



Essential Utilities' Aqua Ohio Subsidiary Reaches Agreement to Purchase Union Rome Wastewater System from Lawrence County

January 11, 2023

BRYN MAWR, Pa.--(BUSINESS WIRE)--Jan. 11, 2023-- Essential Utilities Inc. (NYSE: WTRG) today announced that its regulated water subsidiary, Aqua Ohio has signed an asset purchase agreement with Ohio's Lawrence County Commissioners to purchase the Union Rome Sewer (URS) system which includes a wastewater collection network and treatment plant serving 5,300 connections in the southeast corner of the County for \$25.5 million.

Aqua will play a key role in improving the system's operations, which have been impacted by increasingly stringent regulatory requirements along with rising supply and material costs. In addition, Aqua's business model enables the company to offer many of the benefits of larger organizations, such as staff engineers, a dedicated customer service team and customer assistance programs.

"Aqua has served customers in western Lawrence County with water service for decades, and we look forward to welcoming the Union Rome Sewer customers to our system," said Essential Chairman and CEO Christopher Franklin, "We are uniquely positioned to improve the URS operations with our combined access to capital, technical expertise and economies of scale. We thank the Lawrence County Commissioners for their vote of confidence in our team and our ability to provide excellent service to their residents."

Key elements of the agreement include:

- Aqua will pay Lawrence County \$25.5 million for the assets which will be used to retire debt relating to the system and other purposes,
- Aqua will invest an estimated \$12.7 million in the wastewater system over the next five years to meet regulatory and environmental demands,
- All URS employees will be offered employment at Aqua after passing customary background and drug screenings.

Closing of the sale is anticipated during the summer of 2023 upon approval by the Public Utilities Commission of Ohio (PUCO).

"I commend the Lawrence County Commissioners for reaching an agreement that addresses the multiple needs of the system and the customers," said Aqua Ohio President Robert Davis. "The proceeds paid by Aqua will allow the debt associated with the system to be repaid, and Aqua will make the necessary investments to ensure reliability and regulatory compliance. With Aqua, required customer rate increases can be more gradual than if the county maintained ownership."

"Operating a wastewater system is a lot more complicated than it was even a few years ago. Technology, regulatory requirements and environmental standards are continually evolving," said County Commissioner DeAnna Holiday. "It is more and more difficult for small communities to operate sewer systems. That's why selling the system to Aqua makes sense."

"In the long run, I believe customers will receive more reliable service, the system will be better maintained and rates will be more predictable than if we tried to continue ownership as a government-run operation," President of the Board of Commissioners Dr. Colton Copely added.

Affected customers will be notified of the purchase and details about the transition once the agreement is approved by the PUCO.

Union Rome Sewer is the third asset purchase agreement executed by Essential's Aqua companies in 2022. Including Union Rome Sewer, the company has seven signed asset purchase agreements for water and wastewater systems, which collectively have a total purchase price of approximately \$377 million and represent more than 218,000 equivalent retail customers or equivalent dwelling units. Additionally, the company closed three water and wastewater acquisitions in 2022, representing an addition of nearly \$120 million in rate base and approximately 23,000 equivalent retail customers or equivalent dwelling units.

About Aqua Ohio

Aqua Ohio, the state's largest regulated water and wastewater utility, serves approximately 500,000 customers in 19 counties. Visit [AquaAmerica.com](https://www.aquaamerica.com) for more information or follow Aqua on Facebook at [facebook.com/MyAquaAmerica](https://www.facebook.com/MyAquaAmerica) and on Twitter at @MyAquaAmerica.

About Essential

Essential Utilities, Inc. (NYSE:WTRG) delivers safe, clean, reliable services that improve quality of life for individuals, families, and entire communities. With a focus on water, wastewater and natural gas, Essential is committed to sustainable growth, operational excellence, a superior customer experience, and premier employer status. We are advocates for the communities we serve and are dedicated stewards of natural lands, protecting more than 7,600 acres of forests and other habitats throughout our footprint.

Operating as the Aqua and Peoples brands, Essential serves approximately 5.5 million people across 10 states. Essential is one of the most significant publicly traded water, wastewater service and natural gas providers in the U.S. Learn more at www.essential.co.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which generally include

words such as “believes,” “expects,” “intends,” “anticipates,” “estimates”, “will” and similar expressions. The Company can give no assurance that any actual or future results or events discussed in these statements will be achieved. Any forward-looking statements represent its views only as of today and should not be relied upon as representing its views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause the company’s actual results to differ materially from the statements contained in this release. Such forward-looking statements include, but are not limited to statements relating to the capital to be invested by the water, wastewater, and gas distribution divisions of the Company. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including the factors discussed in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which is filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with The Company’s business, please refer to the Company’s annual, quarterly and other SEC filings. The Company is not under any obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRGF

View source version on [businesswire.com](https://www.businesswire.com/news/home/20230111005701/en/): <https://www.businesswire.com/news/home/20230111005701/en/>

Media Contact:

Jeanne Russo
Vice President, Communications
Media Hotline: 1.877.325.3477
Media@Essential.co

Investor Contact:

Brian Dingerdissen
Vice President, IR and Treasurer
O: 610.645.1191
BJDingerdissen@Essential.co

Source: Essential Utilities Inc.