

FILED

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

21 MAY 24 PM 12:20

REGIONAL HEARING CLERK
EPA REGION 6

REGION 6

IN THE MATTER OF

Trecora Resources
Sales Loading Rack
Hardin County, Texas

Respondent.

CWA SECTION 311 CLASS I
CONSENT AGREEMENT
AND FINAL ORDER
UNDER 40 CFR § 22.13(b)

Docket No. CWA-06-2024-4803

LEGAL AUTHORITY

1. This Consent Agreement is proposed and entered into under the authority vested in the Administrator of the U.S. Environmental Protection Agency (EPA) by Section 311(b)(6)(B)(i) of the Clean Water Act ("Act"), 33 U.S.C. § 1321(b)(6)(B)(i), as amended by the Oil Pollution Act of 1990, and under the authority provided by 40 CFR §§ 22.13(b) and 22.18(b)(2). The Administrator has delegated these authorities to the Regional Administrator of EPA, Region 6. Pursuant to the April 17, 2019, Region 6 Realignment: General Delegation Memo (General Delegation Memo), the Regional Administrator delegated these authorities to the successor Division Director or Office Director in accordance with the Region 6 2019 reorganization, to wit: the Enforcement and Compliance Assurance Division of EPA, Region 6. The General Delegation Memo has, in turn, further redelegated these authorities to the comparable official subordinate to the Enforcement and Compliance Assurance Division Director, to wit: the Branch Chief, Water Enforcement Branch in Region 6.

CONSENT AGREEMENT

SPCC Stipulations

The parties, in their own capacity or by their attorneys or other authorized representatives, hereby stipulate:

2. Section 311(j)(1)(C) of the Act, 33 USC § 1321(j)(1)(C), provides that the President shall issue regulations "establishing procedures, methods, and equipment and other requirements for equipment to prevent discharges of oil from onshore or offshore vessels and from onshore or offshore facilities, and to contain such discharges...."

3. Initially by Executive Order 11548 (July 20, 1970), 35 Fed. Reg. 11677 (July 22, 1970), and most recently by Section 2(b)(1) of Executive Order 12777 (October 18, 1991), 56 Fed. Reg. 54757 (October 22, 1991), the President delegated to EPA his Section 311(j)(1)(C) authority to issue the regulations referenced in the preceding Paragraph for non-transportation-related onshore facilities.

4. EPA subsequently promulgated the Spill Prevention Control & Countermeasure (SPCC) regulations pursuant to delegated statutory authorities, and pursuant to its authorities under the Clean Water Act, 33 USC § 1251 et seq., which established certain procedures, methods and other requirements upon each owner and operator of a non-transportation-related onshore or off-shore facility, if such facility, due to its location, could reasonably be expected to discharge oil into or upon the navigable waters of the United States and their adjoining shorelines in such quantity as EPA has determined in 40 CFR § 110.3 may be harmful to the public health or welfare or the environment of the United States (harmful quantity).

5. In promulgating 40 CFR § 110.3, which implements Section 311(b)(4) of the Act, 33 USC § 1321(b)(4), EPA has determined that discharges of harmful quantities include oil discharges that cause either (1) a violation of applicable water quality standards or (2) a film, sheen upon, or discoloration of the surface of the water or adjoining shorelines, or (3) a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.

6. Respondent is a firm conducting business in the State of Texas, with a place of business located at 8607 Loading Dock Rd, Silsbee, TX 77656, and is a person within the meaning of Sections 311(a)(7) and 502(5) of the Act, 33 U.S.C. §§ 1321(a)(7) and 1362(5), and 40 CFR § 112.2.

7. Respondent is the owner within the meaning of Section 311(a)(6) of the Act, 33 USC § 1321(a)(6), and 40 CFR § 112.2 of a diesel, pentane, isopentane, and condensate storage facility, located in Hardin County, Texas (the facility). The approximate coordinates of the facility are 30.373206° N and -94.170461° W. Drainage from the facility flows into Mills Creek, thence into Village Creek.

8. The facility has an aggregate above-ground storage capacity greater than 1320 gallons of oil in containers each with a shell capacity of at least 55 gallons. Facility capacity is approximately 2,369,229 gallons.

9. Village Creek is a navigable water of the United States within the meaning of 40 CFR § 112.2.

10. Respondent is engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using, or consuming oil or oil products located at the facility.

11. The facility is therefore a non-transportation-related onshore facility which, due to its location, could reasonably be expected to discharge oil to a navigable water of the United States or its adjoining shorelines in a harmful quantity ("an SPCC-regulated facility").

12. Pursuant to Section 311(j)(1)(C) of the Act, E.O. 12777, and 40 CFR § 112.1 Respondent, as the owner of an SPCC-regulated facility, is subject to the SPCC regulations.

SPCC Allegations

13. Paragraphs 6 through 12 above are re-stipulated as though fully set forth herein.

14. 40 CFR § 112.3 requires that the owner or operator of an SPCC-regulated facility must prepare a SPCC plan in writing and implement that plan in accordance with 40 CFR § 112.7 and any other applicable sections of 40 CFR Part 112.

15. On February 13, 2024, EPA inspected the facility and found that Respondent had failed to develop and implement an SPCC plan for the facility as follows:

- a. Respondent failed to describe in the plan how the facility provides general secondary containment for the facility piping and the loading area near the rail rack. Additionally, respondent failed to provide in the plan and maintain at the facility appropriate containment and/or diversionary structures or equipment for the Bulk Storage Containers, Piping and related appurtenances, and Transfer areas, equipment, and activities to prevent a discharge from the facility in accordance with 40 CFR § 112.7(c).
- b. Respondent failed to provide containment for the rail spur areas where the full rail cars are stored and the rail loading rack drains to a catchment area that is not listed in the plan. Specifically, respondent failed to clearly demonstrate why secondary containment is impracticable for the rail spurs and rail rack to meet containment requirements, as required under 40 CFR § 112.7(d).
- c. Respondent failed to describe in the plan whether the facility loading/unloading rack drainage flows into a catchment basin or treatment facility designed to handle discharges or use a quick drainage system and containment system holds at least the maximum capacity of the largest single compartment of a tank car/truck loaded/unloaded at the facility. Specifically, respondent failed to

provide adequate site-specific information regarding the loading/unloading area in accordance with 40 CFR § 112.7(h)(1).

- d. Respondent failed to provide any discussion on interlocked warning light or physical barriers, warning signs, wheel chocks, or vehicle brake interlock system in the area adjacent to the loading or unloading rack to prevent vehicles from departing before complete disconnection of flexible or fixed oil transfer lines. Specifically, respondent failed to provide adequate site-specific information regarding the loading/unloading area in accordance with 40 CFR § 112.7(h)(2).
- e. Respondent failed to discuss whether lower-most drains and all outlets on tank cars/trucks are inspected prior to filling/departure, and, if necessary, ensure that they are tightened, adjusted, or replaced to prevent liquid discharge while in transit. Specifically, respondent failed to provide adequate site-specific information regarding the loading/unloading area in accordance with 40 CFR § 112.7(h)(3).
- f. The SPCC Plan and field operations do not address adequate secondary containment for the rail spur area used to store full rail cars. Specifically, respondent failed to provide adequate secondary containment for the rail rack and rail spurs. Additionally, the available containment lacks sufficient freeboard for precipitation in accordance with 40 CFR § 112.8(c)(2).
- g. The facility SPCC Plan failed to adequately address the following specific discharge prevention and containment procedures:
 - Test or inspect each aboveground container for integrity on a regular schedule and whenever material repairs are made.
 - Determine, in accordance with industry standards, the appropriate qualifications for personnel performing tests and inspections.
 - Document the frequency and type of testing and inspections in accordance with industry standards, considering the container size, configuration, and design, as required in 40 CFR § 112.8(c)(6).
- h. Respondent failed to discuss in the plan whether pipe supports are properly designed to minimize abrasion and corrosion and allow for expansion and contraction in accordance with 40 CFR § 112.8(d)(3).

16. Respondent's failure to properly develop and implement an adequate SPCC plan for the facility violated the requirements of 40 CFR § 112.3 and impacted its ability to prevent an oil spill.

Waiver of Rights

17. Respondent admits the jurisdictional allegations set forth above and neither admits nor denies the other specific violations alleged above. Respondent waives the right to a hearing under Section 311(b)(6)(B)(i) of the Act, 33 U.S.C. § 1321(b)(6)(B)(i), and to appeal any Final Order in this matter under Section 311(b)(6)(G)(i) of the Act, 33 U.S.C. §1321(b)(6)(G)(i), and consents to the issuance of a Final Order without further adjudication.

Penalty

18. The Complainant proposes, and Respondent consents to, the assessment of a civil penalty of **\$47,200.00**.

Payment Terms

Based on the forgoing, the parties, in their own capacity or by their attorneys or authorized representatives, hereby agree that:

19. Within thirty (30) days of the effective date of the Final Order, the Respondent shall pay the amount of **\$47,200.00** by means of a cashier's or certified check, or by electronic funds transfer (EFT). The Respondent shall submit this Consent Agreement and Final Order, with original signature, along with documentation of the penalty payment to:

Energy Sector Compliance Section Chief
U. S. Environmental Protection Agency
Region 6 (6ECD-WE)
1201 Elm Street
Dallas, TX 75270-2102

- If you are paying by check, pay the check to "Environmental Protection Agency," noting on the check "OSTLF-311" and docket number **CWA-06-2024-4803**. If you use the U.S. Postal Service, address the payment to:

U.S. Environmental Protection Agency, Fines & Penalties
P.O. Box 979077, St. Louis, MO 63197-9000

- If you use a private delivery service, address the payment to:

U.S. Bank
1005 Convention Plaza, Mail Station SL-MO-C2GL
St. Louis, MO 63101

- The Respondent shall submit copies of the check (or, in the case of an EFT transfer, copies of the EFT confirmation) to the following person:

Lorena Vaughn
Regional Hearing Clerk (6RC)
U.S. Environmental Protection Agency
Region 6
1201 Elm Street
Dallas, TX 75270-2102

20. Failure by the Respondent to pay the penalty assessed by the Final Order in full by its due date may subject Respondent to a civil action to collect the assessed penalty, plus interest, attorney's fees, costs, and an additional quarterly nonpayment penalty pursuant to Section 311(b)(6)(H) of the Act, 33 USC §1321(b)(6)(H). In any such collection action, the validity, amount, and appropriateness of the penalty agreed to herein shall not be subject to review.

General Provisions

21. The Final Order shall be binding upon Respondent and Respondent's officers, directors, agents, servants, employees, and successors or assigns.

22. The Final Order does not constitute a waiver, suspension, or modification of the requirements of Section 311 of the Act, 33 USC §1321, or any regulations promulgated thereunder, and does not affect the right of the Administrator or the United States to pursue any applicable injunctive or other equitable relief or criminal sanctions for any violation of law. Payment of the penalty pursuant to this Consent Agreement resolves only Respondent's liability for federal civil penalties for the violations and facts stipulated to and alleged herein.

Trecora Resources

Date: 5/14/24



Douglas Wallace
EHS Director
Trecora Resources

U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: May 16, 2024




Bryant Smalley
Chief
Water Enforcement Branch

FINAL ORDER

Pursuant to Section 311(b)(6) of the Act, 33 USC §1321(b)(6) and the delegated authority of the undersigned, and in accordance with the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits,” codified at 40 CFR Part 22, the forgoing Consent Agreement is hereby approved and incorporated by reference into this Final Order, and the Stipulations by the parties and Allegations by the Complainant are adopted as Findings in this Final Order.

The Respondent is ordered to comply with the terms of the Consent Agreement.

Date: May 21, 2024

 Digitally signed by
MARGARET OSBOURNE
Date: 2024.05.21
09:02:53 -05'00'

**Cheryl T Seager, Director
Enforcement and
Compliance Assurance Division**

Docket No. CWA-06-2024-4803

CERTIFICATE OF SERVICE

I certify that the original and one copy of the foregoing "Consent Agreement and Final Order," issued pursuant to 40 C.F.R. 22.13(b), was filed on May 21, 2024, with the Regional Hearing Clerk, U.S. EPA Region 6, 1201 Elm Street, Dallas, TX 75270-2102; and that on the same date a copy of the same was sent to the following, in the manner specified below:

Copy sent by e-mail:

NAME: Mr. Patrick Sayles
ADDRESS: 8607 Loading Dock Rd
Silsbee, TX 77656

ENOCH
JOHNBULL

Digitally signed by
ENOCH JOHNBULL
Date: 2024.05.21
13:49:54 -05'00'

Enoch Johnbull
OPA Enforcement Officer