

TCEQ DOCKET NO. 2026-0332-MWD

APPLICATION BY	§	BEFORE THE TEXAS
MEGATEL HOMES III LLC, and TRES	§	
RIOS PROPERTIES LLC FOR TPDES	§	COMMISSION ON
PERMIT	§	
NO. WQ0016390001	§	ENVIRONMENTAL QUALITY

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

I. INTRODUCTION

The Executive Director (ED) of the Texas Commission on Environmental Quality (the Commission or TCEQ) files this Response to Hearing Requests on the application by Megatel Homes III LLC, and Tres Rios Properties LLC (Applicant) for new Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0016390001 to authorize the discharge of domestic wastewater treated at a daily average flow not to exceed 0.15 million gallons per day (MGD) in the Interim I phase, 0.33 MGD in the Interim II phase, and an annual average flow not to exceed 1.33 MGD in the Final phase. The Office of the Chief Clerk received timely contested case hearing requests from Janice Neumann.

Attached for Commission consideration are satellite maps of the area and an appendix showing the locations of the facility and requesters.¹

II. ATTACHMENTS FOR COMMISSION CONSIDERATION

- Attachment A — ED's GIS Maps

III. DESCRIPTION OF THE FACILITY, DISCHARGE ROUTE, AND THE EXECUTIVE DIRECTOR'S TECHNICAL REVIEW

Megatel Homes III, LLC, Tres Rios Properties, LLC (Applicants) submitted an application to TCEQ for new TPDES Permit No. WQ0016390001 to authorize the discharge of domestic wastewater treated at a daily average flow not to exceed 0.15 million gallons per day (MGD) in the Interim I phase, 0.33 MGD in the Interim II phase, and an annual average flow not to exceed 1.33 MGD in the Final phase. The proposed wastewater treatment facility will serve the Tres Rios development, an approximately 1,060-acre tract that will be developed into single residential lots and multi-family residential units. If the permit is issued, the Tres Rios Wastewater Treatment Facility (WWTF) will be an activated sludge process plant operated in the complete mix. Treatment units in the Interim I phase will include a lift station, a bar screen, two aeration basins, a final clarifier, two sludge digesters, and a chlorine contact chamber. Treatment units in the Interim II phase will include a lift station, a bar screen, three aeration basins, one final clarifier, two sludge digesters, and a chlorine contact chamber. Treatment units in the Final phase will include lift station, a bar screen, twelve aeration basins, four final clarifiers, eight sludge digesters, and four chlorine contact chambers and a dechlorination chamber. The facility has not been constructed.

The wastewater treatment facility and disposal site will be located approximately 2.5 miles southeast of the intersection of Algoa Friendswood Road and Farm-to-Market

¹ The Requester's location on the Executive Director's map depicts their physical location based on the information provided by the Requester in their hearing request.

Road 517, in Galveston County, Texas 77511. The treated effluent will be discharged to Gulf Coast Water Authority Canal G, thence to Galveston County Reservoir. During rare occurrences when the water in Galveston County Water Reservoir overtops its spillway, the discharge route will be to Gulf Coast Water Authority Canal G, thence to Galveston County Water Reservoir, thence via spillway to Dickinson Bayou Tidal in Segment 1103 of the San Jacinto-Brazos Coastal Basin.

The effluent limitations and monitoring requirements for those parameters that are limited in the draft permit are as follows:

The draft permit includes the following proposed effluent limitations and monitoring requirements. All flows are expressed in million gallons per day (MGD). All pH values are expressed in standard units (SU). Concentration values are expressed in milligrams per liter (mg/L). Bacteria values are expressed in colony-forming units (CFU) or most probable number (MPN) per 100 milliliters (CFU or MPN/100 mL).

The pH must not be less than 6.0 standard units (SU) nor greater than 9.0 SU and must be monitored once per month by grab sample. There must be no discharge of floating solids or visible foam in other than trace amounts and no discharge of visible oil. The effluent must contain a minimum dissolved oxygen of 4.0 mg/L and must be monitored once per week by grab sample.

Table 1. Interim I Phase Effluent Limitations: Outfall 001

Parameter/Pollutant	Daily Average		7-day Average	Daily Maximum	Single Grab
	lbs/day	mg/L	mg/L	mg/L	mg/L
Flow	0.15 MGD		-	417 gpm (2-hr peak)	-
Carbonaceous Biochemical Oxygen Demand, 5-day (CBOD5)	13	10	15	25	-
Total Suspended Solids (TSS)	19	15	25	40	-
Ammonia Nitrogen (NH ₃ -N)	3.8	3	6	10	-
Dissolved Oxygen (DO) minimum	4.0 mg/L		-	-	-
<i>E. coli</i> (CFU or MPN/100 mL)	63		N/A	N/A	-
pH, standard units (SU)	6.0, min		-	9.0, max	-

Table 2. Interim II Phase Effluent Limitations: Outfall 001

Parameter/Pollutant	Daily Average		7-day Average	Daily Maximum	Single Grab
	lbs/day	mg/L	mg/L	mg/L	mg/L
Flow	0.33 MGD		-	917 gpm (2-hr peak)	-
Carbonaceous Biochemical Oxygen Demand, 5-day (CBOD ₅)	28	10	15	25	-
Total Suspended Solids (TSS)	41	15	25	40	-
Ammonia Nitrogen (NH ₃ -N)	8.3	3	6	10	-
Dissolved Oxygen (DO) minimum	4.0 mg/L		-	-	-
<i>E. coli</i> (CFU or MPN/100 mL)	63		N/A	N/A	399
pH, standard units (SU)	6.0, min		9.0, max	-	-

Table 3. Final Phase Effluent Limitations: Outfall 001

Parameter/Pollutant	Daily Average		7-day Average	Daily Maximum	Single Grab
	lbs/day	mg/L	mg/L	mg/L	mg/L
Flow	1.33 MGD		-	3,694 gpm (2-hr peak)	-
Carbonaceous Biochemical Oxygen Demand, 5-day (CBOD ₅)	55	5	10	20	-
Total Suspended Solids (TSS)	55	5	10	20	-
Ammonia Nitrogen (NH ₃ -N)	22	2	5	10	-
Dissolved Oxygen (DO) minimum	5.0 mg/L		-	-	-
<i>E. coli</i> (CFU or MPN/100 mL)	63		N/A	N/A	399
pH, standard units (SU)	6.0, min		9.0, max	-	-

Procedural History

The permit application was received on August 11, 2023, and declared administratively complete on October 4, 2023. The Notice of Receipt and Intent to Obtain a Water Quality Permit (NORI) was published on October 24, 2023, in the *Galveston County Daily News* and on November 1, 2023, in *La Voz de Houston*. The second revised combined NORI and Notice of Application and Preliminary Decision (NAPD) was published on April 2, 2025, in the *Galveston County Daily News* and *La Voz de Houston*. The combined amended Notice of Public Meeting, NORI, and NAPD was published on June 11, 2025, in the *Galveston County Daily News* and *La Voz de Houston*.

The public comment period ended on July 22, 2025. This application was filed on or after September 1, 2015; therefore, this application is subject to the procedural requirements adopted pursuant to House Bill (HB) 801, 76th Legislature (1999), and Senate Bill (SB) 709, 84th Legislature (2015), both implemented by the Commission in its rules in 30 TAC Chapters 39, 50, and 55. The Texas Legislature enacted Senate Bill 709,

effective September 1, 2015, amending the requirements for comments and contested case hearings This application is subject to those changes in the law.

IV. ACCESS TO RULES, LAWS, AND RECORDS

- All administrative rules: Secretary of State Website: www.sos.state.tx.us
- TCEQ rules: Title 30 of the Texas Administrative Code: www.sos.state.tx.us/tac/ (select TAC Viewer on the right, then Title 30 Environmental Quality)
- Texas statutes: www.statutes.capitol.texas.gov
- TCEQ website: www.tceq.texas.gov (for downloadable rules in WordPerfect or Adobe PDF formats, select “Rules, Policy, & Legislation,” then “Current TCEQ Rules,” then “Download TCEQ Rules”);
- Federal rules: Title 40 of the Code of Federal Regulations (C.F.R.) http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40tab_02.tpl
- Federal environmental laws: <http://www.epa.gov/lawsregs/>
- Environmental or citizen complaints may be filed electronically at: www.tceq.texas.gov/compliance/complaints (select “online form”) or by sending an email to the following address: complaint@TCEQ.texas.gov

Commission records for the WWTF are available for viewing and copying at TCEQ’s main office in Austin, 12100 Park 35 Circle, Building F, 1st Floor (Office of Chief Clerk, for the current application until final action is taken). Some documents located at the Office of the Chief Clerk may also be located in the TCEQ Commissioners’ Integrated Database at www.tceq.texas.gov/goto/cid. The permit application has been available for viewing and copying at New Braunfels Public Library, 700 East Common Street, New Braunfels, Texas, since publication of the NORI. The final permit application, proposed permit, statement of basis/technical summary, and the ED’s preliminary decision are available for viewing and copying at New Braunfels Public Library, 700 East Common Street, New Braunfels, Texas.

V. EVALUATION OF HEARING REQUESTS

House Bill 801 established statutory procedures for public participation in certain environmental permitting proceedings, specifically regarding public notice and public comment and the Commission’s consideration of hearing requests (Requests). The Commission implemented HB 801 by adopting procedural rules in 30 TAC chapters 39, 50, and 55. Senate Bill 709 revised the requirements for submitting public comment and the commission’s consideration of Requests. This application was declared administratively complete on August 30, 2022; therefore, it is subject to the procedural requirements adopted pursuant to both HB 801 and SB 709.

A. Legal Authority to Respond to Hearing Requests

“The executive director, the public interest counsel, and applicant may submit written responses to [hearing] requests”²

1. whether the requester is an affected person;
2. whether issues raised in the hearing request are disputed;
3. whether the dispute involves questions of fact or law;

² 30 TEX. ADMIN CODE § 55.209(d).

4. whether the issues were raised during the public comment period;
5. whether the hearing request is based on issues raised solely in a public comment withdrawn by the commenter by filing a written withdrawal letter with the chief clerk prior to the filing of the ED's Response to Comment;
6. whether the issues are relevant and material to the decision on the application; and
7. a maximum expected duration for the contested case hearing.³

B. Hearing Request Requirements

To consider a Request, the Commission must first conclude that the requirements in 30 TAC §§ 55.201 and 55.203, are met as follows.

A request for a contested case hearing by an affected person must be in writing, filed with the chief clerk within the time provided . . . , based only on the requester's timely comments, and not based on an issue that was raised solely in a public comment withdrawn by the commenter in writing by filing a withdrawal letter with the chief clerk prior to the filing of the ED's Response to Comment.⁴

A hearing request must substantially comply with the following:

- (1) give the name, address, telephone number, and where possible, fax number of the person who files the request. If the request is made by a group or association, the request must identify one person by name, address, daytime telephone number, and where possible, fax number, who is responsible for receiving all official communications and documents for the group;
- (2) identify the person's justiciable interest affected by the application, including a brief, but specific, written statement explaining in plain language the requester's location and distance relative to the facility or activity that is the subject of the application and how and why the requester believes he or she will be adversely affected by the facility or activity in a manner not common to members of the general public;
- (3) request a contested case hearing;
- (4) for applications filed;

(B) on or after September 1, 2015, list all relevant and material disputed issues of fact that were raised by the requester during the public comment period and that are the basis of the hearing request. To facilitate the commission's determination of the number and scope of issues to be referred to hearing, the requester should, to the extent possible, specify any of the ED's responses to the requester's comments that the requester disputes, the factual basis of the dispute, list any disputed issues of law; and

- (5) provide any other information specified in the public notice of application.⁵

C. Requirement that Requester be an Affected Person

To grant a contested case hearing, the commission must determine, pursuant to 30 TAC § 55.203, that a requester is an affected person.

- (a) For any application, an affected person is one who has a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the

³ *Id.* at § 55.209(e).

⁴ 30 TEX. ADMIN CODE § 55.201(c).

⁵ *Id.* at § 55.201(d).

application. An interest common to members of the public does not qualify as a personal justiciable interest.

- (b) Governmental entities, including local governments and public agencies with authority under state law over issues raised by the application, may be considered affected persons.
- (c) In determining whether a person is an affected person, all factors shall be considered, including, but not limited to, the following:
 - (1) whether the interest claimed is one protected by the law under which the application will be considered;
 - (2) distance restrictions or other limitations imposed by law on the affected interest;
 - (3) whether a reasonable relationship exists between the interest claimed and the activity regulated;
 - (4) likely impact of the regulated activity on the health and safety of the person, and on the use of property of the person;
 - (5) likely impact of the regulated activity on use of the impacted natural resource by the person; and
 - (6) whether the requester timely submitted comments on the application which were not withdrawn; and
 - (7) for governmental entities, their statutory authority over or interest in the issues relevant to the application.⁶
- (d) In making this determination, the commission may also consider, to the extent consistent with case law:
 - (1) the merits of the underlying application and supporting documentation in the commission's administrative record, including whether the application meets the requirements for permit issuance;
 - (2) the analysis and opinions of the ED; and
 - (3) any other expert reports, affidavits, opinions, or data submitted by the ED, the applicant, or hearing requester.⁷

D. Referral to the State Office of Administrative Hearings

“When the commission grants a request for a contested case hearing, the commission shall issue an order specifying the number and scope of the issues to be referred to State Office of Administrative Hearing (SOAH) for a hearing.”⁸ “The commission may not refer an issue to SOAH for a contested case hearing unless the commission determines that the issue:

- (1) involves a disputed question of fact or a mixed question of law and fact;
- (2) was raised during the public comment period by an affected person; and
- (3) is relevant and material to the decision on the application.”⁹

⁶ 30 TEX. ADMIN CODE § 55.203(a)-(c).

⁷ *Id.* at § 55.203(d).

⁸ 30 TEX. ADMIN CODE § 50.115(b).

⁹ *Id.* at § 55.203(d).

VI. ANALYSIS OF THE HEARING REQUESTS

For this permit application the relevant public comment period ended on May 5, 2025, and the time for filing Requests for a Hearing or a Request for Reconsideration (RFR) ended on November 13, 2025. The ED's analysis determined whether the Requests followed TCEQ rules, if the requesters qualify as affected persons, what issues may be referred for a possible hearing, and the length of that hearing.

A. **Parties the ED recommends the Commission find to be not Affected Persons**

Janice Neumann

Janice Neumann submitted timely comments and a hearing request on October 29, 2023. Ms. Neumann's request contained her name, address, and phone number pursuant to 30 TAC § 55.201(d). According to the address provided in the hearing request, the property identified in the request is 1.75 miles from the proposed outfall location.

Ms. Neumann's request raised issues concerning groundwater, livestock, and wildlife within the Bayou Wildlife Zoo.

Under 30 TAC § 55.201(d)(4)(B), requests for contested case hearings must list all relevant and material disputed issues of fact that were raised by the requester during the public comment period. In her request, Ms. Neumann raised concerns about flood-related impacts; however, this is an issue beyond the scope of this application and generally outside the commission's jurisdiction. Ms. Neumann also raised concerns about groundwater beneath her property being affected. Additionally, she raised concern about the impact to the health of her livestock. Both issues are relevant to the extent they are related to potential water quality impacts; however, Ms. Neumann lives approximately 1.75 miles northwest¹⁰ of the outfall location. The discharge route also heads in a north easterly direction, further away from her property.¹¹

Under 30 TAC § 55.201(d)(4)(B), requests for contested case hearings must list all relevant and material disputed issues of fact that were raised by the requester during the public comment period. These concerns identify how the facility might affect her in a manner not common to the general public.¹²

Janice Neumann's residence is located approximately 1.75 miles away from the outfall site. Her concerns about the impact it could have on ground water and livestock are not sufficiently articulated as to how the facility may affect them in a way not common to the general public due to the distance from the outfall. Ms. Neumann also specifically raised the concern of wildlife exclusively located on the Bayou Wildlife Zoo. Limiting this concern to a property not of her own coupled with the distance from the outfall location both do not show how the facility might affect her in a manner not common to the general public.

The Executive Director recommends the Commission find that Janice Neumann is not an affected person.

¹⁰ See Attachment A ED's GIS MAP.

¹¹ *Id.*

¹² This application initially had an outfall location approximately adjacent to Ms. Neumann's property. Her property was also along the 1-mile discharge route. Since then, the outfall location was moved by the applicant, which placed the discharge along a separate route.

VII. ISSUES RAISED IN THE HEARING REQUESTS:

The Executive Director has analyzed issues raised in accordance with the regulatory criteria. The issues discussed were raised during the public comment period and addressed in the Response to Comments. None of the issues were withdrawn. For applications submitted on or after September 1, 2015, only those issues raised in a timely comment by a requester whose request is granted may be referred.¹³

- 1. Whether the Draft Permit is adequately protective of surface water quality in accordance with the applicable laws and regulations, including the Texas Surface Water Quality Standards in 30 Tex. Admin. Code, Chapter 307.**

The issue involves a disputed question of mixed fact and law, was raised during the comment period, was not withdrawn, and is relevant and material to the issuance of the draft permit. If the Commission refers this application for a contested case hearing, the Executive Director recommends the Commission refers this issue to SOAH.

- 2. Whether the Draft Permit is protective of livestock and wildlife in accordance with the applicable laws and regulations, including the Texas Surface Water Quality Standards in 30 Tex. Admin. Code, Chapter 307.**

The issue involves a disputed question of mixed fact and law, was raised during the comment period, was not withdrawn, and is relevant and material to the issuance of the draft permit. If the Commission refers this application for a contested case hearing, the Executive Director recommends the Commission refers this issue to SOAH.

VIII. EXECUTIVE DIRECTOR'S RECOMMENDATION

The ED recommends the following actions by the Commission:

1. The ED recommends that the Commission find that Janice Neumann is not an affected person and deny her Hearing Request.
2. If the Commission does refer this application to SOAH for a contested case hearing:
 - a. refer the case to TCEQ's Alternative Dispute Resolution for a reasonable time; and
 - b. refer the identified issues above in Section VII to SOAH for a contested case hearing with a duration of 180 days from the date of the preliminary hearing to the issuance of a Proposal for Decision.

¹³ TEX. GOV'T. CODE § 2003.047(e-1); 30 TEX. ADMIN. CODE § 55.211(c)(2)(A)(ii).

Respectfully submitted,

Texas Commission on Environmental Quality

Kelly Keel, Executive Director

Phillip Ledbetter, Director
Office of Legal Services

Amy L. Browning, Acting Deputy Director
Environmental Law Division



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REPRESENTING THE EXECUTIVE DIRECTOR
OF THE TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

IX. CERTIFICATE OF SERVICE

I certify that on April 6, 2026, the ED's Response to Hearing Requests for TPDES Permit No. WQ0016390001 was filed with the Texas Commission on Environmental Quality's Office of the Chief Clerk, and a copy was served to all persons listed on the attached mailing list via hand delivery, electronic delivery, inter-agency mail, or by deposit in the U.S. Mail.



Ryan Rakowitz, *Staff Attorney*
State Bar No. 24143317

MAILING LIST

Megatel Homes III, LLC and Tres Rios Properties
LLC TCEQ Docket No./TCEQ Expediente N.º 2026-0332-MWD
TPDES Permit No./TPDES Permiso N.º WQ0016390001

FOR THE APPLICANT/PARA EL SOLICITANTE

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via electronic mail/vía correo electrónico:

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via electronic mail/vía correo electrónico:

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FOR THE CHIEF CLERK/PARA EL SECRETARIO OFICIAL

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REQUESTERS/SOLICITANTES

Neumann, Janice
1951 Rymal Rd
Alvin Tx 77511-1965

Attachment A

Application by Megatel Homes III LLC and Tres Rios Properties LLC

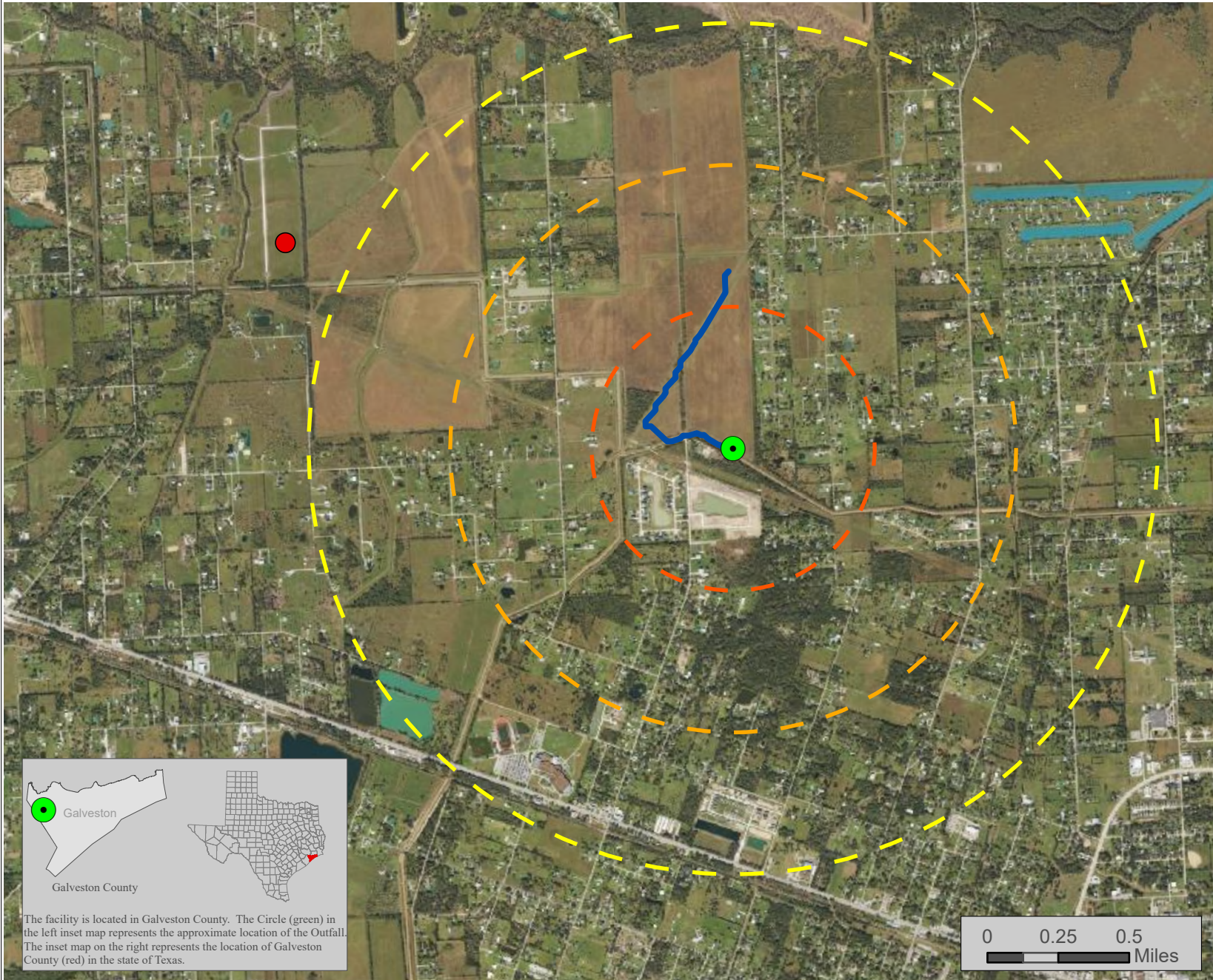
New TPDES Permit No. WQ0016390001

Map Requested by TCEQ Office of Legal Services
for Commissioners' Agenda



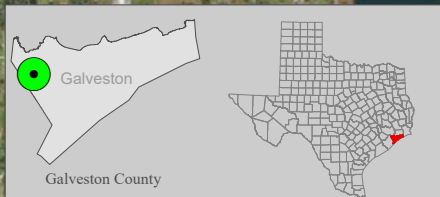
*Protecting Texas by
Reducing and
Preventing Pollution*

Texas Commission on Environmental Quality
GIS Team (Mail Code 197)
P.O. Box 13087
Austin, Texas 78711-3087
Date: 3/26/2026
CRF 0136765
Cartographer: mattoh

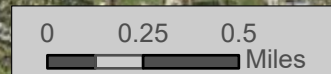


- Outfall
- Requester
- 0.5 Mile Radius
- 1.0 Mile Radius
- 1.5 Mile Radius
- County Boundary
- 1.0-Mile Discharge Route

**Distance from Requester to
Outfall:**
Janice Neumann : 1.74 Miles



The facility is located in Galveston County. The Circle (green) in the left inset map represents the approximate location of the Outfall. The inset map on the right represents the location of Galveston County (red) in the state of Texas.



Source: This map was requested by the Office of Legal Services (OLS) and is based on information provided in the application and hearing requests. The applicant provided site location information and the hearing requesters provide physical addresses. The map is a visual representation and approximation.

This map was generated by the Information Resources Division of the Texas Commission on Environmental Quality. This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. For more information concerning this map, contact the Information Resource Division at (512) 239-0800.