



Supplemental Environmental Projects (SEPs)

What is a SEP?

- A SEP is an environmental enhancement project that offsets a Respondent's administrative penalty in a TCEQ enforcement matter.
- Texas Water Code § 7.067
- For more information, visit <https://www.tceq.texas.gov/compliance/enforcement/sep>

Purpose of SEPs



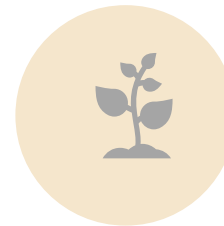
Prevent pollution



Reduce the amount of pollutants reaching the environment



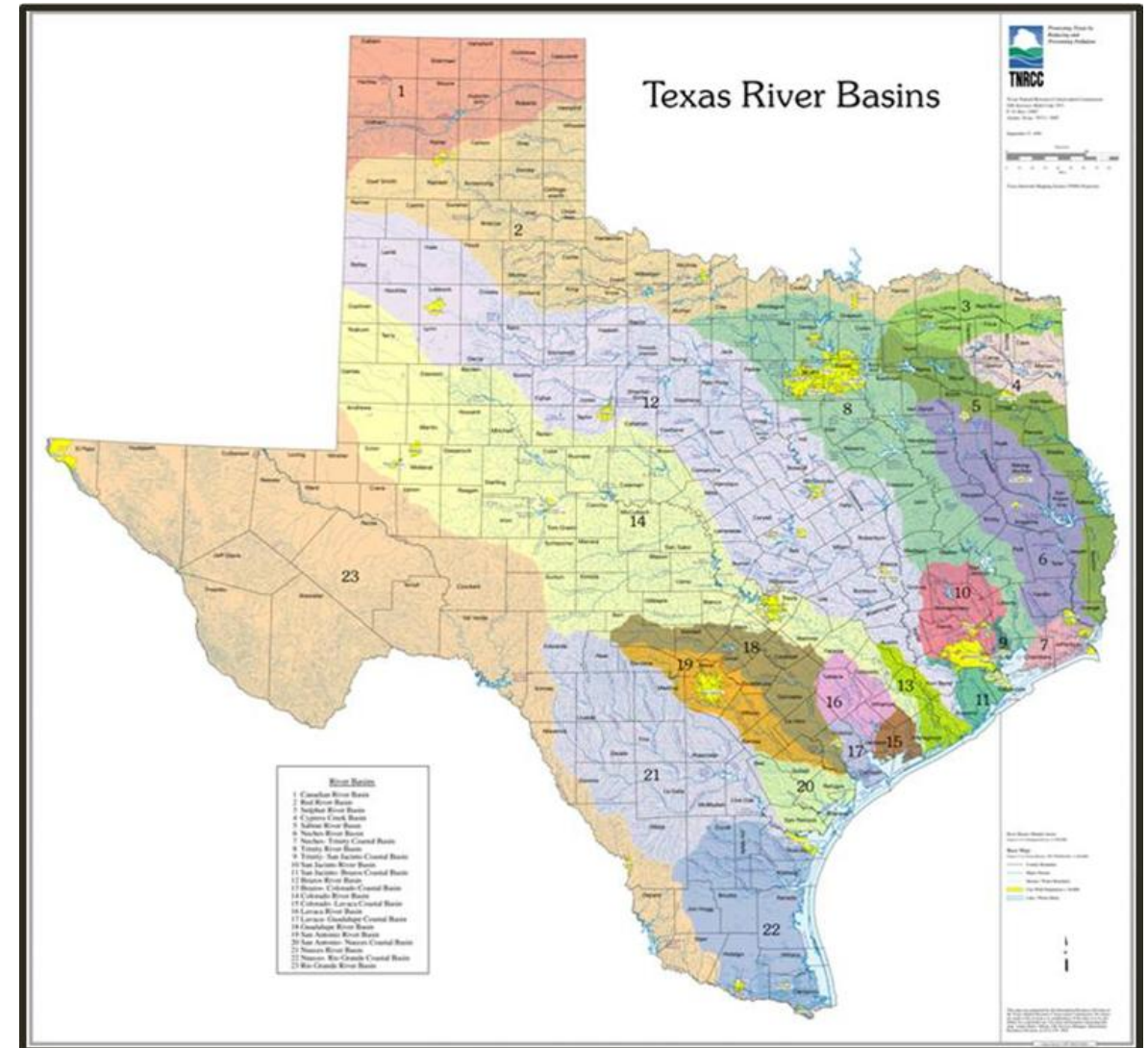
Enhance the quality of the environment



Contribute to public awareness of environmental matters

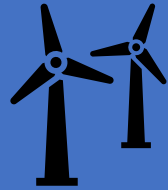
SEP Location

- Benefit the **community** in which the alleged violation occurred
- Community Examples:
 - City
 - County
 - Texas River Basin
 - Texas Aquifer
 - Texas Air Control Region



SEP Media

Air
SEPs



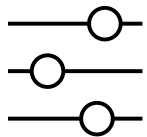
Performed with assessed penalties from air violations

Water and
Waste SEPs



Performed with assessed penalties from water and waste violations

SEP Types



Compliance SEP

- Only Local Governments

Custom SEP

- Any Respondent

Contribution SEP

- Any Respondent

Compliance SEP (C-SEP)



Rio Grande City, Texas installed a new Lift Station with backup pump at their facility, 2019

- Only **local government** respondents as defined in the SEP Statute can offset their penalty by performing an environmental enhancement project that is necessary to bring them into compliance with environmental laws or necessary to remediate environmental harm caused by the alleged violation.

Custom SEP

- Any respondent can implement an environmental enhancement project to offset a portion of their penalty to address the specific needs within the community where the respondent's alleged violation occurred. The project cannot benefit the respondent or address the violations.



San Antonio River Authority performed a household hazardous waste cleanup event in 2024 as a custom SEP, collecting over 55 tons of electronics, tires, hazardous liquids, and other materials.

Contribution to a Pre-Approved SEP

Any respondent can choose to contribute their allowable SEP offset amount to a Third-Party Administrator that has an existing SEP Agreement with TCEQ to perform a SEP.

- Contributing is a simple way for respondents to give back to the community without having to undertake an environmental project themselves.
- Limited to a Pre-Approved SEP in the Respondent's community that matches the Respondent's violation media
- A Pre-Approved SEP cannot benefit the Respondent
- Must be approved by the Commission before contribution can occur

Toggle column: Project Type - Minimum Contribution - Media Type - Funding Status - Eligible Counties

Search:

Project Administrator and Title	Minimum Contribution	Media Type	Funding Status
Texas State Aquarium 2024-02 Rescue and Recovery Vehicles	\$100	EAQ, IHW, WDW, IWD, MLM, MSW, MWD, PST, PWS, WQ, WR	Total Budget: \$341,000 Needed for Completion: \$340,796
Texas Water Development Board: 2014-05 Water-Level Recorder Data in Every Texas County (Statewide)	\$500	EAQ, IHW, WDW, IWD, MLM, MSW, MWD, PST, PWS, WQ, WR	Total Budget: \$997,500 Needed for Completion: \$668,756
Houston-Galveston Area Council: 2012-15 Wastewater Treatment Assistance	\$500	EAQ, IHW, WDW, IWD, MLM, MSW, MWD, PST, PWS, WQ, WR	Total Budget: \$492,000 Needed for Completion: \$330,795
University of Texas at Austin LBJ: 2013-11 Lower Rio Grande Water Quality Initiative	\$100	EAQ, IHW, WDW, IWD, MLM, MSW, MWD, PST, PWS, WQ, WR	Total Budget: \$25,008 Needed for Completion: 0
City of Baytown: 2018-03 Residential Sewer Line Repair and Replacement Program	\$500	EAQ, IHW, WDW, IWD, MLM, MSW, MWD, PST, PWS, WQ, WR	Total Budget: \$19,959,000 Needed for Completion:

Showing 1 to 24 of 24 entries

<https://www.tceq.texas.gov/compliance/enforcement/sep/pre-approved-seps>

Third-Party Administrators

Pre-Approved SEPs are performed by Third-Party Administrators that have an agreement with TCEQ to receive contributions from Respondents to perform an environmental enhancement project.

- Third-Party Administrators
 - Only governmental organizations and/or 501(c)(3) non-profit organizations
 - Must fulfill certain requirements, such as being able to receive and manage SEP funds in a separate bank account, providing a line-item budget, and complying with reporting



SEP funds from an Audubon Texas project were used to build a new dock for conservation activities at green island, 2022 (SEP No. 2011-52)

Pre-Approved SEP Common Examples

- **Air SEP Examples:**
 - **Air quality:** School bus replacement, energy efficiency upgrades
 - **Air monitoring:** Establishing air monitoring networks
- **Water and Waste SEP Examples:**
 - **Collection events:** Tires, household hazardous waste
 - **Habitat restoration, preservation, and acquisition projects**
 - **Water quality:** Wastewater and drinking water assistance for low-income households, clean up events
 - **Water monitoring:** Establishing water monitoring networks
 - **Public Water Systems Assistance Project**



Angelina Beautiful Clean Household Hazardous Waste Collection Event, 2022
(SEP No. 2011-13)

Third-Party Administrators

- To have a project on the pre-approved SEP list, the Third-Party Administrator must submit an application that will be reviewed by the SEP Program and a panel of TCEQ staff from various divisions to ensure program criteria and agency priorities are met.
- <https://www.tceq.texas.gov/compliance/enforcement/sep>
- Once a SEP is approved by both TCEQ and the Third-Party Administrator, it is then listed on TCEQ's website and becomes available to receive funds.



Southeast Texas Regional Planning Commission's
Light House, 2024
(SEP No. 2011-33)

Third-Party Administrators

- Respondents that have enforcement actions against them can contribute to projects that meet eligible county and media type
- Third-Party Administrators are also able to search pending enforcement actions by county and program area
 - Third-Party Administrators are permitted to reach out to respondents and encourage them to contribute to their project through a SEP
 - Encouraged to reach out to industries and communities to build strong ties
 - TCEQ will not encourage or solicit contributions to specific projects, only offer available projects based on media and county

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[Enforcement Process and Actions](#) /
[Enforcement Actions and Reports](#) /
Track Pending Enforcement Actions

Track Pending Enforcement Actions

If a case goes to enforcement, find out the status of enforcement actions that are currently open.

Search Pending Enforcement Actions

Pending enforcement actions are actions that the agency will be taking in order to enforce rules, regulations, or statutes of the State. These actions are pending after they have been accepted for **enforcement** but the enforcement action is not effective yet. These actions can include administrative orders, court orders, compliance agreements, or referrals to other agencies or to other programs within TCEQ, such as the Superfund program.

By clicking on the "Search Pending Enforcement Actions" link above, you can use search criteria that include: case number, regulated entity name or number, respondent name or number, county, region, or program.

Allowable Third-Party Administrator SEP Expenses

- Direct cost of the project, including:
 - Supplies
 - Materials
 - Equipment
 - Contracted labor (to include engineering)
- Administrative costs (discretionary)
 - Limited to 501(c)(3) Non-Profits and Local Governments as defined in Texas Water Code § 7.067(b)(1)
 - Cannot exceed 10% of the direct cost of the project
 - Includes:
 - Salary and fringe benefits
 - Travel and per diem
 - Overhead costs



Texas A&M - Corpus Christi's AutoCheck, above, and Gulf Coast Authority's Trash Bash, Below (SEP No. 2011-34 and SEP No. 2010-002)

Current Third-Party Administrators

Third-Party Administrator Distribution



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: 6/20/24
CRE: 0106332
Cartographer: jauloby

Number of
Third-Party
Administrators

Count

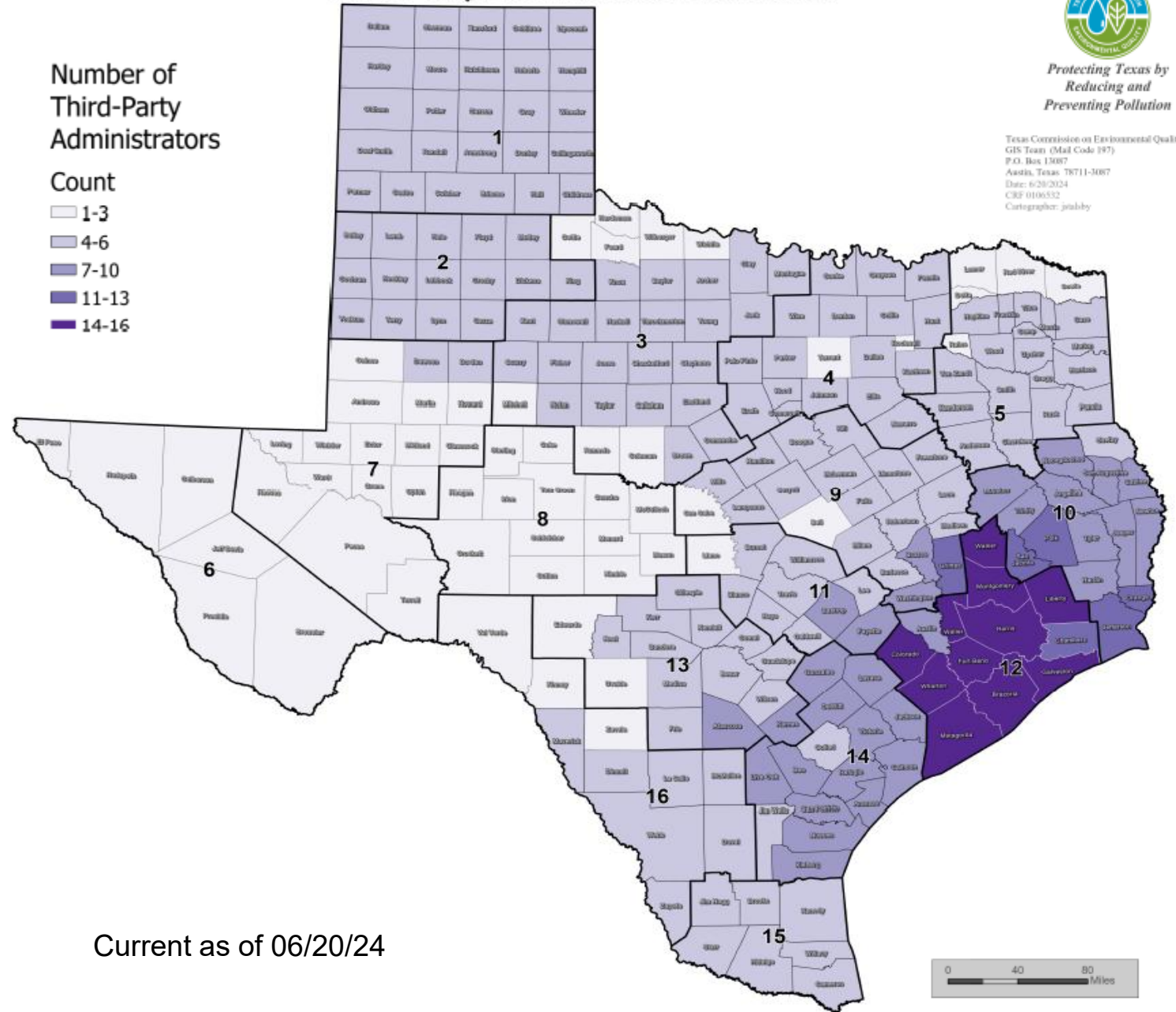
1-3

4-6

7-10

11-13

14-16



Current as of 06/20/24

North American Development Bank SEP Agreement 2024-01

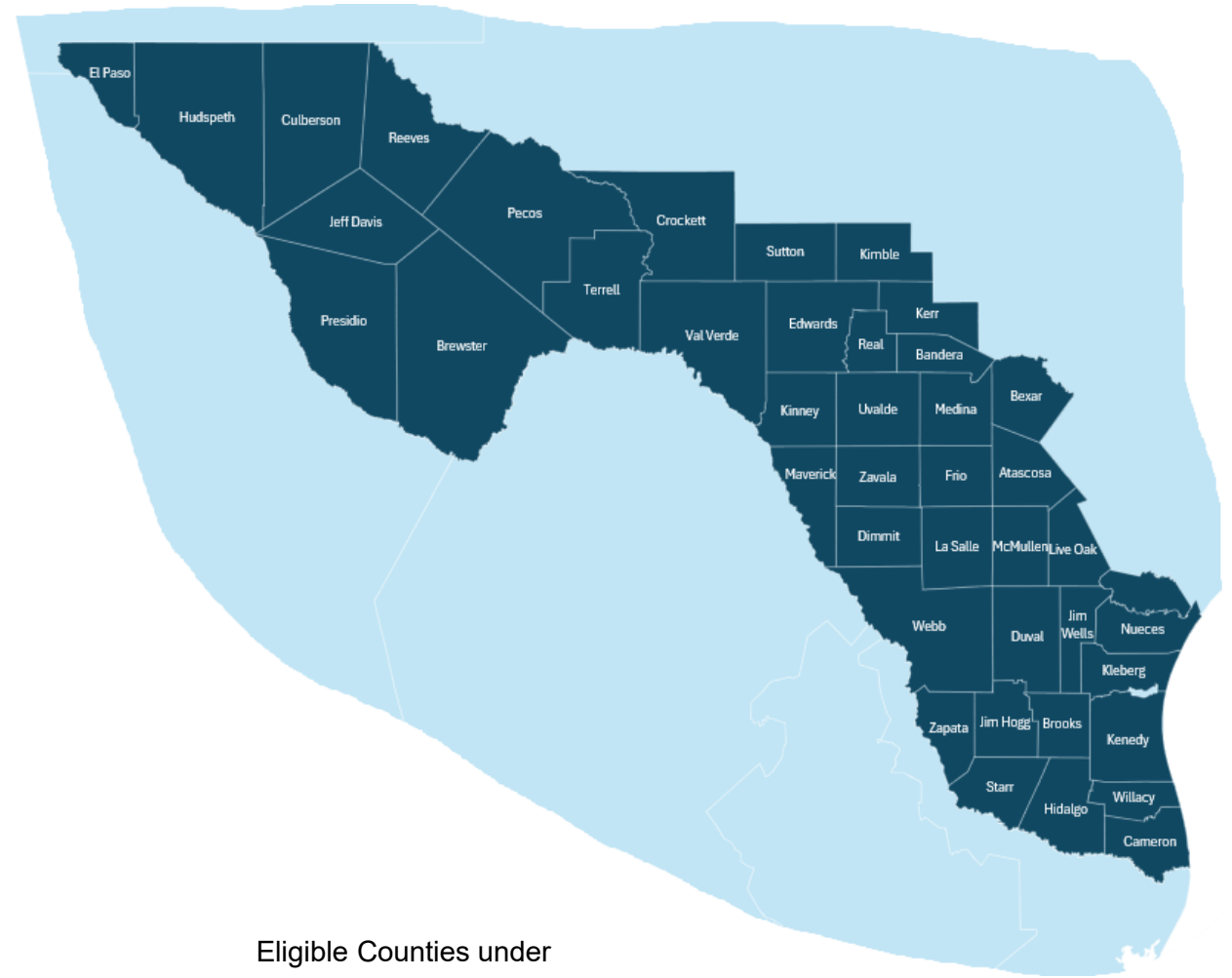
- Effective on November 24, 2025; five-year contract
- Help fund operation and maintenance expenses for air quality monitoring station in the Paso Del Norte Air Basin
- Goal is to track international emissions more accurately
- Separate funding from the Air Quality Fund (AQF) Agreement



Ciudad Juarez Monitoring Station

North American Development Bank SEP Agreement 2024-01

- Currently four stations with the potential to add up to 10 more monitors.
- Information gathered by the air monitors will assist environmental agencies in both the U.S.A. and Mexico, researchers and scientist, industry, activists, and residents.
- Eligible contributions from 43 counties in Texas along the border



Eligible Counties under
SEP Agreement 2024-01

SEP Team Contact Information

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