

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
FILED

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REGION 6

REGIONAL HEARING CLERK
EPA REGION 6
IN THE MATTER OF

**South Coast Terminal L.P.
Port Terminal Facility
Harris County, TX**

Respondent.

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

Docket No. CWA-06-2017-4805

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, who has in turn delegated them to the Director of the Superfund Division of EPA, Region 6, who has, by his concurrence, re-delegated the authority to act as Complainant to the Branch Chief of the Emergency Management Branch in Region 6, Delegation No. R6-2-51, dated February 13, 2008 ("Complainant").

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 and offshore facilities.

4. EPA 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 7402 Wallisville Road, TX 77020, 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 bulk liquids terminal, the Port Terminal Facility, located in Harris County, Texas ("the facility"). The approximate coordinates of the facility are 29.72268° N and -95.26228° W. Drainage from the facility travels to the city's drainage system; thence to the Houston Ship Channel.

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 7,620,500 gallons.

9. The Houston Ship Channel 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.

13. The facility began operating before August 16, 2002.

SPCC Allegations

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 section of 40 CFR Part 112.

15. On April 4, 2017 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 adequately discuss in plan procedures to retain drainage from diked storage areas by valves to prevent a discharge into the drain system or facility effluent treatment system or include a discussion if manually activated pumps or ejectors are used and the condition of the accumulation is inspected prior to draining dike to ensure no oil will be discharged as required at 40 CFR § 112.8(b)(1).
- b. Respondent failed to discuss in plan the use of valves of manual, open-and-closed design, for drainage of diked areas as required at 40 CFR § 112.8(b)(2).
- c. Respondent failed to adequately discuss in plan that containers materials and construction are compatible with material stored and conditions of storage such as pressure and temperature as required at 40 CFR § 112.8(c)(1).
- d. Respondent failed to discuss in plan the construction of all bulk storage tank installations with secondary containment to hold capacity of largest container and sufficient freeboard for precipitation in accordance with 40 CFR § 112.8(c)(2).
- e. Respondent failed to adequately address in plan if there is drainage of contaminated rainwater from diked areas into a storm drain or open watercourse, if retained rainwater is inspected to ensure that its presence will not cause a discharge, bypass valve opened and resealed under responsible supervision and if adequate records of drainage are kept in accordance with 40 CFR § 112.8(c)(3);
- f. Respondent failed to discuss in plan testing or inspection of aboveground containers for integrity on a regular schedule and whenever material

repairs are made. The facility must determine in accordance with industry standards, the appropriate qualifications for personnel performing test and inspections, the frequency and type of testing and inspections which take into account size configuration and design, comparison records of aboveground containers integrity testing are maintained, container supports and foundations are regularly inspected, outside of containers frequently inspected for signs of deterioration, discharges, or accumulation of oil inside diked areas and records of all inspections and tests are maintained as required at 40 CFR § 112.8(c)(6).

- g. Respondent failed to discuss in plan the handling of visible discharges which result in a loss of oil from the container are promptly corrected and oil in diked areas promptly removed in accordance with 40 CFR § 112.8(c)(10).
- h. Respondent failed to discuss in plan the position of mobile or portable containers to prevent a discharge in accordance with 40 CFR § 112.8(c)(11).
- i. Respondent failed to discuss in plan the piping terminal connection at the transfer point are marked as to origin and capped or blank-flagged when not in service or in standby service in accordance with 40 CFR § 112.8(d)(2).
- j. Respondent failed to discuss in plan pipe supports are properly designed to minimize abrasion and corrosion and allow for expansion contraction in accordance with 40 CFR § 112.8(d)(3).

16. Respondent's failure to adequately develop and implement its SPCC plan for the facility violated 40 CFR § 112.3.

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 **\$9,834.00**.

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 **\$9,834.00** 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:

OPA Enforcement Coordinator
U. S. Environmental Protection Agency
Region 6 (6SF-PC)
1445 Ross Avenue
Dallas, Texas 75202-2733

- If you are paying by check, pay the check to "Environmental Protection Agency," noting on the check "**OSTLF-311**" and docket number **CWA-06-2017-4805**. 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

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- 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
1445 Ross Avenue
Dallas, TX 75202-2733

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.

South Coast Terminal LP

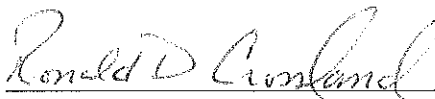


Date: 1-9-2018

Kyle Montgomery, Environmental Manager

U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: 1/12/18




**Ronald D. Crossland
Branch Chief, Emergency Management Branch
U.S. EPA, Region 6**

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: Jan 12, 2018



Carl E. Edlund, P.E.
Director
Superfund Division

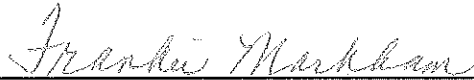
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CERTIFICATE OF SERVICE

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 1-16, 2018, with the Regional Hearing Clerk, U.S. EPA Region 6, 1445 Ross Avenue, Dallas, TX 75202-2733; and that on the same date a copy of the same was sent to the following, in the manner specified below:

Copy by certified mail,
return receipt requested:
7016 2070 0000 8417 2801

NAME: Mr. Kyle Montgomery
ADDRESS: 7402 Wallisville Road
Houston, TX 77020



Frankie Markham
OPA Enforcement Administrative Assistant