

TCEQ Interoffice Memorandum

To: Mary Smith, General Counsel

Thru:  Megan Hamilton, Acting Assistant Deputy Director
Enforcement Division

From:  Michael Parrish, Agenda Special Assistant
Enforcement Division

Date: November 18, 2025

**Subject: Supplemental Information
November 19, 2025 Commission Agenda**
Item No. 22 – Kinder Morgan Dallas Fort Worth Rail Terminal LLC
Docket No. 2024-1638-WQ-E

Enclosed please find the following:

Investigation Report

- Investigation Report No. 2010109

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
Megan Hamilton, Acting Assistant Deputy Director, Enforcement Division
Laura Draper, Manager, Water Section, Enforcement Division
Tiffany Chu, Team Leader, Water Section, Enforcement Division
Taylor Williamson, Technical Specialist, Water Section, Enforcement Division

WQ CG_TARRANT_CO_20240927_CORRESPONDENCE
Texas Commission on Environmental Quality
Investigation Report

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Customer: Kinder Morgan Dallas Fort Worth Rail Terminal LLC
Customer Number: CN603653825

Regulated Entity Name: KINDER MORGAN EULESS LOADING FACILITY

Regulated Entity Number: RN100805571

Investigation # 2010109

Incident Numbers

429386

Investigator: DHIRAJ BASNET

Site Classification

Conducted: 09/09/2024 -- 09/09/2024

NAIC Code: 486910

NAIC Code: 424710

SIC Code: 5171

SIC Code: 4013

Program(s): WASTEWATER

Investigation Type: Compliance Invest File Review

Location:

Additional ID(s) R04100805571

Address: 12401 CALLOWAY CEMETERY RD,
EULESS, TX , 76040

Local Unit: REGION 04 - DFW METROPLEX

Activity Type(s) WWCRR - WW Compliance Record Review

Principal(s):

Role

Name

RESPONDENT

KINDER MORGAN DALLAS FORT WORTH RAIL

Contact(s):

Role

Title

Name

Phone

NOE CONTACT

COMPLIANCE SPECIALIST

MR JAMES FOX

Work

(940) 368-3535

REGULATED
ENTITY CONTACT

COMPLIANCE SPECIALIST

MR JAMES FOX

Work

(940) 368-3535

REGULATED
ENTITY MAIL
CONTACT

COMPLIANCE SPECIALIST

MR JAMES FOX

Work

(940) 368-3535

Other Staff Member(s):

Role

Name

QA Reviewer

GARY SINCLAIR

Supervisor

BRENT CANDLER

Associated Check List**Checklist Name**

WQ FILE/RECORD REVIEW

Unit Name

Kinder FK CRR

Investigation Comments:**INTRODUCTION**

Kinder Morgan Euleless Loading Facility notified the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (DFW) Region Office on May 23, 2024, of a fish kill in a creek. The fish kill was attributed to a firefighting foam spill that occurred on May 23, 2024. There was no field investigation conducted by the TCEQ Water Quality Team. This investigation was conducted in-house by Mr. Dhiraj Basnet, Environmental Investigator, and is considered a compliance record review (CRR). An exit interview form detailing the findings from the investigation was emailed to Mr. James Fox, Compliance Specialist, on September 11, 2024. Based on the findings of this investigation, a Notice of Enforcement (NOE) letter was issued to facilitate compliance.

GENERAL FACILITY AND PROCESS INFORMATION

Kinder Morgan Dallas Fort Worth Rail Terminal, LLC owns and operates Kinder Morgan Euleless Loading Facility located at 12401 Calloway Cemetery Rd., Euleless, Texas. The facility provides energy transportation and storage services.

BACKGROUND

The fish kill was entered as Incident No. 429386 and is associated to this investigation report.

There have been no previous water quality investigations conducted at this site.

ADDITIONAL INFORMATION

On May 23, 2024, Kinder Morgan Euleless Loading Facility notified the TCEQ DFW Region Office of a firefighting foam discharge at 12401 Calloway Cemetery Rd., Euleless, Texas (TCEQ Incident No. 423794). The discharge started on May 23, 2024, and was stopped that day. The total discharged volume was 900 gallons, and the cause was an equipment failure at the fire suppression system. The regulated entity indicated that the discharge entered a nearby unnamed creek killing 45 fish. A copy of final water quality noncompliance report was received on June 05, 2024. The final Spill Response Action Report for the discharge was received on July 02, 2024. The report included cleanup actions taken, sample analysis results, and disposal documentation. The dead fish were collected and properly disposed. Texas Parks and Wildlife Department was notified of the event.

On August 30, 2024, Mr. Basnet contacted Mr. Fox and requested answers to some questions regarding the discharge via email. On September 11, 2024, Mr. Basnet received responses from Mr. Fox. According to Mr. Fox, the discharge of firefighting foam occurred due to a faulty fire alarm switch in the fire suppression system. He said that the faulty fire alarm switch triggered alarms and sent notification to Operations Team at 1:15 AM on May 23, 2024. He stated that the discharge entered a nearby stormwater drainage that led into a nearby creek killing 45 dead fish.

Kinder Morgan Euleless Loading Facility is being referred to the Enforcement Division for failure to prevent the unauthorized discharge of firefighting foam into waters of the state that resulted in an environmental impact (fish kill).

NOE Date: 9/27/2024**OUTSTANDING ALLEGED VIOLATION(S)
ASSOCIATED TO A NOTICE OF ENFORCEMENT****Track Number: 893060****Compliance Due Date: To Be Determined****Violation Start Date: 5/23/2024**

KINDER MORGAN EULESS LOADING FACILITY - EULESS

9/9/2024 Inv. # - 2010109

Page 3 of 3

2D TWC Chapter 26.121(c)
TWC Chapter 26.121(a)(2)

Alleged Violation:

Investigation: 2010109

Comment Date: 09/18/2024

Failed to prevent the unauthorized discharge of wastes into or adjacent to waters in the state. Specifically, the regulated entity experienced an unauthorized discharge of firefighting foam from their facility located at 12401 Calloway Cemetery Rd., Eules, TX on May 23, 2024, into a nearby creek. The discharge entered the creek, killing 45 fish. There shall be no unauthorized discharge of wastewater or any other waste.

Recommended Corrective Action: Documentation received by the TCEQ DFW Region Office indicated the discharge was stopped on May 23, 2024. Additional corrective action will be determined by the TCEQ Enforcement Division.

Signed Dhiraj Banerjee
Environmental Investigator

Date 09/23/2024

Signed Bret Lee
Supervisor

Date 9/23/24

Attachments: (in order of final report submittal)

☒ Enforcement Action Request (EAR)

☐ Maps, Plans, Sketches

☒ Letter to Facility (specify type) : NOE Letter

☐ Photographs

Investigation Report

☒ Correspondence from the facility

☐ Sample Analysis Results

☒ Other (specify) :

☐ Manifests

Exit-Interview form

☐ Notice of Registration

List of Attached files

Kinder Morgan DFW Terminal Noncompliance Notification Form_signed.pdf

FW240236ERM Action Report 05.23.2024 - 05.31.2024.pdf

Executive Summary – Enforcement Matter – Case No. 66839
Kinder Morgan Dallas Fort Worth Rail Terminal LLC
RN100805571
Docket No. 2024-1638-WQ-E

Order Type:

Findings Agreed Order

Findings Order Justification:

People or environmental receptors have been exposed to pollutants which exceed levels that are protective.

Media:

WQ

Small Business:

No

Location(s) Where Violation(s) Occurred:

Kinder Morgan Euless Loading Facility, 12401 Calloway Cemetery Road, Euless, Tarrant County

Type of Operation:

Energy transportation and storage services facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Past-Due Fees: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: August 29, 2025

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,375

Total Paid to General Revenue: \$4,688

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$4,687

Name of SEP: Texas Water Development Board (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Unclassified

Site/RN - Unclassified

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: September 9, 2024

Date(s) of NOE(s): September 27, 2024

**Executive Summary – Enforcement Matter – Case No. 66839
Kinder Morgan Dallas Fort Worth Rail Terminal LLC
RN100805571
Docket No. 2024-1638-WQ-E**

Violation Information

Failed to prevent the unauthorized discharge of wastes into or adjacent to waters in the state [TEX. WATER CODE § 26.121(a)(2)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

By May 28, 2024, the Respondent removed and properly disposed of the dead fish and firefighting foam, flushed the drainage ditch and creek with fresh water, and placed absorbent booms along the drainage ditch and creek 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, Enforcement Division, MC 219, (512) 239-3565

SEP Third-Party Administrator: Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711

Respondent: Scott Eady, Director of Environmental, Health, and Safety, Kinder Morgan Dallas Fort Worth Rail Terminal LLC, 1001 Louisiana Street, Suite 1000, Houston, Texas 77002

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	30-Sep-2024	Screening	30-Sep-2024	EPA Due	
	PCW	7-Jul-2025				

RESPONDENT/FACILITY INFORMATION

Respondent	Kinder Morgan Dallas Fort Worth Rail Terminal LLC		
Reg. Ent. Ref. No.	RN100805571		
Facility/Site Region	4-Dallas/Fort Worth	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	66839	No. of Violations	1
Docket No.	2024-1638-WQ-E	Order Type	Findings
Media Program(s)	Water Quality	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Taylor Williamson
		EC's Team	Enforcement Team 1
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$12,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	0.0%	Adjustment	Subtotals 2, 3, & 7	\$0
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Notes	No adjustments for Compliance History.
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Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
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Notes	The Respondent does not meet the culpability criteria.
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Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$3,125
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$199	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$290,704	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$9,375
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes	
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Final Penalty Amount	\$9,375
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$9,375
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DEFERRAL	0.0%	Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes	No deferral is recommended for Findings Orders.
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PAYABLE PENALTY	\$9,375
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Screening Date	30-Sep-2024	Docket No.	2024-1638-WQ-E	PCW
Respondent	Kinder Morgan Dallas Fort Worth Rail Terminal LLC			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	66839			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN100805571			
Media	Water Quality			
Enf. Coordinator	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>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	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) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Unclassified

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

No adjustments for Compliance History.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date	30-Sep-2024	Docket No.	2024-1638-WQ-E	PCW
Respondent	Kinder Morgan Dallas Fort Worth Rail Terminal LLC			Policy Revision 5 (January 28, 2021)
Case ID No.	66839			PCW Revision February 11, 2021
Reg. Ent. Reference No.	RN100805571			
Media	Water Quality			
Enf. Coordinator	Taylor Williamson			
Violation Number	1			
Rule Cite(s)	Tex. Water Code § 26.121(a)(2)			
Violation Description	Failed to prevent the unauthorized discharge of wastes into or adjacent to waters in the state. Specifically, on May 23, 2024, the Respondent discharged 20,000 gallons of firefighting foam mixed with water from the Facility into a nearby creek, killing 45 fish.			
		Base Penalty	\$25,000	
>> Environmental, Property and Human Health Matrix				
OR	Release	Major	Moderate	Minor
	Actual	x		
	Potential			
			Percent	50.0%
>>Programmatic Matrix				
	Falsification	Major	Moderate	Minor
			Percent	0.0%
Matrix Notes	Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.			
	Adjustment	\$12,500		
		\$12,500		
Violation Events				
	Number of Violation Events	1	5	Number of violation days
	daily			
	weekly			
	monthly	x		
	quarterly			
	semiannual			
	annual			
	single event			
	Violation Base Penalty	\$12,500		
	One monthly event is recommended from the May 23, 2024 unauthorized discharge date to the May 28, 2024 compliance date.			
Good Faith Efforts to Comply	25.0%		Reduction	\$3,125
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
	Extraordinary			
	Ordinary	x		
	N/A			
	Notes	The Respondent achieved compliance by May 28, 2024.		
	Violation Subtotal	\$9,375		
Economic Benefit (EB) for this violation				
	Statutory Limit Test			
	Estimated EB Amount	\$199	Violation Final Penalty Total	\$9,375
	This violation Final Assessed Penalty (adjusted for limits)			\$9,375

Economic Benefit Worksheet

Respondent Kinder Morgan Dallas Fort Worth Rail Terminal LLC
Case ID No. 66839
Reg. Ent. Reference No. RN100805571
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
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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	\$290,704	23-May-2024	28-May-2024	0.01	\$199	n/a	\$199
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	Actual Remediation/Disposal cost to remove and properly dispose of the dead fish and firefighting foam, flush the drainage ditch and creek with fresh water, and place absorbent booms along the drainage ditch and creek. The Date Required is the date of the unauthorized discharge, 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 \$290,704

TOTAL \$199



Compliance History Report

Compliance History Report for CN603653825, RN100805571, Rating Year 2024 which includes Compliance History (CH) components from September 1, 2019, through August 31, 2024.

Customer, Respondent, or Owner/Operator:	CN603653825, Kinder Morgan Dallas Fort Worth Rail Terminal LLC	Classification:	UNCLASSIFIED	Rating:	-----
Regulated Entity:	RN100805571, KINDER MORGAN EULESS LOADING FACILITY	Classification:	UNCLASSIFIED	Rating:	-----
Complexity Points:	7	Repeat Violator:	NO		
CH Group:	14 - Other				
Location:	12401 Calloway Cemetery Road, Euless, Tarrant County, Texas				
TCEQ Region:	REGION 04 - DFW METROPLEX				
ID Number(s):					
AIR NEW SOURCE PERMITS ACCOUNT NUMBER TA0276W		AIR NEW SOURCE PERMITS REGISTRATION 70889			
AIR NEW SOURCE PERMITS REGISTRATION 56299		AIR NEW SOURCE PERMITS REGISTRATION 86503			
AIR NEW SOURCE PERMITS AFS NUM 4843900072		IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 31812			
STORMWATER PERMIT TXR05AH78		WATER QUALITY NON PERMITTED ID NUMBER R04100805571			
AIR EMISSIONS INVENTORY ACCOUNT NUMBER TA0276W		POLLUTION PREVENTION PLANNING ID NUMBER P08484			
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 31812					
Compliance History Period:	September 01, 2019 to August 31, 2024	Rating Year:	2024	Rating Date:	09/01/2024
Date Compliance History Report Prepared:	February 28, 2025				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	February 28, 2020 to February 28, 2025				
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:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

N/A

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.

N/A

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
KINDER MORGAN DALLAS FORT
WORTH RAIL TERMINAL LLC
RN100805571

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

AGREED ORDER DOCKET NO. 2024-1638-WQ-E

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Kinder Morgan Dallas Fort Worth Rail Terminal 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 presented this Order to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that 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. The duties and responsibilities imposed by this Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates an energy transportation and storage services facility located at 12401 Calloway Cemetery Road in Euless, Tarrant 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. During a record review for the Facility conducted on September 9, 2024, an investigator documented that on May 23, 2024, 20,000 gallons of firefighting foam mixed with water discharged from the Facility into a nearby creek, killing 45 fish.
3. The Executive Director recognizes that by May 28, 2024, the Respondent removed and properly disposed of the dead fish and firefighting foam, flushed the drainage ditch and creek with fresh water, and placed absorbent booms along the drainage ditch and creek at the Facility.

II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE ch. 26 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2, the Respondent failed to prevent the unauthorized discharge of wastes into or adjacent to waters in the state, in violation of TEX. WATER CODE § 26.121(a)(2).
3. Pursuant to TEX. WATER CODE § 7.051, the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of \$9,375 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent paid \$4,688 of the penalty. Pursuant to TEX. WATER CODE § 7.067, \$4,687 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.

III. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 4 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Kinder Morgan Dallas Fort Worth Rail Terminal LLC, Docket No. 2024-1638-WQ-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 Conclusion of Law No. 4. The amount of \$4,687 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. 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 in this Order.
7. 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.
8. 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.
9. 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.
10. 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

Krista Mello-Jurack

For the Executive Director

Date

09/30/2025

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

Kinder Morgan Dallas Fort Worth Rail Terminal LLC

Date

14 July 2025

Date

Director EHS

Title

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

300 Beltway Green Blvd.
Pasadena, Texas 77503

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: 2024-1638-WQ-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Kinder Morgan Dallas Fort Worth Rail Terminal LLC
Penalty Amount:	\$9,375
SEP Offset Amount:	\$4,687
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Water Development Board
Project Name:	<i>Water-Level Recorder Data in Texas</i>
Total Project Budget:	\$648,829.50
Location of SEP:	Statewide; Preference for Tarrant County

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 compliance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP Offset Amount to the **Texas Water Development Board**, as a Third-Party Administrator, for its *Water Level Recorder Data in Texas* project (the “Project”). The Project is to purchase, install, and maintain automatic water-level recorders in unused wells to satisfy updated network objectives of up to two recorders per recognized aquifer per county in Texas. The Third-Party Administrator shall use the SEP Offset Amount to perform the Project. 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 TCEQ.

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

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

B. Environmental Benefit

The groundwater stored within Texas’ major and minor aquifers is an important natural resource that is relied upon to meet the water supply demands of Texans across the state. Many factors affect the availability of this resource, including drought and increased demand. This Project will further provide real-time statewide comprehensive groundwater level data to Texas counties, cities, groundwater conservation districts, water supply companies, and individual well owners. The availability of this comprehensive data will promote awareness of the effects of drought on Texas’ aquifers and assist in groundwater management planning and use statewide.

C. Minimum Expenditure

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

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to Third-Party Administrator. The Respondent shall make the contribution payable to the **Texas Water Development Board**, and mail it with a copy of the Agreed Order to:

Texas Water Development Board
Attention: Finance
P.O. Box 13231
Austin, Texas 78711

3. Records and Reporting

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

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

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 to TCEQ.

In the event the ED determines that the Respondent failed to fully implement and complete the contribution to the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the contribution to 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 the SEP coordinator at the address provided above.

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 contribution to the project was performed as part of the settlement of an enforcement action brought by 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 TCEQ or any other agency of the state or federal government.