

**TCEQ DOCKET NO. 2023-1560-MWD**

**APPLICATION BY BAHAMAS                    §                    BEFORE THE**  
**LAGUNA AZURE, LLC FOR NEW           §                    TEXAS COMMISSION ON**  
**TPDES PERMIT WQ0016186001       §                    ENVIRONMENTAL QUALITY**

**APPLICANT BAHAMAS HOMES, LLC'S**  
**RESPONSE TO HEARING REQUESTS**

Applicant Bahamas Laguna Azure, LLC (“*Bahamas*”) files this response to the Requests for Contested Case Hearing (the “*Hearing Requests*”) submitted on Bahamas’s application for Texas Pollutant Discharge Elimination System (“*TPDES*”) Permit No. WQ0016186001 (“*Application*”). Bahamas does not object to the hearing requests filed by Royse City (the “*City*”) and the North Texas Municipal Water District (“*NTMWD*”), but respectfully requests that the Commissioners of the Texas Commission on Environmental Quality (“*TCEQ*”) narrow the issues for hearing.

**I.      FACTUAL AND PROCEDURAL BACKGROUND**<sup>1</sup>

As explained in the Application, TPDES Permit No. WQ0016186001 (“*Permit*”) would provide wastewater treatment capacity to 1,750 equivalent single family residential connections for the Bahamas Laguna Azure development located generally south of the City in Rockwall County, Texas. TCEQ received Bahamas’ Application on July 1, 2022, to authorize the discharge of treated domestic wastewater at a volume not to exceed a daily average flow of 525,000 gallons per day in the final phase. TCEQ Executive Director (“*ED*”) staff determined the Application to be administratively complete on August 10, 2022. The Notice of Receipt of Application and Intent to Obtain Water Quality Permit was published on August 24-25, 2022. The first Notice of

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<sup>1</sup> The background relating to the procedural steps is largely duplicative of the information in the TCEQ Commissioners’ Integrated Database and in the ED’s Response to Public Comment (“*RTC*”).

Application and Preliminary Decision (“*NAPD*”) was mailed on December 8, 2022. A combined Notice of Public Meeting and second *NAPD* was mailed on March 1, 2023, and published on March 9-10, 2023. A public meeting was held on April 13, 2023, after which the public comment period closed. The ED’s Response to Public Comment (“*RTC*”) and ED’s Final Decision Letter were mailed on July 17, 2023, and the deadline for requests for a contested case hearing was August 16, 2023. The only timely requests for a contested case hearing were those filed by the City and NTMWD (“*Hearing Requests*”).

Because the Application was administratively complete on or after September 1, 2015, it is subject to the procedural requirements adopted pursuant to House Bill 801, 76th Legislature, 1999, and Senate Bill 709, 84th Legislature, 2015.

## **II. ISSUES RAISED IN THE HEARING REQUESTS**

Since Bahamas does not object to the City’s or NTMWD’s Hearing Requests, Bahamas only addresses the issues which should be referred to the State Office of Administrative Hearings (“*SOAH*”) for a contested case hearing if one or both of the Hearing Requests are granted. The only issues that can be referred to *SOAH* are issues which involve a disputed question of fact or a mixed question of law or fact raised by a Hearing Requester whose hearing request is granted, during the public comment period that was not withdrawn, and only if the issue is relevant and material to the decision on the application.<sup>2</sup>

As explained in the ED’s *RTC*, the only issues raised by the City and NTMWD, and the only issues that should be referred to *SOAH*, are:

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<sup>2</sup> See 30 TEX. ADMIN. CODE §§ 50.115(c) and (f)-(g), 55.211(b)(3)(A), 55.211(c)(2)(A)(ii).

1. Whether the Commission should deny or alter the terms and conditions of the draft permit based on consideration of wastewater regionalization under Tex. Water Code §§ 26.0282 and 26.081.<sup>3</sup>
2. Whether the draft permit is protective of water quality and the existing uses in the receiving waters under the applicable surface water quality standards in 30 TAC Chapter 307.<sup>4</sup>
3. Whether the draft permit complies with applicable antidegradation requirements.<sup>5</sup>

### III. CONCLUSION AND PRAYER

For the foregoing reasons, Bahamas respectfully requests that, if one or both of the Hearing Requests are granted, the Commission limit the issues for referred to SOAH for a contested case hearing to the three issues identified above. Bahamas further respectfully requests that if the Application is referred to SOAH, that the Commissioners direct SOAH to issue a proposal for decision by the 180th day after the first day of the preliminary hearing.<sup>6</sup>

Respectfully Submitted,



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<sup>3</sup> This is the only issue raised in NTMWD's January 4, 2022 letter requesting a contested case hearing, and was also raised in the City's April 13, 2023 and August 16, 2023 letters.

<sup>4</sup> This issue was raised in the City's April 13, 2023 and August 16, 2023 letters.

<sup>5</sup> This issue was raised in the City's April 13, 2023 and August 16, 2023 letters.

<sup>6</sup> See 30 TEX. ADMIN. CODE §50.115(d)(2).

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of Bahama Laguna Azure, LLC's foregoing Response to Hearing Requests has been forwarded via electronic mail or U.S. Mail to the persons on the mailing list attached hereto, on August 5, 2024.

By:  \_\_\_\_\_  
Derek Seal

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TCEQ Docket No. 2023-1560-MWD; TPDES Permit No. WQ0016186001

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