KSA A·DYNAMIC·PERSPECTIVE

6781 Oak Hill Boulevard
Tyler, TX 75703
903.581.8141

April 15, 2019

Texas Commission for Environmental Quality
Attn: Resource Protection Team (MC-160)
P.O. Box 13087
Austin, Texas 78711-3087

Via Email: wcp@tceq.Texas.gov

Re: Southern Utilities Company
2019 5-Year Update for Water Conservation Plan
and Drought Contingency Plan
KSA Project No. SOU.101

To whom it may concern,

Please find enclosed the updated Water Conservation Plan and Drought Contingency Plan required by the TCEQ and TWDB for the Southern Utilities Company, Texas. Included in this package is the Conservation Plan, Drought Plan, Updated Ordinance, appendices and exhibits required by regulatory agencies. I have transmitted one (1) hardcopy of this document, as required, for your review.

If you would please send back an acknowledgment of receipt of the enclosed Plan for the Company's records.

If you have any comments regarding the enclosed Conservation Plan for the Southern Utilities Company please contact me, Sigi West, Project Assistant at (903) 581-8141.

Sincerely,

Siglinda West

KSA
Siglinda M. West
Project Assistant

Southern Utilities Company

PWS 2120063

Location of required updates in Water Conservation Plan

TARGETS AND GOALS

Locations of GPCD reduction in consumption, savings and loss (Highlighted within the document)

5 and 10 year goals		Page 3
		Page 6
GPCD reductions (in triggers)		Page 19 thru 23
Legal and Regulatory		Page 2 and 3
5 and 10 year Goals for water savings	(IOU Drought Contingency Form 20191)	Page 4 thru 6
		Page 8 thru 13
5 and 10 year Goals for water savings	(IOU Drought Contingency Form 20189)	Page 5 thru 10
5 and 10 year Goals	(TCEQ Form Utility Profile 10218)	Page 4 of 11

Public Notice

2019 Update - Southern Utilities Company 5 year- Updated Water Conservation and Emergency Demand Management Plan

Southern Utilities Company will hold a public meeting on Thursday April 18, 2019 at 5:00 p.m. at the office of the Engineer, KSA Engineers, located at 6781 Oak Hill Boulevard; Tyler, Texas 75703. The Public Meeting is being held to review and accept comments on the 2019 Updated Water Conservation Plan.

The purpose of this meeting is to obtain public input related to the Southern Utilities Company Updated Water Conservation and Emergency Demand Management Plan. The "Plan" is being updated by the "Company" in response to requirements of the Texas Commission on Environmental Quality.

For questions or comments please call KSA Engineers, Ms. Sigi West, Project Assistant 903-581-8141, or Michael R. Farrell, General Manager 903-566-3511.

Published 4/17/2019

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SOUTHERN UTILITIES COMPANY
WATER CONSERVATION PLAN/ DROUGHT CONTINGENCY PLAN
PUBLIC MEETING
THURSDAY, APRIL 18, 2019
KSA OFFICES, 6781 OAK HILL BLVD., TYLER, TX 75703

	NAME	COMPANY	EMAIL	PHONE/FAX
1.	Sglinda West	KSA Engineers	Swest@ksaeng.com	903-581-8141 ext 1314
2.	Michael R. Farrell	Southern Utilities Co		903-566-3511 / 4746
3.	Tracy Hicks	KSA	thicks@ksaeng.com	903-581-8141
4.	Chris Taylor	KSA	Ctaylor@ksaeng.com	903.581.2141
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14.				

KSA ENGINEERS, INC.
6781 OAK HILL BLVD.
TYLER, TEXAS 75703
903-581-8141

Southern Utilities Company Water Conservation and Emergency Demand Management Plan

5 Year Update

April, 2019

TBPE Firm No. F- 1356

UTILITY PROFILE FOR RETAIL WATER SUPPLIER (FORM 1965-R) Pages 1-11

SECTION I INTRODUCTION

SECTION II LONG TERM WATER CONSERVATION PLAN (BEST MANAGEMENT PRACTICES)

SECTION IIIEMERGENCY DEMAND MANAGEMENT PLAN

SECTION III EMERGENCY DEMAND MANAGEMENT PLAN

LEGAL AND REGULATORY

RESOLUTION

APPENDICIES

Southern Utilities Company
5 Year Update Water Conservation Drought
Contingency Emergency Management Plan

1. Introduction and Objectives

The 69th Texas Legislature passed House Bill (HB) 2 and House Joint Resolution (HJR) 6 in 1986. This Act required a Water Conservation Plan and Emergency Demand Management Plan by political subdivisions and any other water supplier that serves over 3,300 connections. House Bill 2 was approved by Texas Voters November 6, 1995, becoming an amendment to the Texas Constitution. In 2002 the State of Texas adopted the State Water Plan which recognizes the need for water conservation in order to meet future needs of Texas. In 2003, the 78th Texas Legislature established the Water Conservation Implementation Task Force via passage of Senate Bill (SB) 1094. In SB 1094 the task force was directed to review, evaluate and recommend several water based conservation programs including the development of a best management practices guide for use by Regional Water Planning Groups and political subdivisions and suppliers responsible for water delivery service. These actions enabled the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB) to develop Best Management Practices (BMP) guidelines, Task 1, Section 3 of SB 1094, for water providers of the state to consider while updating Water Conservation and Emergency Demand Management Plans. The TWDB and the TCEQ were to make efforts to implement HB 2660 which directed the two agencies to identify quantified target goals for water conservation for water suppliers and other entities. In 2007 House Bill 4 amended the Texas Water Code by requiring the Texas Commission on Environmental Quality (TCEQ) to require retail public utilities that provide potable water to 3300 or more connections to submit a Water Conservation Plan to the Texas Water Development Board. The Plan must include specific targets and goals developed by the utility using Best Management Practices or other strategies to reduce water waste, loss, and consumption. These reduction goals are to be based on municipal use in gallons per capita per day.

Passage of House Bill 2 and House Joint Resolution 6 and then passage of Senate Bill (SB) 1094 and House Bill 2660 by the Texas Legislature and Voters of Texas, reflects that the need for conservation of water resources has been recognized and is a high priority item for State Officials as well as the Environmental Protection Agency and other Federal agencies. All Water Conservation Plans must be updated every five years and are required to send in annual information on the effectiveness of the Best

Management Practices adopted. In 2013 Regular Legislative Session, the House Committee on Natural Resources addressed a variety of water related issues regarding implementation of the state water plan, conservation and drought, permitting and planning, utilities and ratemaking, and special water districts. Here is a list of the water conservation related bills. House Bill 2781 makes a number of changes in current law governing the use and oversight of rainwater harvesting systems. HB 2781 lessens the risk for contamination and ensures appropriate training of permitting staff for counties or municipalities with a population over 10,000. The Texas Water Development Board shall ensure that training on rainwater harvesting is available for the members of the permitting staffs of municipalities and counties at least quarterly. House Bill (HB) 857 implemented additional guidelines for contents of the Water Conservation and reporting requirements. This House Bill also requires all retail public utilities supplying potable water to file an annual water audit with the Texas Water Development Board, however, retail public utilities serving less than 3,300 connections that do not receive financial assistance from the TWDB are only required to submit a water audit once every five years computing the utility's system water loss during the preceding year. This bill enhanced efficiency and accountability for the promotion of water conservation. The next annual water loss audit reports were submitted in May, 2014. House Bill (HB) 1461 required public water utilities required to file Water Audits with the TWDB, also required to notify each customer of the reported annual water loss. This was done through the annual CCR or/ and on the next billing after the water audit was filed. This bill encouraged entity's transparency and consumer awareness in water loss prevention and water conservation. House Bill (HB) 3605 required Texas Water Development Board to establish a water loss threshold for considering a retail public utility's application for financial assistance. If a utility's water loss is greater than the threshold a portion of that financial assistance must be used to mitigate the utility's water loss. This bill also required the Texas Water Development Board to further evaluate the water conservation plans of entities seeking state financial assistance for compliance with best management practices.

Senate Bill (SB) 198 ensures that the homeowner's associations cannot prohibit the use of drought-resistant landscape or water-conserving turf, but it does allow those associations to require the homeowner to submit a plan for such use. This bill represents a compromise between promoting water conservation of water resources on the individual level and upholding the property values of homes by retaining consistent landscape plans.

Utilization of all State resources is dictated, if affordable development is to occur on a statewide basis. Water, a basic human need, will be a major factor in development. Conservation of water is necessary if we are to meet future needs for our most valuable resource.

The Region I, East Texas Regional Water Planning Group, TCEQ, and the Texas Water Development Board will be sent the Conservation Plan Updates, as well as, the required Annual reports for Best Management Practice effectiveness. The Region I Water Planning Group will receive a copy of this Water Conservation & Drought Contingency Emergency Management Plan for their use in compiling information from the Water Conservation Plans from all water suppliers in their respective areas to determine the future available water for Texas.

Southern Utilities Company has set quantifiable goals for the water system. These goals are outlined within this Water Conservation Plan for the Company to meet the requirements set forth by the state and federal governments. Southern Utilities Company has set target goals to reach for the included items: an Infrastructure Leakage Index (ILI) of 3 or less and a 5 year average gallon per day per capita use of 130 or less. In 2014 the five year quantified target goal for average GPCD was under 140 and a residential gallons per day per capita (R-GPCD) was 90. Southern Utilities Company has reached those goals with a GPCD of 132.21 and a residential GPCD of 90.11. The new 5 year goal will be a GPCD of 130. or less and residential GPCD of 85. The ten year quantified target goal for GPCD of 127 or less and residential GPCD for Southern Utilities Company is 80. The Texas Legislature also requires five and ten year quantified target goals for reduction of water loss. Southern Utilities Company has set the five year target goal for the reduction of Daily Water Loss in the amount of 1% or .0025 million gallons per day, and a ten year goal for water loss reduction in the amount of approximately 5% or 0.125 million gallons per day. The goals have been and shall continue to be reached by the continued implementation of the adopted Best Management Practices. The goals are reflected in the Drought Contingency Plan within this document as quantifiable reductions in water use during the drought stages.

2. Texas Commission on Environmental Quality (TCEQ) Rules

(See Appendix No.5 for TAC 30, Chapter 288, Subchapter A & B, Rule 288.1-288.5)

2.1 Conservation Plans

The conservation plan best management practices are listed below:

A. Public Education and Information
B. Educational Best Management Practices
C. Plumbing Codes
D. Conservation Oriented Water Rate Structure
E. Universal Metering and Meter Repair and Replacement
F. Water Conservation Landscaping
G. Water Audit and Leak Detection Program
H. Record Management

These Best Management Practices adopted by Southern Utilities Company will be detailed further within this report. Southern Utilities Company has adopted and follows the Drought Contingency Measures that are also detailed within this Plan to better manage water resources and usage.

2.2 Drought Contingency Plans

The Water Conservation Drought Contingency and Emergency Demand Management Ordinance adopted and included as part of this Plan, enables the General Manager to initiate and or terminate actions that will start with Step I of the Drought Contingency Plan.

Step 1 Measures related to Stage 1 - Mild drought conditions will be used to initiate the following listed actions effectively to implement the Plan. Listed actions are compulsory on users and is intended to limit and prohibit water waste. Southern Utilities has implemented the Mild drought stage on an ongoing basis Starting annually in April 1 of each year to March 30th of each year. Notification as required will be via public notice.

Step II Curtailment is to be initiated by the President/ General Manager or his/ her designee upon identifying Stage 2 - Moderate Drought Conditions. Listed actions are mandatory on users and is intended to prohibit water waste. ("Water Waste" is defined as washing house windows, sidings, eaves and roof with hose, without the use of a bucket; washing driveways, streets, curbs and gutters, washing vehicles

without cutoff valve and bucket, and unattended sprinkling of landscape shrubs and grass; draining and filling swimming pools and flushing water system.)

Step III Curtailment shall be initiated upon existence of Stage 3 - Severe conditions as determined by this Plan and at the discretion of the President/ General Manager. The President/ General Manager will then curtail the use of water accordingly. Listed actions are mandatory on users and is intended to prohibit any and all water waste. All unnecessary water use is strictly prohibited. Commercial and Industrial water users are urged to contact Southern Utilities Company to arrange for a variance to continue to utilize normal water volumes. Residential customers shall be prohibited from using outdoor irrigation or other water uses except on the scheduled days.

Step IV Curtailment shall be initiated upon existence of Stage 4 - Critical conditions as determined by this Plan and at the discretion of the President/ General Manager. The President/ General Manager will curtail the use of water according to this Drought Contingency Plan. Listed actions are mandatory on users and is intended to prohibit any and all water waste. Critical conditions are described as any unnecessary use of water outside unless needed for human health and safety. Industrial, commercial, and high water users are required to seek a variance for high water use and use of water necessary for the business, such as carwashes, nurseries, landscaping business, etc. The Southern Utilities Company will notify high water users, industrial, commercial, and customers that service healthcare needs such as hospitals, nursing facilities, and dialysis centers, etc. of the curtailment of water and the necessary steps to take to receive a variance.

Step V Curtailment shall be initiated upon existence of Stage 5 - Emergency conditions as determined by this Plan and at the discretion of the President/ General Manager. The President/ General Manager will curtail the use of all water described as any unnecessary use of all water unless needed for human health and safety. Listed actions are mandatory on users and is intended to prohibit any and all water waste. Emergency conditions are described as any unnecessary use of water inside or outside unless needed for human health and safety. All outside water use is strictly prohibited.

3. Description of Service Area

Southern Utilities Company is an Investor Owned Utility Water Company and its headquarters is located in Smith County Texas, at 218 North Broadway, Tyler, Texas 75702. The operations field office for the water utility is located at 12050 CR 262; Tyler, Texas 75707-5630. The Utility can be reached by phone at 903-566-3511. Contacts for Southern Utilities Company is Mr. Michael R. Farrell, President/

General Manager and Mr. Scott Pope, Utility Superintendent. Fax No. 903.566.4740, Mobile No. 903.574.5455, Southern Utilities Company Emergency number 903.561.3685

The Service Area for Southern Utility Company contains approximately 562 square miles. The service area currently has a population of approximately 59,898 with 19,966 service connections. Southern Utilities Company is a large water system that is located in East Texas area. A large portion of the system is in Smith, with some connections in Gregg, Rusk and Cherokee Counties. The system is a ground water system with over 30 deep water wells with numerous ground and elevated storage tank facilities strategically located throughout the system. The deep water wells pull water from the Carizo-Wilcox aquifers that runs under east Texas. The system has an interconnection with the City of Tyler and emergency interconnects with the city of Kilgore.

4. Specification of Water Conservation Goals

Southern Utilities Company has set quantifiable conservation goals to reach for the Company's utility and service area, as required by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The five year goal of an Infrastructure Leakage Index (ILI) of 3 or less and an average residential gallon per day per capita use of 90 or less has been met as of 2018. The new residential gallon per day per capita (GPCD) goal is 85 and the average gallons per capita per day goal is 130 or less. The ten year goal is an average residential gallon per day per capita (GPCD) of 80 or less. The five year water loss goal is a reduction of water loss of 1% or 1.6 million gallons annually or for Water Loss a GPCD of .73, and a 10 year goal of 5% or 8.2 million gallons annually or Water Loss goal of 3.75 GPCD. The goals will be reached by the implementation and continuation of the included best management practices. Southern Utilities is intent to continue to reduce and maintain a relatively low per capita use for water consumption. Annually, as required, Southern Utility Company will compile and submit to the regulating authorities copies of the pertinent water usage information and any other information on achieving the goals set forth utilizing the Best Management Practices. This includes a water audit, water survey due annually to the TWDB and the TCEQ. There is also a requirement that water pumped, usage and loss information be reported to any regional water conservation groups in the service area, which is done on an annual basis. Utilization of all State resources is dictated if affordable development is to occur on a state wide basis. Water, a basic human need, is a major factor in development. Conservation of water is recognized, by Southern Utilities Company, as being necessary if we are to meet future needs of our most valuable resource.

5. Contingency Plan:

System improvements have been developed from study and evaluation of existing conditions to establish a specific program for meeting desired goals. Best Management Practices have been established and updated for the Southern Utilities Company Water System which will allow the utility to comply with the requirements set forth by the State and applicable agencies. The Drought Contingency Plan has been developed to better manage the system and water usage especially during the dry months when water availability can be an issue. The President/ General Manager or his/ her designee will determine when the Drought Contingency Plan will be initiated and will determine, from detailed triggers, when the drought contingency measures will increase to the next level, will decrease, and or cease. The Drought Contingency Plan is detailed within this Conservation Plan.

6. Utility Evaluation Data:

The following checklist provides a convenient method to insure that the most important items needed for the update or development of the required Conservation and Drought Contingency Emergency Management Plan are considered. Listed below is the most current Utility Data for Southern Utilities Company. This data is also used to make base calculations for the future projections.

UTILITY INFORMATION

6.1	Utility Evaluation Data			
	(a)	Population of Service	**59898**	(Number)
	(b)	Area of Service area Approx.	**562**	(Sq. mi.)
	(c)	Number of equivalent 5/8" meter connections in service area	**19966**	(Conn)
	(d)	Net rate of new connection additions per year Approx.	**50**	(Conn)
	(e)	Water use information:		
6.2	Water production for 2018		**2,885,922,000**	(gal./yr.)
6.3	Average water production for last two years (2017/ 2018)		**2,922,488,000**	(gal./yr.)

6.4 Average monthly water production for last two years (2017/ 2018) **243,540,667** (gal./mo.)

6.5 Estimated Monthly Sales

2018	PUMPED	**TOTAL GALLONS** SOLD	REVENUE
January	201617000	126003000	$830,789.05
February	159440000	122137000	$828,093.77
March	189126000	97918000	$756,057.28
April	197699000	120240000	$814,273.97
May	281693000	139707000	$873,581.11
June	315280000	237587000	$1,165,386.39
July	326385000	236524000	$1,170,857.08
August	362784000	259237000	$1,243,970.36
September	238933000	262843000	$1,256,200.80
October	214471000	132534000	$865,950.66
November	194490000	126910000	$835,344.88
December	204004000	105259000	$782,247.31
a) TOTAL	2,885,922,000	1,966,899,000	$ 11,422,752.66
b) MON. AVG	240,493,500	163,908,250	$ 951,896.55

c) TOTAL GALLONS PURCHASED 2018 77,366,000

d) AVERAGE MONTHLY GALLONS PURCHASED 6,447,166.66

6.6 Average daily water use (Res./Comm./Ind.) 5,388,764.38 GPD

6.7 Peak Daily Use (Res./Comm./Ind.) 13,658,000 GPD

6.8 Peak to average use ratio (average daily summer use divided by annual average daily use)

1.54

KSA
TBPE No. F-1356

6.9 2018 Unaccounted for water (% of water production) 64,447,000 2.39 %

(Water loss percent does not reflect water used for flushing lines, filter backwashing, etc.)

Total Pumped	2,885,922,000
Total Sold	1,966,899,000
Total Water Loss	919,023,000

7. Revenues:

Operating Revenues	$ 6,181,426.00
Total Revenues	$ 6,429,391.00

8. Operating Expenses: $ 5,626,127.00

9. Wastewater Information:

9.1 Percent of your potable water customers sewered by your wastewater treatment system None

No wastewater treatment systems are owned by Southern Utilities Company.

10. Safe annual yield of water supply 17.4 mgd

11. Peak daily design capacity of water system 21.8 mgd

12. Major high-volume customers: John Soules Foods

13. Population and water use projections:

Year	Population Potential	Daily Avg. MGD	Daily Max MGD
2018	59,898	5.3	13.7
2020	63,000	8.3	16.5
2025	66,000	11.5	19.5

14. Percent of water supply connection in system metered:

100% Res. 100% Comm.

SECTION II - LONG TERM WATER CONSERVATION PLAN

The following planning elements are in accordance with requirements listed in TWDB Best Management Practice Guidelines published November, 2004 and EPA Guidelines published 2008. Further guidelines and requirements were implemented in 2009, 2014 and again for the 5 year update in 2018 for Water Conservation Plans. Southern Utilities Company abides by all TCEQ, TWDB and EPA regulatory requirements and guidelines.

1. Public Education and Information

Southern Utilities Company will continue to give information to its customers about various recommended methods for reducing water usage. Generally, the majority of water consumed is by residential customers. Therefore, the target area for educational information is residential customers. The Company will set up a Public Educational and Information Best Management Practice to insure the quality of the information given to its citizens. The Company has implemented this program in several phases over a ten year period with good results.

DESCRIPTION

Public information program can result in short and long term water savings. Behavioral changes by customers will occur if the information presented is compelling and consistent therefore the customer will reduce their water consumption resulting in long term water reduction for the area served by the Southern Utilities Company.

GOAL

The goal for the Best Management Practice (BMP) Public Education and Information is to educate customers with correct information of the overall water resources in the community and area served by the utility. The program will educate on the importance of conservation, managing, and sustaining the existing water supplies. The program will give specific actions, through pamphlets and mail-outs, to the water customers for reducing their consumption and will provide data on implementing the community goals.

2. IMPLEMENTATION & SCHEDULE

2.1 Annual program and activities consisted of the following:

(a) A Fact Sheet on the Conservation Plan and Educational Best Management Practice will be provided to new customers.

(b) An article may be published in the local newspaper, correlated with the Fact Sheet distribution, allowing the required time period for comments. The article will include information for obtaining the Home Owner's guide, highlighting methods for water conservation, and other brochures available through the Company.

(c) Have the "Homeowner's Guide to Water Use and Conservation" and "Water…Half a Hundred Ways to Save It" available at the Southern Utilities Office and at special events, such as health fairs and county fairs where the Company may sponsor.

(d) Provide a brochure to water customers that will educate them on conservation methods for their homes. "How to Save Water Outside the Home", or "How to Save Water Inside the Home" will be continually made available to customers.

(e) Acquire educational and training materials from the Texas Commission on Environmental Quality, Environmental Protection Agency, and the Texas Water Development Board for the information/ education program.

2.2 Long-term program consists of other activities listed:

(a) Newspaper articles or notices targeting household water using appliances and methods for conserving water (dishwasher, shower, toilet, laundry).

(b) Brochures relating to inside and outside household use, car washing, lawn watering, time of day, correlated to weather predictions will be available.

(c) Newspaper article or notices correlated to the provision of the brochures.

(d) New customers will be advised of the Southern Utilities Company Conservation Program and a copy of Homeowners Guide will be made available.

Southern Utilities Company will obtain available resource materials from the Texas Water Development Board (TWDB), the Texas Commission on Environmental Quality (TCEQ) and other agencies or organizations which develop and distribute pertinent information on water conservation.

3. Plumbing Codes

Southern Utilities Company Plumbing Code has been amended to include State Water Savings Performance Standard - 30 TAC Chapter 290.251 through 290.266 since 2003. The Amendment also requires recirculation equipment for all new swimming pool installations and insulation of hot water piping for all new construction.

4. Water Conservation Retrofit Program

Southern Utilities Company will continue to encourage customers to utilize low demand fixtures and appliances through proposed educational sources described in this Plan. The Company will also continue to advise customers of low water demand items, shower heads, toilet dams, etc., by mail outside and/or publication of newspaper articles, emphasizing the importance of water saving devices. The Company may contact local suppliers of plumbing supplies advising suppliers of the water saving drive content. Suppliers will be requested to stock low water fixtures and low water use items.

5. Conservation Oriented Water Rate Structure

The Conservation Water Rate Structure was implemented upon adoption of the Conservation based rate structure included in the most recent tariff update. The new current rate structure has conservation based rate structure.

The use of the conservation rates for water consumption guarantees an income to be used only on the distribution system and up keep. This allows the Company to continually maintain the water storage tanks, pump stations and distribution system with a plausible budget number funded by the conservation based rates. Southern Utilities is a privately investor owned utility. The Tariff including the new water rate has been submitted and approved by the TCEQ. This newest rate structure is now conservation based as recommended and required by regulatory agencies.

See Appendix No. 2 – Southern Utilities Rate Schedule

6. Universal Metering and Meter Repair and Replacement

Universal metering was initiated within the first year after adoption of the initial Plan in 2005. Since then, the Plan has been modified to include all requirements of the TWDB and TCEQ. Meter readers classified the apparent condition of all the Company's meters during the six months following the implementation of the program. During this same period, all inoperative meters were replaced and now a percentage of the meters are tested annually. Annual testing of meters, maintaining, and replacement of inoperative meters has enabled water consumption to be tracked, thus providing needed information for a more efficient conservation strategies.

Southern Utilities Company will continue to replace approximately 3 percent of meters annually with standard meters to insure meter accuracy and help reduce the unknown water loss percentage. Southern Utilities Company will continue with utility wide meter replacement that began in the first year of implementation of this BMP. All water usage will be metered including new customers and all company usage. When necessary employees will estimate and then calculate according to set best practices.

7. Water Conservation Landscaping

Educational material will include information relating to low water use landscaping. Sub-dividers and builders within the Southern Utilities Company service area will have access to literature pertaining to low water demand landscaping plants and fixtures. Area nurseries will also have access to afore mentioned literature.

8. Water Audits and Leak Detection

Southern Utilities Company has implemented a Water Audit System to monitor monthly consumption, and this Water Audit approach has become a major tool in system management.

Classification of meter condition or replacement of meter, as stated in this Plan, provides a reliable and effective leak detection program. It is estimated unaccounted for water was reduced by at least one half percent (.5%) per year of the Water Conservation Program. The Company is aware that assistance in leak detecting surveys can be obtained from the Texas Water Development Board Staff, if needed.

Meter classification and aggressive enactment of a current detection program enables Southern Utilities Company staff to determine the need for seeking further assistance from the use of electronic equipment.

The current detection program consists of the following observations and activities:

a. Leaks reported by citizens.
b. Leak detection by Meter Readers.
c. Continual checking and servicing of production, pumping and storage facilities.
d. Quick response by maintenance department and staff to respond to reported problems.

Through the implementation of this BMP Southern Utilities Company will continue to maintain a proactive water loss and leak detection program. The Company has implemented a structured leak detection program to limit water loss due to leaks in the distribution system and water production facilities. However, due to the systems large size and the fact it serves rural communities, the water loss is still higher than what Southern Utilities considers acceptable. Southern Utilities Company will continue to strive for lower water loss numbers utilizing the procedures listed in the Best Management BMP. Other items to be included in this program are as follows:

1. Utility employees will conduct regular inspections and soundings on all water mains, fittings and connections.
2. Pressure zones will be operated based on topography. The Southern Utilities Company Water System currently operates on a single pressure zone.
3. If needed, utility employees will perform night flow measurements periodically with or without the assistance of the Texas Water Development Board or TCEQ and available monitoring equipment.
4. Pressure surges in the water system will be appropriately managed and limited.
5. Employ the use of temporary or permanent noise detectors and loggers when necessary.
6. Daily, weekly and monthly flows will be taken in different areas of the water system using portable metering equipment (phased in several years after implementation).
7. A water model has been established which can calculate some water loss, based on baseline perimeters, for Southern Utilities Company Water System. The model is updated periodically to include new areas and new customers. The water model is primarily used to determine whether new housing developments will be within the system's capacity or if there will need to be improvements made to the system to accommodate the proposed development.
8. Performing regular leak surveys on system.
9. System wide replacement of water meters (approximately 3% annually).
10. Phase in a leakage tracking system for repairs. This includes a method for calculating cost effectiveness of replacing service lines and water mains.

The System Water Audit and Water Loss program was implemented during the first year following the adoption of the Best Management Practice (2010). The program consisted of a Top-Down Audit and a Bottom-Up Audit on the Southern Utilities Company Water System, also referred to as "the Company".

8.1) Top Down Audit – When the top down audit is performed it used existing records and general estimation on overall water loss for the Company's water system. Records to complete the top down audit were, quantities of water entering and exiting the water plants, average pressures, meter replacement summaries, customer billing summaries, leak repair summaries, water theft records and any permitted fire hydrant water use summaries. There is an annual audit performed every year to meet the requirements of the TWDB and TCEQ.

Any un-metered company water use records were also used. Once this information was gathered the Southern Utilities Company completed the top down audit.

8.2) Bottom Up Audit – When the bottom up portion of the water audit was performed it investigated the Company's utility policies and practices. Any changes will be phased in over several years. This second step in the water audit was be detailed and furnish the Company with a greater understanding of the water used for the utility's purposes and how it can be reduced and managed through metering. Some of the items to be addressed include water for line flushing, water use by any fire departments, system wide pressure analysis, the use of night flow and/ or zone analysis for water leakage estimates and detailed leakage repair information.

All the above information will give the Company the tools to improve the water loss, control procedures, and give a quantifiable value to indicators such as Real Losses, Apparent Losses, Unavoidable Annual Real Losses (or UARL), Economic Level of Leakage (or ELL) and the Infrastructure Leakage Index (or ILI).

The Southern Utilities Company has a target goal of an ILI of 3 or less. Annually, Southern Utilities Company will calculate the ILI and will continue to implement the bottom up portions of the water audit until such a time that the ILI of 3 can be achieved therefore reducing the overall consumption of water for a new gallon per capita per day goal of 130 or less. Annual water audits and surveys are completed annually and submitted to the TWDB and TCEQ as required.

9. Recycling and Reuse

Recycling and water reuse is not practical or essential for this privately owned utility or within this service area.

10. Means of Implementation and Enforcement

The General Manager, through his staff, will implement the Plan in accordance with the adopted 5 year updated Water Conservation Plan, adoption of Plumbing Codes and revisions thereof as set

out in this Plan. The Plan will be enforced by the following:

1. Refusing to provide taps for customers who do not meet requirements for Water Conservation fixtures as established by Plumbing Code.
2. Nonpayment of water bills will initiate prompt discontinuation of service.
3. Analysis of water rates and adjusting rates to eliminate water waste.
4. Discontinuation of service for those individuals not conforming to implemented water rationing and curtailment as set forth in this plan.
5. Disconnection of service if customer does not repair leaks, on his/her side of the meter, within an appropriate timeframe, after notification by the Company.

11. Contracts with Other Wholesale Customers

Any political subdivision and/or wholesale customer contracting for water from the Southern Utilities Company must have (1) an approved Texas Water Development Board Water Conservation and Emergency Demand Management Plan in effect or (2) must officially adopt applicable provisions of the Southern Utilities Company's Water Conservation and Drought Contingency Emergency Demand Management Plan. Southern Utilities Company has no wholesale customers but there are interconnects with The City of Tyler and emergency interconnects with the City of Kilgore. Both have individual Water Conservation and Drought Contingency Plans.

12. Regional Water Planning Groups

As stated previously in the document, Southern Utilities Company will send an original and copy of the Southern Utilities Company Conservation Plan to the Region "I" Regional Water Planning Group. Providing a copy of this Water Conservation and Drought Contingency Plan to the appropriate Water Planning Group is a requirement of the State of Texas and enforced by the TCEQ.

The Water Planning Group will receive a copy of each plan completed by all water suppliers within Region "I" so the planning committees have the information to determine the range of water available to the state in five, ten, and 20 year intervals.

13. Record Management System

Southern Utilities Company's present billing system does not have the capability of recognizing different classes of customers. Presently, only one (1) class of customer can be recognized for billing purposes. At such point in time that the Company purchases a new billing system, the below requirements will be addressed.

The government requirement (30 TAC, ch.288) that a Record Management System which allows for the classification of water sales and uses into the most detailed level of water use data currently available to it, including, if possible, the sectors listed. It requires that any new billing system purchased by a public water supplier must be capable of reporting the detailed water uses listed below:

residential
single family
multi family
commercial
institutional
industrial
agricultural and
wholesale

Southern Utilities Company employees do physically count and verify multi-family accounts (MHP, duplexes, triplexes, quadplexes, apartments, etc.) at the time the respective meter is read each month for capacity determination purposes. This information is updated/revised in an internal file separate and apart from the billing system. The existing billing system only recognizes MHP accounts as residential single account.

SECTION III - DROUGHT CONTINGENCY EMERGENCY DEMAND MANAGEMENT PLAN

1. Threshold Condition:

The Texas Water Development Board suggests at least three stages or trigger conditions for determining the degree of urgency for initiation of the Emergency Demand Management Plan. Southern Utilities has updated and set five (5) stages of drought conditions and are as follows. Drinking water for the Southern Utilities Company is obtained from the Carrizo- Wilcox Aquifers through deep water wells. Southern Utilities maintains approximately 30 deep water wells with both ground storage and elevated storage tanks and strategically placed pump stations used to maintain the appropriate pressures within the distribution system. All mandatory sampling, testing, monitoring and reporting is reported to the TCEQ as required by law.

1.1 Stage I - Mild Drought occurs when:

a. Average daily water consumption reaches 70% (13.9 mgd) of safe design capacity (17.4 mgd) for the water system.

b. Consumption (70%) has existed for a period of three days.

c. The utility will reduce the average daily water consumption by 1% or 0.054 million gallons per day

d. The utility will reduce the average GPCD by 1% or 1.32 GPCD

e. Weather conditions indicate moderate drought will exist five (5) days or more.

1.2 Stage II - Moderate Drought occurs when:

f. Average daily water consumption reaches 75% of safe design capacity for the water system.

g. Consumption (75%) has existed for a period of three days.

h. The utility will reduce the average daily water consumption by 5% or 0.273 million gallons per day

i. The utility will reduce the average GPCD by 5% or by 6.60 GPCD

j. Weather conditions indicate moderate drought will exist five (5) days or more.

1.3 Stage III - Severe Drought conditions are reached when:

a. Average daily water consumption reaches 80% of safe design capacity for the water system for a three day period.

b. Weather conditions indicate moderate drought will exist five (5) days or more.

c. The utility will reduce the average daily water consumption by 7% or 0.382 million gallons per day

d. The utility will reduce the average GPCD by 7% or 9.2 GPCD

e. Any one storage tank is taken out of service during mild or moderate drought period.

f. Storage capacity (water level) is not being maintained. Storage tanks are unable to recover even overnight when demands are at the lowest rate.

g. Existence of any two listed conditions for a duration of 24 hours.

1.4 Stage IV - Critical drought classification is reached when:

a. Average daily water consumption reaches 95% of safe design capacity for the water system for a three day period.

b. Average daily water consumption will not enable storage levels to be maintained.

c. Water demand exceeds available high service pump capacity within service area.

d. Any two (2) conditions listed in severe drought classification occur at the same time for a 24 hour period.

e. The utility will reduce the average daily water consumption by 10% or 0.546 million gallons per day.

f. The utility will reduce the average GPCD by 10% or to 13.2

1.5 Stage V - Emergency drought classification is reached when:

a. Water system is contaminated either accidentally or intentionally. Emergency condition is reached immediately upon detection.

b. Water system fails – from acts of God, (tornadoes, hurricanes) or man. Severe condition is reached immediately upon detection.

c. Average Daily demand will be reduced by 15% or 0.819 million gallons per day and a reduction in the average GPCD by 15% or 19.8.

2. Emergency Demand Management:

The Water Conservation and Emergency Demand Management Resolution, adopted and included as part of this Plan, enables the General Manager to initiate action that will effectively implement the Plan. The following steps are recommended:

2.1 Step I

Step 1 are measures related to Stage I - mild drought conditions and will be initiated by the following listed actions. (Listed action is compulsory on users and is intended to prohibit water waste.)

a. Develop Information Center and designate information person.

b. Advise public of condition and publicize availability of information from Center.

c. Encourage voluntary reduction of water use.

d. The utility will reduce the average daily water consumption by 1% or 0.054 million gallons per day.

e. GPCD will be reduced by 1 % or 1.32 GPCD

f. Implementation of system oversight and make adjustments required to meet changing conditions.

2.2 Step II

Step II are measures related to Stage II - Moderate drought curtailment is to be initiated by the General Manager on his identifying the existence of any Stage 2 - moderate drought conditions. ("Water Waste" is defined as washing house windows, sidings, eaves and roof with hose, without the use of a bucket; washing driveways, streets, curbs and gutters, washing vehicles without cutoff valve and bucket, and unattended sprinkling of landscape shrubs and grass; draining and filling swimming pools and flushing water system.)

a. Outdoor residential use of water will be permitted on specified days. Outdoor water usage shall be allowed every fourth day with the schedule being developed by the General Manager.

Outdoor residential uses consist of washing vehicles, boats, trailers, landscape

sprinkler systems and irrigation, recreational use of sprinklers, outside showers (in parks) and water slides.

b. The General Manager will monitor system function and establish hours/ schedule for outside water use, depending upon system performance.

c. The utility will reduce the average daily water consumption by 5% or 0.273 million gallons per day.

d. The Utility will reduce the GPCD by 5% or 6.60 GPCD

e. Information Center and publicity elements shall keep the public advised of curtailment status.

2.3 Step III

Step III are measures related to Stage III - Severe drought curtailment shall be initiated upon existence of severe conditions as determined by the General Manager. Once this stage has been met and water curtailment in inevitable the General Manager will notify the TCEQ about the water restrictions and he will ban the use of water for:

a. Outside water use such as vehicle washing, window washing, other outside watering (lawn, shrub, faucet dripping, garden, etc.)

b. The utility will reduce the average daily water consumption by 7% or .382 million gallons per day

c. The utility will reduce the average GPCD by 7% or 9.2 GPCD

d. Public water uses which are not essential for health, safety and sanitary purposes are limited.

2.4 Step IV

Step IV are measures related to Stage IV - Critical drought curtailment shall be initiated upon existence of severe conditions as determined by the General Manager. Once this stage has been met and water curtailment in inevitable the General Manager will notify the TCEQ about the water restrictions and he will ban the use of water for:

a. Vehicle washing, window washing, outside watering (lawn, shrub, faucet dripping, garden, etc.)

b. The utility will reduce the average daily water consumption by 10% or .546 million gallons per day

c. The utility will reduce the average GPCD by 10% or 13.2 GPCD

d. Public water uses which are not essential for health, safety and sanitary purposes. These include:

1. Street washing
2. Fire hydrant flushing
3. Filling of pools
4. Athletic fields
5. Golf courses
6. Dust control sprinkling

Businesses requiring water as a basic function of the business, such as nurseries, commercial car wash, Laundromats, high pressure water cleaning, etc., will need to obtain written permission from the General Manager for intended water use.

2.4 Step V

Step V are measures related to Stage V - Emergency drought curtailment shall be initiated upon existence of emergency conditions as determined by the General Manager. Once this stage has been met and water curtailment is inevitable the General Manager will notify the TCEQ about the water restrictions and he will ban the use of water as detailed in this plan. **All water use except used for health, safety, and sanitation is strictly prohibited.**

The System Priority for water service shall be made on the following basis:

1. Hospital
2. Schools
3. Residential
4. Industrial
5. Commercial
6. Recreational

3. Initiation Procedures:

Initiation procedures employed at any period are described in this Plan. Each condition will be met with corresponding action by the General Manager, and the General Manager will affect curtailment, give notice, publicize and follow implementation of curtailment procedures and notify TCEQ as required for stages two, three, four and five of this Plan.

4. Termination of Curtailment:

Termination of each drought condition will begin when that specific condition has been improved to the extent that an upgraded condition can be declared by the General Manager of Southern Utilities Company. This process will not be employed until full service can be provided. System priority will be considered in return to upgraded condition, returning hospitals, schools, etc., in priority order.

Termination will be initiated by the General Manager by giving notice, etc., as was given to enact drought curtailment. This includes notifying the TCEQ that the Stage has been terminated.

5. Modification, Deletion and Amendment:

The Southern Utilities Company General Manager reserves the right to add, delete, and amend rules, regulations, and implementation as necessary, and shall advise the Company owners of such amendments at its next regular or called meeting.

6. Means of Implementation:

Adoption of this revised Plan and Drought Contingency Ordinance, written into the Tariff, will enable the Company to implement and carry out enforcement of enacted ordinances to make the Plan effective and workable.

APPENDIX NO. 1

LEGAL AND REGULATORY COMPONENT

RESOLUTION NO._____

A RESOLUTION ADOPTING THE FIVE (5) YEAR UPDATED SOUTHERN UTILITIES COMPANY WATER CONSERVATION AND EMERGENCY DEMAND MANAGEMENT PLAN (MAY, 2019): PROVIDING A PENALTY OF NON-COMPLIANCE AND/OR DIS-CONNECTION OF WATER SERVICES TO SUCH USERS BY SOUTHERN UTILITIES COMPANY: A PUBLIC NEED OF AN EMERGENCY NATURE FOR THE ADOPTION HEREOF ON ONE READING: PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.

BE IT ORDAINED BY SOUTHERN UTILITIES COMPANY, TYLER, TEXAS:

WHEREAS, the General Manager has determined there is an urgent need in the best public interest of Southern Utilities Company to adopt the 2019 Five (5) Year Updated Water Conservation Plan and Emergency Demand Management Plan, and the General Manager further determines that such a public need is of an emergency nature and the requirement of two required separate readings of the subject Resolution be dispensed with and waived;

WHEREAS, THE General Manager now desires to evidence his approval of the 2019 Five (5) Year Updated Water Conservation/Emergency Demand Management Plan (May, 2019) and adopt such a plan as an official policy of Southern Utilities Company, as written into the Tariff;

Now, Therefore

BE IT ORDAINED BY THE SOUTHERN UTILITIES COMPANY:

SECTION 1: Approval of the Plan: The General Manager hereby approves and adopts as Southern Utilities Company Water Conservation Plan, the 2019 Five (5) Year Updated Water Conservation/ Emergency Demand Management Plan (May, 2019) attached hereto as Exhibit ”A” to be included in full as a part of this Resolution as if recited verbatim herein. Southern Utilities Company commits to implement and continue the programs according to the procedures set forth in the adopted plan.

SECTION II: In regards to implementation and enforcement of the revised Conservation/Emergency Demand Management Plan, the General Manager is designated as the official responsible for implementation and enforcement, and the following guidelines are adopted:

Stage One -Mild Drought occurs when:

(a) Average daily water consumption reaches 70% (13.92 MGD) of safe design capacity for the water system and existed for a period of three (3) days.

(b) The utility will reduce the average daily water consumption by 1% or 0.054 million gallons per day.

(c) Weather conditions are to be considered in drought classification determination. Predicted long, hot, or dry periods are to be considered in impact analysis.

(d) The Utility will reduce the average daily GPCD by 1% or 1.32.

Stage 2 - Moderate Drought conditions are reached when:

(a) Average daily water consumption reaches 75% of safe design capacity for the water system for three-day period.

(b) Weather conditions indicate mild drought will exist three days or more.

(c) The utility will reduce the average daily water consumption by 5% or 0.273 million gallons per day.

(d) The utility will reduce the average GPCD by 5% or 6.60

(e) Any one storage tank or one water well is taken out of service during mild drought.

(f) Storage capacity (water level) is not being maintained, but recovers overnight.

(g) Existence of any preceding conditions listed above for a duration of 36 hours.

Stage 3 - Severe Drought Classification is reached when:

(a) Average daily water consumption reaches 80% of safe design capacity for the water system for a three (3) day period.

(b) Average daily water consumption will not enable storage levels to be maintained, does not fully recover overnight in low demand times.

(c) The utility will reduce the average daily water consumption by 7% or 0.382 million gallons per day.

(d) The utility will reduce the average GPCD by 7% or by 9.25

(e) Weather conditions indicate mild drought will exist five days or more.

(f) Any two conditions listed in Stage 3 - Moderate Drought Classification occur for a 24 hour period.

Stage 4 - Critical Drought Classification is reached when:

(a) Average daily water consumption reaches 95% of safe design capacity for the water system for a three (3) day period.

(b) Average daily water consumption will not enable storage levels to be maintained and does not recover overnight in low demand conditions.

(c) The utility will reduce the average daily water consumption by 10% or 0.546 million gallons per day.

(d) The utility will reduce the average GPCD by 10% or 13.2

(e) System demand exceeds available high service pump capacity.

(f) Any two conditions listed in Stage 3 - Severe Drought Classification occur for a 24 hour period.

Stage 5 - Emergency Drought Classification is reached when:

(a) Average daily water consumption reaches 100% of safe design capacity for the water system in a three day period.

(b) Average daily water consumption will not enable storage levels to be maintained or recover even overnight in low demand conditions.

(c) System demand exceeds available high service pump capacity.

(d) Any two conditions listed in Stage 4 - Critical Drought Classification occur for a 24 hour period.

(e) Water system is contaminated either accidentally or intentionally. Emergency condition is reached immediately upon detection.

(f) Water system fails – from acts of God (tornadoes, hurricanes) or man. Emergency condition is reached immediately upon detection.

In the event Emergency classification conditions persist (Item 3 above) for an extended period of time, Southern Utilities Company may ration water usage and/or terminate service to selected users of the system in accordance with the following sequence:

(1) Recreational Users
(2) Industrial Users
(3) Commercial Users
(4) Residential Users
(5) School Users
(6) Hospitals, Nursing Facilities, Dialysis Centers, Public Health and Safety Facilities

SECTION III: Users of Southern Utilities Company water except for Southern Utilities Company itself that do not comply with Section II of this Resolution shall be subject to a penalty of noncompliance and/or disconnection or discontinuance of water services to such users by Southern Utilities Company.

First violation - The customer will be notified by written notice of their specific violation.

Second violation - After written notice the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed $50.00.

Subsequent violations - The utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of services.

SECTION IV: Southern Utilities Company General Manager finds and declares that a sufficient written notice of the date, hour, place, and subject of the public meeting of Southern Utilities Company 5 Year Updated Conservation Plan (May, 2019) was posted for the time required by law preceding this meeting and that such place of posting was readily accessible at all times to the general public; and that all of the foregoing was done as required by law; and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon.

Southern Utilities Company further ratifies, approves and confirms such written notice and the contents and posting thereof.

PASSED AND APPROVED THIS 18TH DAY OF APRIL, 2019

GENERAL MANAGER Michael R Farrell

Michael R. Farrell

WITNESS

APPENDIX NO. 2

SOUTHERN UTILITIES

RATE SCHEDULE

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Rate	Gallonage Charge
5/8" or 3/4"	$25.58 (INCLUDING 0 GAL.)	$2.00 per 1,000 gallons for first 6,000 gallons
1"	$63.95	$2.50 per 1,000 gallons from 6,001 to 12,000 gallons
1½"	$127.90	$3.50 per 1,000 gallons from 12,001 and up
2"	$204.64	***$3.00 per 1,000 gallons from 12,001 and up
3" C	$409.28	
3" T	$447.65	
4" C	$639.50	
4" T	$767.40	
6" C	$1,279.00	
6" T	$1,598.75	

*****This additional charges of $3.00 per 1,000 gallons for usage over 12,000 gallons is conservation rate surcharge. The additional revenue generated from this charge shall be escrowed by the utility and to be used for capital improvements (customer contribution in aid of construction).**

Federal Tax Change Credit Rider

August 1, 2018 – December 31, 2018

Meter Size	Monthly Credit
5/8" or ¾"	($4.68)
1"	($11.71)
1½"	($23.41)
2"	($37.46)
3" C	($70.24)
3" T	($81.94)
4" C	($117.06)
4" T	($140.47)
6" C	($234.12)
6" T	($292.65)

January 1, 2019 -

Meter Size	Monthly Credit
5/8" or ¾"	($2.20)
1"	($5.49)
1 ½"	($10.98)
2"	($17.56)
3" C	($32.93)
3" T	($38.41)
4" C	($54.88)
4" T	($65.85)
6" C	($109.75)
6" T	($137.19)

REGULATORY ASSESSMENT 1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Discover_, MasterCard_, Visa_, Bank Draft X

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN $1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.)

SECTION 1.0 -- RATE SCHEDULE

Section 1.02 - Miscellaneous Fees (Continued)

TAP FEE

5/8" or 3/4" meter.....$500.00
1" meter.....$720.00
1½"meter.....$920.00
2".....$1,120.00

ANY ROAD BORING REQUIRED FOR INDIVIDUAL METER SERVICE TO BE DONE AT ACTUAL COST. ALL OTHER UNIQUE COSTS RECOVERABLE UNDER PUC RULES ASSOCIATED WITH INDIVIDUAL METER SHALL BE CHARGED AT ACTUAL COST.

METER IN EXCESS OF 2" TAP FEE .....Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

TRANSFER FEE.....$30.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

a) Non-payment of bill (Maximum $25.00).....$25.00
b) Customer's request $30.00

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

LATE CHARGE.....$5.00

A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE $25.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum $50).....$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT ..... 1/6TH EST. ANNUAL BILL

METER TEST FEE (Actual cost of testing the meter, up to) $25.00

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

METER RELOCATION FEE .....Actual cost to relocate that meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER

METER CONVERSION FEE ..... Actual cost to convert that meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMER'S SERVICE DEMAND

SEASONAL RECONNECTION FEE:

BASE RATE FOR METER SIZE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN CUSTOMERS LEAVE AND RETURN WITHIN A TWELVE-MONTH PERIOD.

SECTION 1.0 -- RATE SCHEDULE

Section 1.02 - Miscellaneous Fees (Continued)

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.20 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 16 TAC § 24.21(B)(2)(F) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(prr)(cgc)(r)}{(1.0-r)}$$

Where:

TGC	=	temporary gallonage charge
cgc	=	current gallonage charge
r	=	water use reduction expressed as a decimal fraction (the pumping restriction)
prr	=	percentage of revenues to be recovered expressed as a decimal fraction. For this tariff prr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 16 TAC § 24.21.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

AG	=	G + B/(1-L), where
AG	=	adjusted gallonage charge, rounded to the nearest one cent;
G	=	approved gallonage charge (per 1,000 gallons);
B	=	change in purchased water/district gallonage charge (per 1,000 gallons);
L=		system average line loss for preceding 12 months not to exceed 0.15

FEDERAL TAX CHANGE CREDIT RIDER (FTCCR):

The Federal Tax Change Credit Rider gives effect to the Tax Cuts and Jobs Act of 2017, which changed the federal corporate tax rate from 35% to 21%, by reducing the cost of service paid by customers taking service under this rate tariff. The FTCCR will provide credits to customers taking service under this rate tariff.

APPENDIX NO. 3

SOUTHERN UTILITIES

DROUGHT PLAN

Drought Contingency Plan for a Retail Public Water Supplier

Texas Commission on Environmental Quality

This form is provided as a model of a drought contingency plan for a retail public water supplier. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691. Submit completed plans to: Water Availability Division MC 160, TCEQ, P.O. Box 13087, Austin TX 78711-3087.

Drought Contingency Plans must be formally adopted by the governing body of the water provider and documentation of adoption must be submitted with the plan.

Name:	Southern Utilities Company	
Address:	218 North Broadway	
Telephone Number:	(903) 561-3511	Fax: (903) 566.4740
Water Right No.(s):	None	
Regional Water Planning Group:	I	
Form Completed by:	Siglinda West	
Title:	Project Assistant	
Water Conservation Coordinator responsible for implementation:	Michael R. Farrell	Phone: (903) 561.3511
Signature:		Date: / /

Section I: Declaration of Policy, Purpose, and Intent

(A) In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the __Southern Utilities Company_____ hereby adopts the following regulations and restrictions on the delivery and consumption of water.

(B) Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement
(A) Opportunity for the public to provide input into the preparation of the Plan was provided by the Southern Utilities Company by means of scheduling and providing notice in a publication in county wide newspaper, scheduling a public meeting to receive input from public.

Section III: Public Education
(B) The Southern Utilities Company will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of publication in County wide newspaper, notifications printed on water bills, flyers and handouts made available to customers when paying water bill, and educational materials made available to local schools.

Section IV: Coordination with Regional Water Planning Groups
(A) The service area of the Southern Utilities Company is located within the Region I East Texas Regional Water Planning Group and Southern Utilities Company has provided a copy of this Plan to the Region I East Texas Regional Water Planning Group.

Section V: Authorization
(A) The Southern Utilities Company President, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Southern Utilities Company President or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application
(A) The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the Southern Utilities Company. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section VII: Definitions
For the purposes of this Plan**,** the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.
Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by Southern Utilities

Company.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

(a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
(b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
(c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
(d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
(e) flushing gutters or permitting water to run or accumulate in any gutter or street;
(f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
(g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
(h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
(i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

The Southern Utilities Company President or his/her designee shall monitor water supply and/or demand conditions on a daily, weekly and monthly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on the Southern Utilities Company's system history, capacity and average water use during that particular time of year. This does take into consideration the Regional Water Planning Group and State Water Plan and the recommendations published for these areas. The trigger levels are based on a statistical analysis of the vulnerability of the water source under drought of record conditions, and based on known system capacity limits.

Stage 1 Triggers -- MILD Water Shortage Conditions

Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII Definitions, when

1. Annually, beginning on May 1 through April 30.
   Due to the State of Texas continuing to report high water demands and lower future capacity of water storage Southern Utilities has maintained a year round voluntary water restrictions.
2. When, pursuant to requirements specified in the Southern Utilities Company wholesale water purchase contract with City of Tyler, notification is received requesting initiation of Stage 1 MILD water shortage conditions of the city of Tyler's Drought Contingency Plan.
3. When total daily water demand equals or exceeds 70 % of safe system capacity or 0..54 million gallons for a period of 3 consecutive days, based on the safe operating capacity of water supply facilities.
4. Achieve a 5 percent or 0.65 gallons per capita per day reduction in average daily water consumption.

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days or with a revised water projection from state officials.

Stage 2 Triggers -- MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of this Plan when;

1. When, pursuant to requirements specified in the Southern Utilities Company wholesale water purchase contract with City of Tyler, notification is received requesting initiation of Stage 2 - MODERATE water shortage conditions of the city of Tyler's Drought Contingency Plan.
2. When total daily water demand equals or exceeds 75% of the safe operating capacity gallons for a period of three (3) consecutive days, based on the safe operating capacity of water supply facilities.

3. System demands cause ground and/or elevated water storage levels to fall daily and recover completely only during the overnight low demand periods;
4. Weather conditions indicate mild drought will exist five (5) days or more.
5. The utility will reduce the average daily water consumption by 5% or 0.273 million gallons per day
6. The utility will reduce the average GPCD by 5% or 6.60 GPCD

Requirements for termination

Stage 2 or Moderate water shortage conditions of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 2, Moderate Water Shortage Conditions, Stage 1 will again become operative.

Stage 3 Triggers – SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 Severe Water Shortage Conditions of this Plan when the existence of any one listed condition for Stage 1 and/or Stage 2 for a duration of 36 hours

1. When total daily water demand equals or exceeds 90% of the safe system capacity for a period of five (5) consecutive days, based on the safe operating capacity of water supply facilities.
2. Weather conditions indicate mild drought will exist seven (7) days or more.
3. The utility will reduce the average daily water consumption by 7% or 0..82 million gallons per day
4. The utility will reduce the average GPCD by 10% or 13.188 GPCD
5. Any one ground or elevated storage tank is taken out of service during mild/ moderate drought period.
6. Storage capacity (water storage level) is not being maintained during period of 100% rated production period.

Requirements for termination

Stage 3 – Severe water shortage conditions of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 4 Triggers -- CRITICAL Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when;

1. When, pursuant to requirements specified in the Southern Utilities Company wholesale water purchase contract with City of Tyler, notification is received requesting initiation of Stage 4 - CRITICAL water shortage conditions of the city of Tyler's Drought Contingency Plan.
2. When total water demand equals or exceeds 95% of the safe system capacity for a period of seven (7) consecutive days, based on the safe operating capacity of water supply facilities.
3. Average daily water demand reaches or exceeds 95% of production capacity for the water system
4. Average daily water demand will not enable storage levels to be maintained.
5. The utility will reduce the average daily water consumption by 10% or 0.546 million gallons per day.
6. The utility will reduce the average GPCD by 15% or 32.97
7. Water demand exceeds available high service pump capacity within service area.
8. Any two (2) conditions listed in severe drought classification occur at the same time for a 24 hour period.
5. Water system is contaminated either accidentally or intentionally. Emergency condition is reached immediately upon detection.

Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

Stage 5 Triggers -- EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when Southern Utilities Company President, or his/her designee, determines that a water supply emergency exists based on:

1. Water system fails – from acts of God, (tornadoes, hurricanes) or man. Emergency condition is reached immediately upon detection.
2. Major water line breaks, failure of a well, pump system failures occur, which cause unprecedented loss of capability to provide water service; **or**

3. Natural or man-made contamination of the water supply source(s).

Requirements for termination

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days.

Section IX: Drought Response Stages

The Southern Utilities Company President, or his designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public:

Written notice will be provided to each customer prior to implementation or termination of each stage of the water restriction program. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,
4. an explanation of the consequences for violations.

Other means of Notification

1. Publication in a newspaper of general circulation within the Smith County area,
2. or, have public service announcements on the local radio and television stations,
3. and/ or notifications on customer bills

Additional Notification:

The President/ General Manager of Southern Utilities Company or his/ her designee shall notify directly, or cause to be notified directly, the following individuals and entities when Critical or Emergency stages are reached:

Mayors in affected service area and/ or any water utility that may be affected.
City and/or County Emergency Management Coordinator(s)
TCEQ (required when mandatory restrictions are imposed)
Major water users
Critical water users, i.e. hospitals, nursing centers, schools
Public facilities managers in the service area

Stage 1 Response -- MILD Water Shortage Conditions

Target: Achieve a voluntary 5% percent reduction in average daily water consumption.

Best Management Practices for Supply Management:

Southern Utilities will take additional measures*, if necessary,* and they will be implemented directly by Southern Utilities Company President, to manage limited water supplies and/or reduce water demand. Measures to be taken may include, but are not limited to, reduced or discontinued flushing of water mains.

Voluntary Water Use Restrictions for Reducing Demand:

(a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.
(b) All operations of the Southern Utilities Company shall adhere to water use restrictions prescribed for Stage 2 of the Plan.
(c) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Response -- MODERATE Water Shortage Conditions

Target: Achieve a 5% percent reduction in Average daily water demand.

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Best Management Practices for Supply Management:

Southern Utilities will take additional measures*, if necessary,* and they will be implemented directly by Southern Utilities Company President/ General Manager, to manage limited water supplies and/or reduce water demand. Measures to be taken may include, but are not limited to, reduced or discontinued flushing of water mains.

Water Use Restrictions for Demand Reduction:
Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

(b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

(c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.

(d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

(e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the Southern Utilities Company.

(f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the Southern Utilities Company, the facility shall not be subject to these regulations.

(g) All restaurants are prohibited from serving water to patrons except upon request of the patron.

(h) The following uses of water are defined as non-essential and are prohibited:

1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
3. use of water for dust control;
4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 Response -- SEVERE Water Shortage Conditions

Target: Achieve a 7% percent reduction in average daily water consumption.

1. The utility will reduce the average daily water consumption by 7% million gallons per day

4. The utility will reduce the average GPCD by 7% or 0.382 million gallons per day, 13.188 GPCD

Best Management Practices for Supply Management:

Southern Utilities Company will take additional measures, *if necessary,* and they will be implemented directly by Southern Utilities Company President, to manage limited water supplies and/or reduce water demand. Measures to be taken may include, but are not limited to, reduced or discontinued flushing of water mains, activation and use of an alternative supply source(s).

Water Use Restrictions for Demand Reduction:
All requirements of Stage 2 shall remain in effect during Stage 3 except:

(a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.

(b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the Southern Utilities Company.

(c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

(d) The utility will reduce the average daily water consumption by 10% or 0.72 million gallons per day

(e) The utility will reduce the average GPCD by 10% or 13.188 GPCD

Stage 4 Response -- CRITICAL Water Shortage Conditions

Target: Achieve a 10% percent reduction in average daily water use

Best Management Practices for Supply Management:

Additional measures, if any, to be implemented directly by Southern Utilities Company to manage limited water supplies and/or reduce water demand, include reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of an alternative supply source(s);

Water Use Restrictions for Reducing Demand: All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except: Southern Utilities Company will take additional measures*, if necessary,* and they will be implemented directly by Southern Utilities Company President, to manage limited water supplies and/or reduce water demand. Measures to be taken may include, but are not limited to, reduced or discontinued flushing of water mains, activation and use of an alternative supply source(s).

(a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.

(b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.

(c) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.

(d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

(e) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Stage 5 Response -- EMERGENCY Water Shortage Conditions

Target: Achieve a _15__ percent reduction in _____ average daily water use.

Best Management Practices for Supply Management:

ALL non-essential water uses will be prohibited.

Water Use Restrictions for Reducing Demand. All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

Southern Utilities Company will take additional measures*, if necessary,* and they will be implemented directly by Southern Utilities Company President, to manage limited water supplies and/or reduce water demand. Measures to be taken include, but are not limited to, reduced or discontinued flushing of water mains, activation and use of an alternative supply source(s).

(a) Irrigation of landscaped areas is absolutely prohibited.

(b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

(c) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.

(d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

(e) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Section X: Enforcement

(a) No person shall knowingly or intentionally allow the use of water from the Southern Utilities Company for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by Southern Utilities Company President, or his/her designee, in accordance with provisions of this Plan.

(b) Any person who violates this Plan is guilty of a violation and, upon written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed $50.00. If a person is convicted of three or more distinct violations of this Plan, the president shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, established in the Southern Utilities Tariff, and any other costs incurred by the Southern Utilities Company in discontinuing service. In addition, suitable assurance must be given to the Company that the same action shall not be repeated while the Plan is in effect.

(c) Any person, including a person classified as a water customer of the Southern Utilities Company, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

(d) After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of service.

Section XI: Variances

The Southern Utilities Company President, or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

(a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
(b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Southern Utilities Company within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the President, or his/her designee, and shall include the following:

(a) Name and address of the petitioner(s).
(b) Purpose of water use.
(c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
(d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
(e) Description of the relief requested.
(f) Period of time for which the variance is sought.
(g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
(h) Any other pertinent information.

Drought Contingency Plan for the Investor Owned Utility

March 2019

Texas Commission on Environmental Quality

DROUGHT CONTINGENCY PLAN
FOR

Southern Utilities Company

(Name of Utility)

218 North Broadway, Tyler, TX 75702

(Address, City, Zip Code)

10762

(CCN#)

2120063

(PWS #s)

April 18, 2019

(Date)

Section 1 Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit non-essential water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

Please note: Water restriction is not a legitimate alternative if a water system does not meet the Texas Commission on Environmental Quality's (TCEQ) capacity requirements under normal conditions **or** if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

I, Michael R. Farrell (print name), being the responsible official for Southern Utilities Company (Name of utility), **request a minor tariff amendment to include the enclosed Drought Contingency Plan.**

Michael R. Farrell

(Signature)

04/18/19

(Date)

Michael R. Farrell
Southern Utilities Company

Section 2 Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by:
(Check at least one of the following)

Scheduling and providing public notice of a public meeting to accept input on the Plan.

The meeting took place at:

Date: 04/17/2019 Time: 5:00 pm Location: 6781 Oak Hill Blvd. Tyler, TX 75703

Bill insert inviting comment **(attach bill insert)**

Other method Attached is the Public Notice published in the newspaper with greatest circulation in Smith County

Section 3 Public Education

The Southern Utilities Company will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

Drought plan information will be provided by:
(check at least one of the following)

XX *public meeting*

press releases

utility bill inserts

other Public Notice Via Newspaper publication

Section 4 Coordination with Regional Water Planning Groups

The service area of the Southern Utilities Company is located within Regional Water Planning Group (RWPG) I.
Southern Utilities Company has mailed a copy of this Plan to the RWPG.

Section 5 Notice Requirements

Written notice will be provided to each customer **prior to implementation or termination of each stage of the water restriction program**. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,
4. an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239-4691, or electronic mail at *watermon@tceq.state.tx.us* prior to implementing Stage III and must notify in writing the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).

Section 6 Violations

1. First violation - The customer will be notified by written notice of their specific violation.

2. Subsequent violations:

   a. After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed $50.00.

   b. After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of service.

Section 7 Exemptions or Variances

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause **upon written request**. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.

STAGE I - CUSTOMER AWARENESS

Stage I will begin:

Every April 1st, the utility will mail a public announcement to its customers. No notice to TCEQ required.

Stage I will end:

Every April 1st, the utility will mail a public announcement to its customers that Stage 1, Voluntary Water Restrictions are still in effect. No notice to TCEQ required.

Utility Measures:

This announcement will be designed to increase customer awareness of water conservation and encourage the most efficient use of water. A copy of the current public announcement on water conservation awareness shall be kept on file available for inspection by the TCEQ.

Voluntary Water Use Restrictions:

Water customers are requested to voluntarily limit the use of water for non-essential purposes and to practice water conservation.

STAGE I - VOLUNTARY WATER CONSERVATION:

Target: Achieve a ___5___ percent or 0.65 gallons per capita per day reduction in average daily water consumption, 0.37 million gallons per day

The water utility will implement Stage 2 when any one of the selected triggers is reached:

Supply-Based Triggers:

When total daily water demand equals or exceeds 80% of system's safe operating capacity
Daily consumption equals or exceeds 80% and has lasted for a period of at least 3 days.
Drought weather conditions will exist for five (5) days or more

Gallons per capita per day shall be reduced by 5% or 0.65 GPCD

Demand- or Capacity-Based Triggers:

Drinking water treatment equals or exceeds 80% of capacity %
Total daily demand meets or exceeds 80% of system capacity
Storage capacity is not being maintained during a period of 80% rated production
Any one ground tank or well is taken from service
Production or distribution limitations increase

Upon initiation and termination of Stage II, the utility will mail a public announcement to its customers. No notice to TCEQ required.

Requirements for Termination:

Stage II of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage II, Stage I becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of customer use records and follow-up on any that have unusually high usage.

The Utility will reduce or discontinued flushing of water mains unless necessary for health and safety, General manager will monitor system functions on a daily basis.

Other water sources - Southern Utilities Company has 29 wells within distribution system
Interconnection with other system- Emergency interconnects
Purchased water- City of Tyler

Water Use Restrictions:

1. Restricted Hours: Outside watering is allowed daily, but only during periods specifically described in the customer notice; between 10:00 p.m. and 5:00 a.m. for example; or

2. Restricted Days/Hours: Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use **as scheduled by the General Manager.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is

permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system; or

3. Other uses that waste water such as water running down the gutter.

STAGE II - MANDATORY WATER USE RESTRICTIONS:

Target: Achieve a 7% percent or 0.72 million reduction in average daily water consumption, 1.85 million gallons per day

The water utility will implement Stage II when any one of the selected triggers is reached:
or Existence of any one listed condition for a duration of 24 hours.

Supply-Based Triggers

System demands reach 85% of safe operating capacity of average daily water consumption
Consumption at 85% has lasted for a period of at least 3 days or more.
Any one well or storage facility is taken out of service
Total daily demand cause storage levels to fall daily but recover completely only during overnight low demand periods

Demand- or Capacity-Based Triggers

Total daily demand as 85% of safe operating capacity of the system
Total daily demand cause storage levels to fall daily but recover completely only during overnight low demand periods of storage capacity
Any two conditions occur at the same time for a 24 hour period
Water demand exceeds available high service pump capacity

Upon initiation and termination of Stage II, the utility will mail a public announcement to its customers. Notice to TCEQ required.

Requirements for Termination:

Stage II of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of five (5) consecutive days. Upon termination of Stage II, Stage I becomes operative.

Utility Measures:

The system will visually inspect lines. Flushing will be discontinued unless necessary for health and safety.

The utility will reduce the average daily water consumption by **7% or 0.72** million gallons per day, and the GPCD will be reduced by **7% or 13.188** GPCD.

The general Manager will monitor the system on a daily basis and will keep public advised of curtailment status through the information center.

Stage II Mandatory Water Use Restrictions:

The following water use restrictions shall apply to all customers.

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems **shall be limited to every fourth day with the schedule being developed by the general manager.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight per scheduled watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is restricted to prohibit water waste. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station with a waiver from the General Manager. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

3. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi type pool are prohibited except per waiver between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.

4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system. A waiver must be obtained.

5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.

6. Use of water for the irrigation of golf courses, parks, and green belt areas are prohibited except by waiver and hand-held hose and only as designated in the schedule on specified watering days between the hours 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.

7. The following uses of water are defined as non-essential and are prohibited:

    a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
    b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
    c. use of water for dust control;

d. flushing gutters or permitting water to run or accumulate in any gutter or street;
e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
f. any waste of water.

STAGE III - SEVERE WATER SHORTAGE CONDITIONS:

Target: Achieve a **10% percent or 34.61** gallons per capita per day reduction in average daily water consumption, **2.77** million gallons per day
The water utility will implement Stage III when any one of the selected triggers is reached:
Existence of any two listed conditions occur at the same time

Total daily water demand equals or exceeds 90% of the system's safe operating capacity.
Consumption and production at 90% has lasted for a period of at least 5 days.
Average daily water consumption will not allow storage levels to be maintained daily and do not completely recover overnight in low demand periods.
Any well or storage facility is taken out of service.
Any two conditions listed in Moderate drought classification occur at the same time for a 24 hour period.

Demand- or Capacity-Based Triggers:

Total daily demand as 90 % of system's operating capacity
Total daily demand will not allow storage to be maintained on a daily basis and does not fully recover overnight in low demand periods.
Any two conditions occur at the same time for a 24 hour period.

Water system failure from act of god, or man, critical condition is reached immediately upon detection.
ALL public water uses which are not essential for health, safety and sanitary purposes are banned

Other _____

Upon initiation and termination of Stage III, the utility will mail a public announcement to its customers. Notice to TCEQ is required.

Requirements for Termination**:**

Stage III of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage III, Stage II becomes operative.

STAGE IV - CRITICAL WATER SHORTAGE CONDITIONS:

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when;

When, pursuant to requirements specified in the Southern Utilities Company wholesale water purchase contract with City of Tyler, notification is received requesting initiation of Stage IV - CRITICAL water shortage conditions of the city of Tyler's Drought Contingency Plan.

When total water demand equals or exceeds 100% of the safe system operating capacity or 0.37 million gallons for a period of seven (7) consecutive days

Average daily water demand reaches above 95% of production capacity for the water system

Average daily water demand will not enable storage levels to be maintained

The utility will reduce the average daily water consumption by 15% or 1.85 million gallons per day.

The utility will reduce the average GPCD by 15% or 32.97

Water demand exceeds available high service pump capacity within service area.

Any two (2) conditions listed in severe drought classification occur at the same time for a 24 hour period.

Water system is contaminated either accidentally or intentionally. Emergency condition is reached immediately upon detection.

ALL public water uses which are not essential for health, safety and sanitary purposes are banned

Upon initiation and termination of Stage IV, the utility will issue a public announcement to its customers. Notice to TCEQ is required.

Requirements for Termination**:**

Stage IV of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage IV, Stage III becomes operative.

STAGE V - EMERGENCY WATER SHORTAGE CONDITIONS:

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when Southern Utilities Company President, or his/her designee, determines that a water supply emergency exists based on:

Water system failure – from acts of God, (tornadoes, hurricanes) or man-made. Emergency condition is reached immediately upon detection.

Major water line breaks, failure of a well, or pump system failures occur, which cause unprecedented loss of capability to provide safe water service; or

Natural or man-made contamination of the water supply source(s).

Requirements for termination

Stage V of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage V, Stage IV becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except where absolutely necessary. Emergency interconnects or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers. All vehicle washing, outside watering (lawn, shrub, faucet dripping, garden, etc.) window washing streets washing, fire hydrant flushing, filling of pools, athletic fields, golf courses and water used for dust control is banned, unless a waiver is obtained. Mandatory Water Use Restrictions: (all outdoor use of water is prohibited)

Irrigation of landscaped areas is absolutely prohibited.

Any unnecessary use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited. **All** nonessential uses of water are strictly prohibited.

SYSTEM OUTAGE or SUPPLY CONTAMINATION

Businesses requiring water as a basic function of the business, such as nurseries, commercial car wash, Laundromats, high pressure water cleaning, etc., will need to obtain written permission in the form of a variance, from the General Manager for any intended water usage.

The General Manager will monitor system function and establish scheduled water use depending upon system performance and heath and safety factors.

Public water uses which are not essential for health, safety and sanitary purposes are banned.

The System Priority for water service shall be made on the following basis:

1.	**Hospital**	**4.**	**Industrial**
2.	**Schools**	**5.**	**Commercial**
3.	**Residential**	**6.**	**Recreational**

Notify TCEQ Regional Office immediately in writing and notify first, any facilities within the system, that provide services based on health and safety such as hospitals, nursing facilities, dialysis centers, etc. then continue to notify in order the remaining classes of customer.

APPENDIX NO. 4

SOUTHERN UTILITIES

WATER USE DATA

Date/Time Survey Submitted: 2/14/2018 11:04:55 AM

TEXAS WATER DEVELOPMENT BOARD
WATER USE SURVEY

WATER USE IN CALENDAR YEAR: 2017

SYSTEM NAME:	SMITH COUNTY SYSTEM			**SURVEY NUMBER:**	0807310
OPERATOR NAME:				**PRIMARY USED COUNTY:**	SMITH
MULTIPLE SURVEY ORG:	SOUTHERN UTILITIES COMPANY			**PRIMARY USED RIVER BASIN:**	NECHES
MAILING ADDRESS 1:	218 N BROADWAY AVE			**ORGANIZATION MAIN PHONE:**	903-566-3511
MAILING ADDRESS 2:				**MAIN EMAIL:**	mary-southern@sbcglobal.net
CITY/STATE/ZIP:	TYLER	TX	75702-5707	**WEB:**	
PWS NAME:	SOUTHERN UTILITIES			**PWS CODE:**	2120063

INTAKE:

Water Type	County	Basin	Aquifer	Well Name (if applicable)	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)
GROUND WATER SELF SUPPLIED	SMITH	NECHES	CARRIZO-WILCOX AQUIFER		M	N	0.00	2,809,361,000

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
195,471,000	165,447,000	203,345,000	210,395,000	234,251,000	255,693,000	299,680,000	267,368,000	304,755,000	277,158,000	202,249,000	193,549,000

Water Type	County	Basin	Seller Name and/or Seller System	River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)
SURFACE WATER PURCHASED			CITY OF TYLER		M	N	100.00	62,143,000

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
4,359,000	3,831,000	4,139,000	4,640,000	5,497,000	4,299,000	5,427,000	4,603,000	6,059,000	5,621,000	6,542,000	7,126,000

SALES:

BUYER	SALE TYPE (MUNICIPAL or INDUSTRIAL)	COUNTY NAME	BASIN NAME	WATER TYPE	AQUIFER NAME (if GW)	SURFACE WATER Name (if SW)	RAW or TREATED	TOTAL VOLUME (GALLONS)
CITY OF TYLER	M			UNKNOWN			Treated	13,366,000
SOULES FOODS INC	I			UNKNOWN			Treated	110,259,000

COUNTY CONNECTIONS:

COUNTY NAME	TOTAL CONNECTIONS
CHEROKEE	231
SMITH	19,468

CONNECTIONS & USAGE:	CONNECTIONS	VOLUME (GALLONS)
TOTAL METERED RETAIL:	19,699	1,789,418,000
Residential - Single Family	19,668	1,664,760,000
Residential - Multi Family	0	0
Institutional	0	0
Commercial	0	0
Industrial	31	124,658,000
Agriculture	0	0
Reuse	0	0
TOTAL UNMETERED:	0	807,030,000

WATER SYSTEM INFORMATION:

Estimated full-time residential population served directly by this system	58,335

APPENDIX NO. 5

TCEQ REGULATIONS

Texas Administrative Code

TITLE 31	NATURAL RESOURCES AND CONSERVATION
PART 10	TEXAS WATER DEVELOPMENT BOARD
CHAPTER 356	GROUNDWATER MANAGEMENT

Subchapters

RULE §356.10 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise. Words defined in Texas Water Code Chapter 36, Groundwater Conservation Districts, that are not defined here shall have the meanings provided in Chapter 36.

(1) Affected Person--An owner of land in the management area, a district in or adjacent to the management area, a regional water planning group with a water management strategy in the management area, a person or entity who holds or is applying for a permit from a district in the management area, a person or entity who has groundwater rights in the management area, or any other person defined as affected with respect to a management area by Texas Commission on Environmental Quality rule.

(2) Agency--The Texas Water Development Board.

(3) Amount of groundwater being used on an annual basis--An estimate of the quantity of groundwater annually withdrawn or flowing from wells in an aquifer for at least the most recent five years that information is available. It may include an estimate of exempt uses.

(4) Board--The governing body of the Texas Water Development Board.

(5) Conjunctive use--The combined use of groundwater and surface water sources that optimizes the beneficial characteristics of each source, such as water banking, aquifer storage and recovery, enhanced recharge, and joint management.

(6) Conjunctive surface management issues--Issues related to conjunctive use such as groundwater or surface water quality degradation and impacts of shifting between surface water and groundwater during shortages.

(7) Desired future condition--The desired, quantified condition of groundwater resources (such as water levels, spring flows, or volumes) within a management area at one or more specified future times as defined by participating groundwater conservation districts within a groundwater management area as part of the joint planning process.

(8) District--Any district or authority subject to Chapter 36, Texas Water Code.

(9) Executive administrator--The executive administrator of the Texas Water Development Board or a designated representative.

(10) Groundwater Availability Model--A regional groundwater flow model approved by the executive administrator.

(11) Major aquifer--An aquifer designated as a major aquifer in the State Water Plan.

(12) Minor aquifer--An aquifer designated as a minor aquifer in the State Water Plan.

(13) Modeled Available Groundwater--The amount of water that the executive administrator determines may be produced on an average annual basis to achieve a desired future condition.

(14) Most efficient use of groundwater--Practices, techniques, and technologies that a district determines will provide the least consumption of groundwater for each type of use balanced with the benefits of using groundwater.

(15) Natural resources issues--Issues related to environmental and other concerns that may be affected by a district's groundwater management plan and rules, such as impacts on endangered species, soils, oil and gas production, mining, air and water quality degradation, agriculture, and plant and animal life.

(16) Office--State Office of Administrative Hearings.

(17) Petition--A document submitted to the groundwater conservation district by an affected person appealing the reasonableness of a desired future condition.

(18) Projected water demand--The quantity of water needed on an annual basis according to the state water plan for the state water plan planning period.

(19) Recharge enhancement--Increased recharge accomplished by the modification of the land surface, streams, or lakes to increase seepage or infiltration rates or by the direct injection of water into the subsurface through wells.

(20) Relevant aquifer--An aquifer designated as a major or minor aquifer.

(21) State water plan--The most recent state water plan adopted by the board under Texas Water Code §16.051 (relating to State Water Plan).

(22) Surface water management entities--Political subdivisions as defined by Texas Water Code Chapter 15 and identified from Texas Commission on Environmental Quality records that are granted authority under Texas Water Code Chapter 11 to store, take, divert, or supply surface water either directly or by contract for use within the boundaries of a district.

(23) Total Estimated Recoverable Storage--The estimated amount of groundwater within an aquifer that accounts for recovery scenarios that range between 25% and 75% of the porosity-adjusted aquifer volume.

Source Note: The provisions of this §356.10 adopted to be effective December 31, 2012, 37 TexReg 10238; amended to be effective November 26, 2014, 39 TexReg 9209; amended to be effective June 23, 2016, 41 TexReg 4491

RULE §356.21 Designation of Groundwater Management Areas

The boundaries of the groundwater management areas are delineated using a geographic information system maintained and updated by the executive administrator. The digital files and a graphic representation of the groundwater management area boundaries are available on the agency's web site at *http://www.twdb.texas.gov.* The graphic representation includes groundwater management area boundaries superimposed on a map that includes Texas county lines and may be used for creating graphic representations of the groundwater management area boundaries and other associated geographic features. These files are controlling in the event of a conflict with any graphic representation

RULE §356.22 Request to Amend Groundwater Management Area Boundaries

(a) A request to amend the boundaries of a groundwater management area must be addressed to the executive administrator and must contain the following:

(1) a resolution supporting the change signed by each of the district representatives in each affected groundwater management area;

(2) a demonstration that the geographic and hydrogeologic conditions require the proposed boundary change or an explanation that the change involves only an administrative correction; and

(3) a copy of the notice and minutes of the public meeting held by the districts in each affected groundwater management area at which the districts approved the resolution in paragraph (1) of this subsection.

(b) The executive administrator will review the request and will notify the districts of his decision.

(1) If the proposed change involves only an administrative adjustment or correction to the boundary data files identified in §356.21 of this subchapter (relating to Designation of Groundwater Management Areas), the executive administrator will instruct agency staff to make the change and notify the districts upon completing the change.

(2) If the proposed change involves a substantive change to the boundaries of one or more groundwater management areas, the request will be presented to the board for authorization.

(c) The executive administrator may, in his discretion, make administrative corrections to the data files described in §356.21 of this subchapter. The executive administrator will notify the affected districts before making any correction.

(d) The executive administrator may, in his discretion, waive any of the requirements of this subchapter upon a showing of good cause.

RULE §356.51 Required Management Plan

In accordance with Texas Water Code §§36.1071 (including coordination with surface water management entities on a regional basis), 36.1072, and 36.1085, a district shall develop and submit to the executive administrator a management plan that meets the requirements of §356.52 of this subchapter (relating to Required Content of Management Plan). The management plan goals must be time-based and quantifiable.

RULE §356.52 Required Content of Management Plan

(a) A management plan shall contain, unless explained as not applicable, the following elements:

(1) Management goals:

(A) providing the most efficient use of groundwater;

(B) controlling and preventing waste of groundwater;

(C) controlling and preventing subsidence;

(D) addressing conjunctive surface water management issues;

(E) addressing natural resource issues which impact the use and availability of groundwater, and which are impacted by the use of groundwater;

(F) addressing drought conditions;

(G) addressing conservation, recharge enhancement, rainwater harvesting, precipitation enhancement and brush control, where appropriate and cost-effective; and

(H) addressing the desired future conditions established pursuant to Texas Water Code §36.108;

(2) Management objectives that the district will use to achieve the management goals in paragraph (1) of this subsection. Management objectives are specific and time-based statements of future outcomes, each linked to a management goal. Each future outcome must be the result of actions that can be taken by the district during the five years following the effective date of the adopted management plan;

(3) Performance standards for each management objective. Performance standards are indicators or measures used to evaluate the effectiveness and efficiency of district activities. Evaluation of the effectiveness of district activities measures the performance of the district. Evaluation of the efficiency of district activities measures how well district resources are used to produce an output, such as the amount of resources devoted for each management action;

(4) Details of how the district will manage groundwater supplies in the district, including a methodology by which the district will track its progress in achieving its management goals. At least one goal must be tracked on an annual basis; however, other goals may be defined and tracked over a longer time period as appropriate; and

(5) Estimates of the following:

(A) modeled available groundwater in the district as provided by the executive administrator based on the desired future condition established under Texas Water Code §36.108;

(B) the amount of groundwater being used within the district on an annual basis taken from either the water use survey data provided by the executive administrator or the district's own estimate;

(C) the annual amount of recharge from precipitation, if any, to the groundwater resources within the district as provided by the executive administrator;

(D) for each aquifer, the annual volume of water that discharges from the aquifer to springs and any surface water bodies, including lakes, streams, and rivers as provided by the executive administrator;

(E) the annual volume of flow into and out of the district within each aquifer and between aquifers in the district, if a groundwater availability model is available from the executive administrator;

(F) the projected surface water supply in the district according to the most recently adopted state water plan; and

(G) the projected water demand for water in the district according to the most recently adopted state water plan.
(b) The management goals, performance standards and management objectives required in subsection (a)(1), (2), and (3) of this section must be consistent with the established desired future conditions of the district's groundwater management area(s).
(c) Each district must use the groundwater availability modeling information provided by the executive administrator in conjunction with available site-specific information provided by the district when developing the estimates required in subsection (a)(5) of this section.

Source Note: The provisions of this §356.52 adopted to be effective December 31, 2012, 37 TexReg 10238

RULE §356.53 Plan Submission

(a) A district requesting approval of its management plan, or of an update of its management plan to incorporate adopted desired future conditions that apply to the district, shall submit to the executive administrator the following:
(1) one hard copy of the adopted management plan;
(2) one electronic copy of the adopted management plan; and
(3) documentation that the plan was adopted after notice posted in accordance with Texas Government Code Chapter 551, including a copy of the posted agenda, meeting minutes, and copies of the notice printed in the newspaper or publisher's affidavit.
(b) The plan or revised plan under §356.54 of this subchapter (relating to Approval) shall be considered properly submitted to the executive administrator when all of the items specified in subsection (a) of this section are received by the executive administrator.

RULE §356.54 Approval

(a) The executive administrator will approve a plan as administratively complete when it contains the information required by Texas Water Code §36.1071(a) and (e). The executive administrator will notify the district in writing of the determination.
(b) If approval is denied, the executive administrator will provide written reasons for the denial with the notice of denial. A district has 180 days from receipt of notice to submit a revised management plan for review and approval. A revised or amended management plan must comply with all requirements of this subchapter.
(c) An approved management plan remains in effect until:
(1) the district fails to readopt a management plan at least 90 days before the plan expires;
(2) the district fails to submit the district's readopted management plan to the executive administrator at least 60 days before the plan expires; or
(3) the executive administrator determines that the readopted management plan does not meet the requirements for approval and the district has exhausted all appeals to the board or court in accordance with Texas Water Code §36.1072(f).

RULE §356.55 Appeal of Denial of Management Plan Approval

(a) If the executive administrator denies approval of a management plan, a revised management plan, or an amendment to a management plan, the district may appeal the denial by notifying the executive administrator in writing of its intent to appeal, not later than 60 days after the executive administrator's written notice of denial.

(1) Not later than 30 days after filing its notice of intent to appeal, a district shall submit to the executive administrator in writing points of appeal addressing each of the executive administrator's reasons for denial of approval.

(2) The appeal shall be heard at the first regularly scheduled meeting of the board to occur after the expiration of 30 days from the receipt of the district's written points of appeal. Written notice of appeal and written points of appeal shall be considered to be received by the executive administrator when received in the Austin offices of the agency.

(3) The executive administrator may file a written response to the district's points of appeal with the board and shall provide a copy of the response to the district.

(b) If the board upholds the executive administrator's decision to deny approval of the management plan, the district may request that the matter be mediated or, failing mediation, may appeal to a district court in Travis County, in accordance with Texas Water Code §36.1072(f).

RULE §356.56 Approval of Amendments

(a) If the district proposes to amend its plan for revisions of items other than the modeled available groundwater or desired future condition, the district shall submit a written copy of the proposed amendment to the executive administrator so that the executive administrator may determine whether the amendment requires approval.

(b) If the executive administrator determines that the amendment requires approval, the district shall submit all amendments to the management plan developed under §356.52 of this subchapter (relating to Required Content of Management Plan) to the executive administrator within 60 days of adoption of the amendment by the district's board. Amendments shall be submitted either in the form of an addendum to the management plan or as changes highlighted within the entire management plan.

(c) If the amendments address items required by Texas Water Code §36.1071, they should be in the form of an amended plan instead of an addendum to avoid confusion and preserve the integrity of the plan. Amendments must be submitted in accordance with §356.53 of this subchapter (relating to Plan Submission). Incorporation of newly developed desired future conditions and modeled available groundwater values must be adopted as an amendment.

RULE §356.57 Sharing with Regional Water Planning Groups

Each district shall forward a copy of its approved management plan to the chair of each regional water planning group within the district's boundaries.

TITLE 31 NATURAL RESOURCES AND CONSERVATION
PART 10 TEXAS WATER DEVELOPMENT BOARD
CHAPTER 358 STATE WATER PLANNING GUIDELINES
SUBCHAPTER B DATA COLLECTION

Rules

RULE §358.5 Groundwater and Surface Water Use Surveys

The executive administrator shall conduct surveys at least annually of persons and/or entities using groundwater and surface water for municipal, industrial, power generation, or mining purposes to gather data to be used for long-term water supply planning. The survey instrument will identify which responses are required and which are optional. The executive administrator will send the surveys to the appropriate recipients by first-class mail, electronic mail, or both. Recipients shall return the survey to the executive administrator within 60 days of the postmark date or electronic mail sent date. Surveys may be returned to the executive administrator electronically. The executive administrator shall determine if the survey is administratively complete. A survey is administratively complete if all required responses are provided. Incomplete surveys will be returned to the recipient, who will have 60 days from the new postmark date or electronic mail sent date to complete the items found deficient and return the survey to the executive administrator. A person or entity that fails to return their survey within 60 days or correct a survey that is not administratively complete within 60 days is ineligible for funding from board programs. Ineligibility will remain until the incomplete survey instruments are submitted to the executive administrator and determined to be administratively complete. Further, a person who fails to complete and return the survey commits an offense that is punishable as a Class C misdemeanor, pursuant to Texas Water Code §16.012(m).

RULE §358.6 Water Loss Audits

(a) Definitions. Unless otherwise indicated, in this section the following terms shall have the meanings assigned.

(1) Allowed apparent loss--A unique number for allowable apparent loss calculated for each utility.

(2) Annual real loss--A unique number calculated for each utility based on the utility's real loss on an annualized basis.

(3) Apparent loss--Unauthorized consumption, meter inaccuracy, billing adjustments, and waivers.

(4) Average system operating pressure--System operating pressure in pounds per square inch calculated using a weighted average approach as identified in the American Water Works Association M36 Manual.

(5) Category or Categories--A category of retail public utility as listed in Texas Water Code §16.0121(c).

(6) Executive Administrator--The executive administrator of the Board.

(7) Mitigation--An action or actions taken by a retail public utility to reduce the amount of total water loss in a system. Mitigation may include a detailed water loss assessment, pipe or meter replacement, or addition or improvement of monitoring devices to detect water loss.

(8) Real loss--Loss from main breaks and leaks, storage tank overflows, customer service line breaks, and line leaks.

(9) Retail public utility or utility--A retail public utility as defined by Texas Water Code §13.002.

(10) Service connection density--The number of a retail public utility's connections on a per mile basis.

(11) Total water loss--The sum of a utility's real loss and apparent loss.

(12) Unavoidable annual real loss--A unique number calculated for each utility based on the number of connections, miles of distribution lines, and operating pressure.

(b) A retail public utility that provides potable water shall perform a water loss audit and file with the executive administrator a water loss audit computing the utility's system water loss during the preceding calendar year, unless a different 12-month period is allowed by the executive administrator. The water loss audit may be submitted electronically.

(1) Audit required annually. The utility must file the water loss audit with the executive administrator annually by May 1st if the utility:

(A) has more than 3,300 connections; or

(B) is receiving financial assistance from the board, regardless of the number of connections. A retail public utility is receiving financial assistance from the board if it has an outstanding loan, loan forgiveness agreement, or grant agreement from the board.

(2) Audit required every five years. The utility must file the water loss audit with the executive administrator by May 1, 2016, and every five years thereafter by May 1st if the utility has 3,300 or fewer connections and is not receiving financial assistance from the board.

(3) The water loss audit must be performed in accordance with methodologies developed by the executive administrator based on the population served by the utility and taking into consideration the financial feasibility of performing the water loss audit, population density in the service area, the retail public utility's source of water supply, the mean income of the service population, and any other factors determined by the executive administrator. The executive administrator will provide the necessary forms and methodologies to the retail public utility.

(4) Effective January 1, 2019, the water loss audit must be performed by a person who has completed water loss audit training developed by the executive administrator. The executive administrator will make such training available without charge on the agency website, and may also provide such training in person or by video.

(c) The executive administrator shall determine if the water loss audit is administratively complete. A water loss audit is administratively complete if all required responses are provided and the audit is completed by a person who has been trained to conduct water loss auditing as

described in paragraph (4) of subsection (b). In the event the executive administrator determines that a retail public utility's water loss audit is incomplete, the executive administrator shall notify the utility.

(d) A retail public utility that provides potable water that fails to submit a water loss audit or that fails to correct a water loss audit that is not administratively complete within the timeframe provided by the executive administrator is ineligible for financial assistance for water supply projects under Texas Water Code, Chapter 15, Subchapters C, D, E, F, G, H, J, O, Q, and R; Chapter 16, Subchapters E and F; and Chapter 17, Subchapters D, I, K, and L. The retail public utility will remain ineligible for financial assistance until a complete water loss audit has been filed with and accepted by the executive administrator.

(e) The following thresholds shall apply to the indicated categories of retail public utility:

(1) For a retail public utility with a population of more than 10,000:

(A) Apparent loss expressed as gallons per connection per day must be less than the utility's allowed apparent loss.

(B) Real loss expressed as gallons per connection per day must be less than three times the utility's unavoidable annual real loss.

(2) For a retail public utility with a population of 10,000 or fewer and a service connection density more than or equal to 32 connections per mile:

(A) Apparent loss expressed as gallons per connection per day must be less than the utility's allowed apparent loss.

(B) Real loss expressed as gallons per connection per day must be less than 50 gallons per connection per day.

(3) For a retail public utility with a population of 10,000 or fewer and a service connection density less than 32 connections per mile:

(A) Apparent loss expressed as gallons per connection per day must be less than the utility's allowed apparent loss.

(B) Real loss expressed as gallons per mile per day must be less than 1,600 gallons per mile per day.

(4) For a utility that has a volume of wholesale water sales that flow through the retail water distribution system:

(A) Apparent loss expressed as gallons per connection per day, determined using a modified calculation that includes the wholesale volume, must be less than the utility's allowed apparent loss.

(B) Real loss, expressed as gallons per connection per day and including a wholesale factor that takes into account the wholesale water volume, must be less than three times the utility's unavoidable annual real loss.

(f) If a retail public utility's total water loss meets or exceeds the threshold for that utility, the retail public utility must use a portion of any financial assistance received from the board for a water supply project to mitigate the utility's water loss. Mitigation will be in a manner determined by the retail public utility and the executive administrator in conjunction with the project proposed by the utility and funded by the board. On the request of a retail public utility, the board may waive the requirements of this subsection if the board finds that the utility is satisfactorily mitigating the utility's system water loss. The request for waiver should be addressed to the executive administrator and include information about the utility's current or planned activities to mitigate their water loss and their source of funding for that mitigation.

Source Note: The provisions of this §358.6 adopted to be effective December 6, 2004, 29 TexReg 11366; amended to be effective February 15, 2012, 37 TexReg 708; amended to be effective February 12, 2014, 39 TexReg 769; amended to be effective December 10, 2014, 39 TexReg 9592; amended to be effective May 25, 2016, 41 TexReg 3743; amended to be effective February 14, 2018, 43 TexReg 777

APPENDIX NO. 6

TARIFF

WATER UTILITY TARIFF
Tariff Control Number: 48451

Southern Utilities Company
(Utility Name)

218 North Broadway Avenue
(Business Address)

Tyler, Texas 75702-5710
(City, State, Zip Code)

(903) 593-2588
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

10762

This tariff is effective in the following counties:

Cherokee, Rusk, and Smith

This tariff is effective in the following cities or unincorporated towns:

Tyler, Kilgore, Noonday, and New Chapel Hill

"The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility."

This tariff is effective in the following subdivisions and public water systems:

See attached list by county

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

APPENDIX H - Bank Draft Authorization Form
APPENDIX I -- Miscellaneous Forms

List of Subdivisions by County

SMITH COUNTY - SOUTHERN UTILITIES COMPANY PWS ID 2120063

Acadia Place
Allen, Gene Homes
Apple Ridge MHP
Arp Club Lake
Backwoods Subdivision
Baker Plantation
Bayview Estates
Bellaire Addition
Bellwood Acres (Fish Pond Acres)
Ben Roy Bay
Ben Hughey Addition
Bentwood Bay
Bentwood Subdivision (Wedgewood Park)
Bickley Homeplace
Big "T" Industrial Park
Big Oak Bay
Blue Ridge
Boat Ramp (Lake Palestine)
Boat Ramp (Lake Tyler)
Boneys MHP
Breckenridge Park
Brook Stone
Byrd Lane Area
Cambridge Estates
Cameron Park Addition
Canterbury Estates
Canyon Circle
Cedar Bay
Cedar Valley
Cedar Ridge Subdivision
Channelview Estates
Chapel Hill Elementary School Sub
Charles Burkett Addition
Chas Burkett Addition
Chelsey Addition
Cherokee Trails Addition
Cherokee Cove
Cheyenne Hills Sub
Claremore Terrace
Colony, The
Colony West, The
Concession Park (Lake Tyler)
Cooper, H.P. Sub
Cooper Addition
Country Mobile Home
Country Estates (Cr327)
Country Estates (Cr142)
Tariff Control No. 48451
Country Estates MHP (Barbee Road)
Country Place MHP
Country Estates Subdivision (FM 2767)
Country Manor Estates
Country Place (Cr 1246)
Cox-Welch Addition
Cumberland Ridge
Cumberland Valley
Curtis Well Area
Deer Creek
Deer Run Addition
Deer Park
Department of Public Safety
Dewberry Estates
Dixie Heights North
Dixie Well Area
Dixson Acres
Dogwood Shores
Driskill-Burleson Industrial Park
Eagles Bluff Area
East Lake Heights
East Side Subdivision
Eastshore Estates
Edwards Subdivision
Edwards, Almerta
Emerald Isle
Estate Villages
Eubanks Addition
Fairhaven
Fairmount Oak Addition
Fall Creek Estates
Federal Lake
Field Estates
Fish Hatchery
Flint Acres
Flint Addition
Flint Heights
Flintridge Addition
Flintwood South Sub
Ford Lake

SMITH COUNTY - SOUTHERN UTILITIES COMPANY PWS ID 2120063 (Cont.'d)

Forest Glen South
Forest Glen
Forestview Estates
Foxwood Addition
Fruitdale Addition Garrett MHP
George, A.L. Subdivision
Giles Subdivision
Gilliam, Wade Estates
Golden Meadows Park
Golf Course (Lake Palestine)
Graham Estates
Green Leaf Addition
Green Berry Hill Subdivision
Greenbriar Addition
Greenbriar MHP
Greenbriar Lake Club
Greenland Hills Country Estates
Greenleaf Subdivision
Gresham Heights
Gresham Village Shopping Center
Gresham Oaks Addition
Grier Acres
Headache Springs Natural Park
Herring Industrial Park
Hidden Hill Lake
Hidden Oaks
Hide-A-Way Bay
High Forty Sub
High Meadows
Hill Lake
Hill Creek Park
Hilltop Acres
Hilltop Heights Addition
Holiday Farms
Hombre Industrial Park
Horseshoe Club Lake
Horseshoe Lake
Huckleberry Hill
Hughey Addition, The
Hunters Ridge
Imperial Gardens MHP
Interlake Hills
Kara Lynn Subdivision
Keeling Heights Subdivision
Keeling Hills
Kellywood Acres
Kimwood Acres
Kimswood Acres
Kirkley Addition
Kirkpatrick Heights
Kirkpatrick Addition
Knollwood Addition
Lcra-Mar Estates
L.O.W Subdivision
Lake East Villages
Lake Forest Hill Addition
Lake Haven
Lake Pine Estates
Lake Ridge Estates
Lake Tyler
Lake Palestine
Lake Park Addition
Lake Park
Lake Cove Estates
Lake Tyler East
Lake Placid
Lakeland Heights
Lakeridge Estates
Lakeview Estates
Lakeway Industrial Park
Lakewood Addition
Lakewood Garden
Lamplighter MHP
Laura Leigh Acres
Lavender Springs
Lavender Estates
Lemon Point
Liberty Hill Gardens
Lindsey Park
Lookout Village
Lucky Acres
Mae Gin Cove
Malibu Bay Subdivision
Marina (Lake Palestine)
Matise-Hoyt Addition
Mcelroy Subdivision
Mckeathan Subdivision
Meadow Oaks
Meadowbrook MHP
Meadowlands, The
Meadows, The
Meadow View Estates
Metcalf Subdivision
Mobile Home Parks
Mockingbird Hill
Monarch Oaks (Paul Hancock Addition)
Montgomery Gardens
Moseley Place

SMITH COUNTY - SOUTHERN UTILITIES COMPANY PWS ID 2120063 (Cont.'d)

Murry Acres Addition
Muse, Marshall Addition
Muse, The
Myrtlewood Addition
Neely's Point
Negem Industrial Park
Nolan, George
Normandy Heights
North Shores
Northgate Park Mhp
Northwest Subdivision
Northwoods Subdivision
Oak Place
Oak Hurst Golf Course
Oak Ridge Subdivision
Oak Ridge Acres
Oakbrook Estates (Oakbrook Addition)
Oakhurst Place
Oakleaf
Oaks Landmark, The
Oakvale Subdivision
Oakwood Bay Addition
Oakwood Ridge Addition
Oakwood Park MHP
Oakwood South
Oasis South Subdivision
Oil Palace
Old Longview Road & Loop 323 Area
Olon Woods Park
Open Aire Estates
Overland Stage Subdivision
Pagosa Trails
Parkway
Paradise Acres MHP
Peaceful Acres
Peach Tree Country Club
Pecan Estates MHP
Peninsula Addition
Peninsula, West Addition
Pilot Point
Pine Tree Estates
Pine Cone Estates
Pine Trail Shores
Pine Tree Village
Pine Springs Subdivision
Pinecrest Subdivision
Pinecrest MHP
Pinehaven MHP
Pines Addition, The
Pines, The
Plantation South Addition
Plantation Park Addition
Pleasant Hill Estates
Pleasant Retreat Acres
Pleasure Acres Lake
Pleasure Acres
Preston Jones MHP
Quail Valley Estates
Quail Meadow MHP
Queenview Estates
Quiet Bay Subdivision
R.A.I.L. Addition
R&P MHP
Rainbow Ridge Subdivision
Ranch Estates
Ranch, The
Rancho Grande MHP
Rancho M Sub
Raspberry (Bob) MHP
Redfern Estates
Reese, Lola Addition
Reynolds, James Subdivision
Robertson Addition
Rolling Oaks Subdivision
Roy Addition
Royal Oaks South
Royal Oaks Subdivision
Running Meadows
Running Meadows North
Running Meadows West
Russwood Acres
Rustic MHP
Saddlebrook Estates
Sandy Acres MHP
Sandy Acres
Sandy Beach Park
Schambach MHP
Seven Pines MHP
Shady Grove Addition
Shell Shores Subdivision
Shelton, H.M. Subdivision
Sherwood Forest Addition
Sherwood Forest Estates
Silver Pines
Slack Subdivision
Smallwood Addition
Smith & Hall
Snug Harbor

SMITH COUNTY - SOUTHERN UTILITIES COMPANY PWS ID 2120063 (Cont.'d)

South Chase Addition
South Point Subdivision
South Haven
South Hill Creek Subdivision
Southern Hills
Southern Utilities, Field Office
Southern Trace
Southpark Moblie Home Estates
Southpoint Industrial Area
Southview Addition
Southview Subdivision
Spring Lake Addition
Spring Lake
Spring Creek Subdivision
Spring Branch Addition
Spring Lake Fishing Club
Spring Glenn
Springhill Canal
Springlake MHP
Spruce Hill Estates
Star Canyon
Stoneridge Addition
Stoneridge Subdivision
Stonewood Addition
Stoney Glen Addition
Stratford Place Addition
Sugar Creek
Summerhill Place
Summit Ridge Addition
Sundown Trails Subdivision
Sunrise Heights Subdivision
Sunset Acres Subdivision
Surrey Trails
Taffney Ridge
Tall Timbers Estates
Talmadge Place Addition
Tandem North Addition
Tanglewilde Addition
Tealwood
Thorn Hill
Three Creeks Estates
Three Pines MHP
Timbercreek Subdivision
Timberdale Estates
Timberidge Subdivision
Timberidge Estates
Timberlake MHP
Timberlake Village
Timberland Estates
Tinsley, W.P. Addition
Town & Country Mobile Estates
Trailor Park
Tranquility Place
Tucson Oaks
Turtle Creek South
Twin Pines MHP
Twin Oaks Subdivision
Twin Lakes
Tyler Pounds Field Airport
Tyler Animal Shelter
Universal Heights
Vanderbilt Estates
Vantage View Subdivision
Venture South Subdivision
Verner-Wood Cemetery Area
Victoria Park Addition
Villages, South
Villages, East
Villages
Walnut Hill Village Addition
Warwick Park Sub
Washington Park Subdivision
Watson Addition
Wedgewood Subdivision
Wedgewood Park Addition
Welch Addition
Westhaven
West Lake Estates
West Oaks (FM 724)
Western Hill Subdivision
Whispering Pines
Whispering Oaks Subdivision
Whispering Oaks
Wildwood Springs
Willingham Road Estates
Willow Creek Addition
Wilscott Addition
Wilson Retreat
Winchester Pointe
Wind Cliff Harbor
Wood Hollow
Woodard Place
Woodard Place Addition
Woodcrest MHP
Woodhollow Subdivision
Woodland Heights
Woodlands, The
Woodlands Estates, The

SMITH COUNTY - SOUTHERN UTILITIES COMPANY PWS ID 2120063 (Cont.'d)

Woodlands Addition, The
Woodridge Meadows Estates
Wright Subdivision
Wrights Lake

CHEROKEE COUNTY - SOUTHERN UTILITIES COMPANY PWS ID 2120063

Chimney Creek Estates
Corinth Area
Eagles Bluff Area
Eastdale Acres
Flat Creek Area
Lakewood East
Lakewood West
Mt. Nevelton Area
Oakridge Estates
Petty Estates
Pleasant Hill Area
Shady Acres
Shadybrook East
Shadybrook West
Stone Chimney Creek Area
Stone Chimney Cove
Weaver Estates

RUSK COUNTY - SOUTHERN UTILITIES COMPANY - LAIRD HILL PWS ID 20110018

American Plant Area
Gulf Peterson
Gulf Camp
Humble Camp
Mull Barn Road, Area
Pistol Hill
Red Level Area
Reids Switch Area
Scurlock Camp

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Rate	Gallonage Charge
5/8" or 3/4"	$25.58 (INCLUDING 0 GAL.)	$2.00 per 1,000 gallons for first 6,000 gallons
1"	$63.95	$2.50 per 1,000 gallons from 6,001 to 12,000 gallons
1½"	$127.90	$3.50 per 1,000 gallons from 12,001 and up
2"	$204.64	***$3.00 per 1,000 gallons from 12,001 and up
3" C	$409.28	
3" T	$447.65	
4" C	$639.50	
4" T	$767.40	
6" C	$1,279.00	
6" T	$1,598.75	

*****This additional charges of $3.00 per 1,000 gallons for usage over 12,000 gallons is conservation rate surcharge. The additional revenue generated from this charge shall be escrowed by the utility and to be used for capital improvements (customer contribution in aid of construction).**

Federal Tax Change Credit Rider

August 1, 2018 – December 31, 2018		January 1, 2019 -	
Meter Size	Monthly Credit	Meter Size	Monthly Credit
5/8" or ¾"	($4.68)	5/8" or ¾"	($2.20)
1"	($11.71)	1"	($5.49)
1½"	($23.41)	1 ½"	($10.98)
2"	($37.46)	2"	($17.56)
3" C	($70.24)	3" C	($32.93)
3" T	($81.94)	3" T	($38.41)
4" C	($117.06)	4" C	($54.88)
4" T	($140.47)	4" T	($65.85)
6" C	($234.12)	6" C	($109.75)
6" T	($292.65)	6" T	($137.19)

REGULATORY ASSESSMENT..... 1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Discover _, MasterCard _, Visa _, Bank Draft X

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN $1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.)

SECTION 1.0 -- RATE SCHEDULE

Section 1.02 - Miscellaneous Fees (Continued)

TAP FEE

5/8" or 3/4" meter.....$500.00
1" meter.....$720.00
1½"meter.....$920.00
2".....$1,120.00

ANY ROAD BORING REQUIRED FOR INDIVIDUAL METER SERVICE TO BE DONE AT ACTUAL COST. ALL OTHER UNIQUE COSTS RECOVERABLE UNDER PUC RULES ASSOCIATED WITH INDIVIDUAL METER SHALL BE CHARGED AT ACTUAL COST.

METER IN EXCESS OF 2" TAP FEE .....Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

TRANSFER FEE.....$30.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

a) Non-payment of bill (Maximum $25.00).....$25.00
b) Customer's request $30.00

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

LATE CHARGE.....$5.00

A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE $25.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum $50).....$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT ..... 1/6TH EST. ANNUAL BILL

METER TEST FEE (Actual cost of testing the meter, up to) $25.00

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

METER RELOCATION FEE .....Actual cost to relocate that meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER

METER CONVERSION FEE ..... Actual cost to convert that meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMER'S SERVICE DEMAND

SEASONAL RECONNECTION FEE:

BASE RATE FOR METER SIZE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN CUSTOMERS LEAVE AND RETURN WITHIN A TWELVE-MONTH PERIOD.

SECTION 1.0 -- RATE SCHEDULE

Section 1.02 - Miscellaneous Fees (Continued)

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.20 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 16 TAC § 24.21(B)(2)(F) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(prr)(cgc)(r)}{(1.0-r)}$$

Where:

TGC = temporary gallonage charge
cgc = current gallonage charge
r = water use reduction expressed as a decimal fraction (the pumping restriction)
prr = percentage of revenues to be recovered expressed as a decimal fraction. For this tariff prr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 16 TAC § 24.21.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

AG = G + B/(1-L), where
AG = adjusted gallonage charge, rounded to the nearest one cent;
G = approved gallonage charge (per 1,000 gallons);
B = change in purchased water/district gallonage charge (per 1,000 gallons);
L= system average line loss for preceding 12 months not to exceed 0.15

FEDERAL TAX CHANGE CREDIT RIDER (FTCCR):

The Federal Tax Change Credit Rider gives effect to the Tax Cuts and Jobs Act of 2017, which changed the federal corporate tax rate from 35% to 21%, by reducing the cost of service paid by customers taking service under this rate tariff. The FTCCR will provide credits to customers taking service under this rate tariff.

SECTION 2.0 - SERVICE RULES AND REGULATIONS

The Utility will have the most current Public Utility Commission (PUC) Rules, Chapter 24 available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

All applications for service will be made on the Utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before water service is provided by the Utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the Utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The Utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the Utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - Refusal of Service

The Utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the Utility refuses to serve an applicant, the Utility will inform the applicant in writing of the basis of its refusal. The Utility is also required to inform the applicant a complaint may be filed with the Commission.

Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the Utility, the applicant may be required to pay a deposit as provided for in Section 1.02 of this tariff. The Utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the Utility or another water or sewer utility which accrued within the last two years.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Nonresidential applicants who cannot establish credit to the satisfaction of the Utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. - If service is not connected, or after disconnection of service, the Utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The Utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any **residential** customer who has paid 18 consecutive billings without being delinquent. **The Utility may hold the deposit of a non-residential customer as long as they continue to receive service. Refunds may be made as credits to monthly service bills.**

Section 2.05 - Meter Requirements, Readings, and Testing

All water sold by the Utility will be billed based on meter measurements. The Utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial or industrial facility in accordance with the PUC Rules.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests - The Utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the Utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the Utility's discretion, be made at the Utility's testing facility. If within a period of two years the customer requests a new test, the Utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the Utility will charge the customer a fee which reflects the cost to test the meter up to a maximum $25 for a residential customer. Following the completion of any requested test, the Utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.06 - Billing

Bills from the Utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least twenty (20) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the Utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the Utility or the Utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

A late penalty of $5.00 will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The Utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the Utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the Utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and the Utility regarding any bill for utility service, the Utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the Utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The Utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 30 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

Section 2.08 - Reconnection of Service

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.09 - Service Interruptions

The Utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the Utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the Utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the Utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10 - Quality of Service

The Utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the Utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the Utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the Utility's response, the Utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The Utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with PUC Rules to be effective.

The Utility adopts the administrative rules of the PUC, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the PUC's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the PUC rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

All payments for utility service shall be delivered or mailed to the Utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Customers shall not be allowed to use the Utility's cutoff valve on the Utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers must install customer-owned and -maintained cutoff valves on their side of the meter.

No water connection from any public drinking water supply system shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. The containment air gap is sometimes impractical and, instead, reliance must be placed on individual "internal" air gaps or mechanical backflow prevention devices.

Under these conditions, additional protection shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. The water purveyor need not require backflow protection at the water service entrance if an adequate cross-connection control program is in effect that includes an annual inspection and testing by a certified backflow prevention device tester. It will be the responsibility of the water purveyor to ensure that these requirements are met.

Customer shall be liable for any damage or injury to Utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

Limitation on Product/Service Liability - Public water utilities are required to deliver water to the customer's side of the meter or service connection that meets the potability and pressure standards of the TCEQ. The Utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's side of the meter when the water delivered meets these state standards. The Utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in water service whatever the cause. The Utility will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the Utility if the Utility has undertaken such preventive measures as are required by TCEQ rules, (3) electrical power failures in water systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of water service pursuant to the Utility's tariff and the PUC's rules. The Utility is not required by law and does not provide fire prevention or fire-fighting services. The Utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. The Utility will accept liability for any injury or damage to individuals or their property directly caused by defective utility plant (leaking water lines or meters) or the repairs to or construction of the Utility's facilities.

If the services of a registered professional engineer are required as a result of an application for service received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expenses incurred therein.

If an applicant requires service other than the standard service provided by the Utility, such applicant will be required to pay all expenses incurred by the Utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by PUC rule) for the actual costs of any additional facilities required to maintain compliance with the PUC minimum design criteria for water production, treatment, pumping storage and transmission.

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the Utility's rates in that portion of the Utility's service area in which the applicant's or existing customer's property(ies) is located.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 16 TAC § 24.86(a)(1)(C).

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

The Utility adopts the Southern Plumbing Code pursuant to TCEQ Rule 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the PUC, the Southern Plumbing Code and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by PUC rule. No water service smaller than 5/8" will be connected. No pipe or pipe fitting which contains more than 8.0% lead can be used for the installation or repair of plumbing at any connection which provides water for human use. No solder or flux which contains more than 0.2% lead can be used at any connection which provides water for human use.

The Utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the Utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the Utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The customer may require any Utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the Utility, and the purpose of their entry.

Threats to or assaults upon Utility personnel shall result in criminal prosecution.

Except in cases where the customer has a contract with the Utility for reserve or auxiliary service, no other water service will be used by the customer on the same installation in conjunction with the Utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises.

No connection shall be allowed which allows water to be returned to the public drinking water supply. No backflow prevention device shall be permitted to be installed in the customer's plumbing without notice to and written permission from the Utility. Any backflow prevention devices so installed shall be inspected annually by a licensed backflow prevention device inspector or appropriately licensed plumber and a written report of such inspection delivered to the Utility.

No application, agreement or contract for service may be assigned or transferred without the written consent of the Utility.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

It is agreed and understood that any and all meters, water lines and other equipment furnished by the Utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the Utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications are required to deliver to the Utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the certificate is received or any identified violations or hazards are remedied. The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer to locate and obtain the services of a licensed inspector in a timely manner. When potential sources of contamination are identified which, in the opinion of the inspector or the Utility, require the installation of a state-approved backflow prevention device, such back flow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/back flow prevention device specialist at the customer's expense. The backflow prevention device shall be maintained by the customer at his expense and inspected annually by a licensed inspector. Copies of the annual inspection report must be provided to the Utility. Failure to comply with this requirement may constitute grounds for termination of water service with notice.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply. Access to meters and cutoff valves shall be controlled by the provisions of 16 TAC 24.89(c).

Where necessary to serve an applicant's property, the Utility may require the applicant to provide it a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under PUC rule (customer service, health and safety, water conservation, or environmental), USEPA rule, TWDB rule, local water or conservation district rule or health department rule. Existing customers shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the Utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The Utility will bear the full cost of any oversizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction **may not be required** of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITIES SHALL BEAR. Within its certificate area, the Utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the Utility, the Utility may charge for the first 200 feet. The Utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the Utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the PUC’s Rules.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

This section contains the Utility's specific extension policy that complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with PUC Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The Utility adopts the administrative rules of the PUC, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours. In the event of a conflict between the PUC's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the PUC rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

When an individual residential applicant requires an extension of a main line beyond 200 feet, the charge to that applicant shall be the actual cost of such extension in excess of 200 feet, plus the applicable tap fee plus such other approved costs as may be provided in this tariff and/or PUC rules.

Residential tap fees may be increased by other unique costs not normally incurred as permitted by PUC rule. Larger meter taps shall be made at actual cost associated with that tap which shall include such extraordinary expenses.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of production, transmission, storage, pumping and treatment facilities, compliant with the TCEQ minimum design criteria, which must be committed to such extension.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

As provided by 16 TAC 24.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Unless expressly exempted by PUC rule or order, each point of use (as defined by 16 TAC 24.3) must be individually metered.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the Utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the Utility's rates in that portion of the Utility's service area in which the applicant's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service applications forms will be available for applicant pick up at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

The Utility shall serve each qualified service applicant within its certificated service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a "qualified service applicant" as defined herein or by PUC rules.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so, at the Utility's sole option, under terms and conditions mutually agreeable to the Utility and the applicant and upon extension of the Utility's certificated service area boundaries by the PUC. Service applicants may be required to bear the cost of the service area amendment.

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, PUC rules and/or PUC order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, (4) delivered an executed customer service inspection certificate to the Utility and (5) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's near service main with adequate capacity to service the applicant's full potential service demand. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the PUC for resolution. Unless otherwise ordered by the PUC, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by PUC rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, well plant sites shall convey with unrestricted rights to produce water for public drinking water supply. Developers shall be required to provide sanitary control easements acceptable to the TCEQ for each water well site to be located within their property or otherwise being obtained to serve their property. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

Easements must be provided for all production, storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

Prior to the extension of utility service to developers (as defined by PUC rules) or new subdivisions, the Developer shall comply with the following:

(a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.

(b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.

(c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

(d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

(e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual taps, meters and sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.

(f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.

(g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.

(h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

(i) The Developer, not the Utility, shall insure that Developer’s employees, agents, contractors and others under its control coordinate their work or construction throughout the property with the Utility to insure the orderly and timely construction of all utility plant necessary to serve the public.

Within its certificated area, the Utility shall bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the Utility can document:

(a) that the developer of the subdivision refused to provide facilities compatible with the Utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility; or,

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

(b) that the Developer defaulted on the terms and conditions of a written agreement or contract existing between the Utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and

(c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the Utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service:

(1) The residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution.

(2) Exceptions may be granted by the PUC if:

(A) adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the Utility's burden to justify that a larger diameter pipe is required for adequate service;

(B) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.

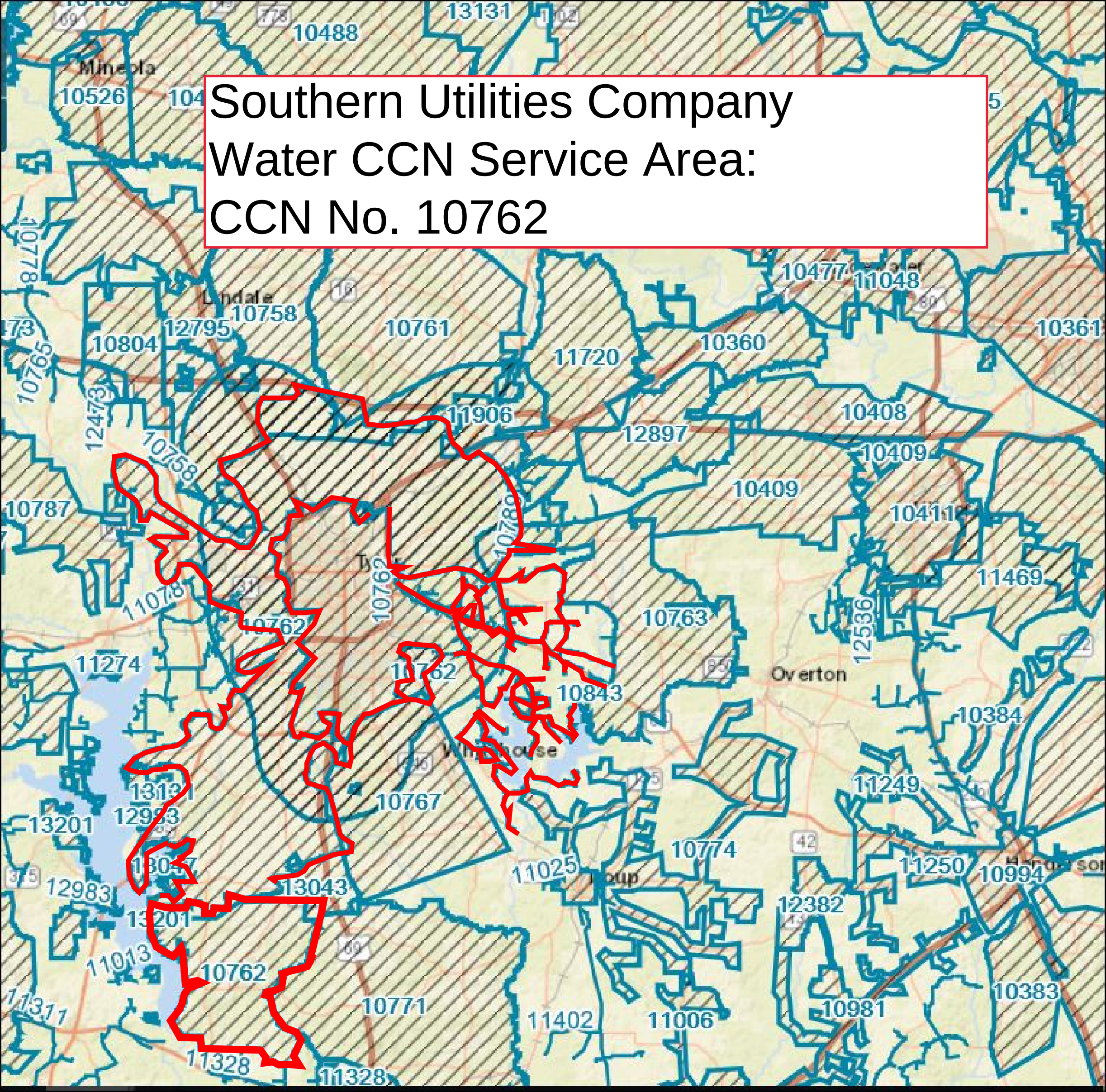
(3) If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.

A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

APPENDIX NO. 7
CCN MAP

Southern Utilities Company Water CCN Service Area: CCN No. 10762



APPENDIX NO. 8

CORRESPONDENCE

(Letters to Governing Entities)

KSA A·DYNAMIC·PERSPECTIVE

6781 Oak Hill Boulevard
Tyler, TX 75703
903.581.8141

April 15, 2019

Region I ETRWPG
C/O City of Nacogdoches
Attn: Stacy Corley
P.O. Box 635030
Nacogdoches, Texas 75963-5030

Re: Southern Utilities Company
2019 5-Year Update for Water Conservation Plan
and Drought Contingency Plan
KSA Project No. SOU.101

To whom it may concern,

Please find enclosed the updated Water Conservation Plan and Drought Contingency Plan required by the TCEQ and TWDB for the Southern Utilities Company, Texas. Included in this package is the Conservation Plan, Drought Plan, Updated Ordinance, appendices and exhibits required by regulatory agencies. I have transmitted one (1) hardcopy of this document, as required, for your review.

If you would please send back an acknowledgment of receipt of the enclosed Plan for the Company's records.

If you have any comments regarding the enclosed Conservation Plan for the Southern Utilities Company please contact me, Sigi West, Project Assistant at (903) 581-8141.

Sincerely,

Siglinda West

KSA
Siglinda M. West
Project Assistant

KSA A·DYNAMIC·PERSPECTIVE

6781 Oak Hill Boulevard
Tyler, TX 75703
903.581.8141

April 15, 2019

Texas Commission for Environmental Quality
Attn: Resource Protection Team (MC-160)
P.O. Box 13087
Austin, Texas 78711-3087

Via Email: wcp@tceq.Texas.gov

Re: Southern Utilities Company
2019 5-Year Update for Water Conservation Plan
and Drought Contingency Plan
KSA Project No. SOU.101

To whom it may concern,

Please find enclosed the updated Water Conservation Plan and Drought Contingency Plan required by the TCEQ and TWDB for the Southern Utilities Company, Texas. Included in this package is the Conservation Plan, Drought Plan, Updated Ordinance, appendices and exhibits required by regulatory agencies. I have transmitted one (1) hardcopy of this document, as required, for your review.

If you would please send back an acknowledgment of receipt of the enclosed Plan for the Company's records.

If you have any comments regarding the enclosed Conservation Plan for the Southern Utilities Company please contact me, Sigi West, Project Assistant at (903) 581-8141.

Sincerely,

Siglinda West

KSA
Siglinda M. West
Project Assistant

KSA A·DYNAMIC·PERSPECTIVE

6781 Oak Hill Boulevard
Tyler, TX 75703
903.581.8141

April 15, 2019

Texas Water Development Board
Attn: Water Conservation Plan Team
1700 N. Congress Ave.
P.O. Box 13231
Austin, Texas 78711-3231

Re: Southern Utilities Company
2019 5-Year Update for Water Conservation Plan
and Drought Contingency Plan
KSA Project No. SOU.101

To whom it may concern,

Please find enclosed the updated Water Conservation Plan and Drought Contingency Plan required by the TCEQ and TWDB for the Southern Utilities Company, Texas. Included in this package is the Conservation Plan, Drought Plan, Updated Ordinance, appendices and exhibits required by regulatory agencies. I have transmitted one (1) hardcopy of this document, as required, for your review.

If you would please send back an acknowledgment of receipt of the enclosed Plan for the Company's records.

If you have any comments regarding the enclosed Conservation Plan for the Southern Utilities Company please contact me, Sigi West, Project Assistant at (903) 581-8141.

Sincerely,

Siglinda West

KSA
Siglinda M. West
Project Assistant

APPENDIX NO. 9

TCEQ FORMS

Utility Profile

Texas Commission on Environmental Quality

Water Availability Division
MC-160, P.O. Box 13087 Austin, Texas 78711-3087
Telephone (512) 239-4691, FAX (512) 239-2214

Utility Profile and Water Conservation Plan Requirements for Municipal Water Use by Retail Public Water Suppliers

This form is provided to assist retail public water suppliers in water conservation plan assistance in completing this form or in developing your plan, please contact the Conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691.

Water users can find best management practices (BMPs) at the Texas Water Development Board's website http://www.twdb.texas.gov/conservation/BMPs/index.asp. The practices are broken out into sectors such as Agriculture, Commercial and Institutional, Industrial, Municipal and Wholesale. BMPs are voluntary measures that water users use to develop the required components of Title 30, Texas Administrative Code, Chapter 288. BMPs can also be implemented in addition to the rule requirements to achieve water conservation goals.

Contact Information

Name of Water Supplier:	Southern Utilities Company	
Address:	218 North Broadway, Tyler Texas 75702	
Telephone Number:	(903) 566-3511	Fax: (903)
Water Right No.(s):	N/A	
Regional Water Planning Group:	I East Texas	
Water Conservation Coordinator (or person responsible for implementing conservation program):	Michael R. Farrell	Phone: (903) 566-3511
Form Completed by:	Siglinda West	
Title:	Project Assistant	
Signature:	Siglinda West	Date:4/10/2019

A water conservation plan for municipal use by retail public water suppliers must include the following requirements (as detailed in 30 TAC Section 288.2). If the plan does not provide information for each requirement, you must include in the plan an explanation of why the requirement is not applicable.

Utility Profile

I. POPULATION AND CUSTOMER DATA

A. Population and Service Area Data

1. Attach a copy of your service-area map and, if applicable, a copy of your Certificate of Convenience and Necessity (CCN).

2. Service area size (in square miles): 173.64

   (Please attach a copy of service-area map)

3. Current population of service area: 59154

4. Current population served for:

   a. Water 59154

   b. Wastewater 0

5. Population served for previous five years:

Year	*Population*
2013	55995
2014	57126
2015	57894
2016	58191
2017	59154

6. Projected population for service area in the following decades:

Year	*Population*
2020	36455
2030	38555
2040	40461
2050	42928
2060	47603

7. List source or method for the calculation of current and projected population size.

   Current and past populations have been calculated at 3 times the connection count. Future projections are from the 2016 TWDB Regional Planning report

B. Customer Data

Senate Bill 181 requires that uniform consistent methodologies for calculating water use and conservation be developed and available to retail water providers and certain other water use sectors as a guide for preparation of water use reports, water conservation plans, and reports on water conservation efforts. A water system must provide the most detailed level of customer and water use data available to it, however, any new billing system purchased must be capable of reporting data for each of the sectors listed below. More guidance can be found at: http://www.twdb.texas.gov/conservation/doc/SB181Guidance.pdf

1. Quantified 5-year and 10-year goals for water savings:

	Historic 5-year Average	*Baseline*	*5-year goal for year 2024*	*10-year goal for year 2029*
Total GPCD	136.75		<140	<130
Residential GPCD	309.26		<90	<80
Water Loss GPCD	39.76		5%	10%
Water Loss Percentage	30.692		5%	10%

Notes:
Total GPCD = (Total Gallons in System ÷ Permanent Population) ÷ 365
Residential GPCD = (Gallons Used for Residential Use ÷ Residential Population) ÷ 365
Water Loss GPCD = (Total Water Loss ÷ Permanent Population) ÷ 365
Water Loss Percentage = (Total Water Loss ÷ Total Gallons in System) x 100; or (Water Loss GPCD ÷ Total GPCD) x 100

2. Current number of active connections. Check whether multi-family service is counted as **XX** Residential or ☐ Commercial?

Treated Water Users	*Metered*	*Non-Metered*	*Totals*
Residential	19966	0	19966
Single-Family	19966	0	19966
Multi-Family			
Commercial		0	
Industrial/Mining	31	0	31
Institutional		0	
Agriculture		0	
Other/Wholesale		0	

3. List the number of new connections per year for most recent three years.

Year	2018	2017	2016
Treated Water Users			
Residential	298	294	76
Single-Family			
Multi-Family			
Commercial			
Industrial/Mining	31	31	31
Institutional			
Agriculture			
Other/Wholesale			

4. List of annual water use for the five highest volume customers.

Customer	*Use (1,000 gal/year)*	*Treated or Raw Water*
John Soules	130,159	Treated
Summit Oil	2488	Treated
TXI Operations, L.P.	2714	Treated
TXI Operations, L.P.	2229	Treated
Robert Randall	2115	Treated

II. WATER USE DATA FOR SERVICE AREA

A. Water Accounting Data

1. List the amount of water use for the previous five years (in 1,000 gallons).

   Indicate whether this is ☐ diverted or ☒ treated water.

Year	2018	2017	2016	2015	2014
Month					
January	201617	195471	199830	158678	119619
February	159440	165447	169278	145083	115851
March	189126	203345	207484	165881	106209
April	197699	210395	215035	167490	105023
May	281693	234251	239748	185893	177588
June	315280	255693	259992	219749	174705
July	326385	299680	305107	339883	179703
August	362784	267368	271971	345626	222978
September	238933	304744	310814	295550	234588
October	214471	304755	282779	265133	175893
November	194490	202249	208791	180938	146110
December	204004	193549	200.675	172093	100825
Totals	2885922	2809361	2871504	2641997	1859092

2. Describe how the above figures were determined (e.g, from a master meter located at the point of a diversion from the source or located at a point where raw water enters the treatment plant, or from water sales).

   Figures above come from the master meter located at each well prior to entering into the distribution system.

3. Amount of water (in 1,000 gallons) delivered/sold as recorded by the following account types for the past five years.

Year	2018	2017	2016	2015	2014
Account Types					
Residential	1812395	1664760	1776269	1859092	1859092
Single-Family					
Multi-Family					
Commercial					
Industrial/Mining	144918	124658	129848	108208	
Institutional					
Agriculture					
Other/Wholesale					

4. List the previous records for water loss for the past five years (the difference between water diverted or treated and water delivered or sold).

Year	*Amount (gallons)*	*Percent %*
2018	873245092	29.74
2017	1035818512	36.20
2016	1081524095	36.10
2015	119612000	4.22
2014	656776000	26.21

B. Projected Water Demands

1. If applicable, attach or cite projected water supply demands from the applicable Regional Water Planning Group for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. WATER SUPPLY SYSTEM DATA

A. Water Supply Sources

1. List all current water supply sources and the amounts authorized (in acre feet) with each.

Water Type	*Source*	*Amount Authorized*
Surface Water	City of Tyler	NO SET LIMIT

Groundwater	Carrizo-Wilcox Aquifer 29 Deep Water Wells	
Other		

B. Treatment and Distribution System (if providing treated water)

1. Design daily capacity of system (MGD): 26.7 MGD
2. Storage capacity (MGD): 9.109
   a. Elevated 1.850
   b. Ground 7.259
3. If surface water, do you recycle filter backwash to the head of the plant?

   ☐ Yes ☒ No If yes, approximate amount (MGD): N/A

IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

1. Design capacity of wastewater treatment plant(s) (MGD): SECTION NOT APPLICABLE
2. Treated effluent is used for ☐ on-site irrigation, ☐ off-site irrigation, for ☐ plant wash-down, and/or for ☐ chlorination/dechlorination.

   If yes, approximate amount (in gallons per month):
3. Briefly describe the wastewater system(s) of the area serviced by the water utility. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

B. Wastewater Data for Service Area (if applicable)

1. Percent of water service area served by wastewater system: NOT APPLICABLE%
2. Monthly volume treated for previous five years (in 1,000 gallons):

Year	N/A	N/A	N/A	N/A	N/A
Month					
January					
February					
March					
April					

May	N/A	N/A	N/A	N/A	N/A
June					
July					
August					
September					
October					
November					
December					
Totals					

Water Conservation Plan

In addition to the utility profile, please attach the following as required by Title 30, Texas Administrative Code, §288.2. Note: If the water conservation plan does not provide information for each requirement, an explanation must be included as to why the requirement is not applicable.

A. Record Management System

The water conservation plan must include a record management system which allows for the classification of water sales and uses in to the most detailed level of water use data currently available to it, including if possible, the following sectors: residential (single and multi-family), commercial.

B. Specific, Quantified 5 & 10-Year Targets

The water conservation plan must include specific, quantified five-year and ten-year targets for water savings to include goals for water loss programs and goals for municipal use in gallons per capita per day. Note that the goals established by a public water supplier under this subparagraph are not enforceable. These goals must be updated during the five-year review and submittal.

C. Measuring and Accounting for Diversions

The water conservation plan must include a statement about the water suppliers metering device(s), within an accuracy of plus or minus 5.0% in order to measure and account for the amount of water diverted from the source of supply.

D. Universal Metering

The water conservation plan must include and a program for universal metering of both customer and public uses of water, for meter testing and repair, and for periodic meter replacement.

E. Measures to Determine and Control Water Loss

The water conservation plan must include measures to determine and control water loss (for example, periodic visual inspections along distribution lines; annual or monthly audit of the water system to determine illegal connections; abandoned services; etc.).

F. Continuing Public Education & Information

The water conservation plan must include a description of the program of continuing public education and information regarding water conservation by the water supplier.

G. Non-Promotional Water Rate Structure

The water supplier must have a water rate structure which is not "promotional," i.e., a rate structure which is cost-based and which does not encourage the excessive use of water. This rate structure must be listed in the water conservation plan.

H. Reservoir Systems Operations Plan

The water conservation plan must include a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin in order to optimize available water supplies.

I. Enforcement Procedure and Plan Adoption

The water conservation plan must include a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan.

J. Coordination with the Regional Water Planning Group(s)

The water conservation plan must include documentation of coordination with the regional water planning groups for the service area of the public water supplier in order to ensure consistency with the appropriate approved regional water plans.

K. Plan Review and Update

A public water supplier for municipal use shall review and update its water conservation plan, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The public water supplier for municipal use shall review and update the next revision of its water conservation plan not later than May 1, 2009, and every five years after that date to coincide with the regional water planning group. The revised plan must also include an implementation report.

VI. ADDITIONAL REQUIREMENTS FOR LARGE SUPPLIERS

Required of suppliers serving population of 5,000 or more or a projected population of 5,000 or more within the next ten years:

A. Leak Detection and Repair

The plan must include a description of the program of leak detection, repair, and water loss accounting for the water transmission, delivery, and distribution system in order to control unaccounted for uses of water.

B. Contract Requirements

A requirement in every wholesale water supply contract entered into or renewed after official adoption of the plan (by either ordinance, resolution, or tariff), and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements in this chapter. If the customer intends to resell the water, the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

VII. ADDITIONAL CONSERVATION STRATEGIES

Any combination of the following strategies shall be selected by the water supplier, in addition to the minimum requirements of 30 TAC §288.2(1), if they are necessary in order to achieve the stated water conservation goals of the plan. The commission may require by commission order that any of the following strategies be implemented by the water supplier if the commission determines that the strategies are necessary in order for the conservation plan to be achieved:

1. Conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;

2. Adoption of ordinances, plumbing codes, and/or rules requiring water conserving plumbing fixtures to be installed in new structures and existing structures undergoing substantial modification or addition;

3. A program for the replacement or retrofit of water-conserving plumbing fixtures in existing structures;

4. A program for reuse and/or recycling of wastewater and/or graywater;

5. A program for pressure control and/or reduction in the distribution system and/or for customer connections;

6. A program and/or ordinance(s) for landscape water management;

7. A method for monitoring the effectiveness and efficiency of the water conservation plan; and

8. Any other water conservation practice, method, or technique which the water supplier shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

VIII. WATER CONSERVATION PLANS SUBMITTED WITH A WATER RIGHT APPLICATION FOR NEW OR ADDITIONAL STATE WATER

Water Conservation Plans submitted with a water right application for New or Additional State Water must include data and information which:

1. support the applicant's proposed use of water with consideration of the water conservation goals of the water conservation plan;

2. evaluates conservation as an alternative to the proposed appropriation; and

3. evaluates any other feasible alternative to new water development including, but not limited to, waste prevention, recycling and reuse, water transfer and marketing, regionalization, and optimum water management practices and procedures.

Additionally, it shall be the burden of proof of the applicant to demonstrate that no feasible alternative to the proposed appropriation exists and that the requested amount of appropriation is necessary and reasonable for the proposed use.