

ST. JOHN'S WATER COMPANY (SJWC) 2022 ANNUAL OPERATIONS REPORT

In 2022, SJWC has strived to do its best to keep operations running smoothly, while keeping safe through the continuing challenges from the coronavirus. The construction delays of 2021 ended and despite construction material shortages, ten new subdivision phases were placed into operation in 2022 versus last year with only two subdivision phases placed into operation on Johns Island. The membership base is currently approximately 9,600 which is an increase from last fiscal year of 400 customers. We repaired a significant number of water lines and fire hydrants, completed routine water tank washouts with disinfection, established numerous new water services, and oversaw water system construction.

November 1, 2021 SJWC launched our online payment portal so that customers may pay their water bill anytime in a quick and easy manner. Members can simply go to our website: stjohnswaterco.myruralwater.com and click on the “Bill Payment” icon which takes them to a secure site where they may view their water bill, pay a bill one-time or set up auto pay through credit card or bank draft. Customers may sign up for bill reminder notifications, pay by text, and choose paperless billing. Also, as a convenience customers can make a payment by phone anytime by calling 855-786-4097. The online payment option has been a huge success with customers and with the efficiency of the office.

The SJWC 2021 Annual Water Quality Report, which was distributed to the membership in June 2022 reported that the drinking water is safe and meets all Federal and State requirements. In the Annual Water Quality Report, we advertised our website where you may not only pay your water bill, but customers can also sign up for email and text alerts of water outages in their area. We encourage customers to sign up for this useful notification system. The website also has rate and fee information, contact information, forms, reports, shutoff valve detail, and other water related information.

We are pleased to report that we completed another round of lead and copper samples in August 2022 and all the samples were good and were within the lead and copper limits.

The EPA has selected Charleston to be part of the Unregulated Contaminate Monitoring Rule Number 5 otherwise known as UCMR5. This program tests water for potentially harmful substances that are not regulated yet to see how much of it is in the water and determine whether it needs regulated and if so, establish the maximum contaminate limits. UCRM5 will be testing for 29 different PFAS (perfluoroalkyl and polyfluoroalkyl substances) plus Lithium. These chemicals are used in firefighting foams, to make electronic devices, and non-stick cookware. The EPA testing starts in 2023, with St. John's Water Company scheduled to start in 2025.

SJWC has felt the effects of the lengthy delays for receiving material, parts, and equipment. We purchased two new utility trucks, which took several months to receive. We also ordered a new motor control center for the Bohicket Pump Station in October 2021 and did not receive it until nine months later. With these shortages occurring throughout South Carolina, SJWC has been diligent and has done a very good job of keeping water parts and meters in stock.

The St. Johns Fire District (SJFD) has not been paying the hydrant fee to SJWC. SJWC is pursuing the matter further through the SJFD and the Charleston County Court System. At this time, a resolution has not been determined.

In January 2022, SJWC began the due diligence process for property at 535 Main Road for the future site of a new water ground storage tank and pump station to replace the existing Limehouse Station. We completed phase 1 environmental, geotechnical, wetland, and grand tree studies for the 2.89-acre site. All studies indicated that the property is suitable for the construction of a water tank and pump station. SJWC proceeded with the purchase of the property on August 15, 2022 for \$405,000. We have started on the design of a new 1.5-million-gallon water storage tank and pump station. The design and permitting of the new water tank will continue in 2023 with plans to potentially start construction in 2024.

Charleston County settled on the proposed layout for the Main Road Widening "Segment A" Project from Bees Ferry Road to Chisolm Road, which is posted on the Charleston County website. The project includes constructing a roundabout on Johns Island at the Main Road, Chisolm Road, and River

Road intersection that will impact the existing SJWC water infrastructure located throughout the project area. SJWC qualifies for the South Carolina Act 36 Utility Relocation Bill for this project as a small water system, thereby the Charleston County Main Road “Segment A” Transportation Improvement Project will bear all the SJWC water relocation costs including construction and design/engineering costs, saving SJWC approximately two-million dollars in water main relocation costs. Charleston County is using the design build concept for this project with design of the project including utility relocations starting in 2023 and plans for construction to begin in 2024.

Charleston County released on the website, six alternative routes for the Main Road Corridor “Segment C” road improvement project for Bohicket Road from Maybank to Betsy Kerrison Parkway. SJWC provided comments to Charleston County informing them of the water infrastructure impacts for each of the options. The County plans to start permitting in 2023 and then start on right of way acquisitions in 2024 with construction beginning in 2025.

SCDOT is planning to replace the bridge over Simmons Creek on Old Pond Road in 2024. We are currently working on the water relocation plans, which will require us to directional drill a new water main since the existing water main is attached to the bridge. SCDOT should also be responsible for the cost of our utility relocation work as part of the South Carolina Act 36 as a small utility.

We closed out the fiscal year September 30, 2022 with Hurricane Ian. Fortunately, we did not have any damage from the winds and rain, but we had some isolated power outages, which were resolved within two days.

Charleston Water System (CWS) will be raising their water rates again to SJWC on January 1, 2023 by \$0.17 per 1,000 gallons. As a result, SJWC will need to raise our rates to the membership starting in January 2023 by 24 cents per 1,000 gallons to cover the CWS increase and the increase in SJWC costs. The new rate, which will start with the January 2023 water usage, increases the minimum bill 48 cents to \$19.75 per month, a 2.5% increase. For the average customer that uses 6,000 gallons of water, the monthly bill will increase \$1.44 to \$51.35, a 3% increase.

SJWC is also raising tap fees starting January 1, 2023. The existing tap fees have not increased since 2014 and with the rising cost of materials especially water meters, we have to pass those costs on to new customers. The standard ¾-inch meter tap fee will increase \$280 for a total of \$2,840. The tap fee schedule for each meter size is listed on the SJWC website.

We would like to thank those that attended the Annual Meeting and promise that SJWC will continue to be committed to ensuring safe and dependable drinking water and providing good customer service.