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MET ROOM

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
**AND**  
**THE TENNESSEE REGULATORY AUTHORITY**  
**REGARDING**  
**TRA-REGULATED WASTEWATER UTILITIES**

**A. Statement of Purpose**

1. Both the Tennessee Department of Environment and Conservation (TDEC) and the Tennessee Regulatory Authority (TRA) have a mutual desire to improve service to their respective constituencies, to ensure adequate wastewater treatment from TRA-regulated wastewater utilities and to ensure the protection of Tennessee's natural resources.

TDEC and TRA agree that environmental quality and protection of water resources are of significant importance. The TDEC and TRA further agree that factors relevant to maintaining utility compliance with the Tennessee Water Quality Control Act, the federal Clean Water Act, and the regulations promulgated thereunder must be considered and coordinated **by both** agencies in making decisions regarding the long-term viability of TRA-regulated wastewater utilities. TDEC and TRA also recognize that it is important to promote the public interest by balancing the interests of utility consumers and providers while facilitating the transition to a more competitive environment.

3. This Memorandum of Understanding (MOU) is intended to foster inter-agency communication, cooperation and coordination, as well as achievement of the goals, missions and objectives of both agencies.

**B. Responsibilities of the TRA**

1. When evaluating rate increase requests submitted by TRA-regulated wastewater utilities, TRA will consider recommending rate increases sufficient to provide the operating revenues necessary for adequate system operation and maintenance and to maintain compliance with applicable laws and regulations.
2. TRA will provide TDEC with a list of TRA-regulated wastewater utilities and will provide

updates as the list is modified.

3. TRA will inform TDEC and provide a TRA docket number of any complaints against a TRA-regulated wastewater utility, where such complaints may involve issues relating to compliance with state or federal water quality requirements.
4. TRA will inform TDEC and provide a TRA docket number of all applications filed with the TRA that seek the issuance of or amendment to a Certificate of Public Convenience and Necessity (Certificate) involving wastewater utilities.
5. TRA will inform TDEC and provide a TRA docket number regarding the issuance of or amendment to a Certificate involving wastewater utilities.
6. Upon receipt of an administrative order or a court order from TDEC, where such order is directed to a TRA-regulated utility, TRA will consider initiating formal complaint action against the affected utility. If TRA elects not to initiate a formal complaint action, it will notify TDEC as appropriate. In situations involving chronic noncompliance with, or disregard for, the Water Quality Control Act or the regulations implemented thereunder, TRA may request revocation of the affected utility's Certificate as a part of any formal complaint actions it initiates.
7. TRA will notify TDEC of the issuance of notices of rulemaking hearings in regard to regulations that apply to TRA-regulated wastewater utilities.

### **C. Responsibilities of the TDEC**

1. TDEC will email the TRA Chief of the Utilities Division with agenda notices for all monthly meetings of the Water Quality Control Board.
2. TDEC will initiate and pursue enforcement actions against TRA-regulated wastewater utilities, as appropriate, to attain compliance with the Water Quality Control Act and the regulations promulgated thereunder, and will notify TRA of the issuance of administrative orders and the filing of actions in court against such utilities.
3. TDEC will notify TRA of the issuance of notices of rulemaking hearings in regard to regulations that apply to TRA-regulated wastewater utilities.
4. TDEC will notify TRA when permit applications are submitted by wastewater utilities under TRA jurisdiction. TDEC will also send TRA a copy of all public notices or actions on such permit applications.
5. TDEC will participate in TRA-sponsored forums pertaining to the wastewater industries, as requested and deemed appropriate.

## **D. Joint Agency Responsibilities**

1. TDEC and TRA will work together to enhance the overall viability of **TRA-regulated** wastewater utilities. This may include rate structure analysis, managerial analysis, operational technical assistance or other actions that might result in the enhancement of the overall viability of any given utility.

TDEC and TRA will keep each other informed of actions taken to obtain compliance with both agencies' statutes and regulations by TRA-regulated wastewater utilities.

TDEC and TRA will meet at least semiannually, and at other times as necessary, to discuss the status of the actions that each is undertaking and if necessary to review and modify this MOU, or to develop, review or modify any other agreements between the agencies. Joint meetings of the staffs from both agencies may also be held as deemed appropriate.

4. TDEC, and TRA will each provide training sessions to each other's respective staffs regarding what authority their respective agencies have and how that authority is carried out in the oversight of **TRA-regulated** wastewater utilities.
5. TDEC and TRA will work towards maximizing interagency cooperation, coordination and communication. Both agencies will identify points of contact for communication between the agencies. As either agency becomes aware of the need for changes to policies, regulations, or statutes to effectuate the goals set forth in this MOU, it will inform the other agency and keep the other agency informed as changes are made.

## **E. Changes to the MOU**

Changes to this MOU will be made only by written approval of both agencies and will become effective no less than thirty (30) days after approval.

## **F. Termination of the MOU**

Either agency may initiate a request to terminate this MOU. The request must be made in writing to the other agency. The other agency must respond in writing to such a request within thirty (30) days of receipt. If no response is made, the agreement will be terminated at the end of the thirty-day period. If a response is made, the agencies will mutually agree upon the termination date and conditions.

## **G. Duration of the MOU**

This MOU will be in effect for a period of three (3) years from the effective date of execution. The MOU will be renewed for subsequent three-year periods upon mutual consent of both agencies.

**H. Effective Date of the MOU**

This MOU will become effective upon the signatures by the representatives of both agencies as denoted below.

**TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

By: Betsy Chidister

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Date: 4/5/05

**TENNESSEE REGULATOR AUTHORITY**

By: Pat Miller

Pat Miller, Chairman

Date: - 05