

STATEMENT OF BASIS (AI No. 100660)

for draft Louisiana Pollutant Discharge Elimination System permit No. **LA0109991** to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Offshore Specialty Fabricators, LLC
South Yard
Post Office Box 1420
Houma, LA 70361

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services
Post Office Box 4313
Baton Rouge, Louisiana 70821-4313

PREPARED BY: Lisa Kemp

DATE PREPARED: March 10, 2011

1. PERMIT STATUS**A. Reason For Permit Action:**

Permit reissuance of a Louisiana Pollutant Discharge Elimination System (LPDES) permit for a 5-year term

B. LPDES permit –

LPDES permit effective date: January 1, 2006
LPDES permit expiration date: December 31, 2010
EPA has not retained enforcement authority.

C. Date Application Received: December 2, 2010**2. FACILITY INFORMATION****A. FACILITY TYPE/ACTIVITY –**

oil and gas field services dismantling and salvage yard operation

Offshore Specialty Fabricators, LLC (OSFI)'s South Yard consists of a warehouse, shop, and other structures used for operating an offshore oil and gas platform contracting company. Activities conducted at the site relate to scrapping, demolition, salvaging, and, on a limited basis, refurbishing of offshore exploration and production structures. Ballast water is intermittently discharged (approximately twice per month) to load/unload extremely heavy items from work/deck barges. Ballast water comes from the Houma Navigation Canal.

Salvaged metal from disassembled offshore platforms is picked up by a commercial scrap recycler. Used oil is collected in a tank that is emptied by a used oil recycler.

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B. FEE RATE

- 1. Fee Rating Facility Type: minor
- 2. Complexity Type: II*
- 3. Wastewater Type: III
- 4. SIC code: 1389

* This facility has a primary SIC Code of 1389 with an assigned complexity type of II and a corresponding 10 point rating. However, because the only discharges from this facility are sanitary wastewater, ballast water, and stormwater runoff, the points have been BPJ'd to 0 based on similar light commercial facilities.

C. LOCATION - 115 Gulf Access Road, in Houma, Terrebonne Parish
Latitude 29° 32' 26", Longitude 90° 42' 52"

3. OUTFALL INFORMATION

Outfall 001

Discharge Type: treated sanitary wastewater
 Treatment: aerobic package treatment plant followed by 200 foot drip line with intermittent overflow to a roadside ditch
 Location: at the point of discharge where the overflow line associated with sewage treatment plant #1 enters the ditch south of the Shop Building, prior to combining with other waters
 Flow: 50 employees @ 20 gpd/employee = 1000 gpd
 Discharge Route: unnamed ditch to the Houma Navigational Canal

Outfall 002

Discharge Type: treated sanitary wastewater
 Treatment: aerobic package treatment plant
 Location: at the point of discharge from the sewage treatment facility located northeast of the shop building, prior to combining with other waters
 Flow: 6 employees @ 20 gpd/employee = 120 gpd
 Discharge Route: directly to the Houma Navigational Canal

Outfall 003

Discharge Type: facility ballast water and void water
 Treatment: none
 Location: at the point of discharge from the vessel, prior to combining with other waters
 Flow: intermittent; approximately 199,000 gpd per discharge event
 Discharge Route: directly to the Houma Navigation Canal

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4. RECEIVING WATERS

STREAM - Houma Navigational Canal

BASIN AND SEGMENT - Terrebonne Basin, Segment 120509

DESIGNATED USES - a. primary contact recreation
b. secondary contact recreation
c. propagation of fish and wildlife
d. drinking water supply

5. TMDL STATUS

Subsegment 120509, Houma Navigation Canal - from Houma to Bayou Pelton, is not listed on LDEQ's Final 2006 303(d) List as impaired, and to date no TMDL's have been established. A reopener clause will be established in the permit to allow for the requirement of more stringent effluent limitations and requirements as imposed by any future TMDLs.

6. CHANGES FROM PREVIOUS PERMIT

- A. Outfalls 001 and 002 – treated sanitary wastewater: Monthly average effluent limitations and monitoring requirements have been included in the permit for BOD₅, TSS, and Fecal Coliform. Weekly average limitations are now daily maximum limitations. These changes are based on current LDEQ guidance for similar discharges from other industrial facilities.
- B. Outfall 001 – treated sanitary wastewater: The monitoring frequency has been increased based on compliance history.
- C. Outfall 003– facility ballast and/or void water: The outfall description has been updated. The monitoring frequency for pH is now monthly in accordance with current LDEQ guidance for similar discharges from other industrial facilities.
- D. Reporting requirements for facility ballast water and void water have been updated in accordance with current LDEQ guidance for similar discharges from other industrial facilities (see Other Conditions, Paragraph H of the draft permit).
- E. General Requirements for Vessels have been updated in accordance with current LDEQ guidance for similar discharges from other industrial facilities (see Other Conditions, Paragraph G of the draft permit).

7. COMPLIANCE HISTORY/COMMENTS

- A. Inspections:
There are no recent inspections on file in EDMS for this facility. However, TEMPO lists a compliance inspection done on June 19, 2009 (Activity No. INS20090003) which revealed no areas of concern.

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- B. Enforcement Actions (COs, NOV's, Warning Letters, etc.):
 There are no open or appealed enforcement actions on file in TEMPO as of March 11, 2011.
- C. DMRs – DMRs were reviewed for the period 2007 through 2010. There were no DMRs on file for 2007. All DMRs on file for Outfall 003 reported “no discharge.” The following excursions were noted:

Outfall 001:

Parameter	Monitoring Period End Date	Permit Limit	Reported Quantity
Fecal Coliform	June, 2010	400 col/100ml (weekly average)	>6,000 col/100 ml
Fecal Coliform	December, 2009	400 col/100ml (weekly average)	>2800 col/100 ml
Fecal Coliform	June, 2009	400 col/100ml (weekly average)	>6,000 col/100 ml
Fecal Coliform	June, 2008	400 col/100ml (weekly average)	1200 col/100 ml

Outfall 003

Parameter	Monitoring Period End Date	Permit Limit	Reported Quantity
---	September, 2010	---	No report on file
---	August, 2010	---	No report on file
---	July, 2010	---	No report on file
---	June, 2010	---	No report on file
---	May, 2010	---	No report on file
---	April, 2010	---	No report on file
---	September, 2009	---	No report on file
---	August, 2009	---	No report on file
---	July, 2009	---	No report on file

- D. Company Compliance History
 Compliance Order # WE-CN-08-0602 was issued to the Offshore Specialty Fabricators' North Yard Facility on December 4, 2009 for effluent limitations violations and improper holding times for pH samples.
- E. Permit Actions Taken:
 - 1. Referral to Enforcement -
 Based on the above history, this facility was referred to the Enforcement Division on March 11, 2011 for further review. Please note that this is a referral only.

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2. Increased Monitoring Frequency –
 Monitoring frequency for Outfall 001 was increased from semiannually to quarterly based on excursions from permit limitations.

Please be aware that the Department has the authority to reduce monitoring frequencies when a permittee demonstrates two or more consecutive years of permit compliance. Monitoring frequencies established in LPDES permits are based on a number of factors, including but not limited to, the size of the discharge, the type of wastewater being discharged, the specific operations at the facility, past compliance history, similar facilities and best professional judgment of the reviewer. We encourage and invite each permittee to institute positive measures to ensure continued compliance with the LPDES permit, thereby qualifying for reduced monitoring frequencies upon permit reissuance. As a reminder, the Department will also consider an increase in monitoring frequency upon permit reissuance when the permittee demonstrates continued non-compliance.

8. EXISTING EFFLUENT LIMITS

Outfall 001 – treated sanitary wastewater
Outfall 002 – treated sanitary wastewater

Pollutant	Limitation		Frequency
	Monthly Avg	Weekly Average	
	mg/L (unless stated)		
Flow	---	Report	semiannually
BOD ₅	---	45	semiannually
TSS	---	45	semiannually
Fecal Coliform colonies/100ml	---	400	semiannually
pH, s.u.	6.0 (min)	9.0 (max)	semiannually

Outfall 003 – maintenance ballast water

Pollutant	Limitation		Reference
	Monthly Avg	Daily Max	
	mg/L (unless stated)		
Flow	Report	Report	once per discharge event
COD ¹	---	250	once per discharge event
Oil & Grease ¹	---	15	once per discharge event
Visible Sheen	---	No presence	once per discharge event
pH, s.u. ¹	6.0 (min)	9.0 (max)	once per discharge event

¹ Testing is only required if a visible sheen is present.

9. ENDANGERED SPECIES

The receiving waterbody, Subsegment 120509 of the Terrebonne Basin is not listed in Section II.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife

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Service (FWS). This strategy was submitted with a letter dated January 5, 2010 from Rieck (FWS) to Nolan (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat. Therefore, the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical habitat.

10. HISTORIC SITES

The discharge is from an existing facility location, which does not include an expansion on undisturbed soils. Therefore, there should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

11. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to reissue a permit for the discharges described in the application.

12. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation

Office of Environmental Services Public Notice Mailing List

Rationale for Offshore Specialty Fabricators, Inc.

1. **Outfall 001** - treated sanitary wastewater (estimated flow is 1000 gpd)

Pollutant	Limitation		Reference
	Monthly Avg mg/L (unless stated)	Daily Max	
Flow (gpd)	Report	Report	LAC 33:IX.2701.1.1.b
BOD ₅	30	45	Similar discharges* (BPJ), LAG530000
TSS	30	45	Similar discharges* (BPJ), LAG530000
Fecal Coliform colonies/100ml	200	400	Similar discharges* (BPJ), LAG530000
pH, s.u.	6.0 (min)	9.0 (max)	LAC 33:IX.1113.C.1

BPJ Best Professional Judgment

Treatment: Outfall 001 - aerobic package treatment plant followed by 200 foot drip line with intermittent overflow to a roadside ditch

Monitoring Frequency: Quarterly for all parameters. Monitoring frequency has been increased due to permit excursions.

Limits Justification: Limits are based on current guidance for similar discharges from other industrial facilities and the Class I Sanitary Discharge General Permit, LAG530000 effective December 1, 2007.

2. **Outfall 002** - treated sanitary wastewater (estimated flow is 120 gpd)

Pollutant	Limitation		Reference
	Monthly Avg mg/L (unless stated)	Daily Max	
Flow (gpd)	Report	Report	LAC 33:IX.2701.1.1.b
BOD ₅	30	45	Similar discharges* (BPJ), LAG530000
TSS	30	45	Similar discharges* (BPJ), LAG530000
Fecal Coliform colonies/100ml	200	400	Similar discharges* (BPJ), LAG530000
pH, s.u.	6.0 (min)	9.0 (max)	LAC 33:IX.1113.C.1

BPJ Best Professional Judgment

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Treatment: Outfall 002 – aerobic package treatment plant

Monitoring Frequency: Semiannually for all parameters

Limits Justification: Limits and monitoring frequencies are based on current guidance for similar discharges from other industrial facilities and the Class I Sanitary Discharge General Permit, LAG530000 effective December 1, 2007.

- 3. **Outfall 003** – facility ballast water and void water
 (flow is intermittent; approximately 199,000 gpd per discharge event)

Pollutant	Limitation		Reference
	Monthly Avg. mg/L	Daily Max	
Flow (gpd)	Report	Report	LAC 33:IX.2701.I.1.b
COD ¹	---	250	Similar discharges (BPJ)
Oil & Grease ¹	---	15	Similar discharges (BPJ)
Visible Sheen ²	---	No presence	Similar discharges (BPJ)
pH, s.u.	6.0 (min)	9.0 (max)	LAC 33:IX.1113.C.1

BPJ Best Professional Judgment

Treatment: none

Monitoring Frequency: 1/day for Visible Sheen. Flow, COD, and Oil & Grease shall be monitored once per event and pH shall be monitored once per month at the point of discharge from the vessel prior to combining with other waters.

Limits Justification: Limits and Monitoring Frequency are based on current guidance for similar discharges from other industrial facilities.

- 1. Discharge shall be sampled whenever there is a presence of a visible sheen.
- 2. When discharging.

* Existing permits for similar outfalls

BPJ Best Professional Judgement
 gpd gallons per day

NOTE
 For outfalls containing concentration limits, the usage of concentration limits is based on BPJ for similar outfalls since the flow is variable and estimated.

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STORM WATER POLLUTION PREVENTION PLAN (SWP3) REQUIREMENT

A SWP3 is included in the permit because in accordance with LAC 33:IX.2511.A.1, storm water discharges shall not be required to obtain an LPDES permit "... except... discharges associated with industrial activity." In accordance with LAC 33:IX.2511.B.14.a-k, facilities classified as SIC code 1389 are considered to have storm water discharges associated with industrial activity.

For first time permit issuance, the SWP3 shall be prepared, implemented, and maintained within six (6) months of the effective date of the final permit. **For renewal permit issuance**, the SWP3 shall be reviewed and updated, if necessary, within six (6) months of the effective date of the final permit. The plan should identify potential sources of storm water pollution and ensure the implementation of practices to prevent and reduce pollutants in storm water discharges associated with industrial activity at the facility (see Narrative Requirements for the AI).