

STRATEGIC PETROLEUM RESERVE PROJECT MANAGEMENT OFFICE
U.S. DEPARTMENT OF ENERGY

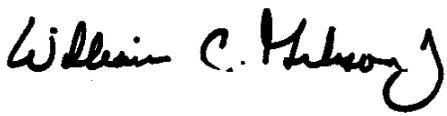
WORK AUTHORIZATION DIRECTIVE

TO

DM Petroleum Operations Company

Management and Operating (M&O) Contractor for the
U.S. Department of Energy Strategic Petroleum Reserve

1. TITLE: Environment
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2. WORK AUTHORIZATION NO.: 2012-1.J 3. REVISION: 0
4. RESOURCE REQUIREMENTS: 5. PERFORMANCE PERIOD
ESTIMATED COSTS: \$2,625,218 FROM 10/01/11 TO 09/30/12

6. DESIGNATED OFFICIAL: 

William C. Gibson, Jr.
Project Manager

7. DOE CONTRACTING OFFICER: 

Kelly M. Gele

09/08/11
Issue Date

M&O CONTRACTOR FOR STRATEGIC PETROLEUM RESERVE

Work Authorization Directive

Environment

I. DESCRIPTION OF WORK

The Contractor shall develop and implement a comprehensive Strategic Petroleum Reserve (SPR) integrated Environmental Protection Program (to include Environmental Management System elements) that incorporates applicable Department and national environmental protection and sustainability goals. The Contractor shall create and foster a pollution prevention/waste minimization ethic within the workplace and incorporate this ethic in all mission statements, project plans, and activities. The Contractor shall develop and implement sustainable environmental stewardship in compliance with DOE O 436.1 practices which will conserve water, encourage high performance buildings, reduce the generation of wastes through source reduction, recycling, and environmental preferable purchase. The Contractor shall conduct all business in a manner that will ensure the SPRPMO Sustainability Order, the SPRPMO Environmental, Safety and Health (ES&H) Manual, other SPRPMO Orders and guidance, applicable Department of Energy (DOE) Orders, and other Federal, State, and local environmental requirements are met, including the Clean Air Act, Clean Water Act, Oil Pollution Act, National Environmental Policy Act (NEPA), Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation and Liability Act/Superfund Amendments and Reauthorization Act (SARA), Safe Drinking Water Act, Coastal Zone Management Act, Endangered Species Act, National Historic Preservation Act, and applicable Executive Orders, such as pertaining to sustainability, green house gas reduction, cultural resources, floodplains, wetlands, environmental justice, procurement/ recycling and pollution control.

The Contractor shall conduct environmental surveillance and monitoring and prepare NEPA documents, permit applications, reports, and conduct special studies as directed.

The Contractor shall ensure that NEPA review and documentation are prepared for all applicable agency actions. Ensure NEPA review and documentation are conducted beginning at the conceptual stage and all modification stages. Ensure timely submission of NEPA documentation for activities received through the SPR review process.

The Contractor prepares National Pollutant Discharge Elimination System (NPDES) permit applications and, in recognition of its operator responsibilities, signs the application as co-operator with DOE.

The Contractor shall ensure that the number of permit exceedances reported on the Discharge Monitoring Reports are to the minimal extent practical, a target value of four annually or less with a maximum allowed number of eight annually.

The Contractor shall ensure that the number of reportable releases to the environment is to the minimal extent practical, a target value of four or less for the fiscal year with a maximum allowed number of six for the fiscal year.

As a part of the Environmental Program, the Contractor shall develop, implement, and maintain a Waste Management Program to include pollution prevention, environmentally preferable purchasing, waste reduction, recycling, waste minimization, characterization, certification, and removal; documentation and maintenance of environmental records; and appropriate manual(s) describing and documenting compliance with Federal, State, and local regulations and applicable DOE Orders, directives, and Executive Orders. The Contractor will act on behalf of the Department of Energy (DOE) with regard to proper waste classification, representation, shipment, and disposal and represent all waste streams in accordance with all local, State, and Federal rules and regulations. The Contractor supports preparation of and signs as required, on behalf of DOE, all waste-related documents and provides the above activities in support of other DOE prime contractors, who will coordinate their schedules and activities with the Contractor's Environmental organization. The Contractor shall ensure that 58 percent of sanitary waste from all operations is recycled.

As a part of the Environmental Program, the Contractor shall develop, implement, and maintain an Environmental Restoration Program, as directed, to include technical and administrative support for DOE. Provide program cost estimate, schedule, and planning support; perform or procure services for site characterization activities; and perform remedial actions as authorized by the Contracting Officer, including corrective actions for environmental management and SPR activities.

The Contractor shall perform the following Environmental Program activities:

A. Administration

1. The administrative function involves qualified supervision and administrative support staff. The staff will perform the following general support functions for the Environmental Program:
 - a. Develop and maintain a trackable identifiable Environmental Program Budget cross-walked with DOE Fiscal Year Budgets.
 - b. Prepare, review, and update the various permits, reports, and documents as required by DOE and regulatory agencies; serve as repository of all official governmental environmental records, as required by environmental regulations and DOE Records Disposition Regulations.
 - c. Prepare and make presentations as required by DOE.
 - d. Oversee all environmental activities.
 - e. Administer DM Petroleum Operations Company (DM) Environmental subcontracts affecting the environment where designated as Subcontract Manager's Technical Representative.
 - f. Coordinate with DOE environmental counterparts to ensure DOE's timely awareness of environmental issues/problems, proposed regulatory requirements, and knowledge of operating procedures.
 - g. Maintain current ES&H standards affecting the SPR.
 - h. Participate in Governmental and Industrial environmental partnerships, boards, councils, and award programs, as requested by DOE.
 - i. Ensure compliance with DOE O 436.1 Departmental Sustainability, Contractor Requirements Document.
 - j. Ensure compliance with SPRPMO O 451.1D, National Environmental Policy Act Implementation Plan.

B. Self-Assessment Program

1. Implement the Environmental Appraisal System in accordance with Chapter 10 of the DM Quality Assurance Procedures - Version 2 (ASI5700.15) and DM Organizational and Management Assessment (NOI 1000.72).
2. Track and trend corrective actions for identified deficiencies.
3. Ensure self-assessments are submitted to SPRPMO and formally tracked in the Contractor Assurance System.

C. Permitting

1. Maintain an environmental program that ensures regulatory permitting compliance.
2. Maintain current status of existing and proposed regulations affecting permitting.
3. Submit timely permit applications for the SPR for new, modified, or existing requirements.

D. Program Elements

1. Protection of Air Quality. Ensure compliance with the Clean Air Act and related Federal and State regulations and orders. Activities include source monitoring; surveillance activities; emission source and control device permitting application and maintenance; air contaminant source control operations; and reporting. Maintain and provide as required accurate air metrics data.
2. Protection of Water Quality. Ensure compliance with the Clean Water Act, Oil Pollution Act, Safe Drinking Water Act, and related Federal and State regulations and orders. Activities include groundwater protection; permit applications and maintenance; discharge facility treatment/control generation and maintenance; effluent monitoring and environmental surveillance; spill prevention, control and countermeasures; well head protection; and corresponding State requirements; and reporting. Ensure timely and accurate submission as required of the following regulatory requirements: Coastal Zone Management Consistency Determinations; Corps of Engineers Section

10 and Section 404 Permit Applications; Discharge Permit Applications/Modifications; and Water Metrics.

3. Solid and Hazardous Waste Generation and Control. Ensure compliance with the Resource Conservation and Recovery Act and the Solid Waste Disposal Act, and related Federal and State regulations, applicable DOE Orders and Executive Orders. Activities include waste characterization, certification, accumulation, handling, and removal activities to assure conformance with applicable Federal and State regulations and orders; to assure that oversight and support are provided to operations and maintenance of facilities; and reporting. Maintain and provide as required accurate Waste Summary Reports for all waste generated on SPRPMO sites. Conduct inspections of Off-Site Treatment Storage Disposal (TSD) facilities.
4. Control of Toxic Substances. Ensure compliance with the Federal Insecticide, Fungicide, and Rodenticide Act; the Toxic Substance Control Act; Superfund Amendments and Reauthorization Act; and the Comprehensive Environmental Response Compensation, and Liability Act; related Federal and State regulations, applicable DOE Orders and Executive Orders; and reporting.
5. Pollution Prevention and Waste Minimization. Ensure compliance with the Pollution Prevention Act and applicable DOE Orders. Activities include maintenance of waste minimization, pollution prevention, and affirmative procurement programs; to assure conformance with applicable Federal and State regulations, applicable DOE Orders and Executive Orders, and to assure that oversight and support are provided to operations and maintenance of facilities. Identify pollution prevention opportunities and implement a program to develop employee pollution prevention awareness. Maintain and provide as required accurate affirmative procurement statistics.
6. Management, Oversight, and Reporting. Ensure the SPR Environmental Management System (EMS) maintains conformance with the ISO 14001-2004 standard. The ISO 14001-2004 EMS is the supporting environmental element to the SPR Integrated Safety Management System. Provide oversight and direction of all environmental activities to assure compliance with applicable Federal, state, and local laws, regulations, applicable DOE Orders and Executive Orders. Activities include general program oversight; maintain ES&H Compliance Program; management of ES&H information systems; development of environmental protection

strategies and plans; coordination with Federal, state, and local regulators; environmental surveillance and monitoring; internal and external communications; community outreach; Environmental Advisory Committee; program evaluation and reporting; and ensuring compliance with the National Environmental Policy Act, Coastal Zone Management Act, Endangered Species Act, National Historic Preservation Act, and related Federal and State regulations and orders. Ensure timely and accurate submission as required of the following regulatory requirements: air emissions permit applications/modifications; general permit review against projects; NEPA assessments, documentation/evaluations/categorical exclusions (CXs); fee payments, permit usage, and license fee; environmental incident reports (spills, noncompliances, and releases). Ensure timely and accurate submission as required of the following: environmental program briefing/project review; corrective action plans; implementing procedures (site and program); special study reports; and quarterly status briefing of all the Environmental Contractor Assurance System (CAS) activities required for completion in the previous quarter.

II. DELIVERABLES

Deliverables are classified as: A. Regulatory Requirements - based in law or regulation; B. Headquarters Requirements – driven by direction or order from DOE Headquarters; and C. Local Requirements – based on agreements or direction by DOE locally. Dates are indicated where feasible; however, should one of the below dates become inconsistent with an official milestone, the milestone shall govern. Electronic via Link to a Document Management System and hard copies are distinguished by the letters E and H, respectively. Deliverables include, but are not limited, the following:

A. <u>Regulatory Requirements</u>	<u>Due</u>
Water Appropriation Report (H)	February 10
Hazardous Waste Generator Reports (H)	February 15
Superfund Amendments and Reauthorization Act (SARA) Title III, Tier II Reports to Agencies (E) and (H)	March 1
Emission Inventory Questionnaire to Texas Commission for Environmental Quality (TCEQ) for Big Hill (H)	March 30
Emission Inventory Questionnaire to Texas Commission for Environmental Quality (TCEQ) for Bryan Mound (H)	March 30

<u>A. Regulatory Requirements (continued)</u>	<u>Due</u>
Annual SPR Performance Track Report to Clean Texas (E)	As Required
Waste Water Operations Company Certificate (H)	June 22
Toxic Release Inventory (TRI) Form R to Agencies (H)	As Required
Pipeline T-4C Reports to Railroad Commission of Texas (RCT) (H)	November 3
Final Discharge Monitoring Reports (Hydrostatic) to LDEQ (H)	October 28, January 27, April 27, July 27
Coastal Zone Management Consistency Determinations (H)	As Required
Corps of Engineers Section 10 and Section 404 Permit Applications (H)	As Required
General Permit Review Against Projects (H)	As Required
Discharge Permit Applications/Modifications (H)	As Required
Air Emissions Permit Applications/Modifications (H)	As Required
NEPA Documentation/Evaluations/Categorical Exclusions (CXs)/Environmental Assessments (EAs) (H)	As Required
Fee Payments, Permit Usage, and License Fee (H)	As Required
Environmental Incident Reports (Spills, Noncompliances, Releases) (H)	As Required

<u>B. DOE Headquarters Requirements</u>	<u>Due</u>
Annual NEPA Planning Summary (E)	January 27
Questionnaire on FY 2008 Archeological Activities (E)	March 5
NEPA Supplement Analysis (E) and (H)	As Required
Environmental Monitoring Plan (E) and (H)	May 18
Environmental Conflict Resolution Questionnaire (E) and (H)	July 27
Site Environmental Report (E) and (H)	September 28
Annual Pollution Prevention Awards and Accomplishments (E) and (H)	November 29
FY 2011 Annual Affirmative Procurement (RCRA/EO13101) Report (E) and (H)	November 3
Annual Waste Generation and Recycling Progress Report (E) and (H)	December 1
Council for Environmental Quality Report into CARS (E)	December 12
Executive Order 13287 Preserve America Report – Historic Properties (E) and (H)	As Required
Executive Order 13514, Federal Leadership in Environment, Energy, and Economic Performance Reporting (E)	As Required
Executive Order 13423, Strengthening Federal Environment, Energy, and Transportation Management (E)	As Required
SPR Site Sustainability Plan (E)	As Required
Annual SPR Sustainability Projects List Update and Management Briefing (E) and (H)	May 4
Submit a Self-Assessment Report (E)	September 28

<u>C. Local Requirements</u>	<u>Due</u>
Environmental Advisory Committee Annual Report (H)	April 2
Publish Environmental Instructions Manual (E)	August 13
ISO 14001-2004 Environmental Management System Manual Revision (E)	September 30
Environmental Policy Update (E)	December 16
ES&H Standards Set Update (E)	October 28, January 31, April 27, July 27
ISO 14001-2004 Registrar Audit (E)	December 28, June 1
ISO 14001-2004 Management Review (E)	January 20, July 25
Environmental CAS Update (E)	August 15

III. PERFORMANCE MEASURES

Implement an effective Environmental Program.

See Attachment 1 for Performance Measures.

WAD NUMBER: 2012-1.J
PERFORMANCE AREA: Environment
FISCAL YEAR: 2012

CRITERIA	PERFORMANCE MEASURE	FY 2012 OUTPUT	
		MINIMUM	TARGET
1. Sustainable Environmental Goals			
a. Pollution Prevention (P2 Goals)/Waste Reduction:			
(1) Amount hazardous waste generated.	(1) Total amount of hazardous waste generated annually.	(1) N/A	(1) ≤ 400 pounds
(2) Amount sanitary waste generated.	(2) Total amount of sanitary (non-hazardous) waste generated annually.	(2) N/A	(2) ≤ 0.600 million pounds
b. Environmentally Preferable Procurement.			
	(1) Purchase of EPA-designated recycled-content products.	(1) N/A	(1) 100 percent
	(2) Purchase of Department of Agriculture designated biobase-content products.	(2) N/A	(2) 100 percent