

ST. JOHN'S WATER COMPANY (SJWC)
2023 ANNUAL OPERATIONS REPORT

It has been another very active year with water line repairs, fire hydrant maintenance, completing valve and water tank maintenance, establishing new water services, and overseeing water system construction. There have been eleven new subdivision phases placed into operation this past year on Johns Island and our customer base is now approximately 9,800 members. SJWC has continued to experience lengthy delays in receiving material, parts, and equipment. With these shortages occurring throughout South Carolina, SJWC has been diligent in keeping meters and supplies in stock.

This past fiscal year included some weather events which could have had major impacts on the water system. Fortunately, we performed well with some minor damage which has been repaired. The freezing temperatures that extended through the Christmas holiday of December 23 through 27, 2022 caused problems for many residents with freezing and broken water pipes and backflow devices on their property due to the prolonged freezing temperatures. SJWC had a frozen pipe at the office and a pressure recording pipe at the Bohicket Pump Station that froze and broke. Charleston Water System (CWS) had excessive water demands during that time and therefore provided SJWC with less water and pressure than normal. Prior to the dropping temperatures, we posted on our website an informational sheet on what to do with water piping in cold temperatures to prevent freezing pipes and the best way to handle pipes once they freeze. During this time, we assisted customers that had service line breaks by locating shut off valves and shutting off water if we were unable to talk the customer through how to do it themselves. We also provided leak adjustments to the customers' bills that had broken water pipes. The impacts of Hurricane Idalia in late August were minimal with some minor electrical damage.

We are pleased to announce that we received a satisfactory report on our SCDHEC Sanitary Survey which was completed in December 2022 with no areas needing improvement.

The SJWC 2022 Annual Water Quality Report, which was distributed to the membership in June 2023 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 alert notifications of water outages in their area. The website also has rate and fee information, contact information, forms, reports, shutoff valve detail, and other water related information. The Annual Water Quality Report is located on the website.

The United States Environmental Protection Agency (EPA) is requiring all water utilities nationwide to conduct a water service line inventory to determine if there is any lead pipe in either the utility's water service lines or in the customer's water service lines. We are currently conducting the study and the inventory work will be completed by October 2024. More information on the Revised Lead and Copper Rule can be found at <https://www.epa.gov/ground-water-and-drinking-water/revised-lead-and-copper-rule>. Our last round of lead and copper samples were completed in August 2022 and all the samples were good and 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 items such as firefighting foams, electronic devices, and non-stick cookware. The EPA testing starts in 2023, with SJWC scheduled to start in 2025.

The St. Johns Fire District (SJFD) has not been paying the hydrant fee to SJWC for the past few years. SJWC is pursuing the matter further through the SJFD and the Charleston County Court System. Starting in February 2023, the City of Charleston has also not been paying the hydrant fee to SJWC. The City of Charleston and SJWC have a hydrant fee contract drafted and are currently working on a resolution.

SJWC is in the midst of the engineering design and permitting of a new 1.5 million gallon water storage tank and pump station to be located at 535 Main Road. The design and permitting of the new water tank will continue in 2024 with plans to potentially start construction by the end of 2024.

The Charleston County Main Road Widening “Segment A” Project from Bees Ferry Road to Chisolm Road, 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 currently 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 2024. Charleston County is currently working on right-of-way acquisitions for the project, which includes impacts to our Limehouse Tank property and our proposed tank site at 535 Main Road.

SCDOT is planning to replace the bridge over Simmons Creek on Old Pond Road in 2024. We have submitted water relocation plans to be included in the SCDOT bid package to contractors. The relocation plans require us to directionally drill a new water main under the creek 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.

SJWC is currently completing a water modeling study to evaluate the request of the Orange Hill Development for irrigation water to be used for a proposed golf course and to evaluate Kiawah Island Utility’s request of additional water capacity for future emergencies.

CWS will be raising their water rates again to SJWC on January 1, 2024 by \$0.16 per 1,000 gallons. As a result, SJWC will need to raise our rates to the membership starting in January 2024 by \$0.16 per 1,000 gallons to cover the CWS increase. We are not proposing any additional rate increase

besides the pass through \$0.16 per 1,000 gallons. The new rate increases the minimum bill to \$20.07 per month, a 1.6% increase, which includes the SCDHEC fee and 2,000 gallons of water. For the average customer that uses 6,000 gallons of water, the monthly bill will increase \$0.96 to \$52.31, a 1.87% increase. The tap fees were increased in January 2023 and there is no additional tap or impact fee increase proposed for 2024.

Our online payment portal has been a success for SJWC and a major convenience for our members. 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.

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.