

June 3rd, 2025

Dear S&T Mutual Water Company Shareholders,

The 2024-2025 year was productive for the company. This letter reports the company's status from June 2024 to June 2025 and summarizes the year's activities. Our focus is on strengthening the company by upgrading and maintaining our infrastructure to ensure safe, reliable drinking water for our shareholders.

Projects and general maintenance:

- Replaced Pump and Motor on Well 5

The motor failed in Well 5 at the end of June of 2024. We had a replacement motor on hand and were able to coordinate with a contractor the same day. Due to the uncertainty of the repair timeline, we asked our customers to conserve water to the best of their ability. The S&T community rose to the occasion and cut back on water use tremendously during those two days!
- Replaced Two Fire Hydrants on Butte
 - Two fire hydrants on Butte Drive were replaced in 2024. These new hydrants have additional nozzle connections, making it easier for Cal Fire to use if necessary.
- Sampled Well #1 for PFAS
 - Per the new water quality standards released by the EPA in 2024, S&T sampled Well 1, one of our two standby sources, for perfluoroalkyl substances (PFAS). Unfortunately, we detected several types of PFAS in the well. Like the personal care products and pharmaceuticals detected in Well 5, we assume that these contaminants may have come from nearby septic systems. Since we do not use Well 1 due to the high nitrate levels, you are not at risk of consuming the PFAS in your drinking water. Well 5 was also sampled earlier in 2024 and showed no detections.
- Triennial Lead and Copper Sampling
 - S&T completed its triennial lead and copper sampling in the summer of 2024. These 10 sample results are in line with previous years and showed very low levels of both lead and copper, if they were detected at all.
- LOCSD Agreed to Work with S&T Toward Consolidation
 - S&T approached the Los Osos Community Services District (LOCSD) to request consolidation in August 2024. The LOCSD Board conceptually approved the requests. S&T is currently working on the best strategic approach to completing the connection.

- Water Main Break at Solano Street Near Golf Shop
 - In late November, S&T experienced a catastrophic failure of one of our 6-inch concrete water mains at the intersection of the Golf Course. Fortunately, we were able to get in touch with a contractor ahead of the weekend (it happened on Friday). The contractor came in and swiftly dug out the pipe and completed the repairs. We flushed the lines and collected samples to ensure no contamination had occurred during the repair.
- North and South Tank Inspections and Repairs
 - The North and South Tanks were inspected, and a maintenance plan was developed to prolong the life of the South Tank. Based on the inspection, as well as previous reports, S&T's Board voted to work toward the replacement of the North Tank. We are currently in the planning stages for the tank replacement project. The South Tank underwent much needed repairs for corrosion damage on the seams and roof.

Please continue to visit our website at www.st-water.com where shareholders have more access to information. On the website you will find the 2024 Consumer Confidence Report which details our water quality. To download or read a copy of that report follow this link www.st-water.com/service.htm and click on the Water Quality Report button. Please contact the water company if you would like to have a copy of the Consumer Confidence Report mailed to your address.

Sincerely,

Julie McAdon-President/Director

Full copies of the End of year 2023 Financial Report are available upon request.