ST. JOHN'S WATER COMPANY (SJWC)
2026 ANNUAL OPERATIONS REPORT

It has been another very active year with water line repairs, fire hydrant maintenance, establishing new water services, overseeing water system construction, completing valve maintenance, and new water tank construction. The year has been filled with road improvement projects and booming commercial and townhome development on Johns Island.

Consensus Construction and CROM have been working all year on our new 1.5 million gallon (MG) water storage tank and pump station at 535 Main Road. The project has stayed on budget of $8,828,170.35 and will be completed by the end of 2026. The new 1.5 MG tank will replace the existing 250,000 gallon Limehouse water storage tank and pump station. The existing pump station parts will be removed and kept as spares for our Maybank pump station. Once the new tank is completed and the landscaping, fencing, and lighting is installed we will further investigate painting something on the tank, taking into consideration cost and visibility.

R.H. Moore Contractors relocated our water transmission mains for the Main Road Corridor Segment A Project for the construction of the roundabout on Johns Island at the Main Road, Chisolm Road, and River Road intersection. The water main relocations were extensive and required several overnight shutdowns throughout the year. SJWC qualified 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 has paid all the SJWC water relocation costs including construction and engineering costs. Charleston County has added to the project a turn lane to Old Pond Road and a multi-use path. R.H. Moore Contractors will be relocating the water mains and appurtenances within the next few months to accommodate those additional improvements.

SJWC has reviewed design plans for the relocation of our water mains for the following Charleston County road improvement projects: Brownswood Road and River Road roundabout, Old Pond Road Bridge Replacement, Old Chisolm Road, Marie McNeil Road, Solom Road, and the second

outbound lane on Maybank Highway. These projects are currently under contract and in the design and permitting stages. SJWC is in the initial utility coordination stage with Charleston County for the relocation of our water mains for the following road improvement projects: Burden Creek Bridge Replacement on River Road, Simmons Creek Bridge Replacement on Brownswood Road, Hut Creek Bridge Replacement on River Road, proposed turn lane on Plow Ground Road at the Bohicket Road intersection, and the proposed roundabout at the intersection of Plow Ground, River, and Exchange Landing Roads.

SJWC has contracted with KCI Engineering and R.H. Moore Contractors to replace our water transmission main that crosses the Stono River at the Limehouse Bridge. This project was in our five year capital improvement plan, but it quickly became more of a priority when we had five major water main breaks within a three month period in the Limehouse Boat Landing area. A camera was used inside the river crossing pipe to confirm that it needed to be replaced. We will be replacing the existing 18-inch water main with a 30-inch water main installed by horizontal directional drill approximately 40-feet under the Stono River bottom from near Old Ferry Road to the Limehouse Boat Landing. There will be 3,200 feet of pipe installed connecting to the newly relocated water mains at the Main/Chisolm/River Road roundabout. This project will be completed in the winter of 2027 for an estimated amount of $4.8 million dollars. The Limehouse Boat Landing will remain open during construction.

SJWC has requested additional purchased water from Charleston Water System (CWS) to meet our current and anticipated water demands for Johns Island, Kiawah Island, and Seabrook Island. We have requested a total of seven million gallons a day of additional water capacity over the next fifteen years. CWS is conducting a study to determine their capabilities for providing additional water.

The SJWC 2025 Annual Water Quality Report, which was distributed to all the membership by mail in June 2026, reported that the drinking water is safe and meets all Federal and State requirements. The report provides details about where our water comes from, what it contains, and how it compares to standards set by regulatory agencies. The results of the Unregulated Contaminate Monitoring Rule

Number 5 (UCMR5) and lead and copper sampling that was completed in 2025 is also included in this year's report. All the lead and copper samples taken were under the EPA regulated action levels. In the Annual Water Quality Report, we advertised our website where customers may not only pay their 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 2025 Annual Water Quality Report is located on the website.

The St. Johns Fire District and the City of Charleston Fire Department are no longer paying a fee to St. John's Water Company. The fee helped pay for a small portion of our costs associated with maintaining the water supply for fire protection including costs invested in facilities that are sized larger than necessary for firefighting purposes. The fee that the Fire Departments were paying is passed through in the water rates that our customers pay.

Charleston Water System (CWS) will be raising their water rates again to SJWC on January 1, 2027 by $0.25 per 1,000 gallons. As a result, SJWC will need to raise our rates to the membership starting in January 2027 by $0.25 per 1,000 gallons to cover the CWS increase. We are not proposing an additional rate increase besides the pass through $0.25 per 1,000 gallons. The new rate increases the minimum bill to $21.40 per month, a 2.4% increase, which includes the SCDES fee and 2,000 gallons of water. For the average customer that uses 6,000 gallons of water, the monthly bill will increase $1.50 to $56.60, a 2.7% increase.

Like most other companies, SJWC pays a processing fee every time a customer uses a credit/debit card to pay a bill. Rather than raise our water rates, starting with the January 2027 water usage bill, if a customer chooses to pay with a credit/debit card then the processing fee will be added to their bill. The fee will be listed when you pay by credit/debit card so you will see what is being added to your bill. The current credit card fee is 2.95% of the bill amount, but this fee is subject to change by the processing company. A fee free option will be offered to our customers. If you switch to drafting your bank account rather than using a credit/debit card, there will be no fee charged to you. Thank you for your

understanding and we appreciate you paying online for faster and more convenient service. If you need any assistance in switching payment types, please contact our customer service department who will be happy to help.

SJWC is pleased to announce that we will be embarking on a new meter reading system in 2027 which will greatly improve our customer service. The new FlexNet meter reading system will allow us to get meter usage data instantly in the office without having to send a technician on site or drive by the meter. We will be able to provide the customer with detailed water usage history so that, for example, they can more easily and quickly determine if they have a leak or see how much irrigation water they are using. It will be a five year process to get all customers on the new meter reading system.

There is a large increase in the number of residents that are installing irrigation systems at their homes, and it is becoming more common for irrigation systems to come pre-installed in new homes. As a result, customers are experiencing 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.

It is our promise that the Company will continue to be committed to ensuring safe and dependable drinking water and providing good customer service.