



About Us:

Aqua Virginia provides water and wastewater service to 100,000 people in 37 counties statewide. Aqua water and wastewater utilities serve over 3 million people throughout Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua has over 1,600 employees nationwide with a multitude of experienced managers, licensed operators, professional engineers, geologists and other dedicated team members who manage highly regulated utility systems in Virginia and across the other states where we serve. The company has received **numerous awards** for performance and is respected as a premier and efficient utility owner and operator.

Essential Utilities is the parent company of Aqua's water and wastewater utilities. Essential is one of the largest publicly traded water, wastewater and natural gas providers in the U.S., serving approximately 5 million people across 10 states under the Aqua and Peoples brands. Essential is committed to excellence in proactive infrastructure investment, regulatory

expertise, operational efficiency, and environmental stewardship. For more information, visit:

<http://www.waterbyaqua.com/privatization-by-state/virginia/>

Fair Market Value:

With the unanimous passage of House Bill 835 and Senate Bill 831, Virginia now has fair market value (FMV) legislation, which codifies a process to enable the State Corporation Commission (SCC) to approve utility transactions above the depreciated original cost of the assets. This means communities have assurance they can receive a **fair value** for their utility assets while negotiating a transaction to benefit their customers. The SCC regulations became effective October 1, 2020.

Aqua is eager to share with communities a framework and process where they can explore selling without obligating a sale. Virginia's FMV legislation will compare the average utility valuations performed by Aqua, the community, and the SCC to determine the maximum rate base of the transaction. At closing, the seller

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will be reimbursed for its transactional costs. In most circumstances, systems will keep their existing rates upon closing. Public utilities can only change rates after an SCC-approved rate case along with extensive public proceedings. All rates must be justified. Aqua is transparent about its projections for future rates. Aqua will focus on providing the best quality of service to its customers and on sustainable growth. We know each community is different and actively work with localities on their priorities.

Why Aqua:

Water and wastewater utilities are perpetual enterprises that must be operated sustainably with **maximum efficiency and innovation**. Aqua has a demonstrated track record of innovative upgrades for utilities in Virginia. In 2019, we **won a prestigious national award** for innovation from the National Association of Water Companies (NAWC). At our Lake Monticello wastewater plant, we spent \$200,000 in upgrades to defer an \$8.5 million upgrade, while reducing power, chemicals, and sludge costs, along with reducing nitrogen and phosphorous. This enabled us to virtually eliminate buying nutrient credits. The overall savings directly benefit the customers served in that area and statewide.

Aqua will apply our innovative solutions to the issues facing each community so they can deploy the sale proceeds and transfer the risks of utility operations to Aqua.



(Aqua's 2019 NAWC Award)

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