**DRAFT TCEQ REGULATORY GUIDANCE**

Water Quality Division

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# Evaluating Regionalization for Potential New Wastewater Systems

**Introduction**

## The 65th Texas Legislature adopted Texas Water Code (TWC) §26.081 through 26.087 relating to Regional and Area-Wide Systems. These statutory provisions establish the state policy to encourage and promote the development and use of regional and area-wide wastewater collection, treatment, and disposal systems to serve the needs of the citizens of the state, prevent pollution, and maintain and enhance the quality of the water in the state. The TCEQ is tasked with implementing this state policy, which is commonly referred to as “regionalization.”

## Purpose and Scope of Guidance

This guidance is intended to assist TCEQ technical review staff and the regulated community in implementing the regionalization policy. This document outlines the steps needed to determine if regionalization is a practical option for your development. This document is designed to:

* help TCEQ staff and owners/operators of potential new domestic wastewater treatment plants (WWTPs) evaluate the possibility of regionalization, and
* describe the information needed to evaluate regionalization as a practical option versus building a new, stand-alone wastewater treatment plant.

# Definition of Regionalization

Regionalization is the administrative or physical combination of two or more community wastewater systems to improve planning, operation, and/or management.

Owners and operators of wastewater systems face an ever-increasing demand on their resources to stay in compliance with federal and state regulations. Regionalization promotes an affordable, long-term solution to wastewater management by consolidating wastewater collection, treatment, and disposal into larger service providers for areas or regions.

In general, regionalization includes, but is not limited to:

* **large-scale regionalization** - typically an existing wastewater system or systems capable of providing service to a large part of the population over a broad geographic area.
* **small-scale regionalization** - systems lying outside the service area of a larger regional system forming an areawide system.
* **simple regionalization** - requesting service and connecting to a viable neighboring system.

## Regional or areawide providers can offer timely, cost-effective solutions for wastewater management. We encourage owners or operators of proposed new domestic wastewater systems to be proactive by considering joining a sound neighboring system. Typically, existing systems with sufficient treatment capacity can provide wastewater treatment and disposal at a lower cost than a new, stand-alone system.

## Statutory and Regulatory Authority for Regionalization

## TWC Sections 26.081 through 26.087 provides Texas’ regionalization policy for wastewater treatment. It states that TCEQ is to implement a policy to “encourage and promote the development and use of regional and area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of the citizens of the state and to prevent pollution and maintain and enhance the quality of the water in the state.”

In furtherance of that policy, TWC Section 26.0282 authorizes TCEQ, when considering issuing a permit to discharge waste, to deny or alter the terms and conditions of a proposed permit based on need and the availability of existing or proposed area-wide or regional waste collection, treatment, and disposal systems.

## TCEQ Regionalization Guidance

## Our guidance is that regionalization is feasible unless one of the following three situations applies to your proposed system:

## No other wastewater systems are within 3 miles of your proposed system.

## You have requested service from neighboring systems, and your request has been denied.

## You can successfully demonstrate that you have a valid basis to be granted an exception from the regionalization policy based on the cost analysis provided in the permit application.

## To be granted approval to construct a stand-alone system, you must provide information to support that at least one of the three situations above applies.

## Does This Policy Apply to You?

If you are considering building a new wastewater treatment plant, this guidance applies to you. Entities regulated by the TCEQ, including owners/operators of proposed new wastewater systems, must consider connecting to a regional or areawide system during the planning process.

You must either connect to an existing permitted domestic wastewater system or demonstrate that doing so is not feasible, either due to distance to the existing system or cost.

**Does Regionalization apply to existing WWTPs?**

If you are an applicant requesting a new permit because the previous permit was allowed to expire or you are requesting a major amendment to your existing permit to increase permitted flow, the regionalization policy may not apply to you if you meet the following criteria.

1. You have a built/existing facility.
2. You have a satisfactory or high compliance history classification.
3. You are in good standing with the TCEQ.by having no delinquent fees, open Administrative Orders, or repeat violations.

If your answer is yes to all three, you do not have to complete the regionalization portion of the application. This is because you would be able to successfully demonstrate that an exception to regionalization should be granted based on costs, affordable rates, and the capabilities of your own existing facility.

**Roles in Evaluating Regionalization Implementation**

Applicants proposing a new domestic WWTP, existing WWTPs, and TCEQ all have a role in regionalization.

**What is your role?**

If you plan to build a new WWTP system, you must follow the application requirements in TCEQ Forms 10054 and 10053ins (Instructions form). These forms require information to be submitted in order to justify the need for a permit and to satisfy the regionalization requirements.

An important part of the planning process includes considering the possibility of regionalization versus building a stand-alone system.

**What is the role of existing WWTPs?**

Existing WWTPs must provide prompt responses to requests for service. They should also treat all applicants fairly, charge reasonable application fees, and charge cost-based fees for providing wastewater service to those requesting service.

**What is TCEQ’s Role?**

TCEQ, is responsible for making sure WWTPs discharge safe, treated effluent. We also promote the use of regional and areawide WWTP systems.

To meet these responsibilities, we perform a review of the justification of permit need and all supporting documentation required by the permit application for regionalization. Failure to provide sufficient justification of the need for the permit and/or each proposed phase may result in a recommendation of denial of the application or denial of one or more proposed phases.

**Where do you start?**

Start by reading this document to understand TCEQ’s regionalization requirements.

Second, you must provide a justification for the proposed flows in Domestic Technical Report 1.0 of the permit application (TCEQ-10054). The commission is charged with the responsibility of determining the need for a permit. Provide an anticipated construction start date and operation schedule for each phase being proposed. If construction is dependent upon housing/commercial development, provide information from the developer such as: the size of the development (number of lots), the date construction on the development is scheduled to begin, and the anticipated growth rate of the development (number of houses per month or year). Attach population estimates and/or projections used to derive the flow estimates and anticipated growth rates for developments. Provide the source and basis upon which population figures were derived (census and/or other methodology). Also, provide population projections at the end of the design life of the treatment facility and the source and basis upon which population figures were derived.

Third, as required in Domestic Technical Report 1.1 of the permit application (TCEQ-10054): Identify if the proposed service area is located within an incorporated city (if the applicant is not a city). Identify if any portion of the service area is within another utility’s sewer Certificate of Convenience and Necessity (CCN) area. Finally identify if there are any permitted domestic wastewater treatment facilities or sanitary sewer collection systems located within a three-mile radius of the proposed wastewater treatment facility and identify these facilities on an area map. Applicants are not required to send correspondence requesting service to permittees with unbuilt facilities; however, such facilities must still be included in the list of facilities and located on the map.

**Locating nearby WWTPs and collection systems**

First, identify and locate all neighboring systems. There are online resources available to assist with this task. These resources are summarized in Table 1. Online records contain much information about nearby systems, but it is your responsibility to make sure the information is complete, accurate, and current.

Here are a few tips that can make your research more productive:

* Go online to get the most recent information, starting with the resources in Table 1.
* You might have to do local research—perhaps even some fieldwork—to complete this task.
* Drive the area. Systems must have identification at all plant sites. Locate the systems you found using the online resources.
* Talk to the operators of any systems in the area and find out who they serve or who operates other nearby systems.
* Review online information for service areas. Contact each system’s owner or operator to find the limit of its service area. Don’t assume that the physical system limit is the same as the service area limit.
* Contact county offices to find out about subdivision plats on file. Each city should also have this information for areas inside that city’s extraterritorial jurisdiction (ETJ). Start by searching the city or county websites. Most have this information available online.

***Table 1. Online resources for identifying and locating nearby wastewater systems.***

|  |  |  |
| --- | --- | --- |
| **Provided by** | **Online Resource** | **Available Information** |
| **PUC** | [CCN Map Viewer](https://www.puc.texas.gov/industry/water/utilities/map.aspx) | Find the wastewater service provider for a specific address or property. |
| **TCEQ** | [Wastewater Outfall Map Viewer](https://tceq.maps.arcgis.com/apps/webappviewer/index.html?id=d47b9419f42c49dea592203aeda99da1) | Find the outfall locations of nearby wastewater treatment plants |
| **Counties and Cities** | Subdivision plats/property information | Access subdivision plat maps. Information available varies by city/county. |

**Is Regionalization always required?**

Regionalization is required unless one of these three exceptions applies:

1. There are no existing permitted domestic wastewater treatment facilities or sanitary sewer collection systems within three miles of your planned service area.
2. You requested service from neighboring systems, and your request was denied.
3. The cost of connecting to neighboring systems is more expensive than the cost of the proposed facility.

To be granted approval to construct a stand-alone system you must provide information to support that at least one of these three special cases applies.

**Special Cases that may apply to your Proposed New WWTP System**

After identifying neighboring WWTPs and sewer collection systems, you need to see if any of these three cases apply:

* **Case 1:** There are no existing permitted domestic wastewater treatment facilities or sanitary sewer collection systems within three miles of your planned service area.
* **Case 2:** Your service request has been denied.
* **Case 3:** The cost of connecting to a neighboring system is more expensive than the cost of the proposed facility.

***Case 1: There are no existing permitted domestic wastewater treatment facilities or sanitary sewer collection systems within three miles of your planned service area.***

If there are any existing WWTPs or sanitary sewer collection systems within a 3-mile radius, then you must provide each facility’s name and wastewater permit number, proof of having mailed a request for service by certified mail, a copy of the request, and any correspondence received from the facility concerning the proposed service area (consent or denial to provide service from the facility). As previously stated, applicants are not required to send correspondence requesting service to permittees with unbuilt facilities. See Case 2.

If there are no existing WWTPs or sanitary sewer collection systems within a 3-mile radius, then the regionalization requirement has been met and a discharge (TPDES) or no-discharge (TLAP) permit application can be submitted for review.

***Case 2: Your service request has been denied.***

Have you formally applied for service from an existing WWTP or sanitary sewer collection system owner?

You must apply for service from existing systems by submitting a formal “request for service” to each WWTP and sanitary sewer collection system owner as required in the permit application form (TCEQ-10054).

You must contact each existing system within a 3-mile radius to get their “request for service” consent or denial to provide service from the facility. You must document that you made every reasonable attempt to request service from all nearby WWTPs and sanitary sewer collection systems within a 3-mile radius. If you do not receive a response within a reasonable amount of time, you are responsible for following up.

***Case 3: The cost of connecting to neighboring systems is more expensive than the cost of the proposed facility.***

If any owners of the existing WWTPs or sanitary sewer systems within 3 miles from the proposed facility agree to provide service, provide justification and a cost analysis of expenditures that shows the cost of connecting to these facilities or sanitary sewer systems compared to the cost of the proposed facility.

**Exception Request Considerations**

If any of the three cases above does not fit your regionalization scenario, then, on a case-by-case basis, the TCEQ can consider other cases with supporting documentation.

Here are some examples that could qualify as exception requests:

* *What if a facility or sanitary sewer system that is within 3 miles from the proposed facility is across a waterbody?* You would not need to request service from the facility or sanitary sewer system owner.
* *What if you already have a wastewater CCN before applying for a permit?*  
  There would be no requirement for the regionalization portion of the Domestic Technical Report 1.1. You would submit supporting documentation to show the approval of a CCN.
* *What if I am having trouble obtaining an easement or multiple easements that are needed to connect to an existing facility that accepted service for the proposed wastewater system?*If you can provide supporting documentation showing reasonable effort to obtain these easement(s) and a cost analysis showing it is cost prohibitive then the regionalization requirement will be met.

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