



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region 10

1200 Sixth Avenue, Suite 155, Seattle, Washington 98101

EXPEDITED SETTLEMENT AGREEMENT

Docket Number: CWA-10-2026-0192, NPDES No. Unpermitted
Penalty Amount: \$5,000, Inspection Date: July 30, 2025 and August 1, 2025

FILED

September 8, 2026

10:21AM

U.S. EPA REGION 10
HEARING CLERK

Offshore Systems, Inc. ("Respondent") is a "person," within the meaning of Section 502(5) of the Clean Water Act ("Act"), 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2. Attached is an "Industrial Non-filer Expedited Settlement Worksheet" ("Settlement Form"), which is incorporated by reference. By its signature, Complainant ("EPA") finds that Respondent is responsible for the alleged violations specified in the Settlement Form. Respondent had unauthorized discharge(s) of stormwater in violation of Section 301(a) of the Clean Water Act, 33 U.S.C. § 1311.

The EPA finds, and Respondent admits, that Respondent is subject to Section 301 of the Act, 33 U.S.C. § 1311, and that the EPA has jurisdiction over any "person" who "discharges pollutants" from a "point source" to "waters of the United States." Respondent neither admits nor denies the specific alleged violations specified in the Settlement Form or this Expedited Settlement Agreement ("Agreement").

This Agreement constitutes a Consent Agreement and Final Order, which the EPA is authorized to enter under the authority vested in the Administrator of the EPA by Section 309(g) of the Act, 33 U.S.C. § 1319(g), and by 40 C.F.R. Part 22. The parties enter into this Agreement to settle the civil violation(s) alleged in this Agreement for a penalty of \$5,000. Respondent consents to the assessment of this penalty and waives the right to: (1) contest the finding(s) specified in the Form; (2) a hearing pursuant to Section 309(g)(2) of the Act, 33 U.S.C. § 1319(g)(2); and (3) appeal pursuant to Section 309(g)(8), 33 U.S.C. § 1319(g)(8). By signing this Agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the Agreement. Respondent also agrees to bear its own costs and attorney's fees related to this Agreement.

Additionally, Respondent certifies, subject to civil and criminal penalties for making a false statement to the United States Government, that the Respondent has addressed the alleged violations identified in the Settlement Form by either: a) developing and implementing a Stormwater Pollution Prevention Plan and submitting to the permit authority a Notice of Intent to be covered by the applicable industrial stormwater permit; or b) acting to meet eligibility requirements for a waiver from industrial stormwater permit requirements as allowed by the permit authority and submitting the relevant forms (such as the No Exposure Certification form), to the permit authority.

Respondent agrees that, within thirty (30) days after the effective date of the Final Order, Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the [EPA's How to Make a Payment webpage](https://www.epa.gov/financial/additional-instructions-making-payments-epa). For additional instructions see: <https://www.epa.gov/financial/additional-instructions-making-payments-epa>.

Within 24 hours of payment, Respondent shall also e-mail proof of payment to Vanessa Oquendo at quendo.vanessa@epa.gov and the Regional Hearing Clerk at R10_RHC@epa.gov. Respondent agrees that consistent with section 162(f)(1) of the Internal Revenue Code, 26 U.S.C. § 162(f)(1), it will not deduct the penalties paid under this Agreement for federal tax purposes.

This Agreement settles the EPA's civil penalty claims against Respondent for the alleged Clean Water Act violation(s) specified in this Agreement. The EPA does not waive its rights to take any enforcement action against Respondent for any other past, present, or future civil or criminal violation of the Act or of any other federal statute or regulation. The EPA does not waive its right to issue a compliance order for any uncorrected alleged violation(s) described in the Form. The EPA has determined this Agreement to be appropriate.

This Agreement is binding on the parties signing below and effective upon filing with the Regional Hearing Clerk.

APPROVED BY THE EPA:

for Edward J. Kowalski, Director
Enforcement and Compliance Assurance Division
EPA Region 10

APPROVED BY RESPONDENT:

Name
(print): Paula Cottrell

Title
(print): Compliance Manager

Signature: Paula Cottrell Date: 7/13/2026

More than 40 days have elapsed since providing the Agreement to Alaska and the issuance of public notice pursuant to Section 309(g)(1) and (4)(A) of the Act, 33 U.S.C. § 1319(g)(1) and (4)(A), and the EPA has received no comments concerning this matter.

Vanessa Oquendo, Case Officer
Enforcement and Compliance Assurance Division

Having determined that this Agreement is authorized by law,
IT IS SO ORDERED:

Richard Mednick
Regional Judicial Officer, U.S. EPA Region 10



REGION 10
SEATTLE, WA 98101

RETURN RECEIPT REQUESTED

Ms. Paula Cottrell
Human Resources/Health, Safety, and Environmental Manager
Offshore Systems, Inc.
Captains Bay Road Mile 4
Unalaska, Alaska 99692

Re: Expedited Settlement Agreement (ESA) for Offshore Systems, Inc. in Unalaska, Alaska

Dear Ms. Cottrell:

The U.S. Environmental Protection Agency (EPA) conducted an inspection of the Offshore System's Inc. ("Respondent") facility located at Captains Bay Road Mile 4 in Unalaska, Alaska ("Facility") on July 30, 2025 and on August 1, 2025. During the inspection, the EPA identified a discharge of industrial stormwater from Respondent's Facility without authorization under the State of Alaska's Multi-Sector General Permit for Stormwater Discharges Associated with Industrial Activity (MSGP), in violation of the Clean Water Act (CWA). The alleged violations observed are outlined in the enclosed Industrial Non-Filer Expedited Settlement Worksheet ("Settlement Form").

The EPA has authority under Section 309 of the CWA, 33 U.S.C. § 1319, to take enforcement actions, including seeking civil penalties, for the alleged violations specified in the Settlement Form. The EPA has developed a process, the Industrial Non-Filer Policy, to address industrial facilities discharging stormwater without authorization under the CWA. With this correspondence, the EPA is invoking its Industrial Non-Filer Policy and offering the Respondent the opportunity to enter into the enclosed Expedited Settlement Agreement (ESA), provided the Respondent (1) has corrected the alleged violations cited in the Settlement Form and (2) agrees to pay the administrative civil penalty shown on the Settlement Form.

The EPA encourages the expedited settlement of easily verifiable and correctable violations, such as those identified in the Settlement Form. You may therefore choose to resolve the violations identified on this form quickly, without protracted litigation, by correcting the violations and signing and returning the attached ESA, in which you agree to submit payment for the reduced quick settlement penalty of **\$5,000**. The ESA is issued in accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, and the Revocation, Termination or Suspension of Permits at 40 C.F.R. Part 22.

Industrial Non-Filer Expedited Settlement Worksheet

5/5/2026 Version

Alleged Violation: Discharge of industrial stormwater from the below facility without authorization under the Clean Water Act in violation of Section 301.

SIC Code: 4225 - 4226

Receiving Water: Captain's Bay



REGION 10
SEATTLE, WA 98101

Name and Location of Facility:

Offshore Systems, Inc

Captains Bay Road Mile 4
Unalaska, Alaska 99692

Docket #:

CWA-10-2026-0192

Case Developer:

Vanessa Oquendo

Inspection Date:

7/30/25 and 8/1/25

Factor 1 - Duration of Alleged Violation (D):

Date of First 0.5" Rainfall, After
Facility Began Operating:

9/17/2021

Unpermitted through (Date)

6/18/2026

Years Operating w/o Permit
Coverage under CWA §301:

4.8

Duration Category:

>2 Years

1

Factor 2 - Company Size/Sophistication (S):

Tier Level (1-3) from Sheet 2:

Tier 1

0.5

Factor 3 - Acreage of Industrial Activity Exposed (E):

Calculated from Aerial:

11.74

Exposure Category:

2+ Acres

2

Factor 4 - Pollution Control (P):

Level of Pollution Control (P):

>75%

0.5

Factor 5 - Notification (N):

Previous written notification?

No

1

Expedited Settlement Formula:

D x S x E x P x N x \$10,000

Total Expedited Settlement Amount:

\$5,000

Eligible for ESA Policy?

Yes

Instructions: User will enter data in all white cells.

Case Developer Notes: