ST. JOHN'S WATER COMPANY (SJWC) 2024 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 six new subdivision phases placed into operation this past year on Johns Island and our customer base has over 9,800 members.

This past fiscal year included the weather events of Tropical Storm Debby and Hurricanes Helene and Milton that could have had major impacts on the water system. Fortunately, we performed well with no damage. The flooding of surface water rivers and reservoirs from Tropical Storm Debby caused the treated water from Charleston Water System (CWS) to be discolored with elevated manganese and iron. CWS and SJWC tested the water during the time of discoloration and the water remained safe to drink at all times. We flushed dead end water lines to help remove discolored water from the system. Unfortunately, it is very common to have color issues in the water after storms with wind and flooding.

The SJWC 2023 Annual Water Quality Report, which was distributed to the membership in June 2024 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) conducted a compliance inspection of SJWC's Risk and Resilience Assessment and Emergency Response Plans in March 2024. EPA found that no instances of noncompliance were observed.

EPA required all water utilities nation-wide to conduct a water service line inventory by October 16, 2024 to determine if there is any lead pipe in either the utility's water service lines or in the customer's water service lines. Through our study, we visually inspected and documented 1,821 water

services based on our records for service lines that would have been installed prior to 1989. The use of lead pipe was banned in South Carolina in November 1988. We are pleased to report that we did not find any lead water service lines on the SJWC owned side, none on the customer owned side, and none on the meter box connections.

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 to be regulated and if so, establish the maximum contaminate limits. UCRM5 tests for 29 different PFAS (perfluoroalkyl and polyfluoroalkyl substances) plus Lithium. These chemicals are in items such as firefighting foams, non-stick cookware, make-up, and food. SJWC is scheduled to start the testing in 2025.

South Carolina Department of Transportation (SCDOT) was planning to replace the bridge over Simmons Creek on Old Pond Road in 2024. We had submitted water relocation plans to be included in the SCDOT bid package to contractors in November 2023. However, the project has been put on hold and is now scheduled to start in 2032.

SJWC has completed the engineering design of a new 1.5 million gallon water storage tank and pump station to be located at 535 Main Road. The permitting of the new water tank will continue through 2024 with plans to start construction in 2025.

The Charleston County Main Road Corridor "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 four million dollars in water main relocation costs. Charleston County awarded the project in September 2024 to the design build team of Archer Western

Contractors, United Infrastructure Group, and Banks Construction, which is known as Archer United Banks. It is a four-year construction project. They have begun the utility coordination, since the utilities will need to be relocated in the project area before the road work improvements can be started.

Charleston County presented their recommended preferred route for the Main Road Corridor "Segment C" project, which is the widening of Bohicket Road from Clark Hills Circle to Betsy Kerrison Parkway. The road widening improvements and the multiple proposed roundabouts will impact the existing SJWC water infrastructure located throughout the project area.

Based on the water modeling study completed in 2024, we have a draft irrigation contract under review with the Orange Hill Development to provide water to be used for irrigation for their proposed golf course off Bohicket Road. SJWC is currently completing a water modeling study to evaluate Kiawah Island Utility's request of additional water capacity for future emergencies.

The St. Johns Fire District (SJFD) and the City of Charleston Fire Department have not been paying the hydrant fee to SJWC for the past few years. SJWC has proposed hydrant fee contracts under review with the SJFD and the City of Charleston and are currently working on resolutions to avoid pursuing the matter further in the Charleston County Court System.

CWS will be raising their water rates again to SJWC on January 1, 2025 by \$0.24 per 1,000 gallons. As a result, SJWC will need to raise our rates to the membership starting in January 2025 by \$0.24 per 1,000 gallons to cover the CWS increase. We are not proposing any additional rate increase besides the pass through \$0.24 per 1,000 gallons. The SCDHEC fee is reducing this year from \$0.25 to \$0.10 per month due to the increase in the number of customers to spread out the cost. The new rate increases the minimum bill to \$20.40 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 \$1.29 to \$53.60, a 2.5% increase. There is no additional tap or impact fee increase proposed for 2025.

Over the past year we have had members with new irrigation systems receive very high-water bills because they are not fully aware of the irrigation system settings and how long the irrigation is running and quantity of water that goes through the meter. We encourage all customers with irrigation systems to know the settings, know how to change them, and to set the irrigation to match the amount of money that they are wanting to pay for irrigation water. Irrigation systems also require the installation and annual testing of a reduced pressure backflow device. All members should know where their shut off valve is located behind the meter box in case of an emergency, so they can turn the water off and back on as needed.

Customers may pay their water bill anytime in a quick and easy manner on our online payment portal. 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 and pay their bill. 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.

In 2025 we will be celebrating the 50th Anniversary of St. John's Water Company's formation. 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.