO LLC  
Agreed Order - Attachment A

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

**5. Publicity**

Any public statements concerning this SEP and/or project, 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. Recognition**

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 Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.