June 2026

A Letter from the Chief Executive Officer Regarding Our Ability to Fulfill Our Mission of Service

As Chief Executive Officer of Spartanburg Water and a resident of the City of Spartanburg, I take my role as a Water Professional, Community Servant, and Environmental Steward seriously.

I lead a team of three hundred professionals at Spartanburg Water, who rightfully believe that serving their community as water professionals is a calling that adds value to our community and helps to protect public health and the environment in a responsible manner. I am tasked daily with the responsibility of ensuring that our team provides sustainable water and wastewater services in a safe, reliable, and fiscally responsible manner to nearly 250,000 customers, a number that continues to grow with each passing day.

As Chief Executive, I make every attempt to provide information that is based on factual analysis, solid data and supportable evidence rather than emotion. When considering the potential to provide service or addressing the environment's ability to support demand for our services, I have championed a due diligence process that is based on non-biased facts, delivered in a transparent, intentional, and authentic manner.

The following narrative addresses the current state of demand for water and wastewater service from Spartanburg Water. This narrative objectively speaks to **our capacity** to meet current and future demand as well as the Broad River Basin's ability to support that demand other than endorsing for or against the specific examples provided. While the following may support varying opinions held by stakeholders in the community who are independent of Spartanburg Water, this narrative is intended to provide transparency of facts based on data that currently exists regarding demand for water services from Spartanburg Water and the ability of our local environment to support that demand based on a broader long range study.

I also acknowledge that while no research can be completely void of bias, facts supported by reasonable, verifiable data minimizes any possible bias due to implicit assumptions or subjectivity, thus maintaining the validity of the overall position. This narrative presents information, including information from the 2024 Broad River Basin Council study, to whomever wishes to use it to stay better informed.

Sincerely,

Guy F. Boyle

Dr. Guy F. Boyle
Chief Executive Officer
Spartanburg Water

When it comes to our natural resources, water professionals are often the community's greatest advocate for safety, reliability and environmental stewardship. Water professionals often act as a last barrier between a pollutant entering drinking water or a sewer discharge not being environmentally safe after treatment. Water professionals provide the very foundation that every thriving community depends upon for long-term sustainability, smart growth, and continuous improvements to quality of life and public health.

Clean, safe, reliable water is truly "the tide that has the ability to lift all boats" in a community; and if not managed properly, can act as a catalyst to sink them! Our Mission at Spartanburg Water is one of stewardship and states that "We Make Water Work", by protecting public health and our environment, focusing on sustainability, supporting our community, local business and smart growth, while inspiring future generations through innovation and service. Our team of professionals conduct over three hundred tests daily to ensure that water quality standards are consistently met and that our environment is protected. When this foundation breaks down, improvements in quality of life, in public health and aspirations for a better future for all, become unattainable.

You need to look no further than places like Jackson, Mississippi or Flint, Michigan, to gain an appreciation for what can occur when water and wastewater systems are not properly managed and where capital investment is lacking. A community breaks down quickly if it does not have access to clean, safe, and reliable drinking water or responsible wastewater treatment professionals who return clean wastewater to the local environment.

Discussions regarding water use and availability have become more a part of the public narrative over the past few years at the local, state and national levels. The complexity of emerging industry, as well as the uncertainty and lack of familiarity with new technology, is driving much of this discussion. Water professionals add value to these discussions by focusing on factual data, collaborative study, solid analysis, compliance with regulatory mandates and care for the community and the environment that they steward. These variables provide a solid basis for determining the ability of a utility to serve, and the environment's ability to support growth.

Spartanburg Water and Our Legal Role in Our Community

Water utilities are stewards of natural resources, waters of the state, and public assets. We are in place to serve the public good and we strive to remain neutral in a community's growth decisions.

Water and wastewater utilities should strive to decouple themselves from the development approval process to remain objective and nonpartisan. Our function is dictated by law; we do not choose which businesses operate, any more than a school system may choose who they will and will not educate.

Spartanburg Water ensures that our water and wastewater services are provided fairly, legally, and fiscally responsibly. Our role as stewards also require that we lead in an environmentally sound, safe, and responsible manner as we provide services whenever and wherever they are needed. If it's not safe, we speak up. If it's not environmentally responsible, we speak up. If it's fiscally irresponsible, we speak up. As water professionals, we work in a space that is regulated by both The South Carolina Department of Environmental Services and the US Environmental Protection Agency through regulatory mandates. We as water professionals use the potential for environmental impact as our measuring stick of good stewardship. We are professionals first and are guided by our desire to live up to our purpose, which is "remaining committed to our community by protecting our environment, building lasting relationships, cultivating innovation and continuously improving how we serve for the health of our community and our shared future."

For a water and wastewater utility to begin its technical outreach regarding "how" to assure sustainable water and wastewater services, the authority vested in the municipal body holding the keys to land-use and zoning approvals, (the "ifs" and the "where's" of where business should be located), need to be in lockstep with each other.

Over the past few months, I have fielded questions from the public and public officials at the state, local and federal levels, regarding water availability and demand as it pertains to large water users. Many of the questions have centered around high-use water customers and the impact single users may have on wastewater treatment, specifically around discharge of treated wastewater back into the local environment. I have also witnessed the frustration that comes from a lack of information and have been on the receiving end as a utility being erroneously called out as having the authority, but a lack of motivation, to stop economic development or an individual business from establishing itself in the community.

In the past, I have used a well-balanced, three-legged stool analogy to try to describe our role within the water equation. This analogy is applicable not only to water, but to wastewater treatment as well. While these two utility models share many similarities, there are differences. Differences that include regulations, operations, and state and federal mandates to name a few. Both remain an integral part of the water cycle that affects a community and our standard of living and public health.

If we think of the [demand/treat/supply] equation as it relates to Spartanburg Water and our local watershed, there are three major considerations. These are not the only considerations, but these variables are important in assessing our ability to serve and even more importantly the environment's ability to supply the demand for services and resources.

The Demand Variable: What is the volume (or demand) for water that a customer will need for their business?

The Treatment Variable: Is Spartanburg Water capable of providing the demand with existing plant facilities, distribution lines and storage capacity, or will it require capital treatment plant or distribution line investment to increase treatment and distribution output to meet the demand? What, if any, will the effects be on wholesale, industrial, commercial and residential rates?

The Supply Variable: Will the Broad River Basin, current surface water withdrawal permits, and minimum downstream release requirements, and the storage capacity of our reservoirs support the demand and treatment requirements in a reasonable, environmentally responsible manner?

Our planning horizon at Spartanburg Water is measured in decades, not in months or single years. The decisions and investments we make today may still be impacting our community generations from now. Our planning horizon is many decades long and includes long-term goals, driven by strategic initiatives and strategies that incorporate drought scenarios, reductions in storage capacity due to sedimentation, aggressive economic growth projections and the health of the overall Basin. Considering current and future impact on the Basin from a regulatory and compliance standpoint also acts as a nexus for long term goals and strategic initiatives regarding regulatory changes for handling topics that include PFAS remediation that will challenge current treatment processes at many utilities.

Our Function at Spartanburg Water

Our function at Spartanburg Water is dictated by law and driven by compliance at both the state and federal levels. We do not choose which businesses operate, ***we do however ensure that water and wastewater service is provided in a fair, legal, non-partisan, and environmentally sound manner*** when and where it is needed.

Water utilities are a "neutral" partner in the discussion of "choosing who and who not to serve." We strive to remain non-partisan and completely objective in deciding who we will serve. We remain committed to determining who we serve based on evidential truths, facts and environmental stewardship.

Demand for Water

High-volume water users remain a "hot" topic for the water industry at the local, state and national level.

- What are the implications for Spartanburg Water regarding large water users?
- What is the current availability and projections for the local environment to keep pace with demand through 2070?
- What is the impact to the Broad River Basin that we operate within and that is impacted by the Broad, Tyger, Enoree and Pacolet Rivers?

Demand for Potable Water by Large Water Customers and the Decision Making by Spartanburg Water

Prior to approving service for water and wastewater for large commercial and industrial customers, Spartanburg Water requires accurate survey information. Failure, on the part of a prospective customer, to supply accurate and timely information based on our survey, could result in delays in permitting and may affect start up timelines for the customer. The survey is the basis for establishing service level objectives and quantifying our ability to serve.

The following is used as an example of the impact to service of a large water customer.

A large prospective water customer that provides a daily demand usage of approximately 500,000 gallons per day (GPD) of potable water in the survey would be held to this estimate. If usage were to change, Spartanburg Water would re-evaluate the impact on the system as well as our compliance requirements. A projected water usage of this magnitude would be the equivalent of 2,200 – 2,700 residential homes but would equate to a small increase of approximately 1.8% - 2.3% of our current average daily demand from our treatment plant(s). This volume of usage equates to an even smaller percentage, only 0.6%, of our total available daily treatment capacity that we could produce at our two large treatment plants, if needed. The impact is a little more than ½ of 1.0% of available capacity to treat and distribute potable water.

It is also notable that our current average daily demand, system wide, is approximately 34% of our daily maximum treatment capacity available at our two large plants, which are supplied by our three reservoirs. On any given day, we are only utilizing our largest plant at approximately 45% - 50% of the reliable capacity of the plant and 0% capacity at our second plant. This means there is ***significant water treatment capacity*** available for future residential, commercial, and industrial growth

Spartanburg Water is currently producing the same daily demand for drinking water as we were in 1976, and approximately 40% less than we were producing and treating in 1995. On average there is currently 62%-66% of combined unused treatment plant capacity available from Spartanburg Water from both of our treatment plants.

The facts support that existing plant treatment capacity is well positioned to support growth within our service areas over the coming decades with regular O&M maintenance and reinvestment.

In areas of our service area where previous tenants may have vacated large commercial sites, a new tenant may help improve water quality and flow within the system. Sites that were previously in operation but that have not been in regular use, can create a "dead-leg" within the water distribution system due to lack

of demand. Spartanburg Water must continually monitor such an area for water quality and periodically flush the system to maintain water quality standards. This means auto-flushing water on the ground by the tens of thousands of gallons to ensure the highest quality water remains in the distribution lines and to ensure that our compliance testing is not compromised by lack of movement in the lines. New tenants often help to remove these "dead-leg" areas, improving water quality, flow volume and reducing the frequency of flushing.

Wastewater Treatment Considerations

Our due diligence regarding any new industrial or large commercial customer often involves Spartanburg Water issuing a wastewater permit to the customer, for Spartanburg Water to accept wastewater for treatment. If a large prospective commercial or industrial customer estimated wastewater discharge of 66,000 gallons per day (GPD), as an example, this discharge would be evaluated through the survey process to determine Spartanburg Water's ability to treat and remain in full compliance of our regulatory requirements.

This projected daily flow of 66,000 GPD would equate to a 0.3% capacity increase in sewer flow to our largest wastewater treatment plant, so the impact would be negligible to our overall available wastewater treatment capacity at this facility.

Permits issued by Spartanburg Water for wastewater treatment are managed by the Spartanburg Water Industrial Pre-Treatment Team. This department has the responsibility of monitoring the 1-year wastewater permit for a new industry to ensure 100% compliance.

Permits that are issued by Spartanburg Water may include set limits regarding,

- Wastewater Flow Maximum
- pH Ranges
- Oil and Grease Maximums
- Chemical Oxygen Demand (COD)
- Dissolved Solids (TDS)
- And it may include annual testing for PFAS chemicals

Spartanburg Water Enforcement Action & Authority to Pursue Penalty

If wastewater permitted levels in any category exceed limits, our Spartanburg Water team has the authority and the professional motivation to change the requirements of the permit by increasing testing, limiting discharge, and re-setting pre-treatment requirements. These measures ensure that what our wastewater treatment plant is receiving as wastewater inflow is in full compliance with our permitting requirements. Permitting ensures that our plant remains in proper balance and fully operational.

Permitting also helps to ensure that what is treated at our wastewater treatment plant and discharged to the environment, via streams, is in full compliance with South Carolina Department of Environmental Services (SCDES) and US EPA permitting requirements issued to Spartanburg Water.

Spartanburg Water retains the authority to bring full enforcement action as specified in accordance with our enforcement guidelines, which may include applying a civil penalty or applying additional testing and flow restrictions, depending on the seriousness of the violation(s).

Will the Environment Support the Required Demand

The third factor is the supply side of the water equation and is based on the environment's capacity to support growth. Can Spartanburg Water's withdrawal permit, and the overall Broad River Basin responsibly accommodate the demand request for potable water while also taking into consideration drought scenarios, aggressive growth projections and long-term reduction in storage capacity due to sedimentation?

The planning horizon for water supply, based on demand analysis, is a multi-decade long look at impact. The work of the *"Broad River Basin Council" (BRC)* and detailed report, which was finalized in 2024, addresses current and future impacts on the Broad River Basin which the North and South Pacolet Rivers contribute. These rivers provide the source water for Spartanburg Water. The broader 2025 South Carolina State Water Plan incorporates the work from all eight major River Basins in the state of South Carolina, including the Broad, and models the future impact on state water resources overall. Large water users are being re-evaluated as part of the overall modeling and Spartanburg Water has taken the internal initiative to run additional analysis regarding the Broad River Basin Plan and the impact that sedimentation and large single water users may have on the Basin, as well as our reservoirs, over the coming decades. Shorter term events, including the severe drought that we are currently experiencing in 2026, do occur and may require some short-term modifications such as voluntary restrictions, but water planning and the impact over many decades takes these types of conditions and events into consideration in the modeling.

The years-long study and work by the BRC, which was conducted by a cross-sectional group of professionals and stakeholders, was completed in 2024. The BRC was comprised of stakeholders from conservation groups, engineers, utility leadership, academia, private industry, power generation, agricultural, forestry and government. The study and final report incorporated different scenarios including conservative and aggressive economic growth estimates, modeled drought scenarios and the storage capacity of reservoirs. It also included several other variables impacting the Broad River Basin in which Spartanburg Water operates, including PFAS limits and changing weather patterns. The final report reflects a forecast that overall demand growth through at least 2070 will be satisfied by water resources within the Basin.

Current Demand on the Broad River Basin

As of the report by the BRC, currently 1.53 billion gallons of daily withdrawal permits have been issued and grandfathered in for the Broad River Basin. Of this amount only 52.4% of the permitted gallons are being withdrawn, which amounts to approximately 809 million gallons a day (MGD) of actual use. ***Increasing this demand by an estimated 500,000 (GPD), as used in the previous example, would increase the demand on the Broad River Basin by .06%, or sixty-thousands of one percent.***

The current demand of 809 MGD in actual withdrawals are represented as follows:

Water Use by Category	Permitted Amount (MGD)	Registered Amount (MGD)	Total	Percent of and Total Permitted and Registered Surface Water Currently Withdrawn
Thermoelectric	862.8	N/A	862.8	82.4% (711.1 MGD)
Public Supply	640.1	N/A	640.1	14.5% (93.0 MGD)
Manufacturing	14.2	N/A	14.2	22.1% (3.1 MGD)
Golf Course	12.3	N/A	12.3	8.4% (1.0 MGD)
Agriculture	N/A	8.8	8.8	1.7% (0.3 MGD)
Mining	3.9	N/A	3.9	3.3% (0.1 MGD)
Total	**1,533.3**	**8.8**	**1,542.1**	**52.4% (808.6 MGD)**

Of the total 52.4% (809 MGD) in actual withdrawals, **only 22% of the water is consumptively used (179 MGD) and 78% (630 MGD) is returned to the streams and rivers after use.**

Of the 809 MGD, 82.4% of it is used for thermoelectric and 14.5% is used for public supply.

What Does this Mean for Current and Future Supply?

The work of the BRC, reflects that as actual withdrawals increase over time, given changing economic development, residential, commercial and industrial growth, taking into account drought assumptions, changes in regulatory oversight, storm severity, and storage capacity, as well as identifying if the Basin has been over-permitted, the overall Broad River Basin will be able to satisfy the demands for water through at least 2070.

While there are a few specific areas within the Basin that must balance various potential challenges over the coming years to include concentrated growth in a smaller geographic area, EPA compliance associated with PFAS level impact, and storage capacity, **the overall Basin is projected to remain healthy and satisfy projected demand over the next fifty (50) years.** And while Spartanburg Water's storage capacity is expected to continue to be impacted by sedimentation in our reservoirs, the overall outlook for our current and future customers is very good.

One variable that we continue to analyze through detailed studies is the effect that sedimentation is having on our long-term storage levels provided by our reservoirs, which are factored into the larger BRC study. Sedimentation from loss of natural riparian buffers, streambank erosion, stormwater runoff, impervious services and land disturbing activities, such as development and timber harvesting, can have a detrimental effect on reservoir storage volume and reduce the available yield of a reservoir in a negative way.

Sedimentation can also impact volumetric flows of streams, increase nutrient loading in streams and reservoirs, increase water treatment costs and affect the overall morphology of tributary streams, main rivers and reservoirs.

This is why, as I mentioned earlier, the municipal body that has the authority over land-use and zoning, as well as stormwater management and related design criteria, should be collaborating regularly with Spartanburg Water to plan and model impacts that may occur over decades as they relate to storage capacity within our reservoirs, often driven by zoning changes, land-use modifications and economic development.

Growth also Drives the Need for Sanitary Sewer and Treatment

Wastewater treatment planning has its own unique treatment, capacity, permitting and regulatory requirements. Our due diligence includes continuous tracking of allocated capacity, which is a record of all permitted allocations that are made from external sources that may or may not be active or represent currently planned economic activity. Allocated capacity tracking provides a means of measuring how the potential for future growth may affect a plant in coming years and assists us in planning for timely capital investment.

Our resiliency goals and long-range planning includes long range strategies for handling future growth. Just like the three-legged stool analogy used on the drinking water side, a similar three-legged stool can be used to evaluate readiness on the wastewater treatment side.

In Summary

Spartanburg Water is often a partner in supplying information to others who are decision makers on a multitude of topics and projects. Our role as a water and wastewater utility is one of neutrality regarding whom we serve, remaining well vested in providing services in a fair, legal, fiscally and environmentally sound, safe and responsible manner.

Spartanburg Water operates in a River Basin that, for the foreseeable future, will be able to support the demand projections within the Basin given aggressive growth estimates and using historical droughts as benchmarks. We are in an enviable position with the volume of our water resources as well as the quality of those resources. Within our two source rivers, the South and North Pacolet Rivers, we have tested for and reported non-detect levels for PFAS contaminants, with the highest test result being well below EPA mandated levels that are expected to be implemented by 2031. The quality of surface water that feeds our system minimizes any disruption or capital needs related to EPA PFAS regulatory mandates that other water systems may be required to implement.

While sedimentation continues to be an ongoing challenge for our reservoirs, we are working on long term strategies to slow the loss of capacity over the next two or three generations through well thought-out education programs, planning initiatives, resiliency efforts and collaborative engagement with local governments and conservation organizations. Dredging is not the "silver bullet" that many believe it to be, and it comes with a $150-$200-million-dollar price tag that has a shelf life of only 10-15 years and impacts only a very small portion of the reservoir area. The investments that have been made in water infrastructure and treatment in the past provides significant capacity to meet demand projections for drinking water over the coming decades. The 2024 BRC study incorporates such variables as decreases in storage capacity, increasing demand from economic expansion and drought scenarios into models that will help effectively plan.

While there are varying opinions of what industries fit best within a community, as water professionals we should not be distracted from our stewardship role by the choice of industry or business that has been given approval to operate in our service area by authority vested in some other party. *If growth of any kind draws into question the ability of Spartanburg Water to provide service in a fair, legal and environmentally responsible manner, as water professionals, we will continue to speak up and provide evidence based on thoughtful, factual data, regardless of subjective viewpoints.* Failure to do so brings with it the potential of not fulfilling our Mission of service and runs the risk of interjecting discriminatory service practices and a partisan approach to serving our community, traits that should not be present in a public water utility.