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

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FORT JACKSON WATER SYSTEM

2011 WATER QUALITY REPORT

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

An Ongoing Commitment to the Communities We Serve

Palmetto State
UTILITY SERVICES, INC.
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Protecting and Preserving Your Drinking Water

We are pleased to present the following 2011 Water Quality Report, which contains information about testing completed in your water system through December 2010.

Palmetto State Utility Services (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 standards.

Together with the City of Columbia, the water supplied to you at Fort Jackson was sampled for more than 200 regulated and unregulated elements in 2010. Additionally, PSUS' licensed professionals take water samples on a weekly basis to monitor quality at State-approved sites throughout the distribution system. Should there be an exceedance of a drinking water standard, we quickly take action to confirm the result and, if necessary, notify you and restore normal service.

We pride ourselves on maintaining our strong customer service culture derived from our years of experience, knowledge and the relationships we've cultivated 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, thank you for providing us the opportunity to serve you. If you have any questions about this report, please call our office at 803-790-7288.

Sincerely,

Robert Sprowls
President and Chief Executive Officer
Palmetto State Utility Services

David R. Wiman
Utility Manager
Palmetto State Utility Services

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 over 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, Texas, Maryland, North Carolina, South Carolina 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 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 David Wiman, Utility Manager. David 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 about your water service, please contact David Wiman at (803) 790-7288.

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 David Wiman, 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.

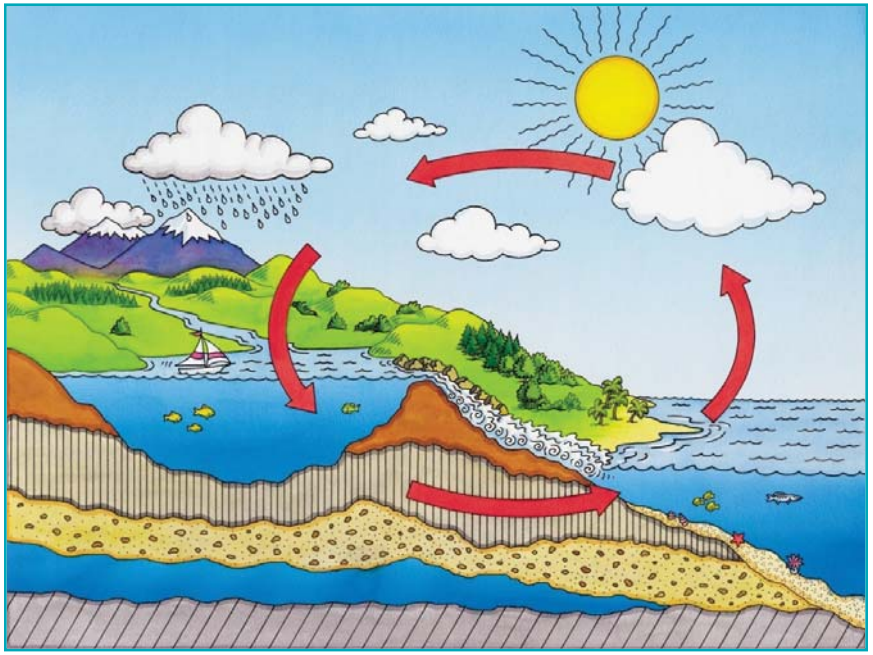
Este informe contiene informacion muy importante sobre su agua beber. Traduzcalo o hable con alguien que lo entienda bien.

From Where Does My Water Come?

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. The water arrives already treated, so Fort Jackson does its part to maintain that level of treatment.

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



The Water Cycle:
A continuous process by which water circulates throughout the earth and atmosphere.

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.

Contaminants in Drinking Water Sources May Include:

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.
- Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining and farming.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban storm water runoff and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff and septic systems.
- Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.

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. Immunocompromised 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 = 1.0	n/a	n/a	0.73	No	2010	Naturally occuring in the environment
Lowest Percent of all Monthly Readings less than 0.3 NTU (%)	TT = 95	n/a	n/a	99.17%	No	2010	Naturally occurring in the environment
Inorganic Constituents							
Fluoride (mg/L)	4	4	0.76 - 0.84	0.80	No	2010	Naturally occuring in the environment by erosion of natural deposits and added at the treatment plant as an aid in preventing tooth decay
Nitrate/Nitrite [as Nitrogen] (mg/L)	10	10	0.14 - 0.30	0.22	No	2010	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	1 positive monthly sample	(0)	Highest number of monthly samples positive was 1		No	2010	Naturally present in the environment
Disinfection Byproducts, Disinfectant Residuals and Disinfection Byproduct Precursors (units)	**PRIMARY MCL (MRDL)**	**MCLG (MRDLG)**	**Range of Detection**	**Highest 4-Quarterly Average**	**MCL Violation?**	**Most Recent Sampling Date**	**Typical Source of Constituent**
Chloramines [as Cl2] (mg/L)	(4)	(4)	0.69 - 1.99	1.74 (Highest Quarterly Average)	No	2010	Water additive to control microbial growth
Chlorite (mg/L)	1	0.8	0.349 - 0.689	0.689	No	2010	By-product of drinking water chlorination
Chlorine dioxide (ug/L)	800	800	0 - 165	165	No	2010	Water additive to control microbial growth
HAA5 [Total of Five Haloacetic Acids] (ug/L)	60	n/a	8.5 - 34.44	29	No	2010	Byproduct of drinking water chlorination formed when chlorine reacts with organic matter
TTHMs [Total of Four Trihalomethanes] (ug/L)	80	n/a	19.05 - 40.7	29	No	2010	Byproduct of drinking water chlorination formed when chlorine reacts with organic matter
Inorganic Constituents (units)	**ACTION LEVEL**	**MCLG**	**Sample Data**	**90th % Level**	**MCL Violation?**	**Most Recent Sampling Date**	**Typical Source of Constituent**
Copper (mg/L)	1.3	1.3	None of the samples collected exceeded the action level.	0.2	No	2008	Corrosion of household plumbing systems and naturally occurring in the environment
Lead (ug/L)	15	0	One of the samples collected exceeded the action level.	0	No	2008	Corrosion of household plumbing systems and naturally occurring in the environment

Sampling Results

Our drinking water meets 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

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 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 or at http://www.epa.gov/safewater/lead.

Measurements

Water is sampled and tested throughout the year.

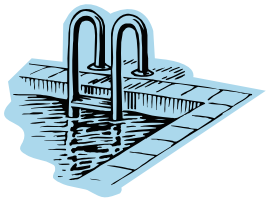
Contaminants are measured in:

- Parts per million (ppm) or milligrams per liter (mg/L),
- Parts per billion (ppb) or micrograms per liter (µg/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:
1 second in 32,000 years
1 inch in 16 million miles
10 drops in enough water
to fill the Rose Bowl

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.

Our Subsidiaries

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A Subsidiary of American States Utility Services, Inc.

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