

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**DOLPHIN SERVICES, L.L.C.**

**AI # 1969**

**PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT  
LA. R.S. 30:2001, ET SEQ.**

- \* **Settlement Tracking No.**
- \* **SA-WE-08-0037**
- \*
- \* **Enforcement Tracking No.**
- \* **WE-CN-03-0735**
- \* **WE-CN-03-0735A**
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**SETTLEMENT**

The following Settlement is hereby agreed to between Dolphin Services, L.L.C. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

**I**

Respondent is a limited liability company that owns and/or operates an oilfield equipment fabrication facility located in Houma, Terrebonne Parish, Louisiana ("the Facility").

**II**

On April 24, 2008, the Department issued to Respondent a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. WE-CN-03-0735, which was based upon the following findings of fact:

The Respondent owns and/or operates an oilfield equipment fabrication facility located at 400 Thompson Road in Houma, Terrebonne Parish, Louisiana. The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) Permit LA0075779 with an effective date of November 26, 1997 and an expiration date of November 25, 2002. LPDES Permit LA0075779 was

modified to make changes to some existing Outfalls and to add Outfall 007 (equipment wash wastewater); the modification became effective on November 14, 2001. The Respondent submitted a permit renewal application on or about April 29, 2002, and LPDES permit LA0075779 was administratively continued until it was reissued with an effective date of February 1, 2004, and an expiration date of December 28, 2008. LPDES permit LA0075779 authorizes the Respondent to discharge treated sanitary wastewater through external Outfalls 001, 002, and 006 and internal Outfalls 104, 105, and 108 via facility ditches into Munson Slip; thence into the Houma Navigational Canal, waters of the state. LPDES permit LA0075779 also authorizes the Respondent to intermittently discharge uncontaminated stormwater runoff, wash wastewater and previously monitored treated sanitary wastewater through external Outfalls 003, 004; the intermittent discharge of uncontaminated stormwater runoff, and wash wastewater through Outfalls 005; the intermittent discharge of equipment wash wastewater through Outfall 007, and hydrostatic test wastewater through Outfalls 003, 004, 005 or 008, through facility ditches into Munson Slip; thence into the Houma Navigational Canal, waters of the state.

An inspection conducted by the Department on or about August 4, 2000, revealed that the Respondent was discharging wastewater into waters of the state, not authorized under LPDES permit LA0075779. Specifically, at the time of the inspection, the Respondent was discharging wastewater from its oil water separator. This was in violation of La. R.S. 30:2075, La. R.S. 30:2076(A)(1)(a), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.C, LAC 33:IX.501.D, and LAC 33:IX.2311.A.1. On or about November 14, 2001, a permit modification was granted to the Respondent authorizing this discharge.

On or about February 1, 2008, a file review conducted by the Department revealed the following permit excursions, as reported by the Respondent on Discharge Monitoring Reports (DMRs):

Date	Outfall	Parameter	Permit Limit	Sample Value
January – June 2001	104	Fecal Coliform (Weekly Avg.)	400 col/100 ml	30,000 col/100 ml
January – June 2001	104	TSS (Weekly Avg.)	45 mg/L	70 mg/L
January – June 2001	104	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	91 mg/L
January – June 2001	104	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	60 mg/L
January – June 2001	006	Fecal Coliform (Weekly Avg.)	400 col/100 ml	12,000 col/100 ml
January – June 2001	002	TSS (Weekly Avg.)	45 mg/L	51 mg/L
January – June 2001	002	TSS (Weekly Avg.)	45 mg/L	56 mg/L
January – June 2001	001	TSS (Weekly Avg.)	45 mg/L	48 mg/L
January – June 2001	001	Fecal Coliform (Weekly Avg.)	400 col/100 ml	20,000 col/100 ml
January – June 2001	001	TSS (Weekly Avg.)	45 mg/L	76 mg/L
January – June 2001	001	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	97 mg/L
July – September 2001	006	TSS (Weekly Avg.)	45 mg/L	182 mg/l
July – September 2001	006	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	89 mg/L
July – September 2001	002	TSS (Weekly Avg.)	45 mg/L	64 mg/l
July – September 2001	001	Fecal Coliform (Weekly Avg.)	400 col/100 ml	2000 col/100 ml
October 2001	002	TSS (Weekly Avg.)	45 mg/L	58 mg/L
April – June 2002	104	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	52 mg/L
April – June 2002	006	TSS (Weekly Avg.)	45 mg/L	82 mg/L
April – June 2002	104	Fecal Coliform (Weekly Avg.)	400 col/100 ml	TNTC
July – September 2002	104	Fecal Coliform (Weekly Avg.)	400 col/100 ml	TNTC
July – September 2002	005	COD (Daily Maximum)	125 mg/L	145 mg/L
July – September 2002	007	COD (Weekly Avg.)	200 mg/L	10,750 mg/L
July – September 2002	007	COD (Daily Maximum)	300 mg/L	10,750 mg/L
July – September 2002	007	Oil & Grease (Daily Maximum)	15 mg/L	31 mg/L
July – September 2002	007	TSS (Daily Maximum)	45 mg/L	124 mg/L
July – December 2002	001	TSS (Weekly Avg.)	45 mg/L	58 mg/L
July – December 2002	104	Fecal Coliform (Weekly Avg.)	400 col/100 ml	650 col/100 ml

Date	Outfall	Parameter	Permit Limit	Sample Value
January – June 2003	104	Fecal Coliform (Weekly Avg.)	400 col/100 ml	8,200 col/100 ml
January – June 2003	006	Fecal Coliform (Weekly Avg.)	400 col/100 ml	40,000 col/100 ml
January – June 2003	002	Fecal Coliform (Weekly Avg.)	400 col/100 ml	28,500 col/100 ml
January – June 2003	001	Fecal Coliform (Weekly Avg.)	400 col/100 ml	3,300 col/100 ml
July – September 2003	003	COD ( Daily Maximum)	125 mg/L	193 mg/L
July – December 2003	002	TSS ( Daily Maximum)	45 mg/L	69 mg/L
October – December 2003	007	COD (Monthly Average)	200 mg/L	389 mg/L
October – December 2003	007	COD ( Daily Maximum)	300 mg/L	389 mg/L
October – December 2003	007	pH (Minimum)	6.0 S.U.	3.83 S.U.
October – December 2003	007	pH (Maximum)	9.0 S.U.	3.9 S.U.
January – March 2004	001	BOD5 (Weekly Avg.)	45 mg/L	47 mg/L
January – March 2004	001	TSS (Weekly Avg.)	45 mg/L	96 mg/L
January – March 2004	006	TSS (Weekly Avg.)	45 mg/L	150 mg/L
January – March 2004	104	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	101 mg/L
January – March 2004	104	Fecal Coliform (Weekly Avg.)	400 col/100 ml	TNTC
October – December 2004	002	TSS (Weekly Avg.)	45 mg/L	312 mg/L
October – December 2004	006	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	53 mg/L
October – December 2004	006	TSS (Weekly Avg.)	45 mg/L	142 mg/L
January – March 2005	005	COD ( Daily Maximum)	125 mg/L	181 mg/L
January – March 2006	104	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	81 mg/L
January – March 2006	104	TSS (Weekly Avg.)	45 mg/L	144 mg/l
January – March 2006	104	Fecal Coliform (Weekly Avg.)	400 col/100 ml	4,000 col/100 ml
January – March 2006	002	Fecal Coliform (Weekly Avg.)	400 col/100 ml	TNTC
January – March 2006	005	COD ( Daily Maximum)	125 mg/L	126 mg/L
January – June 2006	001	BOD <sub>5</sub> (Weekly Avg.)	45 mg/L	52 mg/L
January – June 2006	001	TSS (Weekly Avg.)	45 mg/L	58 mg/L

- TNTC = Too Numerous to Count

Each effluent violation on or before January 31, 2004 constitutes a violation of LPDES permit LA0075779 (Part I, and Part II, Page 2), La. R.S. 30:2076 (A) (1), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A. Each effluent violation after February 1, 2004 constitutes a violation of LPDES permit LA0075779 (Part I, and Part II, Page I and Part III, Section A.2), La. R.S. 30:2076 (A) (1), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A.

A file review conducted by the Department on or about February 18, 2008, revealed that the Respondent failed to submit noncompliance reports for effluent violations which occurred in 2004 through 2005. Each failure to submit a noncompliance report is a violation of LPDES permit LA0075779, (Part III, Sections A.2 and D.7), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.7.

On September 17, 2008, the Department issued to the Respondent an Amended Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. WE-CN-03-0735A, which amended Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. WE-CN-03-0735, as follows:

I.

The Department hereby deletes paragraph IV of the Findings of Fact portion of Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. WE-CN-03-0735, in its entirety.

II.

The Department incorporates all of the remainder of the original Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. WE-CN-03-0735 and Agency Interest No. 1969, as if reiterated herein.”

The Amended Consolidated Compliance Order and Notice of Potential Penalty was effective upon receipt.

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

## IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00), of which Four Hundred Sixty-Seven and 34/100 Dollars (\$467.34) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

## V

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order and Notice of Potential Penalty, the Amended Consolidated Compliance Order and Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

## VI

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

## VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

## VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Terrebonne Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

## IX

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

## X

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XI

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

**DOLPHIN SERVICES, L.L.C.**

BY: Kirk Meche  
(Signature)

Kirk Meche  
(Print)

TITLE: President - Gulf Island Fab. Inc.

THUS DONE AND SIGNED in duplicate original before me this 4 day of Feb, 20 09, at Houma, LA.

William S Bordelon  
NOTARY PUBLIC (ID # 9167)

William S Bordelon  
(Print)

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**

Harold Leggett, Ph.D., Secretary

BY: Peggy M. Hatch  
Peggy M. Hatch, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 8th day of May, 20 09, at Baton Rouge, Louisiana.

Christopher A. Rateliff  
NOTARY PUBLIC (ID # 10149)

Christopher A Rateliff  
(Print)

Approved: Peggy M. Hatch  
Peggy M. Hatch, Assistant Secretary