

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

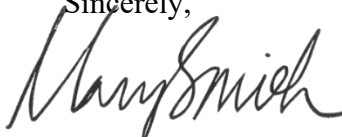
To: Persons on the Attached Mailing List (via email only)

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.

Sincerely,

Mary Smith
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
18310 Market Street
Channelview, Texas 77530
bernard.diaz@swslp.com

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

Garrett Arthur
Eli Martinez
TCEQ Office of Public Interest Counsel MC 103
P.O. Box 13087
Austin, Texas 78711-3087
512/239-6363 FAX 512/239-6377
Garrett.arthur@tceq.texas.gov
Eli.martinez@tceq.texas.gov

Docket Clerk
TCEQ Office of Chief Clerk MC 105
P.O. Box 13087
Austin, Texas 78711-3087
512/239-3300 FAX 512/239-3311
<https://www.tceq.texas.gov/goto/eFilings>

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: *MSC* Melissa Cordell, Assistant Deputy Director
Enforcement Division

From: *MP* 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 Shipyards
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.

cc: Garrett Arthur, Public Interest Counsel
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 Date(s): N/A

Complaint Information: N/A

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

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

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

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)].

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

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)].

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

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:

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

- 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 018383223JJJ and 018383224JJJ 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 020245505JJJ 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.

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

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	Screening	13-Nov-2020	EPA Due	14-Mar-2020
	PCW	1-May-2023				

RESPONDENT/FACILITY INFORMATION

Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ 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 Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$69,500
---	-------------------	----------

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	Subtotals 2, 3, & 7	\$45,870
---------------------------	-------	-------------------	--------------------------------	----------

Notes	Enhancement for three final Orders containing denials of liability and three NOV's containing dissimilar violations.			
--------------	--	--	--	--

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

Notes	The Respondents do not meet the culpability criteria.			
--------------	---	--	--	--

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$1,874
--	-------------------	----------

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

Total EB Amounts	\$3,968	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$14,737	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$113,496
-----------------------------	-----------------------	-----------

OTHER FACTORS AS JUSTICE MAY REQUIRE	2.3%	Adjustment	\$2,597
---	------	-------------------	---------

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes	Recommended enhancement for the avoided cost of compliance associated with Violation Nos. 1 and 7.		
	Final Penalty Amount	\$116,093	

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$116,093
-----------------------------------	-------------------------------	-----------

DEFERRAL	20.0%	Reduction	Adjustment	-\$23,218
-----------------	-------	------------------	-------------------	-----------

Reduces the Final Assessed Penalty by the indicated percentage.

Notes	Deferral offered for expedited settlement.		
--------------	--	--	--

PAYABLE PENALTY	\$92,875
------------------------	----------

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard			<i>Policy Revision 4 (April 2014)</i>
Case ID No.	60105			<i>PCW Revision March 26, 2014</i>
Reg. Ent. Reference No.	RN100248749			
Media	Industrial and Hazardous Waste			
Enf. Coordinator	Ken Moller			

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 (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
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%

>> 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 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-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard			
Case ID No.	60105	<i>Policy Revision 4 (April 2014)</i>		
Reg. Ent. Reference No.	RN100248749	<i>PCW Revision March 26, 2014</i>		
Media	Industrial and Hazardous Waste			
Enf. Coordinator	Ken Moller			
Violation Number	1			
Rule Cite(s)	30 Tex. Admin. Code § 335.2(b)			
Violation Description	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 ("HW") comprised from 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.			
			Base Penalty	\$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			
		Major	Moderate	Minor	
	Actual				
	Potential	x			Percent 30.0%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent 0.0%

Matrix Notes	Human health or the environment will or could be exposed to pollutants that would exceed levels that are protective of human health or environmental receptors as a result of the violation.
--------------	--

Adjustment	\$17,500
\$7,500	

Violation Events

Number of Violation Events	4	1053	Number of violation days
----------------------------	---	------	--------------------------

	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	x		Violation Base Penalty \$30,000

Four single events are recommended for the four unauthorized HW disposal events documented on bills of lading and manifests.	
--	--

Good Faith Efforts to Comply

	0.0%			Reduction \$0
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
Extraordinary				
Ordinary				
N/A	x			
Notes	The Respondents do not meet the good faith criteria for this violation.			

Violation Subtotal	\$30,000
---------------------------	----------

Economic Benefit (EB) for this violation

Estimated EB Amount	\$1,823	Violation Final Penalty Total	\$50,940
This violation Final Assessed Penalty (adjusted for limits)			\$50,940

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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	\$100	18-Jul-2019	12-Aug-2023	4.07	\$20	n/a	\$20
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	Estimated delayed cost to develop and implement procedures designed to ensure that all HW is stored, processed, and disposed of at authorized facilities (\$100). The Date Required is the investigation start date, and the Final Date is the estimated date of compliance.						
Avoided Costs							
ANNUALIZE avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs	\$1,601	6-Jun-2018	13-Nov-2020	2.44	\$202	\$1,601	\$1,803
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs	Estimated accrued cost and interest of prior periods to dispose of approximately 19,275 gallons of hazardous waste at an authorized Facility. The Date Required is the date of the last unauthorized disposal, and the Final Date is the screening date.						
Approx. Cost of Compliance	\$1,701			TOTAL		\$1,823	

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest			
Case ID No.	Shipyards	<i>Policy Revision 4 (April 2014)</i>		
Reg. Ent. Reference No.	60105	<i>PCW Revision March 26, 2014</i>		
Media	RN100248749			
Enf. Coordinator	Industrial and Hazardous Waste			
Violation Number	Ken Moller			
Rule Cite(s)	2			
Violation Description	30 Tex. Admin. Code § 335.2(a)			
	<p>Failed to obtain authorization prior to storing, processing, or disposing of HW. 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 EPA hazardous waste numbers ("EHWNs") D001, D018, and U239 without a permit.</p>			
	Base Penalty			\$25,000

>> Environmental, Property and Human Health Matrix				
OR		Harm		
	Release	Major	Moderate	Minor
	Actual			
	Potential			
				Percent 0.0%

>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
		x		
				Percent 15.0%
Matrix Notes	<p>100% of the rule requirement was not met.</p>			
	Adjustment			\$21,250

Violation Events															
Number of Violation Events	1														
	63 Number of violation days														
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:30%;">daily</td><td></td></tr> <tr><td>weekly</td><td></td></tr> <tr><td>monthly</td><td></td></tr> <tr><td>quarterly</td><td style="text-align: center;">x</td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td></td></tr> </table>	daily		weekly		monthly		quarterly	x	semiannual		annual		single event	
daily															
weekly															
monthly															
quarterly	x														
semiannual															
annual															
single event															
	Violation Base Penalty \$3,750														
<p>One quarterly event is recommended from the September 11, 2020 investigation end date to the November 13, 2020 screening date.</p>															

Good Faith Efforts to Comply		0.0%		Reduction	\$0
Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer					
Extraordinary					
Ordinary					
N/A	x				
Notes	<p>The Respondents do not meet the good faith criteria for this violation.</p>				
Violation Subtotal				\$3,750	

Economic Benefit (EB) for this violation		Statutory Limit Test	
Estimated EB Amount	\$199	Violation Final Penalty Total	\$6,367
This violation Final Assessed Penalty (adjusted for limits)		\$6,367	

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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	\$5,406	20-May-2019	10-Jul-2019	0.14	\$38	n/a	\$38
Permit Costs	\$1,000	11-Sep-2020	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 delayed cost to remove and dispose of approximately 70,800 gallons of HW listed as EHWNs D001, D018, and U239 ("the EHWNs") that were unloaded (\$5,406). The Date Required is the date that the waste was unloaded, and the Final Date is the date of compliance.

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 the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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

\$6,506

TOTAL

\$199

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard			
Case ID No.	60105	<i>Policy Revision 4 (April 2014)</i> <i>PCW Revision March 26, 2014</i>		
Reg. Ent. Reference No.	RN100248749			
Media	Industrial and Hazardous Waste			
Enf. Coordinator	Ken Moller			
Violation Number	3			
Rule Cite(s)	30 Tex. Admin. Code § 335.6(c)			
Violation Description	<p>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. 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.</p>			
Base Penalty				\$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				
	Potential				0.0%

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
		x			
Greater than 70% of the rule requirement was not met.					15.0%
Adjustment					\$21,250

\$3,750

Violation Events

Number of Violation Events	1	147	Number of violation days	
	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	x		
One single event is recommended.				
Violation Base Penalty				\$3,750

Good Faith Efforts to Comply

	25.0%		Reduction	\$937
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
Extraordinary				
Ordinary	x			
N/A				
Notes	The Respondents achieved compliance on December 12, 2019 by demonstrating that all required updates had been made to the Facility's NOR.			
Violation Subtotal				\$2,813

Economic Benefit (EB) for this violation

Estimated EB Amount	Statutory Limit Test
\$2	Violation Final Penalty Total
	\$5,409
This violation Final Assessed Penalty (adjusted for limits)	
\$5,409	

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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)	\$100	18-Jul-2019	12-Dec-2019	0.40	\$2	n/a	\$2

Notes for DELAYED costs

Estimated delayed cost to make the following required updates to the Facility's NOR 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. The Date Required is the investigation start date, and the Final Date is the date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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

\$2

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest			
Case ID No.	Shipyard	<i>Policy Revision 4 (April 2014)</i>		
Reg. Ent. Reference No.	60105	<i>PCW Revision March 26, 2014</i>		
Media	RN100248749			
Enf. Coordinator	Industrial and Hazardous Waste			
Violation Number	Ken Moller			
Rule Cite(s)	4			
Violation Description	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 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

OR	Release	Harm			
		Major	Moderate	Minor	
	Actual				Percent
Potential				0.0%	

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
		x			Percent
	100% of the rule requirement was not met.				15.0%

Matrix Notes

Adjustment \$21,250
\$3,750

Violation Events

Number of Violation Events	4		484	Number of violation days
	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	x		

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).

Violation Base Penalty \$15,000

Good Faith Efforts to Comply

	0.0%			
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
Extraordinary				
Ordinary				
N/A	x			
Notes	The Respondents do not meet the good faith criteria for this violation.			

Reduction \$0
Violation Subtotal \$15,000

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	Violation Final Penalty Total
\$224	\$25,470
This violation Final Assessed Penalty (adjusted for limits)	
\$25,470	

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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

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 compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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	\$1,100	TOTAL	\$224
----------------------------	---------	--------------	-------

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard			
Case ID No.	60105	<i>Policy Revision 4 (April 2014)</i>		
Reg. Ent. Reference No.	RN100248749	<i>PCW Revision March 26, 2014</i>		
Media	Industrial and Hazardous Waste			
Enf. 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)			
Violation Description	Failed to have complete and correct manifests for shipments of HW. Specifically, sulfuric acid (WS 0508105H) and sodium sulfide (WS 0509110H) were sent out on bills of lading instead of on manifests. Also, failed to include a Texas Waste Code ("TWC") for each HW itemized on a manifest. Specifically, manifests 018383223JJJK and 018383224JJJK did not include a TWC or the appropriate EHWNs for the wastes.			
Base Penalty				\$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
					Percent <input type="text" value="0.0%"/>

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>	
					Percent <input type="text" value="15.0%"/>

Matrix Notes

Greater than 70% of the rule requirement was not met.

Adjustment

Violation Events

Number of Violation Events	<input type="text" value="2"/>	<input type="text" value="484"/>	Number of violation days
----------------------------	--------------------------------	----------------------------------	--------------------------

	daily	<input type="text"/>			
	weekly	<input type="text"/>			
	monthly	<input type="text"/>			
	quarterly	<input type="text"/>			
	semiannual	<input type="text"/>			
	annual	<input type="text"/>			
	single event	<input type="text" value="x"/>			

Two single events are recommended (one single event for waste streams sent out on bills of lading instead of manifests, and one single event for waste streams sent out on manifests that were missing the appropriate TWCs and/or EHWNs).

Violation Base Penalty

Good Faith Efforts to Comply

	0.0%				
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer			
Extraordinary	<input type="text"/>	<input type="text"/>			
Ordinary	<input type="text"/>	<input type="text"/>			
N/A	<input type="text" value="x"/>	<input type="text"/>			
Notes	The Respondents do not meet the good faith criteria for this violation.				

Violation Subtotal

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$40"/>	Violation Final Penalty Total <input type="text" value="\$12,735"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$12,735"/>	

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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	\$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

Estimated cost to 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 (\$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 manifests 018383223JJK and 018383224JJK to the Executive Director (\$100). The Date Required is the investigation start date, and the Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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

\$40

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest			
Case ID No.	Shipyard	<i>Policy Revision 4 (April 2014)</i>		
Reg. Ent. Reference No.	60105	<i>PCW Revision March 26, 2014</i>		
Media	RN100248749			
Enf. Coordinator	Industrial and Hazardous Waste			
Violation Number	Ken Moller			
Rule Cite(s)	6			
Violation Description	30 Tex. Admin. Code § 335.12(a) and 40 CFR § 265.72(f)			
<p>Failed to prepare a new manifest for a rejected waste. Specifically, waste received on manifest 020245505JJJK, 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 020245505JJJK 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.</p>				
Base Penalty				\$25,000

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual				
	Potential				
					Percent
					0.0%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
				x	
					Percent
					1.0%

Matrix Notes	Less than 30% of the rule requirement was not met.
--------------	--

Adjustment	\$24,750
-------------------	----------

	\$250
--	-------

Violation Events

Number of Violation Events	1	484	Number of violation days
----------------------------	---	-----	--------------------------

	daily				
	weekly				
	monthly				
	quarterly				
	semiannual				
	annual				
	single event	x			

Violation Base Penalty	\$250
-------------------------------	-------

One single event is recommended.	
----------------------------------	--

Good Faith Efforts to Comply

	0.0%				
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer			
Extraordinary					
Ordinary					
N/A	x				
Notes	The Respondents do not meet the good faith criteria for this violation.				

Violation Subtotal	\$250
---------------------------	-------

Economic Benefit (EB) for this violation

	Statutory Limit Test
Estimated EB Amount	\$21
Violation Final Penalty Total	\$424
This violation Final Assessed Penalty (adjusted for limits)	
\$424	

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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)	\$100	21-May-2019	12-Aug-2023	4.23	\$21	n/a	\$21

Notes for DELAYED costs

Estimated delayed cost to correct and resubmit the information from manifest 020245505JJK on a new waste manifest to the Executive Director (\$100). The Date Required is the date of the first rejected waste load, and the Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest			
Case ID No.	Shipyard	Policy Revision 4 (April 2014)		
	60105	PCW Revision March 26, 2014		
Reg. Ent. Reference No.	RN100248749			
Media	Industrial and Hazardous Waste			
Enf. Coordinator	Ken Moller			
Violation Number	7			
Rule Cite(s)	30 Tex. Admin. Code §§ 335.112(a)(8) and 335.69(a)(1)(A) and 40 CFR § 265.174			
Violation Description	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.			
Base Penalty				\$25,000

>> Environmental, Property and Human Health Matrix

OR		Release	Harm		
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="7.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0.0%"/>

Matrix Notes	Human health or the environment will or could be exposed to insignificant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.
--------------	---

Adjustment	<input type="text" value="\$23,250"/>
	<input type="text" value="\$1,750"/>

Violation Events

Number of Violation Events	<input type="text" value="1"/>	<input type="text" value="484"/>	Number of violation days
----------------------------	--------------------------------	----------------------------------	--------------------------

	daily	<input type="text"/>	Violation Base Penalty <input type="text" value="\$1,750"/>
	weekly	<input type="text"/>	
	monthly	<input type="text"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text" value="x"/>	

One single event is recommended.

Good Faith Efforts to Comply

	0.0%	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input type="text" value="x"/>	<input type="text"/>
Notes	The Respondents do not meet the good faith criteria for this violation.	

Violation Subtotal	<input type="text" value="\$1,750"/>
---------------------------	--------------------------------------

Economic Benefit (EB) for this violation

	Statutory Limit Test
Estimated EB Amount	<input type="text" value="\$804"/>
	Violation Final Penalty Total <input type="text" value="\$2,971"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$2,971"/>	

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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	12-Aug-2023	4.07	\$10	n/a	\$10
Notes for DELAYED costs	Estimated delayed cost to begin conducting weekly inspections of all CSAs (\$50). The Date Required is the investigation start date, and the Final Date is the estimated date of compliance.						
Avoided Costs							
ANNUALIZE avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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	Estimated accrued costs and interest of prior periods to conduct weekly inspections of all CSAs (\$50 per week). The Date Required is the date of the last missed weekly inspection, and the Final Date is the screening date.						
Approx. Cost of Compliance	\$780			TOTAL		\$804	

Screening Date 13-Nov-2020 Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Case ID No. 60105 Reg. Ent. Reference No. RN100248749 Media Industrial and Hazardous Waste Enf. Coordinator Ken Moller	Docket No. 2020-1613-MLM-E <div style="text-align: right; color: red; font-size: small;"> Policy Revision 4 (April 2014) PCW Revision March 26, 2014 </div>	PCW	
Violation Number 8			
Rule Cite(s) 30 Tex. Admin. Code §§ 335.112(a)(3) and 335.69(a)(4)(A) and 40 CFR § 265.53(b)			
Violation Description 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.			
Base Penalty		\$25,000	
>> Environmental, Property and Human Health Matrix			
OR	Release Actual Potential	Harm Major Moderate Minor <div style="display: flex; justify-content: space-around;"> x </div>	Percent 15.0%
>> Programmatic Matrix			
	Falsification Major Moderate Minor <div style="display: flex; justify-content: space-around;"> </div>	Percent 0.0%	
Matrix Notes	Human health or the environment will or could be exposed to significant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.		
Adjustment		\$21,250	
		\$3,750	
Violation Events			
Number of Violation Events 1		21 Number of violation days	
	<div style="border: 1px solid black; padding: 2px;"> daily weekly monthly quarterly semiannual annual single event </div>	<div style="border: 1px solid black; padding: 2px;"> x </div>	
		Violation Base Penalty \$3,750	
One single event is recommended.			
Good Faith Efforts to Comply			
25.0%		Reduction \$937	
Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer			
Extraordinary Ordinary N/A	<div style="display: flex; justify-content: space-around;"> x </div>		
Notes	The Respondents achieved compliance on August 8, 2019 by providing a copy of the contingency plan to the Harris County Sheriff's Office.		
Violation Subtotal		\$2,813	
Economic Benefit (EB) for this violation			
Estimated EB Amount		\$0	
Statutory Limit Test			
Violation Final Penalty Total		\$5,409	
This violation Final Assessed Penalty (adjusted for limits)		\$5,409	

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 8

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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 to provide a copy of the Facility's contingency plan to all local authorities. The Date Required is the investigation start date, and the Final Date is the date of compliance.						

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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 \$50

TOTAL \$0

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest			
Case ID No.	Shipyard	<i>Policy Revision 4 (April 2014)</i>		
Reg. Ent. Reference No.	60105	<i>PCW Revision March 26, 2014</i>		
Media	RN100248749			
Enf. Coordinator	Industrial and Hazardous Waste			
Violation Number	Ken Moller			
Rule Cite(s)	9			
Violation Description	30 Tex. Admin. Code §§ 335.504(a)(2), 335.511(a), and 335.62			
	Failed to have complete HW determination process knowledge documentation. Specifically, HW 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.			
	Base Penalty			\$25,000

>> Environmental, Property and Human Health Matrix

OR		Release	Harm		
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	
					Percent <input type="text" value="15.0%"/>

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
					Percent <input type="text" value="0.0%"/>

Matrix Notes	Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.
--------------	---

Adjustment	<input type="text" value="\$21,250"/>
	<input type="text" value="\$3,750"/>

Violation Events

Number of Violation Events	<input type="text" value="1"/>	<input type="text" value="484"/>	Number of violation days
----------------------------	--------------------------------	----------------------------------	--------------------------

	daily	<input type="text"/>		
	weekly	<input type="text"/>		
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input checked="" type="text" value="x"/>		

One single event is recommended.

Good Faith Efforts to Comply

	0.0%		Reduction	<input type="text" value="\$0"/>
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
Extraordinary	<input type="text"/>	<input type="text"/>		
Ordinary	<input type="text"/>	<input type="text"/>		
N/A	<input checked="" type="text" value="x"/>	<input type="text"/>		
Notes	The Respondents do not meet the good faith criteria for this violation.			

Violation Subtotal	<input type="text" value="\$3,750"/>
---------------------------	--------------------------------------

Economic Benefit (EB) for this violation

Estimated EB Amount	<input type="text" value="\$855"/>
----------------------------	------------------------------------

Statutory Limit Test

Violation Final Penalty Total	<input type="text" value="\$6,367"/>
This violation Final Assessed Penalty (adjusted for limits)	<input type="text" value="\$6,367"/>

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Industrial and Hazardous Waste
Violation No. 9

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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)	\$4,200	18-Jul-2019	12-Aug-2023	4.07	\$855	n/a	\$855

Notes for DELAYED costs

Estimated delayed cost to properly document process knowledge and information for WS 0405219H (\$4,200 per waste stream). The Date Required is the investigation start date, and the Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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

\$4,200

TOTAL

\$855



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	16-Oct-2020	Screening	13-Nov-2020	EPA Due	
	PCW	1-May-2023				

RESPONDENT/FACILITY INFORMATION

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

CASE INFORMATION

Enf./Case ID No.	60105	No. of Violations	1
Docket No.	2020-1613-MLM-E	Order Type	1660
Media Program(s)	Used Oil	Government/Non-Profit	No
Multi-Media	Industrial and Hazardous Waste	Enf. Coordinator	Ken Moller
		EC's Team	Enforcement Team 7
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$5,000

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	Subtotals 2, 3, & 7	\$99
---------------------------	-------	-------------------	--------------------------------	------

Notes	Enhancement for three final Orders containing denials of liability and for three NOV's containing dissimilar violations.			
--------------	--	--	--	--

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

Notes	The Respondents do not meet the culpability criteria.				
--------------	---	--	--	--	--

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.

Notes				
--------------	--	--	--	--

Final Penalty Amount	\$249
-----------------------------	-------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$249
-----------------------------------	-------------------------------	-------

DEFERRAL	20.0%	Reduction	Adjustment	-\$49
-----------------	-------	------------------	-------------------	-------

Reduces the Final Assessed Penalty by the indicated percentage.

Notes	Deferral offered for expedited settlement.			
--------------	--	--	--	--

PAYABLE PENALTY	\$200
------------------------	-------

Screening Date	13-Nov-2020	Docket No.	2020-1613-MLM-E	PCW
Respondent	SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard			<i>Policy Revision 4 (April 2014)</i>
Case ID No.	60105			<i>PCW Revision March 26, 2014</i>
Reg. Ent. Reference No.	RN100248749			
Media	Used Oil			
Enf. Coordinator	Ken Moller			

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 (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
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%

>> 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-Nov-2020

Docket No. 2020-1613-MLM-E

PCW

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

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 324.4(2)(C)(ii) and 40 Code of Federal Regulations § 279.10(d)(1) and (g)

Violation Description 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.

Base Penalty \$5,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 3.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$4,850

\$150

Violation Events

Number of Violation Events 1 63 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$150

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

Notes

The Respondents do not meet the good faith criteria for this violation.

Violation Subtotal \$150

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$31

Violation Final Penalty Total \$249

This violation Final Assessed Penalty (adjusted for limits) \$249

Economic Benefit Worksheet

Respondent SOUTHWEST SHIPYARD, L.P. and MSJ HOLDINGS, L.P. dba Southwest Shipyard
Case ID No. 60105
Reg. Ent. Reference No. RN100248749
Media Used Oil
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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)	\$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

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				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



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 Owner/Operator: CN605829266, MSJ HOLDINGS, L.P.

Classification: SATISFACTORY

Rating: 1.96

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

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0686T
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION
1012781

AIR OPERATING PERMITS PERMIT 1260
AIR NEW SOURCE PERMITS PERMIT 4759

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

AIR NEW SOURCE PERMITS REGISTRATION 23134
AIR NEW SOURCE PERMITS PERMIT 36241
AIR NEW SOURCE PERMITS PERMIT 43774
AIR NEW SOURCE PERMITS REGISTRATION 54007
AIR NEW SOURCE PERMITS AFS NUM 4820100826
AIR NEW SOURCE PERMITS REGISTRATION
PETROLEUM STORAGE TANK REGISTRATION
REGISTRATION 59001

STORMWATER PERMIT TXR05V732

WASTEWATER PERMIT 2E0000020

WASTEWATER PERMIT WQ0002605000

WASTEWATER EPA ID TX0092282

INDUSTRIAL AND HAZARDOUS WASTE

AIR EMISSIONS INVENTORY ACCOUNT NUMBER

NONPERMITTED ID NUMBER R12100248749

HG0686T

POLLUTION PREVENTION PLANNING ID NUMBER
P00646

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD000820274

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

TAX RELIEF ID NUMBER 22400

TAX RELIEF ID NUMBER 22948

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

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 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)

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.):

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)
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):

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



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 Owner/Operator: CN600135354, SOUTHWEST SHIPYARD, L.P. **Classification:** SATISFACTORY **Rating:** 4.12

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

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0686T
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION
1012781

AIR OPERATING PERMITS PERMIT 1260
AIR NEW SOURCE PERMITS PERMIT 4759

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

AIR NEW SOURCE PERMITS REGISTRATION 23134
AIR NEW SOURCE PERMITS PERMIT 36241
AIR NEW SOURCE PERMITS PERMIT 43774
AIR NEW SOURCE PERMITS REGISTRATION 54007
AIR NEW SOURCE PERMITS AFS NUM 4820100826
AIR NEW SOURCE PERMITS REGISTRATION
PETROLEUM STORAGE TANK REGISTRATION
REGISTRATION 59001

STORMWATER PERMIT TXR05V732

WASTEWATER PERMIT 2E0000020

WASTEWATER PERMIT WQ0002605000

WASTEWATER EPA ID TX0092282

INDUSTRIAL AND HAZARDOUS WASTE

AIR EMISSIONS INVENTORY ACCOUNT NUMBER

NONPERMITTED ID NUMBER R12100248749

HG0686T

POLLUTION PREVENTION PLANNING ID NUMBER
P00646

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD000820274

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

TAX RELIEF ID NUMBER 22400

TAX RELIEF ID NUMBER 22948

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

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.):

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)
Item 40	January 13, 2022	(1799754)

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
ENFORCEMENT ACTION
CONCERNING
SOUTHWEST SHIPYARD, L.P.
AND MSJ HOLDINGS, L.P. DBA
SOUTHWEST SHIPYARD
RN100248749**

**§ BEFORE THE
§
§
§ TEXAS COMMISSION ON
§
§
§ 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") considered this agreement of the parties, resolving an enforcement action regarding SOUTHWEST 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. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondents 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") D001, D018, 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 D001, D018, 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. ADMIN. 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 P069, U008, U009, 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 D001, D018, 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 018383223JJJ and 018383224JJJ 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 020245505JJJ 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.

- c. 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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date



For the Executive Director

2/3/2025

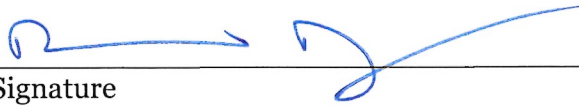
Date

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

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

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

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



Signature

11/28/2023

Date

Bernard Dime

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

Executive Vice President HSE Ops.

Title

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

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date


For the Executive Director

2/3/2025

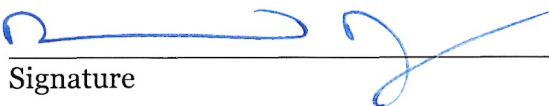
Date

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

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

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

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


Signature

11/28/2023
Date

Bernard Dimz
Name (Printed or typed)
Authorized Representative of
MSJ Holdings, LP dba Southwest Shipyard

Executive Vice President HSE Ops
Title

☐ If mailing address has changed, please check 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:	<i>Lake Houston Watershed - Western Watershed Protection Project</i>
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 TCEQ.

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

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.