

June 3rd, 2026

Dear S&T Mutual Water Company Shareholders,

The 2025-2026 year was productive for the company. This letter reports the company's status from June 2025 to June 2026 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 Two Fire Hydrants**
Replaced one fire hydrant on Howard Drive near Del Norte and one across from the Sea Pines Resort near Solano Drive. These replacements improve system reliability and fire protection capabilities within the service area.
- **Completed Preventive Maintenance on South Tank**
The South Tank underwent two rounds of preventative corrosion control maintenance during the 2025 calendar year. This work is important to help protect the tank infrastructure from the corrosive effects of the coastal environment and extend the operational life of the facility.
- **Water Quality Sampling**
All water quality results obtained from the current production well, Well #5, were within the expected range and met all applicable state and federal drinking water standards. Nitrate levels in the well continue to increase slowly over time and will continue to be monitored closely.
- **Continued Coordination Regarding State Water Planning**
S&T continued working with the LOCSD and GSWC regarding long-term State Water planning efforts anticipated to provide supplemental water supplies for the community. As part of the Basin Management Committee, S&T continues coordinating with other local purveyors regarding future access frameworks and water supply planning discussions.
- **North Tank Design and Permitting**
The North Tank project continued through the design and permitting phase during the year. The company is also working with the State to pursue funding assistance through the Drinking Water State Revolving Fund loan program.



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- **Replacement of 2-inch Interconnection with GSWC**

S&T repaired the existing 2-inch interconnection that was historically in place between S&T Mutual and Golden State Water. This repair has restored a direct connection with the neighboring purveyor and acts as another source of emergency supply in addition to the LOCSD water-hauling agreement.

The company appreciates the continued support of its shareholders and remains committed to maintaining a safe and reliable water system. Additional information, including the 2025 Consumer Confidence Report, is available on our website at S&T Mutual Water Company. Shareholders may also contact the water company to request a printed copy of the report by mail.

Sincerely,

Julie McAdon

Julie McAdon-President/Director

Full copies of the End of year 2025 Financial Report are available upon request.