

**Executive Summary – Enforcement Matter – Case No. 62827**

**KM Liquids Terminals LLC**

**RN103137790**

**Docket No. 2022-1059-IWD-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

IWD

**Small Business:**

No

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

Galena Park Terminal, 1500 Clinton Drive, south of Interstate Highway 10 and east of Interstate Highway 610 Loop, on the north bank of the Houston Ship Channel/Buffalo Bayou Tidal, Galena Park, Harris County

**Type of Operation:**

Special warehousing and storage facility

**Other Significant Matters:**

Additional Pending Enforcement Actions: Yes, Docket No. 2025-0007-IWD-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** January 31, 2025

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$14,625

**Amount Deferred for Expedited Settlement:** \$2,925

**Total Paid to General Revenue:** \$5,850

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

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$5,850

Name of SEP: Armand Bayou Nature Center, Inc. (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** No

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** July 26, 2022

**Date(s) of NOE(s):** August 18, 2022

**Executive Summary – Enforcement Matter – Case No. 62827**  
**KM Liquids Terminals LLC**  
**RN103137790**  
**Docket No. 2022-1059-IWD-E**

***Violation Information***

Failed to comply with permitted effluent limitations for ammonia nitrogen and dissolved oxygen [30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a)(1), and TPDES Permit No. WQ0001662000, Effluent Limitations and Monitoring Requirements Nos. 1 and 2 for Outfall 002].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

By October 31, 2023, the Respondent achieved compliance with the permit effluent limits in Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0001662000 at the Facility.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Taylor Williamson, Enforcement Division, Enforcement Team 1, MC R-12, (512) 239-2097; 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:** Armand Bayou Nature Center, Inc., P.O. Box 58828, Houston, Texas 77258

**Respondent:** Scott Eady, Director-EHS, KM Liquids Terminals LLC, 1001 Louisiana Street, Houston, Texas 77002

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

<b>DATES</b>	<b>Assigned</b>	22-Aug-2022	<b>Screening</b>	30-Aug-2022	<b>EPA Due</b>	
	<b>PCW</b>	22-Feb-2024				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	KM Liquids Terminals LLC				
<b>Reg. Ent. Ref. No.</b>	RN103137790				
<b>Facility/Site Region</b>	12-Houston	<b>Major/Minor Source</b>	Minor		

## CASE INFORMATION

<b>Enf./Case ID No.</b>	62827	<b>No. of Violations</b>	1
<b>Docket No.</b>	2022-1059-IWD-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Water Quality	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Taylor Williamson
		<b>EC's Team</b>	Enforcement Team 1
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$11,250
---	-------------------	----------

## ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

<b>Compliance History</b>	40.0%	<b>Adjustment</b>	<b>Subtotals 2, 3, &amp; 7</b>	\$4,500
---------------------------	-------	-------------------	--------------------------------	---------

<b>Notes</b>	Enhancement for four months of self-reported effluent violations and one agreed order containing a denial of liability.			
--------------	---	--	--	--

<b>Culpability</b>	No	0.0%	<b>Enhancement</b>	<b>Subtotal 4</b>	\$0
--------------------	----	------	--------------------	-------------------	-----

<b>Notes</b>	The Respondent does not meet the culpability criteria.			
--------------	--	--	--	--

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$1,125
--	-------------------	----------

<b>Economic Benefit</b>	0.0%	<b>Enhancement*</b>	<b>Subtotal 6</b>	\$0
-------------------------	------	---------------------	-------------------	-----

Total EB Amounts	\$1,814	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$15,000	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$14,625
-----------------------------	-----------------------	----------

<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
---	------	-------------------	-----

Reduces or enhances the Final Subtotal by the indicated percentage.

<b>Notes</b>				
--------------	--	--	--	--

<b>Final Penalty Amount</b>	\$14,625
-----------------------------	----------

<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$14,625
-----------------------------------	-------------------------------	----------

<b>DEFERRAL</b>	20.0%	<b>Reduction</b>	<b>Adjustment</b>	-\$2,925
-----------------	-------	------------------	-------------------	----------

Reduces the Final Assessed Penalty by the indicated percentage.

<b>Notes</b>	Deferral offered for expedited settlement.			
--------------	--	--	--	--

<b>PAYABLE PENALTY</b>	\$11,700
------------------------	----------

<b>Screening Date</b>	30-Aug-2022	<b>Docket No.</b>	2022-1059-IWD-E	<b>PCW</b>
<b>Respondent</b>	KM Liquids Terminals LLC			<i>Policy Revision 5 (January 28, 2021)</i>
<b>Case ID No.</b>	62827			<i>PCW Revision February 11, 2021</i>
<b>Reg. Ent. Reference No.</b>	RN103137790			
<b>Media</b>	Water Quality			
<b>Enf. Coordinator</b>	Taylor Williamson			

## 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> )	4	20%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	1	20%
	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)** 40%

### >> 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 four months of self-reported effluent violations and one agreed order containing a denial of liability.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 40%

### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 40%

<b>Screening Date</b> 30-Aug-2022		<b>Docket No.</b> 2022-1059-IWD-E		<b>PCW</b>	
<b>Respondent</b> KM Liquids Terminals LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
<b>Case ID No.</b> 62827		<i>PCW Revision February 11, 2021</i>			
<b>Reg. Ent. Reference No.</b> RN103137790					
<b>Media</b> Water Quality					
<b>Enf. Coordinator</b> Taylor Williamson					
<b>Violation Number</b> 1					
<b>Rule Cite(s)</b>		30 Tex. Admin. Code § 305.125(1), Tex. Water Code § 26.121(a)(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0001662000, Effluent Limitations and Monitoring Requirements Nos. 1 and 2 for Outfall 002			
<b>Violation Description</b>		Failed to comply with permitted effluent limitations, as shown in the attached effluent violation table.			
		<b>Base Penalty</b>		25,000	
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>					
<b>OR</b>			<b>Harm</b>		
	<b>Release</b>	Major	Moderate	Minor	
	Actual			x	
	Potential				<b>Percent</b> 15.0%
<b>&gt;&gt;Programmatic Matrix</b>					
	Falsification	Major	Moderate	Minor	
					<b>Percent</b> 0.0%
<b>Matrix Notes</b>		A simplified model was used to evaluate ammonia nitrogen to determine whether the discharge amounts of pollutants exceeded protective levels. Dissolved oxygen was also considered. Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.			
		<b>Adjustment</b>		21,250	
				3,750	
<b>Violation Events</b>					
Number of Violation Events		3		344 Number of violation days	
	daily				
	weekly				
	monthly				
	quarterly	x		<b>Violation Base Penalty</b> 11,250	
	semiannual				
	annual				
	single event				
		Three quarterly events are recommended for the quarters containing the months of May 2021, August 2021, March 2022, and April 2022.			
<b>Good Faith Efforts to Comply</b>		10.0%		<b>Reduction</b> 1,125	
		Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer			
Extraordinary					
Ordinary				x	
N/A					
<b>Notes</b>		The Respondent achieved compliance on October 31, 2023.			
		<b>Violation Subtotal</b>		10,125	
<b>Economic Benefit (EB) for this violation</b>					
<b>Statutory Limit Test</b>					
<b>Estimated EB Amount</b>		1,814		<b>Violation Final Penalty Total</b> 14,625	
		<b>This violation Final Assessed Penalty (adjusted for limits)</b>		14,625	

# Economic Benefit Worksheet

**Respondent** KM Liquids Terminals LLC  
**Case ID No.** 62827  
**Reg. Ent. Reference No.** RN103137790  
**Media** Water Quality  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	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)	\$15,000	31-May-2021	31-Oct-2023	2.42	\$1,814	n/a	\$1,814

Notes for DELAYED costs

Estimated Other cost to determine the cause of noncompliance, make the necessary repairs/adjustments to the Facility, and achieve compliance with the permitted effluent limitations. The Date Required is the end date of the first month of noncompliance, 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

\$15,000

**TOTAL**

\$1,814

KM Liquids Terminals LLC  
 TPDES Permit No. WQ0001662000  
 Docket No. 2022-1059-IWD-E  
 Case No. 62827

Effluent Violation Table				
	Ammonia Nitrogen Daily Avg. Conc. Limit = 3 mg/L	Ammonia Nitrogen Daily Max. Conc. Limit = 6 mg/L	Ammonia Nitrogen Daily Max. Loading Limit = 5 lbs/day	DO Monthly Minimum Conc. = 4 mg/L
May 2021	3.08	7.14	5.1449	c
August 2021	c	6.27	c	c
March 2022	4.535	c	c	3.81
April 2022	4.405	c	c	c

lbs/day = pounds per day    DO = dissolved oxygen    Max. = maximum  
 c = compliant    Avg. = Average    mg/L = milligrams per liter    Conc. = concentration



# Compliance History Report

Compliance History Report for CN603254707, RN103137790, Rating Year 2024 which includes Compliance History (CH) components from September 1, 2019, through August 31, 2024.

**Customer, Respondent, or Owner/Operator:** CN603254707, KM Liquids Terminals LLC **Classification:** SATISFACTORY **Rating:** 3.08

**Regulated Entity:** RN103137790, GALENA PARK TERMINAL **Classification:** SATISFACTORY **Rating:** 4.15

**Complexity Points:** 7 **Repeat Violator:** NO

**CH Group:** 14 - Other

**Location:** 1500 Clinton Drive, south of Interstate Highway 10 and east of Interstate Highway 610 Loop, on the north bank of the Houston Ship Channel/Buffalo Bayou Tidal, Galena Park, Harris County, Texas

**TCEQ Region:** REGION 12 - HOUSTON

**ID Number(s):**

**WASTEWATER PERMIT** WQ0001662000

**WASTEWATER EPA ID** TX0030929

**TAX RELIEF ID NUMBER** 16924

**Compliance History Period:** September 01, 2019 to August 31, 2024 **Rating Year:** 2024 **Rating Date:** 09/01/2024

**Date Compliance History Report Prepared:** September 13, 2024

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** September 13, 2019 to September 13, 2024

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

**Name:** Taylor Williamson

**Phone:** (512) 239-2097

**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: 04/18/2022 ADMINORDER 2021-0655-IWD-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate
- Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)
- 30 TAC Chapter 305, SubChapter F 305.125(1)
- Rqmt Prov: Effluent Limits PERMIT
- Description: Failure to comply with permit effluent limits as documented by a TCEQ record review of self-reported data.

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

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

Item 1	October 11, 2019	(1613661)	Item 8	August 19, 2020	(1680766)
Item 2	November 14, 2019	(1619475)	Item 9	September 20, 2020	(1687335)
Item 3	January 17, 2020	(1634469)	Item 10	October 16, 2020	(1693675)
Item 4	February 18, 2020	(1641085)	Item 11	March 16, 2021	(1726782)
Item 5	April 16, 2020	(1653946)	Item 12	April 15, 2021	(1726783)
Item 6	May 19, 2020	(1660525)	Item 13	May 12, 2021	(1740698)
Item 7	July 20, 2020	(1673987)			



Item 14	June 03, 2021	(1722365)	Item 27	October 12, 2022	(1862999)
Item 15	July 19, 2021	(1752124)	Item 28	November 14, 2022	(1869911)
Item 16	August 20, 2021	(1757576)	Item 29	December 12, 2022	(1875761)
Item 17	October 20, 2021	(1777252)	Item 30	January 18, 2023	(1882580)
Item 18	November 18, 2021	(1784044)	Item 31	February 20, 2023	(1890393)
Item 19	December 20, 2021	(1791079)	Item 32	March 09, 2023	(1898961)
Item 20	January 06, 2022	(1798864)	Item 33	April 18, 2023	(1905747)
Item 21	February 16, 2022	(1806739)	Item 34	September 18, 2023	(1939594)
Item 22	March 08, 2022	(1813805)	Item 35	October 19, 2023	(1946442)
Item 23	June 16, 2022	(1835510)	Item 36	November 15, 2023	(1952133)
Item 24	July 18, 2022	(1842710)	Item 37	December 18, 2023	(1961900)
Item 25	August 18, 2022	(1848841)	Item 38	January 18, 2024	(1968494)
Item 26	September 19, 2022	(1856642)	Item 39	April 17, 2024	(1990651)

**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: 01/31/2024 (1977553)   |                 |          |
|   | Self Report? YES   | Classification: | Moderate |
|   | Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)<br>30 TAC Chapter 305, SubChapter F 305.125(1) |                 |          |
|   | Description: Failure to meet the limit for one or more permit parameter                            |                 |          |
| 2 | Date: 02/29/2024 (1984131)   |                 |          |
|   | Self Report? YES   | Classification: | Moderate |
|   | Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)<br>30 TAC Chapter 305, SubChapter F 305.125(1) |                 |          |
|   | Description: Failure to meet the limit for one or more permit parameter                            |                 |          |
| 3 | Date: 04/30/2024 (1997107)   |                 |          |
|   | Self Report? YES   | Classification: | Moderate |
|   | Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)<br>30 TAC Chapter 305, SubChapter F 305.125(1) |                 |          |
|   | Description: Failure to meet the limit for one or more permit parameter                            |                 |          |
| 4 | Date: 05/31/2024 (2004062)   |                 |          |
|   | Self Report? YES   | Classification: | Moderate |
|   | Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)<br>30 TAC Chapter 305, SubChapter F 305.125(1) |                 |          |
|   | Description: Failure to meet the limit for one or more permit parameter                            |                 |          |

#### F. Environmental audits:

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

## J. Early compliance:

N/A

### Sites Outside of Texas:

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
KM LIQUIDS TERMINALS LLC  
RN103137790

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

## AGREED ORDER DOCKET NO. 2022-1059-IWD-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 KM Liquids Terminals LLC (the "Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent operates a special warehousing and storage facility at 1500 Clinton Drive, south of Interstate Highway 10 and east of Interstate Highway 610 Loop, on the north bank of the Houston Ship Channel/Buffalo Bayou Tidal in Galena Park, Harris County, Texas (the "Facility"). The Facility is near or adjacent to water in the state as defined in TEX. WATER CODE § 26.001(5).
2. The Executive Director and the Respondent 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 Respondent is 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. WATER CODE ch. 26 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 Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$14,625 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$5,850 of the penalty and \$2,925 of the penalty is deferred contingent upon the Respondent's 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 Respondent fails 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, \$5,850 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's 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 Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). 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 Respondent has 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 by October 31, 2023, the Respondent achieved compliance with the permit effluent limits in Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0001662000 at the Facility.

## II. ALLEGATIONS

During a record review for the Facility conducted on July 26, 2022, an investigator documented that the Respondent failed to comply with permitted effluent limitations, in violation of 30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a)(1), and TPDES Permit No. WQ0001662000, Effluent Limitations and Monitoring Requirements Nos. 1 and 2 for Outfall 002.

Effluent Violation Table				
	Ammonia Nitrogen Daily Avg. Conc. Limit = 3 mg/L	Ammonia Nitrogen Daily Max. Conc. Limit = 6 mg/L	Ammonia Nitrogen Daily Max. Loading Limit = 5 lbs/day	DO Monthly Minimum Conc. = 4 mg/L
May 2021	3.08	7.14	5.1449	c
August 2021	c	6.27	c	c
March 2022	4.535	c	c	3.81
April 2022	4.405	c	c	c

lbs/day = pounds per day    DO = dissolved oxygen    Max. = maximum  
c = compliant    Avg. = Average    mg/L = milligrams per liter    Conc. = concentration

### **III. DENIALS**

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

### **IV. ORDERING PROVISIONS**

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

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's 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: KM Liquids Terminals LLC, Docket No. 2022-1059-IWD-E" to:  
  
Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088
2. The Respondent shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of \$5,850 of the assessed penalty is conditionally offset based on the Respondent's 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.
3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
5. 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 Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this 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.
7. 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.

8. 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



-----  
For the Executive Director

-----  
Date

2/24/2025

-----  
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 OAG 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 OAG 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

Scott Eady  
-----  
Name (Printed or typed)  
Authorized Representative of  
KM Liquids Terminals LLC

-----  
Date

23 Dec 2024

-----  
Title

Director - EHS

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

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

**Attachment A**  
**Docket Number: 2022-1059-IWD-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>KM Liquids Terminals LLC</b>
<b>Payable Penalty Amount:</b>	<b>\$11,700</b>
<b>SEP Offset Amount:</b>	<b>\$5,850</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Armand Bayou Nature Center, Inc.</b>
<b>Project Name:</b>	<b><i>Coastal Prairie, Tidal Marsh, and Forested Wetland Restoration Project</i></b>
<b>Total Project Budget:</b>	<b>\$573,969</b>
<b>Location of SEP:</b>	<b>Harris County</b>

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

**1. Project Description**

**A. Project**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Armand Bayou Nature Center, Inc.** for the *Coastal Prairie, Tidal Marsh, and Forested Wetland Restoration Project* (the “Project”). The Project is to manage the Armand Bayou Nature Center (“ABNC”), which comprises of 2500 acres located in southeast Harris County. ABNC contains three unique and vanishing ecosystems: coastal tallgrass prairie, forested wetland, and the tidal marsh stream of Armand Bayou. Prescribed burning is one stewardship tool used to maintain a tallgrass prairie ecosystem. If the prairie is not maintained, it can be destroyed by invasive species, which primarily include the Chinese tallow tree and other woody plants. In addition, prescribed mowing shall be conducted on a rotational basis as needed for maintenance of native species and removal of non-native species. The Third-Party Administrator shall propagate terrestrial and aquatic native plants and install them to restore the Coastal Prairie, Tidal Marsh, and Forested Wetlands. The Third-Party Administrator will pay for the labor and material costs associated with conducting prescribed burns, mowing, removing non-native trees, and for planting native trees and plants. The Project will be performed 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 able to be spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

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

#### B. Environmental Benefit

The ecological services provided by the restoration and management of the Coastal Prairie, Tidal Marsh, and Forested Wetlands ecosystems working in concert will help minimize pollution, reduce the amount of pollutants reaching the environment, and enhance water quality and wildlife habitat.

Coastal prairie grasslands are considered fire-dependent plant communities and require frequent exposure to fire effects for full ecological function. Prescribed fire in prairies helps control invasive species, minimize accumulated grass thatch, promote enrichment of soil nutrients and improve prairie plant vigor. One additional benefit of controlled prescribed burns is the reduction of fuels and the prevention of wildfires. This is particularly critical in the urban environment to protect human life and property and to minimize the release of large amounts of particulate matter resulting from uncontrolled wildfires. This treatment ensures that these coastal prairie grasslands will perform at their highest ecological function and provide the maximum potential ecological service to benefit water quality.

Mowing and targeted application of specialized herbicides will also help manage prairie species and remove non-native species. Propagation and installation of native plants will restore the natural balance to these ecosystems, reduce erosion, and increase habitat for wildlife. Plant installation in the Forested Wetland and Tidal Marsh will improve water quality by restoring depleted oxygen levels, providing habitat and nourishment for aquatic organisms, and reclaiming the area for native plants.

Proper management and restoration of these ecosystems will maximize the ecological services that they provide to Armand Bayou and Galveston Bay.

#### C. Minimum Expenditure

The Respondent 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 Respondent must contribute the SEP Offset Amount to Third-Party Administrator. The Respondent shall make the check payable to **Armand Bayou Nature Center, Inc. SEP** and shall mail the contribution with a copy of the Agreed Order to:

Armand Bayou Nature Center, Inc.  
Attention: Chris Smith, Biologist  
P.O. Box 58828  
Houston, Texas 77258

### 3. Records and Reporting

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



KM Liquids Terminals LLC  
Docket No. 2022-1059-IWD-E  
Agreed Order - Attachment A

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

#### 4. **Failure to Fully Perform**

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

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

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

#### 5. **Publicity**

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

#### 6. **Recognition**

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

#### 7. **Other SEPs by TCEQ or Other Agencies**

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