

PSUS's Water Philosophy

Protect

Palmetto State Utility Services, Inc. (PSUS) understands that protecting your water supply is of the utmost importance. The source of your water supply is monitored on a schedule approved by the South Carolina Department of Health and Environmental Control (DHEC) and any activity which may affect this supply is closely analyzed. Should action become necessary, PSUS will use the best available technology to protect your water supply. PSUS welcomes and encourages consumers to share in our vigilance. If you observe any activities that could possibly endanger the water supply, contact us immediately by calling our 24-hour customer service center at (803) 790-7288.

Scrutinize

PSUS's state certified water treatment and distribution operators work diligently to ensure water treatment processes are maintained to the highest standards. Whenever necessary, new technologies are adopted to benefit our customers. Water is delivered via a complex distribution system made up of multiple sources of supply, storage facilities, pumps, pipes, valves, meters, and countless other components to provide safe water to your tap. PSUS carefully scrutinizes the system and invests annually to ensure it is kept in top condition, minimizing the risk of major problems which are costly to repair.

Understand

PSUS understands the importance of maintaining the safety and integrity of your water supply. We constantly monitor its water sources, treatment processes and distribution system for all constituents mandated by the United States Environmental Protection Agency (USEPA) and the DHEC

Serve

The quality of PSUS's customer service is just as important as the water itself. We pride ourselves on providing "best in class" service and personal assistance 24 hours a day, seven days a week, 365 days a year. We are able to accomplish this by hiring the best and brightest men and women and by providing ongoing support and training to all employees. All PSUS employees share a commitment to provide the best possible customer service.

FORT JACKSON WATER SYSTEM Public Water System #4010501



2012 WATER QUALITY REPORT



Palmetto State
UTILITY SERVICES, INC.
A Subsidiary of American States Utility Services, Inc.

Delivering Excellence, One Drop at a Time

Protecting and Preserving Your Drinking Water

We are pleased to present the following Fort Jackson 2012 Water Quality Report, which contains information about testing completed in your water system through December 2012.

Palmetto State Utility Services, Inc. (PSUS) takes seriously its job as the guardian of drinking water quality for its customers. PSUS is regulated by the state and federal government, and we are proud to say the quality of your water regularly meets all drinking water quality standards.

PSUS industry professionals take water samples to monitor quality at approved sites throughout the distribution system. If there is an exceedance of a drinking water standard, we are required to notify you quickly and take action to restore normal service.

We pride ourselves on our strong customer service culture that comes from industry knowledge and relationships built in the water industry. Our representatives are available around the clock to answer questions and address any water concerns day or night.

On behalf of all of us at Palmetto State Utility Services, Inc., thank you for providing us the opportunity to serve you. If you have any questions about this report, please call the PSUS office at 803-790-7288.

Sincerely,



Robert Sprowls
President and Chief Executive Officer
American States Water Company



Joseph E. Williams, P.E.
Utility Manager
Palmetto State Utility Services, Inc.

Our Subsidiaries



Definitions

Maximum Contaminant Level (MCL)

The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the maximum contaminant level goals as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG)

The level of contaminant in drinking water below which there is no known or expected risk to health. Maximum contaminant level goals are set by EPA. MCLGs allow for a margin of safety.

Maximum Residual Disinfectant Level (MRDL)

The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG)

The level of a disinfectant added for water treatment below which there is no known or expected health risk. MRDLGs are set by EPA. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contamination.

Primary Drinking Water Standard (PDWS)

MCLs for contaminants that affect health, along with their monitoring and reporting requirements, and water treatment requirements.

Action Level (AL)

The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Treatment Technique (TT)

A required process intended to reduce the level of a contaminant in drinking water.

About the Company

American States Water Company is an investor-owned utility publicly traded on the New York Stock Exchange under the trading symbol AWR and is the parent company of American States Utility Services (ASUS). ASUS is one of the leaders in privatization of utilities on military installations across the nation. Through its subsidiary, Palmetto State Utility Services, Inc. (PSUS), the important responsibility of managing the water systems at Fort Jackson is accomplished.

AWR and its family of companies provide water to communities throughout the United States. For more than 80 years, we've been installing and maintaining complex structures consisting of thousands of miles of pipelines, wells, pumping stations and reservoirs. With AWR companies, you can count on reliable water services, quality drinking water, and unsurpassed response to your questions.

You can find our companies in California, Maryland, New Mexico, North Carolina, South Carolina, Texas and Virginia. Our trained personnel have thousands of years of combined experience and are certified to work the various aspects of water systems. Our water testing procedures allow us to meet or exceed the water quality regulations set in place by the US Environmental Protection Agency (USEPA) and the South Carolina Department of Health and Environmental Control (DHEC) to deliver quality, wholesome water to you – our customers.

Managing the daily operations for PSUS is Joseph "Joey" E. Williams, Utility Manager. Joseph is a seasoned professional in the water industry. He has worked in all phases of water treatment and distribution.

All the men and women at PSUS are committed to meeting the needs of Fort Jackson. The water system at Fort Jackson undergoes comprehensive infrastructure analysis to determine what areas need repair, replacement or new facilities.

We're here to give you peace of mind – water when you need it and unsurpassed service. For questions on your water service, please contact Joseph "Joey" E. Williams at (803) 790-7288.

Measurements

Safekeeping of Water Supplies and Facilities

To reduce the risk of terrorism affecting local water supplies and distribution systems, Palmetto State Utility Services, Inc. is working with Force Protection to follow recommendations from the Federal Bureau of Investigation, the United States Environment Protection Agency and the American Water Works Association. While water systems have a low relative likelihood of experiencing terrorist acts, these agencies advise that water systems should guard against unplanned physical intrusion, review emergency response plans, and increase vigilance. Palmetto State Utility Services, Inc. has taken all these steps and is continuing to look for additional safety improvements.

If You Have Questions – Contact Us

For information about your water quality or to find out about upcoming opportunities to participate in public meetings, please contact Joseph E. Williams, Utility Manager, at (803) 790-7288.

For more information about health effects of the listed constituents in the enclosed tables, call the EPA hotline at 1-800-426-4791.

Water is sampled and tested throughout the year.

Contaminants are measured in:

- Parts per million (ppm) or milligrams per liter (mg/L),
- Parts per billion (ppb) or micrograms per liter ($\mu\text{g/L}$),
- Parts per trillion (ppt) or nanograms per liter (ng/L).
- Grains per gallon (grains/gal) – A measurement of water hardness often used for sizing household water softeners. One grain per gallon is equal to 17.1 mg/L of hardness.
- Nephelometric Turbidity Units (NTU) – A measurement of the clarity of water. Turbidity in excess of 5 NTU is noticeable to the average person.
- Picocuries per liter (pCi/L) – A measurement of radioactivity in water.

If this is difficult to imagine, think about these comparisons:

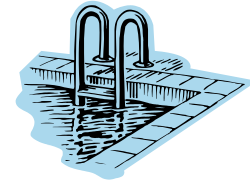
Parts per million:

3 drops in 42 gallons
1 second in 12 days
1 inch in 16 miles



Parts per billion:

1 drop in 14,000 gallons
1 second in 32 years
1 inch in 16,000 miles



Parts per trillion:

10 drops in enough water to fill the Rose Bowl
1 second in 32,000 years
1 inch in 16 million miles



Sampling Results

Our drinking water meets or exceeds all Federal (EPA) drinking water requirements. This report is a summary of the quality of the water we provide our customers. The analysis was made using data from the most recent U.S. Environmental Protection Agency (EPA) required tests and is presented in the included pages. We hope this information helps you become more knowledgeable about what's in your drinking water.

Although all the substances listed here are under the Maximum Contaminant Level (MCL), we feel it is important that you know exactly what was detected and how much of the substance is present in the water. Compliance (unless otherwise noted) is based on the average level of concentration being below the MCL. The State allows us to monitor for some contaminants less than once per year because the concentrations do not change frequently. Some of our data, though representative, are more than a year old.

Lead and Copper

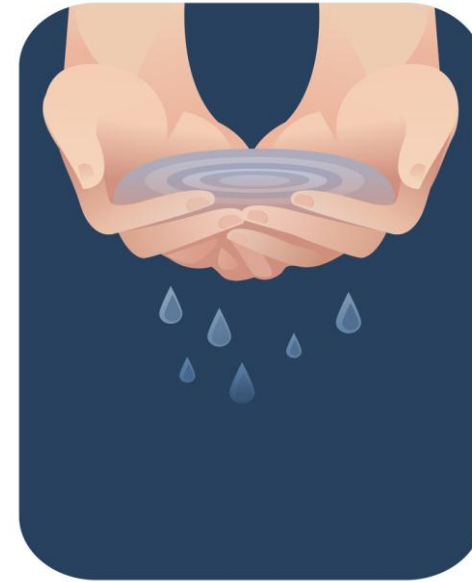
In accordance with DHEC regulation R.61.58.11 (H), lead and copper samples are taken every three years. If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service line and home plumbing.

The City of Columbia is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking.

If you are concerned about the lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water hotline at 1-800-426-4791 or at <http://www.epa.gov/safewater/lead>.

Where Does Our Water Come From?

Fort Jackson purchases its drinking water from the City of Columbia. The city treats surface water from the Broad River and provides this water to Fort Jackson through their distribution system.



The whole Installation of Fort Jackson is divided into two separate areas, the Cantonment Area and the training areas. The Cantonment Area receives its water from the City of Columbia, particularly from the Broad River Diversion Canal, also known as the Columbia Canal. It comes on post already treated, so Fort Jackson does its part to maintain that level of treatment.

The City of Columbia uses a series of treatment techniques to produce potable (drinkable) water. As water is pumped into the treatment plants, intake areas screen out floating debris such as plants and fish. Aluminum sulfate (alum) and other polymers are rapidly mixed into the water to help particles in the water cling together (coagulate) and form heavier particles, referred to as floc. The water mixture is then gently circulated so that the coagulating particles continue to merge into larger floc particles. These floc particles pass into a sedimentation basin where they settle to the bottom and are eventually disposed of. Filtration removes any remaining particles. The water passes through filters containing layers of sand and anthracite coal. Small floc particles cling to filter material as water passes through. After all particles have been removed, a small amount of chlorine is added to the water to keep bacteria from developing as it travels to your home or business. A small amount of fluoride is also added to the water to assist in preventing tooth decay.

The training areas are served by nine different wells. Some of the delivered water is hauled via water trucks marked potable water and transferred into the black containers at the various training areas.

Risk to Tap and Bottled Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily mean water may be a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline (1-800-426-4791).

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Fort Jackson and the South Carolina Department of Health and Environmental Control (DHEC) routinely monitor your drinking water for contaminants according to Federal and State requirements. EPA and DHEC administer and enforce the rules and regulations pertaining to drinking water quality.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animal or human activity.

For People with Sensitive Immune Systems...

EPA and DHEC have determined that Fort Jackson's drinking water is safe for consumption. Some people may be more vulnerable to constituents in the water than the general population. Immuno-compromised people, such as those with cancer undergoing chemotherapy, persons who have had organ transplants, people with HIV/AIDS or other immune system disorders, some elderly persons and infants can be particularly at risk of infections. These people should seek advice about drinking water from their healthcare providers.

The EPA and the Centers for Disease Control guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the EPA's safe drinking water hotline at 1-800-426-4791.

Testing has revealed no signs of Cryptosporidium in either Fort Jackson's or the City of Columbia's drinking water.

Fort Jackson Water System – Source Water Quality							
Primary Standards Health Based (units)	PRIMARY MCL	MCLG	Range of Detection	Level Found	MCL Violation?	Most Recent Sampling Date	Typical Source of Constituent
Turbidity							
Highest single measurement of the Treated Surface Water (NTU)	TT = <0.3	n/a	n/a	0.29	No	2012	Naturally occurring in the environment
Lowest Percent of all Monthly Readings less than 0.3 NTU (%)	TT = <.03	n/a	n/a	100.00%	No	2012	Naturally occurring in the environment
Inorganic Constituents							
Fluoride (mg/L)	4	4	0.62 – 0.67	0.65	No	2012	Naturally occurring in the environment by erosion of natural deposits an added at the treatment plant as an aid in preventing tooth decay
Nitrate/Nitrite [as Nitrogen] (mg/L)	10	10	0.06 - 0.43	0.24	No	2012	Runoff from fertilizer use, leaching from septic tanks, sewage, erosion of natural deposits

Fort Jackson Water System – Distribution Water Quality							
Microbiological Constituents (units)	PRIMARY MCL	MCLG	Value		MCL Violation?	Most Recent Sampling Date	Typical Source of Constituent
Total Coliform Bacteria	<5 % positive monthly sample	(0)	Highest number of monthly samples positive was 2.6		No	2012	Naturally present in the environment
Disinfection Byproducts, Residuals and Byproduct Precursors (units)							
Chloramines [as Cl ₂] (mg/L)	4	4	Range of Detection	Highest 4-Quarterly Average	MCL Violation?	Most Recent Sampling Date	Typical Source of Constituent
Chlorite (mg/L)	4	4	2.3 – 2.5	2.5	No	2012	Water additive to control microbial growth
Chlorine dioxide (ug/L)	4	4	1 - 2	n/a	No	2012	By-product of drinking water chlorination
Chlorine dioxide (ug/L)	800	800	0 – 161	161	No	2012	Water additive to control microbial growth
HAA5 [Total of Five Haloacetic Acids] (ug/L)	60	n/a	6.45 – 37.3	24	No	2012	Byproduct of drinking water chlorination formed when chlorine reacts with organic matter
TTHMs [Total of Four Trihalomethanes] (ug/L)	80	n/a	47.7 - 63.9	52	No	2012	Byproduct of drinking water chlorination formed when chlorine reacts with organic matter
Inorganic Constituents (units)							
	ACTION LEVEL (AL)	MCLG	# Sites Over AL	90 th % Level	MCL Violation?	Most Recent Sampling Date	Typical Source of Constituent
Copper (mg/L)	1.3	1.3	0	0.2	No	2010	Corrosion of household plumbing systems and naturally occurring in the environment
Lead (ug/L)	15	0	1	0	No	2010	Corrosion of household plumbing systems and naturally occurring in the environment