Brooke T. Paup, *Chairwoman*Bobby Janecka, *Commissioner*Catarina R. Gonzales, *Commissioner*Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 11, 2025

To: Persons on the Attached Mailing List (via email only)

Re: Executive Director's Request for Remand regarding an Agreed Order concerning SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyards; TCEQ Docket No. 2020-1613-MLM-E.

The above-referenced matter is currently scheduled to be considered by the Texas Commission on Environmental Quality at its March 13, 2025, public meeting. However, on March 10, 2025, the Executive Director filed a motion to remand this matter for additional case development.

Accordingly, pursuant to 30 Texas Administrative Code § 10.4 this matter is hereby removed from the March 13, 2025, agenda and remanded to the Executive Director.

If you have any questions concerning this matter, please contact Elaine M. Lucas, Assistant General Counsel, at elaine.lucas@tceq.texas.gov.

wysim

General Counsel

Mailing List

Mailing List SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGs, L.P. dba Southwest Shipyards TCEQ Docket No. 2020-1613-MLM-E

Bernard Diaz
Executive Vice President
HSE Operations
SOUTHWEST SHIPYARD, L.P. and
MSJ HOLDINGS, L.P. dba Southwest Shipyard
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Channelview, Texas 77530
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Amy Settemeyer Melissa Cordell Michael Parrish Rebecca Margain-Nunez Madelyn Flannagan, P.G Ken Moller TCEQ Enforcement Division MC 219 P.O. Box 13087 Austin, Texas 78711-3087 512/239-2545 FAX 512/239-2550 amy.settemeyer@tceq.texas.gov melissa.cordell@tceq.texas.gov michael.parrish@tceq.texas.gov rebecca.margain-nunez@tceq.texas.gov madelyn.flannagan@tceq.texas.gov ken.moller@tceq.texas.gov

Katherine Mckenzie TCEQ Litigation Division MC 175 P.O. Box 13087 Austin, Texas 78711-3087 512/239-0600 FAX 512/239-3434 Katherine.mckenzie@tceq.texas.gov

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P.O. Box 13087
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Ryan Vise TCEQ External Relations Division MC 118 P.O. Box 13087 Austin, Texas 78711-3087 512/239-0010 FAX 512/239-5000 pep@tceq.texas.gov

TCEQ Interoffice Memorandum

To: Mary Smith, General Counsel

Thru: M8 CMelissa Cordell, Assistant Deputy Director

Enforcement Division

From:

↑ Michael Parrish, Agenda Special Assistant Enforcement Division

Date: March 10, 2025

Subject: Request for Remand

March 13, 2025 Commission Agenda

Item No. 10 - SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P.

dba Southwest Shipvards

Docket No. 2020-1613-MLM-E

The Executive Director respectfully requests that the above-referenced item be remanded to staff, as the Executive Director has determined that additional case development is necessary.

Respondent Contact:

Bernard Diaz, Executive Vice President – HSE Operations SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard 18310 Market Street, Channelview, Texas 77530

Please do not hesitate to call Michael Parrish at (512) 239-2548 if you have any questions regarding this matter.

Garrett Arthur, Public Interest Counsel cc: Melissa Schmidt, Public Interest Counsel Gill Valls, Office of General Counsel Katherine McKenzie, Agenda Coordinator, Litigation Division Amy Settemeyer, Deputy Director, Enforcement Division Melissa Cordell, Assistant Deputy Director, Enforcement Division Rebecca Margain-Nunez, Executive Assistant, Enforcement Division Madelyn Flannagan, P.G., Manager, Waste Section, Enforcement Division Ken Moller, Technical Specialist, Waste Section, Enforcement Division

Executive Summary – Enforcement Matter – Case No. 60105 SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard RN100248749

Docket No. 2020-1613-MLM-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A **Media:**

MLM - IHW and Used Oil

Small Business:

No

Location(s) Where Violation(s) Occurred:

Southwest Shipyard, 18310 Market Street, Channelview, Harris County

Type of Operation:

Barge cleaning and repair facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: August 25, 2023

Comments Received: No

Penalty Information

Total Penalty Assessed: \$116,342

Amount Deferred for Expedited Settlement: \$23,267

Total Paid to General Revenue: \$46,538

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$46,537

Name of SEP: Bayou Land Conservancy (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory Site/RN - Satisfactory

Major Source: IHW - Major; Used Oil - Minor

Statutory Limit Adjustment: N/A Applicable Penalty Policy: April 2014

Investigation Information

Complaint Information

Complaint Information: N/A

Date(s) of Investigation: July 18, 2019 through September 11, 2020

Date(s) of NOE(s): October 16, 2020

Violation Information

- 1. Caused, suffered, allowed, or permitted wastes to be processed at an unauthorized facility. Specifically, the Respondents sent approximately 19,275 gallons (total) of hazardous waste comprised of four shipments, in the form of Waste Stream ("WS") 0508105H (spent sulfuric acid) and WS 0509110H (spent sodium sulfide) to Inland Environmental (Solid Waste Registration Number 87017) for recycling, and Inland Environmental is not authorized to receive waste for recycling [30 Tex. ADMIN. CODE § 335.2(b)].
- 2. Failed to obtain authorization prior to storing, processing, or disposing of hazardous waste. Specifically, between January 3, 2018, and November 28, 2018, the Respondents received and processed at least 135,500 barrels (approximately 5,502,000 gallons) of hazardous waste wash water (Annex I crude oil/petroleum wash water) without authorization. In addition, the Respondents received and stored approximately 871,000 gallons of hazardous waste consisting of EHWNs D001, D018, and U239 without a permit [30 Tex. ADMIN. CODE § 335.2(a)].
- 3. Failed to immediately document any changes or additional information on the Facility's Notice of Registration ("NOR") within 90 days of the occurrence of such change or of becoming aware of such additional information. Specifically, the Facility's NOR required modifications to correspond with current information regarding: the current description of WS 0157219H; the current management unit and management onsite/offsite status for WS 0422319H; the current activity status of inactive Waste Management Unit ("WMU") 014; the current unit type and regulatory status for WMU 024; and the current activity status of active WS 00941191 [30 Tex. ADMIN. CODE § 335.6(c)].
- 4. Failed to report complete and correct Annual Waste Summaries ("AWSs"). Specifically, the 2017 AWS was missing 1,000 gallons of sulfuric acid (WS 0508105H) sent for recycling to an unauthorized facility on bill of lading SWS010187. Additionally, the 2018 AWS was missing 9,000 gallons of sulfuric acid (WS 0508105H) sent for recycling to an unauthorized facility on manifests 018383223JJK and 018383224JJK, and was missing 5,275 gallons of WS 0509110H sent for recycling to an unauthorized facility on bills of lading: SWS010466, SWS010467, and SWS010513. Furthermore, the 2016 AWS listed WS 0001203H with hazardous waste numbers ("EHWNs") D002 and D018, which are not associated to the WS on the NOR; also, the 2016 and 2017 AWSs listed WS 0157219H with EHWN D002 which is not associated on the NOR [30 Tex. ADMIN. Code § 335.9(a)(2)].

- 5. Failed to submit an AWS before the annual deadline. Specifically, the 2017 AWS was submitted on March 14, 2018, thirteen days after the March 1, 2018 deadline for the 2017 AWS [30 Tex. ADMIN. CODE § 335.9(a)(2)(B)].
- 6. Failed to have complete and correct manifests for shipments of hazardous waste. Specifically, sulfuric acid (WS 0508105H) and sodium sulfide (WS 0509110H) were sent out on bills of lading instead of on manifests [30 Tex. ADMIN. CODE § 335.54 and 40 CODE OF FEDERAL REGULATIONS ("CFR") § 262.20(a)(1)].
- 7. Failed to include a Texas Waste Code ("TWC") for each hazardous waste itemized on a manifest. Specifically, manifests 018383223JJK and 018383224JJK did not include a TWC or the appropriate EHWNs for the wastes [30 Tex. ADMIN. Code § 335.10(a)(1)].
- 8. Failed to prepare a new manifest for a rejected waste. Specifically, waste received on manifest 020245505JJK, dated May 21, 2019, was rejected by placing a "Load Rejection" notification at the top of the manifest; then, on December 9, 2019, the Respondents provided another copy of manifest 020245505JJK without a "Load Rejection" notification at the top, replaced by a comment written on the manifest about returned cargo in lieu of preparing a new manifest [30 Tex. ADMIN. CODE § 335.12(a) and 40 CFR § 265.72(f)].
- 9. Failed to conduct weekly container storage area ("CSA") inspections. Specifically, the Respondents failed to conduct weekly inspections for the following weeks: between May 1 to June 8, 2017; June 18 to July 16, 2018; September 4 to 17, 2018; January 28 to February 11, 2019; and February 20 to March 4, 2019 [30 Tex. ADMIN. CODE §§ 335.112(a)(8) and 335.69(a)(1)(A) and 40 CFR § 265.174].
- 10. Failed to submit a copy of the contingency plan to all local emergency response entities. Specifically, the Respondents had not submitted a copy of the contingency plan to the local police department [30 Tex. Admin. Code §§ 335.112(a)(3) and 335.69(a)(4)(A) and 40 CFR § 265.53(b)].
- 11. Failed to have complete hazardous waste determination process knowledge documentation. Specifically, hazardous waste determination and waste classification process knowledge documentation for WS 0405219H had insufficient information regarding the applicability of the listed EHWNs P069, U008, U009, and U239 [30 Tex. ADMIN. CODE §§ 335.504(a)(2), 335.511(a), and 335.62].
- 12. Processed, recycled, and marketed used oil within the state in violation of rules for the management of used oil. Specifically, the Respondents mixed used oil with various fuel products including but not limited to recovered crude oil, diesel oil, pyrolysis gasoline, and various alcohols without managing the mixture according to used oil rules. Also, the Respondents first marketed the used oil mixtures and then sold the used oil mixtures to secondary reclaimer facilities before being transported to a crude oil pipeline or a petroleum refining facility [30 Tex. ADMIN. CODE § 324.4(2)(C)(ii) and 40 CFR § 279.10(d)(1) and (g)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondents implemented the following corrective measures:

- a. Made the following required updates to the Facility's NOR with current information on December 12, 2019:
- i. Updated the description of WS 0157219H;
- ii. Updated the current management unit and management onsite/offsite status for WS 0422319H;
- iii. Inactivated WMU 014;
- iv. Updated unit type and regulatory status for WMU 024; and
- v. Reactivated WS 00941191.
- b. Provided a copy of the Facility's contingency plan to the Harris County Sheriff's Office on August 8, 2019.
- c. Returned shipments of hazardous waste listed as EPA EHWNs D001, D018, and U239 to the waste's generator and removed and disposed of approximately 70,800 gallons of the EHWNs that were unloaded on July 10, 2019.

Technical Requirements:

- 1. The Order will require the Respondents to implement and complete a SEP (see SEP Attachment A).
- 2. The Order will also require the Respondents to:
- a. Immediately:
- i. Begin conducting weekly inspections of all CSAs;
- ii. Begin properly maintaining adequate documentation of process knowledge information for WS 0405219H; and
- iii. Cease the processing of Annex I crude oil/petroleum wash water and the storage of HW listed as EHWNs D001, D018, and U239 at the Facility until such time as the authorization to do so is obtained.
- b. Within 30 days:

- i. Develop and implement procedures designed to ensure that all hazardous waste is stored, processed, and disposed of only at authorized facilities;
- ii. Develop and implement procedures designed to ensure that a complete and correct AWS is submitted to the Executive Director each calendar year by the annual deadline;
- iii. Correct and resubmit the 2016, 2017, and 2018 AWSs to the Executive Director;
- iv. Develop and implement procedures designed to ensure that all HW that is disposed is documented on correctly completed manifests, and that all manifests include a TWC and/or appropriate EHWNs for the wastes;
- v. Correct and resubmit manifests 018383223JJK and 018383224JJK to the Executive Director;
- vi. Develop and implement procedures designed to ensure that all rejected waste loads are documented on new waste manifests;
- vii. Correct and resubmit the information from manifest 020245505JJK on a new waste manifest to the Executive Director;
- viii. Develop and implement a process designed to ensure that all used oil is properly managed;
- ix. Develop and implement a process designed to ensure that any used oil that the Facility generates that is mixed with product first meets all regulatory exemptions prior to transporting it10; and
- x. Submit an NOR update with all required information for Solid Waste Registration No. 31208 to authorize the processing of the Annex I crude oil/petroleum wash water waste stream.
- c. Within 45 days, submit written certification to demonstrate compliance with a. and b.

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Ken Moller, Enforcement Division, Enforcement Team 3, MC 219, (512) 239-6111; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

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

SEP Third-Party Administrator: Bayou Land Conservancy, 10330 Lake Road, Building J Houston, Texas 77070

Respondent: Bernard Diaz, Vice President & Health, Safety, & Environment, SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard, 18310 Market Street, Channelview, Texas 77530

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014) PCW Revision March 26, 2014

DATES

Assigned 16-Oct-2020 PCW 1-May-2023

Screening 13-Nov-2020

EPA Due 14-Mar-2020

RESPONDENT/FACILITY INFORMATION							
Respondent SOUTHWEST SHIPYARD, L.P. and M.	SJ HOLDINGS, L.P. dba Southwest Shipyard						
Reg. Ent. Ref. No. RN100248749							
Facility/Site Region 12-Houston	Major/Minor Source Major						

CASE INFORMATION	
Enf./Case ID No. 60105	No. of Violations 9
Docket No. 2020-1613-MLM-E	Order Type 1660
Media Program(s) Industrial and Hazardous Waste	Government/Non-Profit No
Multi-Media Used Oil	Enf. Coordinator Ken Moller
	EC's Team Enforcement Team 7
Admin Penalty \$ Limit Minimum \$0 Maximum	\$25,000

		•					
		Penalty Calc	ulat	tion Section	n		
TOTAL BASE PEN	ALTY (Sum o	f violation base pe	nalt	ies)		Subtotal 1	\$69,500
ADJUSTMENTS (+ Subtotals 2-7 are of	-/-) TO SUBT	OTAL 1 g the Total Base Penalty (Subi	total 1)	by the indicated pe	ercentage.		
Compliance H	istory	66.	.0%	Adjustment	Subto	otals 2, 3, & 7	\$45,870
Notes	3	for three final Orders of hree NOVs containing di		_	ability and		
Culpability	No	0.	.0%	Enhancement		Subtotal 4	\$0
Note	The F	espondents do not mee	t the o	culpability criter	ia.		
Good Faith Ef	fort to Comply	Total Adjustments				Subtotal 5	-\$1,874
		•					, ,
Economic Ber	nefit	0.	. 0 % i	Enhancement*		Subtotal 6	\$0
Estimate	Total EB Amounts d Cost of Compliance		Capped	l at the Total EB \$ A	mount		
SUM OF SUBTOTA	LS 1-7				ı	inal Subtotal	\$113,496
OTHER FACTORS Reduces or enhances the Fin				2.3%		Adjustment	\$2,597
Notes	Recommer	ded enhancement for th associated with Violati			npliance		
					Final Pe	nalty Amount	\$116,093
STATUTORY LIMI	T ADJUSTME	NT			Final Asse	essed Penalty	\$116,093
DEFERRAL Reduces the Final Assessed F	enalty by the indicate	ed percentage.		20.0%	Reduction	Adjustment	-\$23,218
Notes	criately by the marcut	Deferral offered for expo	edited	l settlement.			
PAYABLE PENALT	Υ						\$92,875

PCW

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest

Respondent Shipyard **Case ID No.** 60105

Reg. Ent. Reference No. RN100248749

Media Industrial and Hazardous Waste

Enf. Coordinator Ken Moller

Compliance History Worksheet

Compliance His	compliance History Worksneet tory Site Enhancement (Subtotal 2)		
Component	Number of	Number	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	3	6%
	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	3	60%
Orders	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	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%
and Consent Decrees	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%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	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%
Addits	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%
	Environmental management systems in place for one year or more	No	0%
			0.70
Other	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
5 (Participation in a voluntary pollution reduction program	No	0%

			0 / 0
Other	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)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

Enhancement for three final Orders containing denials of liability and three NOVs containing dissimilar violations.

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

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%

	Screening Date	13-Nov-2020 Docket No. 2020-	-1613-MLM-E PCW
		SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba	Southwest
	Responden		Policy Revision 4 (April 2014)
_	Case ID No		PCW Revision March 26, 2014
Reg.	Ent. Reference No		
		Industrial and Hazardous Waste	
	Enf. Coordinato		
	Violation Numbe	1	
	Rule Cite(s	30 Tex. Admin. Code § 335.2(b)	
	Violation Description	Caused, suffered, allowed, or permitted wastes to be proce facility. Specifically, the Respondents sent approximately hazardous waste ("HW") comprised from four shipments stream ("WS") 0508105H (spent sulfuric acid) and WS 05 sulfide) to Inland Environmental (Solid Waste Registratic recycling, and Inland Environmental is not authorized recycling.	19,275 gallons (total) of s, in the form of waste 509110H (spent sodium on Number 87017) for
			-
>> Env	vironmental, Prope	ty and Human Health Matrix	
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OR	Releas Actua	Major Moderate Minor	
OK	Potentia	X Perce	ent 30.0%
	1 occircio	, i cicc	30.070
>>Proc	grammatic Matrix		
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		or the environment will or could be exposed to pollutants to otective of human health or environmental receptors as a re-	
		Adjustmo	ent \$17,500
		Aujustiii	ψ17,300
			\$7,500
	_		
Violatio	on Events		
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	Number of	iolation Events 4 1053 Numb	el di vidiatidii days
		daily	
		weekly	
		monthly	
			Violation Base Penalty \$30,000
		semiannual	-
		annual	
		single event x	
	1		
	Four single	vents are recommended for the four unauthorized HW dispo	osal events documented
		on bills of lading and manifests.	
Good F	aith Efforts to Con	0.0%	Reduction \$0
		Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer	
		Extraordinary	
		Ordinary	
		N/A x	
		The Decreed onto do not most the condition	th critoria for
		Notes The Respondents do not meet the good fai	ui citeria ior
		this violation.	
			Walana Galara I
			Violation Subtotal \$30,000
Econon	nic Benefit (EB) fo	this violation Stat	utory Limit Test
	Delicite (ED) 10	J. J	
	Estima	ed EB Amount \$1,823 Violati	ion Final Penalty Total \$50,940
		This statute First Assessed 5 10	n. (adjusted for limits)
		This violation Final Assessed Penalt	y (adjusted for limits) \$50,940

Case ID No.	00102						
eg. Ent. Reference No.							
	Industrial and	Hazardous Waste	2			Percent Interest	Years of Depreciation
						5.0	15
		Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Item Description							
Dalawad Coata							
Delayed Costs Equipment		1		0.00	\$0	\$0	\$0
Equipment Buildinas				0.00	\$0 \$0	\$0 \$0	\$0 \$0
Other (as needed)				0.00	\$0	\$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	\$100	18-Jul-2019	12-Aug-2023	4.07	\$20	n/a	\$20
Remediation/Disposal			_	0.00	±0	/	\$0
Remediation/Disposal					\$0	n/a	
Permit Costs				0.00	\$0	n/a	\$0
Permit Costs Other (as needed)				0.00 0.00	\$0 \$0 rocedures designe	n/a n/a d to ensure that all	\$0 \$0 HW is stored,
Permit Costs Other (as needed) Notes for DELAYED costs	processed, an	d disposed of at a and t	uthorized faciliti he Final Date is	0.00 0.00 ment pres (\$10 the est	\$0 \$0 rocedures designe 00). The Date Requimated date of cor	n/a n/a d to ensure that all uired is the investiga mpliance.	\$0 \$0 HW is stored, ation start date,
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Permit Costs Other (as needed) Notes for DELAYED costs Avoided Costs Disposal Personnel spection/Reporting/Sampling	processed, an	d disposed of at a and t	uthorized faciliti he Final Date is	0.00 0.00 ment pres (\$10 the est tering 0.00 0.00 0.00	\$0 \$0 rocedures designe 00). The Date Requimated date of cor item (except for \$0 \$0 \$0	n/a n/a n/a d to ensure that all uired is the investiga npliance. r one-time avoide \$0 \$0 \$0 \$0	\$0 \$0 HW is stored, ation start date, d costs) \$0 \$0 \$0
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	50.0	ening Date	13 1404 2020		DOC	ket No. 2020-1613-MLM-E		PCW
	_	_		HIPYARD, L.P.	and MSJ HOLD	DINGS, L.P. dba Southwest		
		espondent					Policy	Revision 4 (April 2014)
_		ase ID No.					PCW R	evision March 26, 2014
Reg.	Ent. Ref	erence No.						
	F 6 . 6		Industrial and I	Hazardous Was	te			
		oordinator		1				
	Viola	tion Number						
		Rule Cite(s)		30 7	ex. Admin. Co	ode § 335.2(a)		
	Violatio	n Description	Specifically, the received and post of HW wash wash and addition, the	petween Januar processed at lea ater (Annex I c e Respondents	y 3, 2018 and st 135,500 barude oil/petrol received and		ondents) gallons) orization. gallons of	\$25,000
						DdSt	Penaity	\$23,000
>> Env	/ironme	ntal, Proper	ty and Hum	an Health I	1atrix			
		· ·	_	Harm				
0.5		Release	Major	Moderate	Minor			
OR		Actual						
		Potential				Percent 0.0%		
>> Dros		tic Matrix						
>>Prog	gramma	tic Matrix Falsification	Major	Moderate	Minor			
		Taisincation	X	Moderate	MINO	Percent 15.0%		
						15.0 %		
	Matrix Notes		10	00% of the rule	requirement	was not met.		
						Adjustment	\$21,250	
							г	¢2.7F0
								\$3,750
Violatio	on Event	·s					[\$3,750
Violatio	on Event	:s					[\$3,750
Violatio	on Event		/iolation Events	1		63 Number of violation of	[days	\$3,750
Violatio	on Event		/iolation Events	1		Number of violation of	[days	\$3,750
Violatio	on Event		/iolation Events daily	1		63 Number of violation of	days	\$3,750
Violatio	on Event			1		63 Number of violation of	[days	\$3,750
Violatio	on Event		daily weekly monthly	1				
Violatio	on Event		daily weekly monthly quarterly	1 x		63 Number of violation of Violation of Violation Base		\$3,750 \$3,750
Violatio	on Event		daily weekly monthly quarterly semiannual					
Violatio	on Event		daily weekly monthly quarterly semiannual annual					
Violatio	on Event		daily weekly monthly quarterly semiannual					
Violatio	on Event	Number of \	daily weekly monthly quarterly semiannual annual single event	x		Violation Base	e Penalty	
Violatio	on Event	Number of \	daily weekly monthly quarterly semiannual annual single event	x x	•	Violation Base 11, 2020 investigation end da	e Penalty	
Violatio	on Event	Number of \	daily weekly monthly quarterly semiannual annual single event	x x	he Septembei , 2020 screen	Violation Base 11, 2020 investigation end da	e Penalty	
		Number of N	daily weekly monthly quarterly semiannual annual single event	x x	•	Violation Base 11, 2020 investigation end da	e Penalty	
		Number of \	daily weekly monthly quarterly semiannual annual single event	x mended from t November 13	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date.	e Penalty	
		Number of N	daily weekly monthly quarterly semiannual annual single event	x nmended from t November 13	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date.	e Penalty	\$3,750
		Number of N	daily weekly monthly quarterly semiannual annual single event event is recom ply Extraordinary	x mended from t November 13	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date.	e Penalty	\$3,750
		Number of N	daily weekly monthly quarterly semiannual annual single event event is recom event event comply extraordinary Ordinary	x November 13 0.0% Defore NOE/NOV	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date.	e Penalty	\$3,750
		Number of N	daily weekly monthly quarterly semiannual annual single event event is recom ply Extraordinary	x mended from t November 13	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date.	e Penalty	\$3,750
		Number of N	daily weekly monthly quarterly semiannual annual single event event is recom event event comply extraordinary Ordinary	x nmended from t November 13 0.0% sefore NOE/NOV	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date.	e Penalty	\$3,750
		Number of N	daily weekly monthly quarterly semiannual annual single event event is recom event comply Extraordinary Ordinary N/A	x nmended from t November 13 0.0% sefore NOE/NOV	, 2020 screen	Violation Base 11, 2020 investigation end da ing date. RP/Settlement Offer eet the good faith criteria for	te to the	\$3,750
Good F	aith Effo	One quarterly	daily weekly monthly quarterly semiannual annual single event event is recom event control ply Extraordinary Ordinary N/A Notes	x nmended from t November 13 0.0% sefore NOE/NOV X The Responde	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date. RP/Settlement Offer eet the good faith criteria for olation. Violation	te to the Reduction	\$3,750 \$0
Good F	aith Effo	One quarterly Orts to Com	daily weekly monthly quarterly semiannual annual single event event is recom event conditionary Ordinary N/A Notes this violation	x nmended from to November 13 0.0% Sefore NOE/NOV x The Responder	, 2020 screen	Violation Base 11, 2020 investigation end da ing date. RP/Settlement Offer eet the good faith criteria for olation. Violation Statutory Limit	te to the Reduction Subtotal	\$3,750 \$0 \$3,750
Good F	aith Effo	One quarterly Orts to Com	daily weekly monthly quarterly semiannual annual single event event is recom event control ply Extraordinary Ordinary N/A Notes	x nmended from to November 13 0.0% Sefore NOE/NOV x The Responder	, 2020 screen	Violation Base r 11, 2020 investigation end da ing date. RP/Settlement Offer eet the good faith criteria for olation. Violation	te to the Reduction Subtotal	\$3,750 \$0
Good F	aith Effo	One quarterly Orts to Com	daily weekly monthly quarterly semiannual annual single event event is recom event conditionary Ordinary N/A Notes this violation	x nmended from t November 13 0.0% Before NOE/NOV x The Responde	, 2020 screen NOE/NOV to EDPI Pents do not me this vi	Violation Base 11, 2020 investigation end da ing date. RP/Settlement Offer eet the good faith criteria for olation. Violation Statutory Limit	te to the Reduction Subtotal Test	\$3,750 \$0 \$3,750

		conomic	Benefit '	M	rkchoot				
Daamandank						h i a company			
		HIPYARD, L.P. ar	ia MSJ HOLDING	35, L.P	. dba Southwest S	nipyara			
Case ID No.									
Reg. Ent. Reference No.									
Media	Industrial and	Hazardous Waste				Percent Interest	Years of		
Violation No.	2						Depreciation		
						5.0	15		
	Item Cost	Date Required	Final Date	Vrc	Interest Saved	Costs Saved	EB Amount		
The Description	Item Cost	Date Required	i iliai Date	113	Interest Saveu	Costs Saveu	LD Alliount		
Item Description									
Delayed Costs		1			1				
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	15.464		40 - 40040	0.00	\$0	n/a	\$0		
Remediation/Disposal	\$5,406	20-May-2019	10-Jul-2019	0.14	\$38	n/a	\$38		
Permit Costs	\$1,000		12-Aug-2023	2.92	\$146	n/a	\$146		
Other (as needed)	\$100	11-Sep-2020	12-Aug-2023	2.92	\$15	n/a	\$15		
Notes for DELAYED costs	Estimated de	Estimated delayed cost to submit a Notice of Registration update ("NOR") with all required information for Solid Waste Registration No. 31208 to authorize the processing of the Annex I crude oil/petroleum wash water waste stream (\$1,000). The Date Required is the investigation end date, and the Final Date is the estimated date of compliance. Estimated delayed cost to develop and implement a process designed to ensure that the Facility does not accept unauthorized waste (\$100). The Date Required is the investigation end date, and the Final Date is							
	ассері шіаші	•	100). The Date R	nent a p Require	process designed to		cility does not		
Avaidad Saata	•	horized waste (\$1	100). The Date R the estima	nent a p Require ted dat	process designed to d is the investigati te of compliance.	on end date, and th	cility does not e Final Date is		
Avoided Costs	•	horized waste (\$1	100). The Date R the estima	nent a p Require ted dat	orocess designed to d is the investigati te of compliance.	on end date, and the	cility does not e Final Date is d costs)		
Disposal	•	horized waste (\$1	100). The Date R the estima	nent a properties ted date tering 0.00	orocess designed to d is the investigati te of compliance. item (except for \$0	on end date, and the one-time avoided \$0	cility does not e Final Date is d costs)		
Disposal Personnel	•	horized waste (\$1	100). The Date R the estima	Require ted dat tering 0.00 0.00	orocess designed to d is the investigation of compliance. item (except for \$0 \$0 \$0	on end date, and the	cility does not e Final Date is if costs) \$0 \$0		
Disposal Personnel Inspection/Reporting/Sampling	•	horized waste (\$1	100). The Date R the estima	ted date tering 0.00 0.00 0.00	item (except for \$0 \$0 \$0 \$0	on end date, and the	cility does not e Final Date is d costs) \$0 \$0 \$0		
Disposal Personnel Inspection/Reporting/Sampling Supplies/Equipment	•	horized waste (\$1	100). The Date R the estima	tering 0.00 0.00 0.00	item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	on end date, and the concept of the	cility does not e Final Date is 1 costs) \$0 \$0 \$0 \$0 \$0 \$0		
Disposal Personnel Inspection/Reporting/Sampling Supplies/Equipment Financial Assurance	•	horized waste (\$1	100). The Date R the estima	Require ted dat tering 0.00 0.00 0.00 0.00 0.00 0.00	item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	on end date, and the one-time avoided \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	cility does not e Final Date is d costs) \$0 \$0 \$0 \$0 \$0 \$0		
Disposal Personnel Inspection/Reporting/Sampling Supplies/Equipment Financial Assurance ONE-TIME avoided costs	•	horized waste (\$1	100). The Date R the estima	tering 0.00 0.00 0.00 0.00 0.00 0.00	item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	on end date, and the solution of the solution	cility does not e Final Date is \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0		
Disposal Personnel Inspection/Reporting/Sampling Supplies/Equipment Financial Assurance	•	horized waste (\$1	100). The Date R the estima	Require ted dat tering 0.00 0.00 0.00 0.00 0.00 0.00	item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	on end date, and the one-time avoided \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	cility does not e Final Date is \$0 \$0 \$0 \$0 \$0		

	Screening Date	13-Nov-2020	Docket No. 2020-1613-MLM-E	PCW
			HIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest	
	Respondent			Policy Revision 4 (April 2014)
	Case ID No.			PCW Revision March 26, 2014
Reg. En	nt. Reference No.			
		Industrial and H	azardous Waste	
	Enf. Coordinator	Ken Moller		
	Violation Number			
	Rule Cite(s)		30 Tex. Admin. Code § 335.6(c)	
			30 Text /td////// Gode 3 333.0(c)	
v	iolation Description	Facility's NOR w of such addition to correspond 0157219H; the WS 0422319	mediately document any changes or additional information on the ithin 90 days of the occurrence of such change or of becoming a hal information. Specifically, the Facility's NOR required modifically with current information regarding: the current description of current management unit and management onsite/offsite status. The current activity status of inactive Waste Management Urithe current unit type and regulatory status for WMU 024; and current activity status of active WS 00941191.	aware tions WS us for nit
			Base Pe	nalty \$25,000
				- , , , , , , , , , , , , , , , , , , ,
>> Enviro	onmental, Proper	ty and Huma		
		-	Harm	
65	Release	Major	Moderate Minor	
OR	Actual			
	Potential		Percent 0.0%	
_				
>>Progra	ammatic Matrix			
	Falsification	Major	Moderate Minor	
		Х	Percent 15.0%	
	Matrix Notes	Greater t	han 70% of the rule requirement was not met.	
			A 42	4.050
			Adjustment \$2.	1,250
			Adjustment \$2	
			Adjustment \$2.	\$3,750
	_		Adjustment \$2.	
Violation	Events		Adjustment \$2.	
Violation				\$3,750
Violation		/iolation Events	Adjustment \$2.	\$3,750
Violation				\$3,750
Violation		daily		\$3,750
Violation				\$3,750
Violation		daily weekly monthly	1 147 Number of violation days	\$3,750
Violation		daily weekly monthly quarterly		\$3,750
Violation		daily weekly monthly quarterly semiannual	1 147 Number of violation days	\$3,750
Violation		daily weekly monthly quarterly semiannual annual	1 147 Number of violation days	\$3,750
Violation		daily weekly monthly quarterly semiannual	1 147 Number of violation days	\$3,750
Violation		daily weekly monthly quarterly semiannual annual	1 147 Number of violation days Violation Base Per	\$3,750
Violation		daily weekly monthly quarterly semiannual annual	1 147 Number of violation days Violation Base Per	\$3,750
Violation		daily weekly monthly quarterly semiannual annual	1 147 Number of violation days Violation Base Per	\$3,750
Violation		daily weekly monthly quarterly semiannual annual	1 147 Number of violation days Violation Base Per	\$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per x One single event is recommended.	\$3,750 nalty \$3,750
		daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended.	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per x One single event is recommended.	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Reduence NOE/NOV NOE/NOV to EDPRP/Settlement Offer	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended.	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Reduence NOE/NOV NOE/NOV to EDPRP/Settlement Offer X	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Redues to the properties of the period of the p	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Redues recommended. The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Redues to the properties of the period of the p	\$3,750 nalty \$3,750
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% From NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had been made to the Facility's NOR.	\$3,750 nalty \$3,750 action \$937
	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Redues recommended. The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had	\$3,750 nalty \$3,750 action \$937
Good Fait	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had been made to the Facility's NOR. Violation Sub	\$3,750 nalty \$3,750 action \$937
Good Fait	Number of \	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had been made to the Facility's NOR. Violation Sub	\$3,750 nalty \$3,750 action \$937
Good Fait	Number of \ th Efforts to Com	daily weekly monthly quarterly semiannual annual single event	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had been made to the Facility's NOR. Violation Sub	\$3,750 nalty \$3,750 ction \$937
Good Fait	Number of \ th Efforts to Com	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary N/A Notes this violatio	1 147 Number of violation days Violation Base Per X One single event is recommended. 25.0% Efore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had been made to the Facility's NOR. Violation Sub	\$3,750 nalty \$3,750 cition \$937 citotal \$2,813 st Total \$5,409

	E	conomic	Benefit	Wo	rksheet		
		SHIPYARD, L.P. ar	nd MSJ HOLDING	GS, L.P.	. dba Southwest S	hipyard	
Case ID No.							
Reg. Ent. Reference No.							V
Media Violation No.		Hazardous Waste	1			Percent Interest	Years of Depreciation
Violation No.	3					5.0	15
	Itom Cost	Date Required	Final Date	Vrc	Interest Saved	Costs Saved	EB Amount
Item Description	Item Cost	Date Required	rillai Date	113	Titterest Saveu	Costs Saveu	LB Alliount
Item Description							
Delayed Costs							
Equipment		1		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 Permit Costs				0.00	\$0 \$0	n/a n/a	\$0 \$0
Other (as needed)	\$100	18-Jul-2019	12-Dec-2019	0.40	\$0	n/a	\$2
Notes for DELAYED costs	informatio management current u	on regarding: the onsite/offsite stanit nit type and regu	current descript tus for WS 0422 latory status for	ion of V 2319H; WMU (VS 0157219H; the the current activit 024; and the curre	he Facility's NOR wi current manageme y status of inactive nt activity status of nal Date is the date	nt unit and WMU 014; the active WS
Avoided Costs	ANNUA	ALIZE avoided c	osts before en	tering	item (except for	one-time avoide	d 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed) Notes for AVOIDED costs		<u> </u>		0.00	\$0	\$0	\$0
Approx. Cost of Compliance		\$100			TOTAL		\$2

PCW Screening Date 13-Nov-2020 **Docket No.** 2020-1613-MLM-E SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest **Respondent** Shipyard Policy Revision 4 (April 2014) **Case ID No.** 60105 PCW Revision March 26, 2014 Reg. Ent. Reference No. RN100248749 Media Industrial and Hazardous Waste Enf. Coordinator Ken Moller **Violation Number** Rule Cite(s) 30 Tex. Admin. Code § 335.9(a)(2) Failed to report complete and correct Annual Waste Summaries ("AWSs"); also, failed to submit an AWS before the annual deadline. Specifically, the 2017 AWS was missing 1,000 gallons of sulfuric acid (WS 0508105H) sent for recycling to an unauthorized facility on bill of lading SWS010187. In addition, the 2018 AWS was missing 9,000 gallons of sulfuric acid (WS 0508105H) sent for recycling to an unauthorized facility on manifests 018383223JJK and 018383224JJK, and was Violation Description missing 5,275 gallons of WS 0509110H sent for recycling to an unauthorized facility on bills of lading: SWS010466, SWS010467, and SWS010513. Furthermore, the 2016 AWS listed WS 0001203H with EHWNs D002 and D018, which are not associated to the WS on the NOR; also, the 2016 and 2017 AWSs listed WS 0157219H with EHWN D002 which is not associated on the NOR. Lastly, the 2017 AWS was submitted on March 14, 2018, thirteen days after the March 1, 2018 deadline for the 2017 AWS. Base Penalty \$25,000 >> Environmental, Property and Human Health Matrix Harm Minor Release Major Moderate OR Actual Potential Percent 0.0% >>Programmatic Matrix Falsification Major Moderate Minor 15.0% Percent Matrix 100% of the rule requirement was not met. Notes Adjustment \$21,250 \$3,750 **Violation Events** Number of Violation Events 484 Number of violation days daily weekly monthly \$15,000 quarterly **Violation Base Penalty** semiannual annual single event Four single events are recommended (three single events for the failure to submit correct and complete AWSs in 2016, 2017, and 2018 and one single event for failure to submit the 2017 AWS by the annual deadline). **Good Faith Efforts to Comply** \$0 0.0% Reduction Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer Extraordinary Ordinary N/A The Respondents do not meet the good faith criteria for Notes this violation. Violation Subtotal \$15,000 **Economic Benefit (EB) for this violation Statutory Limit Test** \$224 **Estimated EB Amount** Violation Final Penalty Total \$25,470 \$25,470 This violation Final Assessed Penalty (adjusted for limits)

	E	conomic	Benefit	Wo	rksheet										
Respondent	SOUTHWEST S	SHIPYARD, L.P. aı	nd MSJ HOLDIN	GS, L.P	. dba Southwest S	hipyard									
Case ID No.		•		•		1,									
Reg. Ent. Reference No.		1													
		Hazardous Waste					Years of								
Media Violation No.		nazaruous wasie	1			Percent Interest	Depreciation								
Violation No.	·					5.0	15								
	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount								
Item Description															
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								
Procedures	\$100	18-Jul-2019	12-Aug-2023	4.07	\$20	n/a	\$20								
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)	\$1,000	18-Jul-2019	12-Aug-2023	4.07	\$204	n/a	\$204								
Notes for DELAYED costs	Required Estimated de	d is the investigat	ion start date, a	and the t the 20	Final Date is the e 016, 2017, and 20 art date, and the F	stimated date of co	Estimated cost to develop and implement procedures designed to ensure that a complete and correct AWS is submitted to the Executive Director each calendar year by the annual deadline (\$100). The Date Required is the investigation start date, and the Final Date is the estimated date of compliance. Estimated delayed cost to correct and resubmit the 2016, 2017, and 2018 AWSs to the Executive Director (\$1,000). The Date Required is the investigation start date, and the Final Date is the estimated date of								
Avoided Costs	ANNU	ALIZE avoided o	osts before er												
				tering	item (except for	one-time avoide	d costs)								
Disposal				1tering 0.00	item (except for \$0	one-time avoide	d costs) \$0								
Disposal Personnel						,									
Personnel				0.00 0.00 0.00	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0								
•				0.00	\$0 \$0	\$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0								
Personnel Inspection/Reporting/Sampling				0.00 0.00 0.00 0.00	\$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0								
Personnel Inspection/Reporting/Sampling Supplies/Equipment				0.00 0.00 0.00 0.00 0.00	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0								
Personnel Inspection/Reporting/Sampling Supplies/Equipment Financial Assurance				0.00 0.00 0.00 0.00	\$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0								
Personnel Inspection/Reporting/Sampling Supplies/Equipment Financial Assurance ONE-TIME avoided costs				0.00 0.00 0.00 0.00 0.00	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0								

	Screening Date	13-Nov-2020 Docket No. 2020-1613-MLM-E	PCW
		SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest	
	Respondent		Policy Revision 4 (April 2014)
	Case ID No.		PCW Revision March 26, 2014
Reg. Ent	t. Reference No.	RN100248749	
		Industrial and Hazardous Waste	
E	inf. Coordinator	Ken Moller	
	Violation Number	5	
	Rule Cite(s)	30 Tex. Admin. Code §§ 335.10(a)(1) and 335.54 and 40 Code of Federal Regulations ("CFR") § 262.20(a)(1)	
Vi	olation Description	Failed to have complete and correct manifests for shipments of HW. Specifical sulfuric acid (WS 0508105H) and sodium sulfide (WS 0509110H) were sent out bills of lading instead of on manifests. Also, failed to include a Texas Waste C ("TWC") for each HW itemized on a manifest. Specifically, manifests 01838322 and 018383224JJK did not include a TWC or the appropriate EHWNs for the waste of the second suppropriate EHWNs for the second s	ut on ode 23JJK
		Base Pe	nalty \$25,000
>> Enviro	nmental, Prope	ty and Human Health Matrix	
	rope	Harm	
	Release	Major Moderate Minor	
OR	Actual		
	Potential	Percent 0.0%	
>>Progra	mmatic Matrix	Majar Madarata Minar	
	Falsification	Major Moderate Minor x Percent 15.0%	
		X Percent 15.0%	
М	latrix	Greater than 70% of the rule requirement was not met.	
N	lotes	Greater than 70% or the rule requirement was not met.	
		Adjustment \$2	1,250
		rajastiione 42	1,230
			\$3,750
	_		
Violation I	Events		
	Number of N	iolation Events 2 484 Number of violation days	
	Nulliber of	iolation Events 2 Number of violation days	
		daily weekly monthly quarterly semiannual annual single event	nalty \$7,500
	T	and a second of the second of	- dia -
		nts are recommended (one single event for waste streams sent out on bills of lanifests, and one single event for waste streams sent out on manifests that we missing the appropriate TWCs and/or EHWNs).	
Good Eaith	h Efforts to Com	O.0% Redu	uction \$0
Joou Faiti	ii Liioi is to Colli	Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer	Jedolf \$0
		Extraordinary	
		Ordinary	
		N/A X	
		Notes The Respondents do not meet the good faith criteria for this violation.	
		Violation Sub	ototal \$7,500
Economic	Benefit (EB) for	this violation Statutory Limit Te	st
	Estimat	d EB Amount \$40 Violation Final Penalty	Total \$12,735
		This violation Final Assessed Penalty (adjusted for li	mits) \$12,735

	E	conomic	Benefit	Wo	rksheet		
		SHIPYARD, L.P. ar	nd MSJ HOLDING	GS, L.P	. dba Southwest S	hipyard	
Case ID No. Reg. Ent. Reference No.							
		Hazardous Waste					Years of
Violation No.		mazaruous waste	;			Percent Interest	Depreciation
Violation No.	J					F 0	-
	.			.,		5.0	15
		Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Item Description							
Delayed Costs	<u> </u>	1		0.00	1 +0	1 +0	+0
Equipment				0.00	\$0 #0	\$0	\$0 #0
Buildings Other (as needed)				0.00	\$0 \$0	\$0 \$0	\$0 \$0
Engineering/Construction				0.00	\$0	\$0	\$0 \$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$100	18-Jul-2019	12-Aug-2023	4.07	\$20	n/a	\$20
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)	\$100	18-Jul-2019	12-Aug-2023	4.07	\$20	n/a	\$20
Notes for DELAYED costs	EHWNs for th	ne wastes (\$100).	The Date Requiestimate correct and resured he Date Require	red is to did date brown to the did at the d	he investigation st of compliance. anifests 01838322	nclude a TWC and/o eart date, and the Fi 3JJK and 01838322 t date, and the Fina	nal Date is the
Avoided Costs	ANNU	ALIZE avoided c	osts before en	terina	item (except for	r one-time avoide	d 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0 \$0	\$0 \$0	\$0 \$0
Other (as needed) Notes for AVOIDED costs		<u> </u>		0.00	1 30	1 50	\$ 0
Approx. Cost of Compliance		\$200			TOTAL		\$40

	Scre	ening Date		Docket No. 2020		PCW
	_			YARD, L.P. and MSJ HOLDINGS, L.P. dba	Southwest	
		Respondent				Revision 4 (April 2014)
_		ase ID No.			PCW I	Revision March 26, 2014
кед.	Ent. Ket	erence No.				
	Enf C		Industrial and Haz	ardous Waste		
		coordinator				
	VIOI	ation Number Rule Cite(s)	6			1
		Rule Cite(S)	30 T	ex. Admin. Code § 335.12(a) and 40 CFR	§ 265.72(f)	
	Violatio	n Description	on manifest 020 Rejection" notific Respondents pr Rejection" notific	a new manifest for a rejected waste. Spe 245505JJK, dated May 21, 2019, was reje ation at the top of the manifest; then, on ovided another copy of manifest 0202455 cation at the top, replaced by a comment at returned cargo in lieu of preparing a ne	ected by placing a "Load December 9, 2019, the 505JJK without a "Load written on the manifest w manifest.	¢35.000
					Base Penalty	\$25,000
>> Env	vironme	ntal, Proper	ty and Humar	Health Matrix		
		Release	Major	Harm Moderate Miner		
OR		Actual	Major I	Moderate Minor		
O.K		Potential		Perc	ent 0.0%	
					01070	
>>Prog	gramma	tic Matrix				
	Ţ .	Falsification	Major I	Moderate Minor		
				<u>x</u> Perc	ent 1.0%	
						1
	Matrix Notes		Less than	30% of the rule requirement was not me	et.	
				Adjustm	nent \$24,750]
						\$250
						\$230
Violatio	on Event	ts				
		Number of V	/iolation Events	1 484 Numb	ber of violation days	
			daily weekly monthly quarterly semiannual annual single event	x	Violation Base Penalty	\$250
			(One single event is recommended.		
Good F	aith Effo	orts to Com		0.0%	Reduction	\$0
				re NOE/NOV NOE/NOV to EDPRP/Settlement Offe	er	
			Extraordinary			
			Ordinary			
			N/A	X		
			Notes	he Respondents do not meet the good fai this violation.	th criteria for	
					Violation Subtotal	\$250
Econon	nic Bene	efit (EB) for	this violation	Stat	tutory Limit Test	
1		Eastina - * ·	ad ED Amaz	¢21 W-1-1	lian Cinal Denalty T. t. !	#424
		Estimate	ed EB Amount	\$21 Violat	tion Final Penalty Total	\$424
		Estimate	ed EB Amount	\$21 Violat This violation Final Assessed Penalt	•	·

	E	conomic	Renetit	WO	rksneet		
Respondent	SOUTHWEST S	SHIPYARD, L.P. ar	nd MSJ HOLDING	GS, L.P.	. dba Southwest S	hipyard	
Case ID No.	60105	,		•		. ,	
Reg. Ent. Reference No.							
							V
		Hazardous Waste				Percent Interest	Years of
Violation No.	6						Depreciation
						5.0	15
	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Item Description		•					
Item Description							
Delayed Costs							
Delayed Costs		1		0.00	l #0	±0	# 0
Equipment Buildings				0.00	\$0 \$0	\$0 \$0	\$0 \$0
Other (as needed)				0.00	\$0 \$0	\$0 \$0	\$0 \$0
Engineering/Construction				0.00	\$0 \$0	\$0 \$0	\$0 \$0
= =-				0.00	\$0	n/a	\$0 \$0
Land				0.00			
Record Keeping System				0.00	\$0 \$0	n/a n/a	\$0 \$0
Training/Sampling							
Remediation/Disposal				0.00	\$0 \$0	n/a	\$0 \$0
Permit Costs Other (as needed)	\$100	21-May-2019	12 4 2022	4.23	\$21	n/a n/a	\$21
Notes for DELAYED costs		st to the Executiv	e Director (\$100)). The		nanifest 020245505 the date of the first compliance.	
Avoided Costs	ANNU	ALIZE avoided c	osts before en	terina	item (except for	r one-time avoide	d costs)
Disposal		1		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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							
Approx. Cost of Compliance		\$100			TOTAL		\$21

	Scree	ning Date	13-Nov-2020	Docket No. 2020-1613-MLM-E	PCW
	n -			HIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest	
		spondent		·	Revision 4 (April 2014)
Dog		se ID No.	RN100248749	PCW F	Revision March 26, 2014
Reg.	Elit. Kele			Hazardous Waste	
	Enf Co	ordinator		ndzardous waste	
		on Number			
		Rule Cite(s)	,		
	-	(2)	30 Tex. Admin	. Code §§ 335.112(a)(8) and 335.69(a)(1)(A) and 40 CFR § 265.174	
			Failed to cond	duct weekly container storage area ("CSA") inspections. Specifically,	
	Violation	Doccrintion	the Resnon	dents failed to conduct weekly inspections for the following weeks:	
	Violation	Description	between Ma	y 1 to June 8, 2017; June 18 to July 16, 2018; September 4 to 17,	
			2018; Janı	uary 28 to February 11, 2019; and February 20 to March 4, 2019.	
				Base Penalty	\$25,000
>> Env	/ironment	al. Proper	tv and Hum	an Health Matrix	
			-, aaa.	Harm	
		Release	Major	Moderate Minor	
OR		Actual		_	
		Potential		x Percent 7.0%	
>> Droc	arammati	a Matrix			
>>P100	grammati	Falsification	Major	Moderate Minor	
		raisirication	Hajoi	Percent 0.0%	
		Human healt	h or the enviro	nment will or could be exposed to insignificant amounts of pollutants	
	Matrix Notes	that would no	t exceed levels	that are protective of human health or environmental receptors as a	
	notes			result of the violation.	
	<u>, </u>				
				Adjustment \$23,250	
					\$1,750
				<u> </u>	, ,
Violatio	on Events				
		Number of V	/iolation Events	1 484 Number of violation days	
		Number of v	riolation Events	1 404 Number of violation days	
			daily		
			weekly		
			monthly		
			quarterly	Violation Base Penalty	\$1,750
			semiannual		
			annual		
			single event	X	
				One single event is recommended.	
Good F	aith Effor	ts to Com	ply	0.0% Reduction	\$0
				defore NOE/NOV NOE/NOV to EDPRP/Settlement Offer	+-
			Extraordinary		
			Ordinary		
			N/A	X	
				The Respondents do not meet the good faith criteria for	
			Notes	this violation.	
				Violation Subtotal	\$1,750
_		. /==>			+2,.30
Econon	nıc Benefi	t (EB) for	this violation	on Statutory Limit Test	
		Estimate	ed EB Amount	\$804 Violation Final Penalty Total	\$2,971
				This violation Final Assessed Penalty (adjusted for limits)	\$2,971

	E	conomic	Benefit	Wo	rksheet		
Respondent	SOUTHWEST S	SHIPYARD, L.P. aı	nd MSJ HOLDIN	GS, L.P.	. dba Southwest S	hipyard	
Case ID No.	60105						
Reg. Ent. Reference No.							
Media Violation No.		Hazardous Waste	2			Percent Interest	Years of Depreciation
1.0.00.011.1101						5.0	15
	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Item Description							
Delayed Costs							
Équipment				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)	\$50	18-Jul-2019	12-Aug-2023	4.07	\$10	n/a	\$10
Notes for DELAYED costs						As (\$50). The Date d date of compliance	
Avoided Costs	ANNU	ALIZE avoided o	osts before en	tering	item (except for	one-time avoide	d 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs	\$730	26-Feb-2019	13-Nov-2020	1.72	\$64	\$730	\$794
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs			s the date of the		issed weekly inspe	/ inspections of all C ection, and the Final	
Approx. Cost of Compliance		\$780			TOTAL		

		ening Date		Docket No. 2020-1613-MLM-E	PCW
	F	Respondent	SOUTHWEST S	SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest	Policy Revision 4 (April 2014)
		Case ID No.			PCW Revision March 26, 2014
Reg.	Ent. Re	ference No.	RN100248749		
		Media	Industrial and	Hazardous Waste	
	Enf. (Coordinator	Ken Moller	_	
	Viol	ation Number	8		
		Rule Cite(s)	30 Tex. A	dmin. Code §§ 335.112(a)(3) and 335.69(a)(4)(A) and 40 CFR	2 6
			30 TEX. 71	265.53(b)	` 3
				· ,	
			Failed to sub	omit a copy of the contingency plan to all local emergency resp	onse
	Violatio	n Description	entities. Speci	ifically, the Respondents had not submitted a copy of the contin	<mark>ngency</mark>
				plan to the local police department.	
				Base P	Penalty \$25,000
					-
>> Env	vironme	ntal, Propei	ty and Hum	nan Health Matrix	
				Harm	
0 D		Release	Major	Moderate Minor	
OR		Actual		Bancart 15.004	
		Potential		X Percent 15.0%	
> > D		tie Matrix			
>>Prog	gramma	tic Matrix Falsification	Major	Moderate Minor	
		Taisincation	Major	Percent 0.0%	
				Percent 0.0%	
		11	International Control		to a to
	Matrix			onment will or could be exposed to significant amounts of pollut s that are protective of human health or environmental recepto	
	Notes	WillCil Would II	ot exceed level	result of the violation.	ors as a
				result of the violation.	
				Adjustment \$	21,250
				Aujustinent	521,230
					\$3,750
Violatio	on Even	ts			
Violatio	on Even				
Violatio	on Even		/iolation Events	1 21 Number of violation day	ys
Violatio	on Even			1 21 Number of violation day	ys
Violatio	on Even		daily	1 21 Number of violation day	ys
Violatio	on Even		daily weekly	1 21 Number of violation day	ys
Violatio	on Even		daily weekly monthly		
Violatio	on Even		daily weekly monthly quarterly	1 21 Number of violation day Violation Base P	
Violatio	on Even		daily weekly monthly quarterly semiannual		
Violatio	on Even		daily weekly monthly quarterly semiannual annual	Violation Base P	
Violatio	on Even		daily weekly monthly quarterly semiannual		
Violatio	on Even		daily weekly monthly quarterly semiannual annual	Violation Base P	
Violatio	on Even		daily weekly monthly quarterly semiannual annual	Violation Base P	
Violatio	on Even		daily weekly monthly quarterly semiannual annual	Violation Base P	
Violatio	on Even		daily weekly monthly quarterly semiannual annual	Violation Base P	
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P x One single event is recommended.	Penalty \$3,750
			daily weekly monthly quarterly semiannual annual single event	Violation Base P x One single event is recommended.	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P X One single event is recommended. 25.0% Recommended. Recommended.	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P X One single event is recommended. 25.0% Recommended NOE/NOV NOE/NOV to EDPRP/Settlement Offer	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P X One single event is recommended. 25.0% Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer X	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary	Violation Base P X One single event is recommended. 25.0% Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer X	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P X One single event is recommended. 25.0% Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer X	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P X One single event is recommended. 25.0% Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on August 8, 2019	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P X One single event is recommended. 25.0% Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on August 8, 2019 by providing a copy of the contingency plan to the Harris	Penalty \$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	Violation Base P X One single event is recommended. 25.0% Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents achieved compliance on August 8, 2019 by providing a copy of the contingency plan to the Harris	Penalty \$3,750
Good F	aith Eff	Number of \	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary N/A Notes	One single event is recommended. 25.0% Recommended. 25.0% Recommended. The Respondents achieved compliance on August 8, 2019 by providing a copy of the contingency plan to the Harris County Sheriff's Office. Violation Su	\$3,750 \$3,750 duction
Good F	aith Eff	Number of \	daily weekly monthly quarterly semiannual annual single event	One single event is recommended. 25.0% Recommended. 25.0% Recommended. The Respondents achieved compliance on August 8, 2019 by providing a copy of the contingency plan to the Harris County Sheriff's Office. Violation Su	\$3,750 \$3,750 duction
Good F	aith Eff	Number of \\ orts to Com	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary N/A Notes this violation	One single event is recommended. 25.0% Recommended. 25.0% Recommended. The Respondents achieved compliance on August 8, 2019 by providing a copy of the contingency plan to the Harris County Sheriff's Office. Violation Summer County Statutory Limit Technology Statutory Limit Technology Violation Base P	\$3,750 \$
Good F	aith Eff	Number of \\ orts to Com	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary N/A Notes	One single event is recommended. 25.0% Recommended. 25.0% Recommended. The Respondents achieved compliance on August 8, 2019 by providing a copy of the contingency plan to the Harris County Sheriff's Office. Violation Summer County Statutory Limit Technology Statutory Limit Technology Violation Base P	\$3,750 \$

	E	conomic	Benefit	Wo	rksheet		
		SHIPYARD, L.P. an	nd MSJ HOLDING	GS, L.P.	. dba Southwest S	hipyard	
Case ID No.							
Reg. Ent. Reference No.							
Media Violation No.		Hazardous Waste				Percent Interest	Years of Depreciation
						5.0	15
	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Item Description							
•							
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)	\$50	18-Jul-2019	8-Aug-2019	0.06	\$0	n/a	\$0
Notes for DELAYED costs	Estimated Cost					ocal authorities. The late of compliance.	Bate Required
Avoided Costs	ANNU	ALIZE avoided co	osts before en	tering	item (except for	one-time avoide	d 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

	Scre	ening Date		Docket No. 2020-1613-MLM-E	PCW
	_	.		HIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest	
		Respondent			Policy Revision 4 (April 2014)
Dan		Case ID No.		P	CW Revision March 26, 2014
Reg.	EIIL. KE	ference No.		lazardous Waste	
	Enf (Coordinator		idzaruous waste	
		ation Number			
	VIOI	Rule Cite(s)			
		Rule Cite(s)		x. Admin. Code §§ 335.504(a)(2), 335.511(a), and 335.62	
				33 (-)(-)(-)	
				ve complete HW determination process knowledge documentation.	
	Violatio	n Description		y, HW determination and waste classification process knowledge	
			documenta	tion for WS 0405219H had insufficient information regarding the	
			арріі	cability of the listed EHWNs P069, U008, U009, and U239.	
				Base Pena	lty \$25,000
					Ψ25/000
>> Env	rironme	ntal, Propei	ty and Hum	an Health Matrix	
				Harm	
OB		Release	Major	Moderate Minor	
OR		Actual		Dovemb 15 00/	
		Potential		x Percent 15.0%	
>> Droc	ramma	tic Matrix			
F10g	ji allillia	Falsification	Major	Moderate Minor	
		Taismeation	riajoi	Percent 0.0%	
	Matrix			nent will or could be exposed to significant amounts of pollutants t	
	Notes	would not exc	eed levels that a	re protective of human health or environmental receptors as a re-	<mark>sult</mark>
	110103			of the violation.	
				Adjustment \$21.	250
				Adjustment \$21,	250
				Adjustment \$21,	\$3,750
Mi-I-II	<u>-</u>			Adjustment \$21,	
Violatio	on Even	ts		Adjustment \$21,	
Violatio	on Even		/iolation Events		
Violatio	on Even		/iolation Events	Adjustment \$21,	
Violatio	on Even				
Violatio	on Even		daily		
Violatio	on Even				
Violatio	on Even		daily weekly		\$3,750
Violatio	on Even		daily weekly monthly	1 484 Number of violation days	\$3,750
Violatio	on Even		daily weekly monthly quarterly	1 484 Number of violation days	\$3,750
Violatio	on Even		daily weekly monthly quarterly semiannual	1 484 Number of violation days	\$3,750
Violatio	on Even		daily weekly monthly quarterly semiannual annual	1 484 Number of violation days Violation Base Pena	\$3,750
Violatio	on Even		daily weekly monthly quarterly semiannual annual	1 484 Number of violation days Violation Base Pena	\$3,750
Violatio	on Even		daily weekly monthly quarterly semiannual annual	1 484 Number of violation days Violation Base Pena	\$3,750
Violatio	on Even		daily weekly monthly quarterly semiannual annual	1 484 Number of violation days Violation Base Pena	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena	\$3,750
			daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation.	\$3,750
		Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for	\$3,750
Good F	aith Eff	Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation. Violation Subto	\$3,750
Good F	aith Eff	Number of \	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct Fore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation. Violation Subto	\$3,750
Good F	aith Eff	Number of \ orts to Com	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary N/A Notes this violatic	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct For NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation. Violation Subtemptors Statutory Limit Test	\$3,750
Good F	aith Eff	Number of \ orts to Com	daily weekly monthly quarterly semiannual annual single event	1 484 Number of violation days Violation Base Pena X One single event is recommended. Reduct For NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation. Violation Subtemptors Statutory Limit Test	\$3,750

	E	conomic	Benefit	Wo	rksheet		
		SHIPYARD, L.P. ar	nd MSJ HOLDING	SS, L.P.	. dba Southwest Sl	hipyard	
Case ID No.							
Reg. Ent. Reference No.		Hazardous Waste					Years of
Violation No.		nazaruous waste				Percent Interest	Depreciation
Violation No.	,					5.0	15
	Item Cost	Date Required	Final Date	Vrc	Interest Saved	Costs Saved	EB Amount
Item Description	Item Cost	Date Required	i mai bate	5	Interest Saveu	costs saveu	LD Amount
Item Description							
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 Record Keeping System				0.00	\$0 \$0	n/a n/a	\$0 \$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)	\$4,200	18-Jul-2019	12-Aug-2023	4.07	\$855	n/a	\$855
Notes for DELAYED costs	(\$4,200 per	waste stream). T	he Date Require estimate	ed is th d date	e investigation sta of compliance.	l information for WS rt date, and the Fina	al Date is the
Avoided Costs	ANNUA	ALIZE avoided c	osts before en			one-time avoide	-
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0 \$0	\$0 \$0	\$0 \$0
Inspection/Reporting/Sampling Supplies/Equipment				0.00	\$0 \$0	\$0 \$0	\$0 \$0
Financial Assurance				0.00	\$0	\$0 \$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs		,			• • •	,	
Approx. Cost of Compliance		\$4,200			TOTAL		\$855



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014) PCW Revision March 26, 2014

 DATES
 Assigned
 16-Oct-2020

 PCW
 1-May-2023

PCW 1-May-2023 Screening 13-Nov-2020 EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent
Reg. Ent. Ref. No.
Facility/Site Region

RESPONDENT/FACILITY INFORMATION

ROUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard

RN100248749

Major/Minor Source Minor

CASE INFORMATION

Enf./Case ID No. 60105
Docket No. 2020-1613-MLM-E
Media Program(s)
Multi-Media Industrial and Hazardous Waste

Multi-Media Program(s) Industrial and Hazardous Waste

Admin. Penalty \$ Limit Minimum \$0 Maximum

Solution No. of Violations 1
Order Type 1660
Government/Non-Profit No
Enf. Coordinator EC's Team Enforcement Team 7

Penalty Calculation Section		
TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$150
ADJUSTMENTS (+/-) TO SUBTOTAL 1		
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.		
Compliance History 66.0% Adjustment Subto	tals 2, 3, & 7	\$99
Notes Enhancement for three final Orders containing denials of liability and for		
three NOVs containing dissimilar violations.		
Culpability No 0.0% Enhancement	Subtotal 4	\$0
Notes The Respondents do not meet the culpability criteria.		
	<u></u>	
Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
Economic Benefit 0.0% Enhancement*	Subtotal 6	\$0
Total EB Amounts \$31 *Capped at the Total EB \$ Amount Estimated Cost of Compliance \$200		
SUM OF SUBTOTALS 1-7	Final Subtotal	\$249
OTHER FACTORS AS JUSTICE MAY REQUIRE 0.0%	Adjustment	\$0
Reduces or enhances the Final Subtotal by the indicated percentage.	7	·
Notes		
Notes		
Final Per	nalty Amount	\$249
STATUTORY LIMIT ADJUSTMENT Final Asse	I D	\$249
STATUTORY LIMIT ADJUSTMENT Final Asse	essed Penalty	\$249
DEFERRAL 20.0% Reduction	Adjustment	-\$49
Reduces the Final Assessed Penalty by the indicated percentage.		
Notes Deferral offered for expedited settlement.		
Perental offered for expedited Settlement.		
PAYABLE PENALTY		\$200

SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest

Respondent Shipyard Case ID No. 60105

Reg. Ent. Reference No. RN100248749

Media Used Oil

Enf. Coordinator Ken Moller

Policy Revision 4 (April 2014) PCW Revision March 26, 2014

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	3	6%
	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	3	60%
Orders	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	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%
and Consent Decrees	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%
Addits	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%
	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director	NI -	00/

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) 66%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3)

0 70

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7)

0%

>> Compliance History Summary

Compliance History Notes

Enhancement for three final Orders containing denials of liability and for three NOVs containing dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 66%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%

66%

	Screening Date 13		Docket No. 2020-1613-MLM-E	PCW
			HIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest	
	Respondent		Policy	Revision 4 (April 2014)
_	Case ID No.		PCW I	Revision March 26, 2014
Reg.	Ent. Reference No.			
		Used Oil		
	Enf. Coordinator			
	Violation Number	1		i
	Rule Cite(s)	30 Tex. Adn	nin. Code § 324.4(2)(C)(ii) and 40 Code of Federal Regulations § 279.10(d)(1) and (g)	
Violation Description		the managen various fuel p pyrolysis gasoli used oil rules. A sold the used o	ycled, and marketed used oil within the state in violation of rules for ment of used oil. Specifically, the Respondents mixed used oil with products including but not limited to recovered crude oil, diesel oil, ne, and various alcohols without managing the mixture according to Also, the Respondents first marketed the used oil mixtures and then il mixtures to secondary reclaimer facilities before being transported to a crude oil pipeline or a petroleum refining facility.	
			Base Penalty	\$5,000
			•	
>> Env	ironmental, Prope	rty and Hum		
	Dalaces	Maia-	Harm Moderate Minor	
OR	Release Actua		Moderate Minor	
UK	Potentia		x Percent 3,0%	
	Potentia		X Percent 3.0%	
>>Pro/	grammatic Matrix			
F10	Falsification	Major	Moderate Minor	
	- usincution		Percent 0.0%	
	Matrix II	man health or the environment will or could be exposed to insignificant amounts of pollutants would not exceed levels that are protective of human health or environmental receptors as a result of the violation.		
			\$ -1	
			Adjustment \$4,850]
			Adjustment \$4,850	
			Adjustment \$4,850	\$150
Violatio	on Events		Adjustment \$4,850	
Violatio	on Events		#4,850	
Violatio		Violation Events	Adjustment \$4,850	
Violatio		Violation Events[
Violatio		Violation Events[
Violatio		daily weekly		
Violatio		daily weekly monthly	1 63 Number of violation days	\$150
Violatio		daily weekly monthly quarterly		\$150
Violatio		daily weekly monthly quarterly semiannual	1 63 Number of violation days	\$150
Violatio		daily weekly monthly quarterly semiannual annual	1 63 Number of violation days Violation Base Penalty	\$150
Violatio		daily weekly monthly quarterly semiannual	1 63 Number of violation days	\$150
Violatio		daily weekly monthly quarterly semiannual annual	1 63 Number of violation days Violation Base Penalty	\$150
Violatio		daily weekly monthly quarterly semiannual annual	1 63 Number of violation days Violation Base Penalty	\$150
Violatio		daily weekly monthly quarterly semiannual annual	1 63 Number of violation days Violation Base Penalty	\$150
Violatio		daily weekly monthly quarterly semiannual annual	1 63 Number of violation days Violation Base Penalty	\$150
		daily weekly monthly quarterly semiannual annual single event	1 63 Number of violation days Violation Base Penalty	\$150
	Number of	daily weekly monthly quarterly semiannual annual single event	1 63 Number of violation days Violation Base Penalty X One single event is recommended.	\$150 \$150
	Number of	daily weekly monthly quarterly semiannual annual single event	1 63 Number of violation days Violation Base Penalty X One single event is recommended. Reduction	\$150 \$150
	Number of	daily weekly monthly quarterly semiannual annual single event aply Extraordinary Ordinary	1 63 Number of violation days Violation Base Penalty X One single event is recommended. Reduction From NOE/NOV NOE/NOV to EDPRP/Settlement Offer	\$150 \$150
	Number of	daily weekly monthly quarterly semiannual annual single event	1 63 Number of violation days Violation Base Penalty X One single event is recommended. Reduction	\$150 \$150
	Number of	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary	1 63 Number of violation days Violation Base Penalty X One single event is recommended. Reduction efore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X	\$150 \$150
	Number of	daily weekly monthly quarterly semiannual annual single event aply Extraordinary Ordinary	1 63 Number of violation days Violation Base Penalty X One single event is recommended. Reduction From NOE/NOV NOE/NOV to EDPRP/Settlement Offer	\$150 \$150
	Number of	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary	1 63 Number of violation days Violation Base Penalty X One single event is recommended. Reduction efore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for	\$150 \$150
	Number of	daily weekly monthly quarterly semiannual annual single event ply Extraordinary Ordinary N/A	1 63 Number of violation days Violation Base Penalty X One single event is recommended. Reduction efore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for	\$150 \$150 \$150
Good F	Number of	daily weekly monthly quarterly semiannual annual single event Extraordinary Ordinary N/A Notes	1 63 Number of violation days Violation Base Penalty One single event is recommended. Reduction efore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation. Violation Subtotal	\$150 \$150 \$150
Good F	Number of	daily weekly monthly quarterly semiannual annual single event apply Extraordinary Ordinary N/A Notes	1 63 Number of violation days Violation Base Penalty One single event is recommended. Reduction For NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation. Violation Subtotal Statutory Limit Test	\$150 \$150 \$150 \$150
Good F	Number of	daily weekly monthly quarterly semiannual annual single event Extraordinary Ordinary N/A Notes	1 63 Number of violation days Violation Base Penalty One single event is recommended. Reduction efore NOE/NOV NOE/NOV to EDPRP/Settlement Offer X The Respondents do not meet the good faith criteria for this violation. Violation Subtotal	\$150 \$150 \$150

Economic Benefit Worksheet							
Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard							
Case ID No.							
Reg. Ent. Reference No.	Used Oil						Years of
Wedia Violation No.						Percent Interest	Depreciation
110141101111101						5.0	15
	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Item Description							
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 \$0	n/a n/a	\$0 \$0
Record Keeping System Training/Sampling				0.00	\$0 \$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$200	18-Jul-2019	12-Aug-2022	3.07	\$31	n/a	\$31
Notes for DELAYED costs	Estimated delayed cost to develop and implement processes for ensuring that all used oil is properly managed (\$100), and that any used oil that the Facility generates that is mixed with product first meets all regulatory exemptions prior to transporting it (\$100). The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.						
Avoided Costs	ANNU	ALIZE avoided c	osts before en	terina	item (except for	one-time avoide	d 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							
Approx. Cost of Compliance		\$200			TOTAL		\$31

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

Compliance History Report for CN605829266, RN100248749, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or CN605829266, MSJ HOLDINGS, L.P. Classification: SATISFACTORY Rating: 1.96

Owner/Operator:

Regulated Entity: RN100248749, Southwest Shipyard Classification: SATISFACTORY Rating: 1.96

Complexity Points: 22 Repeat Violator: NO

CH Group: 14 - Other

Location: 18310 Market Street, Channelview, Harris County, Texas

TCEO Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0686T

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION

1012781

AIR NEW SOURCE PERMITS PERMIT 9442 AIR NEW SOURCE PERMITS REGISTRATION 23134

AIR NEW SOURCE PERMITS REGISTRATION 34783

AIR NEW SOURCE PERMITS PERMIT 36241

AIR NEW SOURCE PERMITS PERMIT 43774

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0686T
AIR NEW SOURCE PERMITS REGISTRATION 75783
AIR NEW SOURCE PERMITS AFS NUM 4820100826

AIR NEW SOURCE PERMITS REGISTRATION 55646 AIR NEW SOURCE PERMITS REGISTRATION

162902 AIR NEW SOURCE PERMITS REGISTRATION 155161 PETROLEUM STORAGE TANK REGISTRATION

STORMWATER PERMIT TXR05V732

WASTEWATER PERMIT WO0002605000

REGISTRATION 59001

WASTEWATER PERMIT 2E0000020

WASTEWATER PERMIT WO0002605000

WASTEWATER EPA ID TX0092282

INDUSTRIAL AND HAZARDOUS WASTE
NONPERMITTED ID NUMBER R12100248749

AIR EMISSIONS INVENTORY ACCOUNT NUMBER
HG0686T

POLLUTION PREVENTION PLANNING ID NUMBER INDUSTRIAL AND HAZARDOUS WASTE EPA ID

P00646 TXD000820274

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 31208

TAX RELIEF ID NUMBER 22948

Compliance History Period: September 01, 2017 to August 31, 2022 Rating Year: 2022 Rating Date: 09/01/2022

NO

TAX RELIEF ID NUMBER 22400

AIR OPERATING PERMITS PERMIT 1260

AIR NEW SOURCE PERMITS PERMIT 4759

Date Compliance History Report Prepared:

January 17, 2023

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 17, 2018 to January 17, 2023

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Ken Moller **Phone:** (512) 239-6111

Site and Owner/Operator History:

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?

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 12/03/2019 ADMINORDER 2018-1680-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.146(1) 30 TAC Chapter 122, SubChapter B 122.146(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov General Terms and Conditions OP

Description: Failure to submit the Annual Permit Compliance Certificate by the deadline [Category A12(i)(7) Violation].

2 Effective Date: 02/21/2021 ADMINORDER 2020-0367-AIR-E (1660 Order-Agreed Order With Denial)

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)

Rqmt Prov O-1260, Special Terms and Conditions 12 OP

NSR 4759, Special Condition 13 PERMIT

Description: Failure to maintain the firebox exit temperature at or above the exit temperature established during the most recent satisfactory stack test for the Bekaert Clean Enclosed Burner ("CEB") Vapor Combustor.

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

The approval	dates of investigations	(CCEDS Inv.	Track. No.
Item 1	February 19, 2018	(1488004)	
Item 2	May 18, 2018	(1501884)	
Item 3	June 20, 2018	(1508997)	
Item 4	July 18, 2018	(1515316)	
Item 5	August 19, 2018	(1521361)	
Item 6	September 20, 2018	(1528543)	
Item 8	November 20, 2018	(1542733)	
Item 9	November 27, 2018	(1517849)	
Item 10	December 18, 2018	(1546476)	
Item 11	March 15, 2019	(1563510)	
Item 12	April 20, 2019	(1573108)	
Item 13	May 19, 2019	(1585803)	
Item 14	June 20, 2019	(1585804)	
Item 15	July 19, 2019	(1594457)	
Item 16	August 19, 2019	(1600750)	
Item 17	September 20, 2019	(1607664)	
Item 18	September 30, 2019	(1592293)	
Item 19	October 31, 2019	(1614535)	
Item 20	November 22, 2019	(1597662)	
Item 21	December 18, 2019	(1627676)	
Item 22	January 20, 2020	(1635304)	
Item 23	January 21, 2020	(1597253)	
Item 24	April 20, 2020	(1654786)	
Item 25	July 20, 2020	(1674826)	
Item 26	August 19, 2020	(1681596)	
Item 27	September 15, 2020	(1672724)	
Item 28	October 16, 2020	(1694531)	
Item 29	November 19, 2020	(1716194)	
Item 30	January 20, 2021	(1716196)	
Item 31	February 19, 2021	(1729276)	
Item 32	March 15, 2021	(1729277)	
Item 33	July 19, 2021	(1752945)	
Item 34	July 20, 2021	(1738727)	
Item 35	August 09, 2021	(1758353)	
Item 36	September 15, 2021	(1767629)	
Item 37 Item 38	October 12, 2021 November 18, 2021	(1778141)	
Item 39	December 17, 2021	(1784872)	
Item 39	January 13, 2022	(1791904) (1799754)	
100111 70	Juliauly 13, 2022	(1/99/54)	

Item 41	February 15, 2022	(1830035)
Item 42	February 28, 2022	(1765631)
Item 43	March 20, 2022	(1830036)
Item 44	April 20, 2022	(1821198)
Item 45	April 26, 2022	(1762679)
Item 46	April 29, 2022	(1762624)
Item 47	May 19, 2022	(1830037)
Item 48	June 17, 2022	(1836345)
Item 49	July 14, 2022	(1843531)
Item 50	August 17, 2022	(1849695)
Item 51	September 16, 2022	(1857462)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 07/29/2022 (1823580)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F

305.125(1) TX0092282 PERMIT

WQ0002605000 PERMIT

Description: Failure to comply with permit conditions.

2 Date: 09/30/2022 (1863817)

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

3 Date: 11/28/2022 (1841254)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B

122.165(a)(7) 5C THSC Chapter 382 382.085(b)

General Terms and Conditions OP

Description: Failure to include a signed certification of accuracy and completeness (OP CRO-

1 Form) for the PCC and Deviation Report dated July 30, 2021. (Category B3)

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

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

Compliance History Report for CN600135354, RN100248749, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or CN600135354, SOUTHWEST SHIPYARD, L.P. Classification: SATISFACTORY Rating: 4.12

Owner/Operator:

Regulated Entity: RN100248749, Southwest Shipyard **Classification:** SATISFACTORY **Rating:** 4.12

Complexity Points: 25 Repeat Violator: NO

CH Group: 14 - Other

Location: 18310 Market Street, Channelview, Harris County, Texas

TCEO Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0686T

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION

1012781

AIR NEW SOURCE PERMITS REGISTRATION 23134

AIR NEW SOURCE PERMITS PERMIT 36241
AIR NEW SOURCE PERMITS PERMIT 43774

AIR OPERATING PERMITS PERMIT 1260

AIR NEW SOURCE PERMITS PERMIT 4759

AIR NEW SOURCE PERMITS REGISTRATION 54007
AIR NEW SOURCE PERMITS AFS NUM 4820100826

AIR NEW SOURCE PERMITS REGISTRATION
PETROLEUM STORAGE TANK REGISTRATION

REGISTRATION 59001

WASTEWATER PERMIT 2E0000020
WASTEWATER EPA ID TX0092282

AIR EMISSIONS INVENTORY ACCOUNT NUMBER

HG0686T

INDUSTRIAL AND HAZARDOUS WASTE EPA ID

TXD000820274

TAX RELIEF ID NUMBER 22400

AIR NEW SOURCE PERMITS PERMIT 9442

AIR NEW SOURCE PERMITS REGISTRATION 34783
AIR NEW SOURCE PERMITS REGISTRATION 35353
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0686T
AIR NEW SOURCE PERMITS REGISTRATION 75783

AIR NEW SOURCE PERMITS REGISTRATION 55646

162902 **AIR NEW SOURCE PERMITS** REGISTRATION 155161

STORMWATER PERMIT TXR05V732
WASTEWATER PERMIT WQ0002605000
INDUSTRIAL AND HAZARDOUS WASTE
NONPERMITTED ID NUMBER R12100248749
POLLUTION PREVENTION PLANNING ID NUMBER

P00646

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE

REGISTRATION # (SWR) 31208
TAX RELIEF ID NUMBER 22948

Compliance History Period: September 01, 2017 to August 31, 2022

22 **Rating Year:** 2022

Rating Date: 09/01/2022

Date Compliance History Report Prepared:

January 17, 2023

Agency Decision Requiring Compliance History:

Enforcement ____

Component Period Selected: January

January 17, 2018 to January 17, 2023

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Ken Moller **Phone:** (512) 239-6111

Site and Owner/Operator History:

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

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 12/03/2019 ADMINORDER 2018-1680-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.146(1) 30 TAC Chapter 122, SubChapter B 122.146(2)

5C THSC Chapter 382 382.085(b)

Page 1

Rqmt Prov General Terms and Conditions OP

Description: Failure to submit the Annual Permit Compliance Certificate by the deadline [Category A12(i)(7) Violation].

2 Effective Date: 02/21/2021 ADMINORDER 2020-0367-AIR-E (1660 Order-Agreed Order With Denial)

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)

Rqmt Prov O-1260, Special Terms and Conditions 12 OP

NSR 4759, Special Condition 13 PERMIT

Description: Failure to maintain the firebox exit temperature at or above the exit temperature established during the most recent satisfactory stack test for the Bekaert Clean Enclosed Burner ("CEB") Vapor Combustor.

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

The approval	dates of investigations	(CCEDS Inv.	Track. No	Э.
Item 1	February 19, 2018	(1488004)		
Item 2	May 18, 2018	(1501884)		
Item 3	June 20, 2018	(1508997)		
Item 4	July 18, 2018	(1515316)		
Item 5	August 19, 2018	(1521361)		
Item 6	September 20, 2018	(1528543)		
Item 8	November 20, 2018	(1542733)		
Item 9	November 27, 2018	(1517849)		
Item 10	December 18, 2018	(1546476)		
Item 11	March 15, 2019	(1563510)		
Item 12	April 20, 2019	(1573108)		
Item 13	May 19, 2019	(1585803)		
Item 14	June 20, 2019	(1585804)		
Item 15	July 19, 2019	(1594457)		
Item 16	August 19, 2019	(1600750)		
Item 17	September 20, 2019	(1607664)		
Item 18	September 30, 2019	(1592293)		
Item 19	October 31, 2019	(1614535)		
Item 20	November 22, 2019	(1597662)		
Item 21	December 18, 2019	(1627676)		
Item 22	January 20, 2020	(1635304)		
Item 23	January 21, 2020	(1597253)		
Item 24	April 20, 2020	(1654786)		
Item 25	July 20, 2020	(1674826)		
Item 26	August 19, 2020	(1681596)		
Item 27	September 15, 2020	(1672724)		
Item 28	October 16, 2020	(1694531)		
Item 29	November 19, 2020	(1716194)		
Item 30	January 20, 2021	(1716196)		
Item 31	February 19, 2021	(1729276)		
Item 32	March 15, 2021	(1729277)		
Item 33	July 19, 2021	(1752945)		
Item 34	July 20, 2021	(1738727)		
Item 35	August 09, 2021	(1758353)		
Item 36	September 15, 2021	(1767629)		
Item 37	October 12, 2021	(1778141)		
Item 38	November 18, 2021	(1784872)		
Item 39	December 17, 2021	(1791904) (1700754)		
Item 40	January 13, 2022	(1799754)		

Item 41	February 15, 2022	(1830035)
Item 42	February 28, 2022	(1765631)
Item 43	March 20, 2022	(1830036)
Item 44	April 20, 2022	(1821198)
Item 45	April 26, 2022	(1762679)
Item 46	April 29, 2022	(1762624)
Item 47	May 19, 2022	(1830037)
Item 48	June 17, 2022	(1836345)
Item 49	July 14, 2022	(1843531)
Item 50	August 17, 2022	(1849695)
Item 51	September 16, 2022	(1857462)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 07/29/2022 (1823580)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F

305.125(1) TX0092282 PERMIT

WQ0002605000 PERMIT

Description: Failure to comply with permit conditions.

2 Date: 09/30/2022 (1863817)

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

3 Date: 11/28/2022 (1841254)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B

122.165(a)(7) 5C THSC Chapter 382 382.085(b)

General Terms and Conditions OP

Description: Failure to include a signed certification of accuracy and completeness (OP CRO-

1 Form) for the PCC and Deviation Report dated July 30, 2021. (Category B3)

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

IN/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

Addendum to Compliance History Federal Enforcement Actions

Reg Entity Name: BARGE CLEANING AND REPAIR

Reg Entity Add: 18310 MARKET STREET

Reg Entity City: CHANNELVIEW Reg Entity No: RN100248749

EPA Case No: 06-2022-4811 Order Issue Date (yyyymmdd): 20220621

Case Result: Final Order With Penalty Statute: CWA Sect of Statute: 311J

Classification: Moderate Program: NPDES - Sludge/Biosolid Citation:
Violation Type: Cite Sect: Cite Part:

Enforcement Action: Administrative Penalty Order With or Without Inj

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	
SOUTHWEST SHIPYARD, L.P.	§	TEXAS COMMISSION ON
AND MSJ HOLDINGS, L.P. DBA	§	
SOUTHWEST SHIPYARD	§	
RN100248749	§	ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2020-1613-MLM-E

I. JURISDICTION AND STIPULATIONS

On	, the Texas Commission on Environmental Quality ("the
Commission" or "TCEQ") co	nsidered this agreement of the parties, resolving an enforcement
action regarding SOUTHWE	ST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest
Shipyard (the "Respondents'	") under the authority of TEX. HEALTH & SAFETY CODE chs. 361 and
371 and TEX. WATER CODE ch	1. 7. The Executive Director of the TCEQ, through the Enforcement
Division, and the Responder	its together stipulate that:

- 1. The Respondents own and operate a barge cleaning and repair facility located at 18310 Market Street in Channelview, Harris County, Texas (the "Facility"). The Facility involves or involved the management of industrial and hazardous waste ("IHW") as defined in Tex. Health & Safety Code ch. 361 and involves or involved the management used oil as defined in Tex. Health & Safety Code ch. 371.
- 2. The Executive Director and the Respondents agree that the TCEQ has jurisdiction to enter this Order pursuant to Tex. Water Code §§ 7.002, 7.051, and 7.073, and that the Respondents are subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to Tex. Water Code § 5.013 because it alleges violations of Tex. Health & Safety Code chs. 361 and 371 and the rules of the TCEQ.
- 3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondents of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
- 4. An administrative penalty in the amount of \$116,342 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondents paid \$46,538 of the penalty and \$23,267 of the penalty is deferred contingent upon the Respondents' timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondents fail to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to Tex. Water Code § 7.067, \$46,537 of the penalty shall be conditionally offset by the Respondents' timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondents' obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

- 5. The Executive Director and the Respondents 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). 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.
- 6. 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 Respondents have not complied with one or more of the terms or conditions in this Order.
- 7. This Order represents the complete and fully integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
- 8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
- 9. The Executive Director recognizes that the Respondents implemented the following corrective measures at the Facility:
 - a. Made the following required updates to the Facility's Notice of Registration ("NOR") with current information on December 12, 2019:
 - i. Updated the description of Waste Stream ("WS") 0157219H;
 - ii. Updated the current management unit and management onsite/offsite status for WS 0422319H;
 - iii. Inactivated Waste Management Unit ("WMU") 014;
 - iv. Updated unit type and regulatory status for WMU 024; and
 - v. Reactivated WS 00941191.
 - b. Provided a copy of the Facility's contingency plan to the Harris County Sheriff's Office on August 8, 2019.
 - c. Returned shipments of hazardous waste ("HW") listed as EPA hazardous waste numbers ("EHWNs") Doo1, Do18, and U239 (the "EHWNs") to the waste's generator

and removed and disposed of approximately 70,800 gallons of the EHWNs that were unloaded on July 10, 2019.

II. ALLEGATIONS

During an investigation conducted at the Facility from July 18, 2019 through September 11, 2020, an investigator documented that the Respondents:

- 1. Caused, suffered, allowed, or permitted wastes to be processed at an unauthorized facility, in violation of 30 Tex. Admin. Code § 335.2(b). Specifically, the Respondents sent approximately 19,275 gallons (total) of hazardous waste ("HW") comprised of four shipments, in the form of WS 0508105H (spent sulfuric acid) and WS 0509110H (spent sodium sulfide) to Inland Environmental (Solid Waste Registration Number 87017) for recycling, and Inland Environmental is not authorized to receive waste for recycling.
- 2. Failed to obtain authorization prior to storing, processing, or disposing of HW, in violation of 30 Tex. Admin. Code § 335.2(a). Specifically, between January 3, 2018, and November 28, 2018, the Respondents received and processed at least 135,500 barrels (approximately 5,502,000 gallons) of HW wash water (Annex I crude oil/petroleum wash water) without authorization. In addition, the Respondents received and stored approximately 871,000 gallons of HW consisting of EHWNs Doo1, Do18, and U239 without a permit.
- 3. Failed to immediately document any changes or additional information on the Facility's NOR within 90 days of the occurrence of such change or of becoming aware of such additional information, in violation of 30 Tex. Admin. Code § 335.6(c). Specifically, the Facility's NOR required modifications to correspond with current information regarding: the current description of WS 0157219H; the current management unit and management onsite/offsite status for WS 0422319H; the current activity status of inactive WMU 014; the current unit type and regulatory status for WMU 024; and the current activity status of active WS 00941191.
- 4. Failed to report complete and correct Annual Waste Summaries ("AWSs"), in violation of 30 Tex. Addin. Code § 335.9(a)(2). Specifically, the 2017 AWS was missing 1,000 gallons of sulfuric acid (WS 0508105H) sent for recycling to an unauthorized facility on bill of lading SWS010187. Additionally, the 2018 AWS was missing 9,000 gallons of sulfuric acid (WS 0508105H) sent for recycling to an unauthorized facility on manifests 018383223JJK and 018383224JJK, and was missing 5,275 gallons of WS 0509110H sent for recycling to an unauthorized facility on bills of lading: SWS010466, SWS010467, and SWS010513. Furthermore, the 2016 AWS listed WS 0001203H with EHWNs D002 and D018, which are not associated to the WS on the NOR; also, the 2016 and 2017 AWSs listed WS 0157219H with EHWN D002 which is not associated on the NOR.
- 5. Failed to submit an AWS before the annual deadline, in violation of 30 TEX. ADMIN. CODE § 335.9(a)(2)(B). Specifically, the 2017 AWS was submitted on March 14, 2018, thirteen days after the March 1, 2018 deadline for the 2017 AWS.
- 6. Failed to have complete and correct manifests for shipments of HW, in violation 30 TEX. ADMIN, CODE § 335.54 and 40 CODE OF FEDERAL REGULATIONS ("CFR") § 262.20(a)(1).

- Specifically, sulfuric acid (WS 0508105H) and sodium sulfide (WS 0509110H) were sent out on bills of lading instead of on manifests.
- 7. Failed to include a Texas Waste Code ("TWC") for each HW itemized on a manifest, in violation of 30 TEX. ADMIN. CODE § 335.10(a)(1). Specifically, manifests 018383223JJK and 018383224JJK did not include a TWC or the appropriate EHWNs for the wastes.
- 8. Failed to prepare a new manifest for a rejected waste, in violation of 30 Tex. ADMIN. CODE § 335.12(a) and 40 CFR § 265.72(f). Specifically, waste received on manifest 020245505JJK, dated May 21, 2019, was rejected by placing a "Load Rejection" notification at the top of the manifest; then, on December 9, 2019, the Respondents provided another copy of manifest 020245505JJK without a "Load Rejection" notification at the top, replaced by a comment written on the manifest about returned cargo in lieu of preparing a new manifest.
- 9. Failed to conduct weekly container storage area ("CSA") inspections, in violation of 30 Tex. Admin. Code §§ 335.112(a)(8) and 335.69(a)(1)(A) and 40 CFR § 265.174. Specifically, the Respondents failed to conduct weekly inspections for the following weeks: between May 1 to June 8, 2017; June 18 to July 16, 2018; September 4 to 17, 2018; January 28 to February 11, 2019; and February 20 to March 4, 2019.
- 10. Failed to submit a copy of the contingency plan to all local emergency response entities, in violation of 30 Tex. ADMIN. CODE §§ 335.112(a)(3) and 335.69(a)(4)(A) and 40 CFR § 265.53(b). Specifically, the Respondents had not submitted a copy of the contingency plan to the local police department.
- 11. Failed to have complete HW determination process knowledge documentation, in violation of 30 Tex. ADMIN. CODE §§ 335.504(a)(2), 335.511(a), and 335.62. Specifically, HW determination and waste classification process knowledge documentation for WS 0405219H had insufficient information regarding the applicability of the listed EHWNs Po69, Uoo8, Uoo9, and U239.
- 12. Processed, recycled, and marketed used oil within the state in violation of rules for the management of used oil, in violation of 30 Tex. Admin. Code § 324.4(2)(C)(ii) and 40 CFR § 279.10(d)(1) and (g). Specifically, the Respondents mixed used oil with various fuel products including but not limited to recovered crude oil, diesel oil, pyrolysis gasoline, and various alcohols without managing the mixture according to used oil rules. Also, the Respondents first marketed the used oil mixtures and then sold the used oil mixtures to secondary reclaimer facilities before being transported to a crude oil pipeline or a petroleum refining facility.

III. DENIALS

The Respondents generally deny each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

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

1. The Respondents are assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondents' compliance with all of the requirements set forth in this 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. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard, Docket No. 2020-1613-MLM-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 Respondents are jointly and severally liable for the violations documented in this Order and are jointly and severally liable for timely and satisfactory compliance with all terms and conditions of this Order.
- 3. The Respondents shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of \$46,537 of the assessed penalty is conditionally offset based on the Respondents' implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
- 4. The Respondents shall undertake the following technical requirements:
 - a. Immediately upon the effective date of this Order:
 - i. Begin conducting weekly inspections of all CSAs, in accordance with 40 CFR § 265.174;
 - ii. Begin properly maintaining adequate documentation of process knowledge information for WS 0405219H, in accordance with 30 TEX. ADMIN. CODE § 335.511; and
 - iii. Cease the processing of Annex I crude oil/petroleum wash water and the storage of HW listed as EHWNs Doo1, Do18, and U239 at the Facility until such time as the authorization to do so is obtained, in accordance with 30 Tex. ADMIN. CODE § 335.2.
 - b. Within 30 days after the effective date of this Order:
 - i. Develop and implement procedures designed to ensure that all HW is stored, processed, and disposed of only at authorized facilities, in accordance with 30 Tex. ADMIN. CODE § 335.4;
 - ii. Develop and implement procedures designed to ensure that a complete and correct AWS is submitted to the Executive Director each calendar

- year by the annual deadline, in accordance with 30 TEX. ADMIN. CODE § 335.9;
- iii. Correct and resubmit the 2016, 2017, and 2018 AWSs to the Executive Director, in accordance with 30 TEX. ADMIN. CODE § 335.9;
- iv. Develop and implement procedures designed to ensure that all HW that is disposed is documented on correctly completed manifests, and that all manifests include a TWC and/or appropriate EHWNs for the wastes, in accordance with 30 TEX. ADMIN. CODE § 335.10;
- v. Correct and resubmit manifests 018383223JJK and 018383224JJK to the Executive Director, in accordance with 30 TEX. ADMIN. CODE § 335.10;
- vi. Develop and implement procedures designed to ensure that all rejected waste loads are documented on new waste manifests, in accordance with 40 CFR § 265.72;
- vii. Correct and resubmit the information from manifest 020245505JJK on a new waste manifest to the Executive Director, in accordance with 40 CFR § 265.72;
- viii. Develop and implement a process designed to ensure that all used oil is properly managed, in accordance with 30 TEX. ADMIN. CODE § 324.6;
- ix. Develop and implement a process designed to ensure that any used oil that the Facility generates that is mixed with product first meets all regulatory exemptions prior to transporting it, in accordance with 40 CFR § 279.10; and
- x. Submit an NOR update with all required information for Solid Waste Registration No. 31208 to authorize the processing of the Annex I crude oil/petroleum wash water waste stream, in accordance with 30 Tex. ADMIN. CODE § 335.2.
 - Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the NOR information update within 30 days after the date of such requests, or by any other deadline specified in writing.
- Within 45 days after the effective date of this Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 4.a and 4.b. The certification shall be signed by the Respondents and shall 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:

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 Street, Suite H Houston, Texas 77023-1452

- 5. All relief not expressly granted in this Order is denied.
- 6. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondents. The Respondents are ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
- 7. If the Respondents fail to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondents' failure to comply is not a violation of this Order. The Respondents shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondents shall notify the Executive Director within seven days after the Respondents become aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
- 8. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondents shall be made in writing to the Executive Director. Extensions are not effective until the Respondents receive written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Enforcement Division at the address listed above.
- 9. This Order, issued by the Commission, shall not be admissible against the Respondents in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this 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 Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 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.

11. 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.

SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard DOCKET NO. 2020-1613-MLM-E Page 9

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission	Date
For the Executive Director	
I, the undersigned, have read and understand the atta the attached Order, and I do agree to the terms and co acknowledge that the TCEQ, in accepting payment for on such representation.	onditions specified therein. I further
I also understand that failure to comply with the Orde and/or failure to timely pay the penalty amount, may	
 A negative impact on compliance history; Greater scrutiny of any permit applications subractions. Referral of this case to the Attorney General's Official additional penalties, and/or attorney fees, or to Increased penalties in any future enforcement and Automatic referral to the Attorney General's Official TCEQ seeking other relief as authorized by law. 	ffice for contempt, injunctive relief, a collection agency; ctions;
In addition, any falsification of any compliance docum	nents may result in criminal prosecution.
Signature	11 28 2023 Date
Name (Printed or typed) Authorized Representative of SOUTHWEST SHIPYARD, L.P. dba Southwest Shipya	Executive Vice Provident 1450 ps Title

 \square If mailing address has changed, please check this box and provide the new address below:

SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard DOCKET NO. 2020-1613-MLM-E Page 10

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission	Date
Cunt	2/3/2025
For the Executive Director	Date
the attached Order, and I do agree to the terms	the attached Order. I am authorized to agree to s and conditions specified therein. I further nent for the penalty amount, is materially relying
I also understand that failure to comply with the and/or failure to timely pay the penalty amount	he Ordering Provisions, if any, in this Order nt, may result in:
 additional penalties, and/or attorney fees Increased penalties in any future enforce 	ons submitted; eral's Office for contempt, injunctive relief, s, or to a collection agency; ement actions; eal's Office of any future enforcement actions; and
In addition, any falsification of any compliance	e documents may result in criminal prosecution.
Signature	11 28 2023 Date
Name (Printed or typed) Authorized Representative of MSJ Holdings, LP dba Southwest Shipyard	Executive Vice Product HSE OP?
	ck this box and provide the new address below:

Attachment A

Docket Number: 2020-1613-MLM-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondents:	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Payable Penalty Amount:	\$93,075
SEP Offset Amount:	\$46,537
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Bayou Land Conservancy
Project Name:	Lake Houston Watershed - Western Watershed Protection Project
Total Project Budget:	\$3,420,000
Location of SEP:	Harris and Montgomery Counties; San Jacinto River Basin; and Gulf Coast Aquifer

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative payable penalty amount assessed in this Agreed Order for the Respondents 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 Respondents shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Bayou Land Conservancy** for the *Lake Houston* Watershed - Western Watershed Protection Project (the "Project"). Third-Party Administrator has identified approximately 500 acres along the West Fork of the San Jacinto River, Spring Creek, Cypress Creek, and Lake Creek for property acquisition or acquisition of perpetual conservation easements in accordance with Subchapter A, Chapter 183, Texas Natural Resources Code. The goal of this Project is to protect the floodplain within the western tributaries of the Lake Houston Watershed. The Project is to conduct certain due diligence activities and to purchase land or conservation easements in perpetuity from private and public landowners. Third-Party Administrator shall also conduct restoration work as necessary on properties placed under a conservation easement or owned by the Third-Party Administrator. Third-Party Administrator shall conduct habitat restoration and enhancement, including removing invasive species and planting native vegetation. Restoration activities will be conducted by a contractor and will take place on property protected by a conservation easement or owned by Third-Party Administrator. The Project will be done in accordance with all federal, state, and local environmental laws and regulations. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEO.

SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard Docket No. 2020-1613-MLM-E 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 Respondents' signature affixed to this Agreed Order certifies that the Respondents have no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. The Respondents shall not profit in any manner from this SEP.

B. Environmental Benefit

Rapid development in the Lake Houston Watershed has led to removal of the natural riparian buffers along the waterways, which jeopardizes the air and water quality. Spring Creek, Cypress Creek, Lake Creek, and the West Fork of the San Jacinto River are major water sources for Lake Houston, which is Houston's primary source of drinking water. When land is cleared and developed within these floodplains, the water becomes more turbid and often has increased E. coli bacteria and other negative water quality contaminants.

Lands permanently preserved with conservation easements maintain vegetated banks and wooded floodplains to allow river overflow. When floodwater passes through the floodplain, the vegetated substrates are not eroded away, and the banks are maintained. Preserving the natural vegetated banks will help maintain water quality in this area. Additionally, many of the properties Third-Party Administrator will secure with conservation easements will be open to the public for low-impact recreational uses, and wildlife will benefit from connected habitat and undisturbed access to critical water sources.

C. Minimum Expenditure

The Respondents shall contribute at least the SEP Offset Amount to 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 Respondents must contribute the SEP Offset Amount to Third-Party Administrator. The Respondents shall make the check payable to **Bayou Land Conservancy SEP** and shall mail the contribution with a copy of the Agreed Order to:

Bayou Land Conservancy Attention: Conservation Director 10330 Lake Road, Building J Houston, Texas 77070

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondents shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to Third-Party Administrator. The Respondents 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 SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard Docket No. 2020-1613-MLM-E Agreed Order - Attachment A

4. Failure to Fully Perform

If the Respondents do 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 Respondents failed to fully implement and complete the Project, the Respondents 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 Respondents 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:

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 Respondents 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 Respondents 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 Respondents under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.