



Essential Utilities' Aqua Pennsylvania Agrees to Purchase Greenville Wastewater System for \$18 Million

May 1, 2023

Transaction builds on more than \$362.2 million in current purchase agreements for water and wastewater systems for Essential Utilities

BRYN MAWR, Pa.--(BUSINESS WIRE)--May 1, 2023-- Essential Utilities Inc. (NYSE: WTRG) today announced its Aqua Pennsylvania subsidiary signed a purchase agreement to acquire the wastewater system in Greenville, PA for \$18 million. The wastewater sale is expected to close in the first quarter of 2024.

The wastewater collection network and treatment plant in Mercer County is currently operated by the Greenville Sanitation Authority and has over 2,300 customer connections, and serves over 1,700 additional customers in West Salem and Hempfield Townships.

"The reality is that our [wastewater] plant needed a \$35 to \$40 million rebuild, and that was beyond our means," said Greenville Sanitary Authority Board Chair Jonathan Bailey. "Also, our strong attention to day-to-day operations doesn't create enough improvement to satisfy the consent order we have with the Pennsylvania Department of Environmental Protection. We needed an expert with the resources and expertise to fix the issues and prevent them from ever coming back. We considered a number of options — we are confident Aqua is this expert. We are now able to avoid a costly rebuild. This is an ideal solution to a very serious situation."

The transaction builds on Essential's regional expansion strategy, which delivers growth by investing in infrastructure that delivers clean, safe, reliable natural resources to residential and business customers, including water and wastewater services.

More than \$20 million of planned investments in 10 years

Essential plans to invest \$20 million in 10 years to bring the wastewater treatment plant into compliance with state and Federal regulations, avoiding the complete system rebuild originally estimated at \$35 to 40 million. The company will also replace collection system pipes to improve reliability, increase plant capacity, and improve performance.

All existing employees at the Greenville facility will be offered jobs with the company when the acquisition closes, pending the company's standard hiring practices.

"We have a strong track record of using our operational expertise, scale and technical resources to support municipalities like Greenville," said Essential Chairman and CEO Chris Franklin. "We are deeply committed to our customers in Mercer County, and we are well-positioned to make necessary investments to ensure safe and reliable service for local residents."

The Greenville wastewater system is the first purchase agreement to be signed by Aqua Pennsylvania this year. Including Greenville wastewater, Essential's Aqua companies have signed eight purchase agreements for nine water and wastewater systems. Together these systems represent nearly 219,000 equivalent retail customers or equivalent dwelling units with more than \$380 million in purchase price. In 2022, the company acquired three water and wastewater systems, which added approximately \$120 million in rate base and more than 23,000 new customers or equivalent dwelling units to the company's footprint.

About Essential Utilities

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, donating more than \$4 million each year, 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.

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Media:

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

Investor:

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

Source: Essential Utilities Inc.