**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
**For the quarterly period ended March 31, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________________ to______________________

Commission File Number 0-422

# MIDDLESEX WATER COMPANY

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **New Jersey** | **22-1114430** |
| **(State of incorporation)** | (IRS employer identification no.) |

**485C Route One South, Iselin, New Jersey 08830**
(Address of principal executive offices, including zip code)

**(732) 634-1500**
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock | MSEX | NASDAQ |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, non-accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐
Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☑

The number of shares outstanding of each of the registrant's classes of common stock, as of May 8, 2024: Common Stock, No Par Value: 17,828,604 shares outstanding.

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**MIDDLESEX WATER COMPANY**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**
**(In thousands except per share amounts)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2024** | **2023** |
| Operating Revenues | **$ 40,524** | $ 38,156 |
| Operating Expenses: | | |
| Operations and Maintenance | **20,465** | 20,257 |
| Depreciation | **5,396** | 5,986 |
| Other Taxes | **4,798** | 4,423 |
| Total Operating Expenses | **30,659** | 30,666 |
| Operating Income | **9,865** | 7,490 |
| Other Income: | | |
| Allowance for Funds Used During Construction | **176** | 813 |
| Other Income, net | **5,189** | 898 |
| Total Other Income, net | **5,365** | 1,711 |
| Interest Charges | **3,269** | 2,595 |
| Income before Income Taxes | **11,961** | 6,606 |
| Income Taxes | **1,279** | 738 |
| Net Income | **10,682** | 5,868 |
| Preferred Stock Dividend Requirements | **30** | 30 |
| Earnings Applicable to Common Stock | **$ 10,652** | $ 5,838 |
| Earnings per share of Common Stock: | | |
| Basic | **$ 0.60** | $ 0.33 |
| Diluted | **$ 0.59** | $ 0.33 |
| Average Number of Common Shares Outstanding: | | |
| Basic | **17,819** | 17,652 |
| Diluted | **17,934** | 17,767 |

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**
**(In thousands)**

| ASSETS | | March 31, 2024 | December 31, 2023 |
|---|---|---|---|
| UTILITY PLANT: | Water Production | $ 306,884 | $ 303,791 |
| | Transmission and Distribution | 816,933 | 809,862 |
| | General | 101,047 | 100,593 |
| | Construction Work in Progress | 24,056 | 19,636 |
| | TOTAL | 1,248,920 | 1,233,882 |
| | Less Accumulated Depreciation | 239,630 | 235,540 |
| | UTILITY PLANT - NET | 1,009,290 | 998,342 |
| CURRENT ASSETS: | Cash and Cash Equivalents | 2,855 | 2,390 |
| | Accounts Receivable, net of allowance for credit losses of $2,134 and $2,137, respectively | 15,732 | 18,172 |
| | Litigation Settlement Receivable | 69,872 | 69,872 |
| | Unbilled Revenues | 11,312 | 9,297 |
| | Materials and Supplies (at average cost) | 7,072 | 6,972 |
| | Prepayments | 4,371 | 1,833 |
| | TOTAL CURRENT ASSETS | 111,214 | 108,536 |
| OTHER ASSETS: | Operating Lease Right of Use Asset | 3,027 | 3,185 |
| | Preliminary Survey and Investigation Charges | 1,952 | 1,932 |
| | Regulatory Assets | 90,046 | 90,694 |
| | Non-utility Assets - Net | 11,780 | 11,522 |
| | Employee Benefit Plans | 22,757 | 21,779 |
| | Other | 39 | 62 |
| | TOTAL OTHER ASSETS | 129,601 | 129,174 |
| | TOTAL ASSETS | $ 1,250,105 | $ 1,236,052 |
| CAPITALIZATION AND LIABILITIES | | | |
| CAPITALIZATION: | Common Stock, No Par Value | $ 246,551 | $ 246,764 |
| | Retained Earnings | 181,141 | 176,227 |
| | TOTAL COMMON EQUITY | 427,692 | 422,991 |
| | Preferred Stock | 2,084 | 2,084 |
| | Long-term Debt | 356,960 | 358,153 |
| | TOTAL CAPITALIZATION | 786,736 | 783,228 |
| CURRENT LIABILITIES: | Current Portion of Long-term Debt | 7,831 | 7,740 |
| | Notes Payable | 58,000 | 42,750 |
| | Accounts Payable | 23,243 | 27,618 |
| | Litigation Settlement Payable | 6,237 | 6,237 |
| | Accrued Taxes | 14,719 | 10,535 |
| | Accrued Interest | 2,650 | 3,138 |
| | Unearned Revenues and Advanced Service Fees | 1,365 | 1,390 |
| | Other | 3,111 | 4,421 |
| | TOTAL CURRENT LIABILITIES | 117,156 | 103,829 |
| COMMITMENTS AND CONTINGENT LIABILITIES (Note 7) | | | |
| OTHER LIABILITIES: | Customer Advances for Construction | 21,091 | 21,313 |
| | Lease Obligations | 2,904 | 3,063 |
| | Accumulated Deferred Income Taxes | 89,693 | 88,736 |
| | Regulatory Liabilities | 57,818 | 113,021 |
| | Other | 498 | 592 |
| | TOTAL OTHER LIABILITIES | 172,004 | 226,725 |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | | 174,209 | 122,270 |
| | TOTAL CAPITALIZATION AND LIABILITIES | $ 1,250,105 | $ 1,236,052 |

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**
**(In thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2024** | **2023** |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Income | **$ 10,682** | $ 5,868 |
| Adjustments to Reconcile Net Income to | | |
| Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | **5,979** | 7,201 |
| Provision for Deferred Income Taxes and Investment Tax Credits | **1,382** | (611) |
| Equity Portion of Allowance for Funds Used During Construction (AFUDC) | **(102)** | (446) |
| Cash Surrender Value of Life Insurance | **(113)** | (102) |
| Stock Compensation Expense | **(465)** | 360 |
| Changes in Assets and Liabilities: | | |
| Accounts Receivable | **2,440** | 492 |
| Unbilled Revenues | **(2,015)** | (1) |
| Materials & Supplies | **(100)** | (382) |
| Prepayments | **(2,538)** | (1,290) |
| Accounts Payable | **(4,375)** | 2,776 |
| Accrued Taxes | **4,184** | 3,834 |
| Accrued Interest | **(488)** | (37) |
| Employee Benefit Plans | **(867)** | (477) |
| Unearned Revenue & Advanced Service Fees | **(25)** | (54) |
| Recovered Costs - Litigation Settlement | **(6,027)** | — |
| Other Assets and Liabilities | **(900)** | (1,161) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | **6,652** | 15,970 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Utility Plant Expenditures, Including AFUDC of $74 in 2024, $367 in 2023 | **(14,389)** | (24,515) |
| NET CASH USED IN INVESTING ACTIVITIES | **(14,389)** | (24,515) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Redemption of Long-term Debt | **(1,539)** | (1,553) |
| Proceeds from Issuance of Long-term Debt | **425** | 40,972 |
| Net Short-term Bank Borrowings (Payments) | **15,250** | (27,000) |
| Deferred Debt Issuance Expense | **—** | (49) |
| Payment of Grantee Withholding Taxes in Exchange for Restricted Stock | **(868)** | — |
| Proceeds from Issuance of Common Stock | **252** | 2,342 |
| Payment of Common Dividends | **(5,738)** | (5,513) |
| Payment of Preferred Dividends | **(30)** | (30) |
| Construction Advances and Contributions-Net | **450** | 410 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | **8,202** | 9,579 |
| NET CHANGES IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | **465** | 1,034 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD | **2,390** | 3,828 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD | **$ 2,855** | $ 4,862 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY: | | |
| Utility Plant received as Construction Advances and Contributions | **$ 2,143** | $ 2,234 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION: | | |
| Cash Paid During the 3 Months for: | | |
| Interest | **$ 3,943** | $ 2,812 |
| Interest Capitalized | **$ 74** | $ 367 |

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**
**CONDENSED CONSOLIDATED STATEMENTS OF CAPITAL STOCK AND LONG-TERM DEBT**
**(Unaudited)**
**(In thousands)**

| | | March 31, 2024 | | December 31, 2023 |
|---|---|---|---|---|
| Common Stock, No Par Value | | | | |
| Shares Authorized - 40,000 | | | | |
| Shares Outstanding - 2024 - 17,814; 2023 - 17,821 | **$** | **246,551** | $ | 246,764 |
| Retained Earnings | | **181,141** | | 176,227 |
| TOTAL COMMON EQUITY | **$** | **427,692** | $ | 422,991 |
| | | | | |
| Cumulative Preferred Stock, No Par Value: | | | | |
| Shares Authorized - 120 | | | | |
| Shares Outstanding - 20 | | | | |
| Convertible: | | | | |
| Shares Outstanding, $7.00 Series - 10 | **$** | **1,005** | $ | 1,005 |
| Nonredeemable: | | | | |
| Shares Outstanding, $7.00 Series - 1 | | **79** | | 79 |
| Shares Outstanding, $4.75 Series - 10 | | **1,000** | | 1,000 |
| TOTAL PREFERRED STOCK | **$** | **2,084** | $ | 2,084 |
| | | | | |
| Long-term Debt: | | | | |
| First Mortgage Bonds, 0.00%-5.50%, due 2024-2059 | **$** | **277,619** | $ | 278,374 |
| Amortizing Secured Notes, 3.94%-7.05%, due 2028-2046 | | **69,049** | | 69,724 |
| State Revolving Trust Notes, 2.00%-4.03%, due 2025-2044 | | **16,954** | | 16,638 |
| SUBTOTAL LONG-TERM DEBT | | **363,622** | | 364,736 |
| Add: Premium on Issuance of Long-term Debt | | **6,481** | | 6,529 |
| Less: Unamortized Debt Expense | | **(5,312)** | | (5,372) |
| Less: Current Portion of Long-term Debt | | **(7,831)** | | (7,740) |
| TOTAL LONG-TERM DEBT | **$** | **356,960** | $ | 358,153 |

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**
**CONDENSED CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY**
**(Unaudited)**
**(In thousands except per share amounts)**

| | Common Stock Shares | Common Stock Amount | Retained Earnings | Total |
|---|---|---|---|---|
| **Balance at January 1, 2023** | 17,642 | $ 233,054 | $ 167,274 | $ 400,328 |
| Net Income | — | — | 5,868 | 5,868 |
| Dividend Reinvestment & Common Stock Purchase Plan | 29 | 2,342 | — | 2,342 |
| Restricted Stock Award - Net - Employees | — | 360 | — | 360 |
| Cash Dividends on Common Stock ($0.3125 per share) | — | — | (5,513) | (5,513) |
| Cash Dividends on Preferred Stock | — | — | (30) | (30) |
| **Balance at March 31, 2023** | 17,671 | $ 235,756 | $ 167,599 | $ 403,355 |
| | | | | |
| **Balance at January 1, 2024** | 17,821 | $ 246,764 | $ 176,227 | $ 422,991 |
| Net Income | — | — | 10,682 | 10,682 |
| Dividend Reinvestment & Common Stock Purchase Plan | 5 | 252 | — | 252 |
| Restricted Stock Award - Net - Employees | (12) | (465) | — | (465) |
| Cash Dividends on Common Stock ($0.3250 per share) | — | — | (5,738) | (5,738) |
| Cash Dividends on Preferred Stock | — | — | (30) | (30) |
| **Balance at March 31, 2024** | **17,814** | **$ 246,551** | **$ 181,141** | **$ 427,692** |

See Notes to Condensed Consolidated Financial Statements.

**Note 1 – Basis of Presentation and Recent Developments**

Middlesex Water Company (Middlesex or the Company) is the parent company and sole shareholder of Tidewater Utilities, Inc. (Tidewater), Pinelands Water Company (Pinelands Water) and Pinelands Wastewater Company (Pinelands Wastewater) (collectively, Pinelands), Utility Service Affiliates, Inc. (USA), and Utility Service Affiliates (Perth Amboy) Inc. (USA-PA). Southern Shores Water Company, LLC (Southern Shores) and White Marsh Environmental Systems, Inc. (White Marsh) are wholly-owned subsidiaries of Tidewater. The financial statements for Middlesex and its wholly-owned subsidiaries are reported on a consolidated basis. All significant intercompany accounts and transactions have been eliminated.

The consolidated notes within the 2023 Annual Report on Form 10-K (the 2023 Form 10-K) are applicable to these financial statements and, in the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary (including normal recurring accruals) to present fairly the financial position as of March 31, 2024, the results of operations for the three month periods ended March 31, 2024 and 2023 and cash flows for the three month periods ended March 31, 2024 and 2023. Information included in the Condensed Consolidated Balance Sheet as of December 31, 2023, has been derived from the Company's December 31, 2023 audited financial statements included in the 2023 Form 10-K.

*Recent Developments*

**United States Environmental Protection Agency (USEPA) Issues Final Perfluoroalkyl Substances (PFAS) Regulations** - In April 2024, the USEPA finalized drinking water regulations for PFAS, establishing maximum contaminant levels (MCLs) for three PFAS compounds (Regulated PFAS) that are lower than the current New Jersey Department of Environmental Protection MCLs adhered to by the Company. Under the new USEPA regulations effective April 2024, water systems must monitor for Regulated PFAS and have three years to complete initial monitoring (by April 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of Regulated PFAS in their drinking water beginning in 2027. Water systems have five years (by April 2029) to implement solutions that reduce Regulated PFAS if monitoring shows that drinking water levels exceed these MCLs.

Beginning in April 2029, water systems that have Regulated PFAS in drinking water which exceeds one or more of these MCLs must take action to reduce levels of these PFAS compounds in their drinking water and must provide notification to the public of the violation.

In anticipation of these new USEPA standards, in 2023, the Company began implementing its strategy to meet these lower MCLs for Regulated PFAS and is currently performing preliminary engineering studies to ensure that effective PFAS treatment approaches are implemented.

*Recent Accounting Guidance*

There is no new adopted or proposed accounting guidance that the Company is aware of that could have a material impact on the Company's financial statements.

**Note 2 – Rate and Regulatory Matters**

**Middlesex** – The approval by the New Jersey Board of Public Utilities (NJBPU) in February 2024 of the negotiated settlement of the Middlesex 2023 base rate case is expected to increase annual operating revenues by $15.4 million, effective March 1, 2024. The approved tariff rates were designed to recover increased operating costs as well as a return on invested capital of $563.1 million, based on an authorized return on common equity of 9.6%. Middlesex has made capital infrastructure investments to ensure prudent upgrade and replacement of its utility assets to support continued regulatory compliance, resilience and overall quality of service. In August 2023, Middlesex and 3M Company (3M) executed a settlement agreement (Settlement Agreement) to resolve a lawsuit Middlesex previously initiated claiming 3M introduced PFAS, which includes Perfluorooctanoic Acid (PFOA), into the Company's water supply for its Park Avenue Wellfield Treatment Plant (Park Avenue Plant). The rate case settlement provides that the net proceeds from the 3M Settlement Agreement were to be used to mitigate the increase in customer rates and reimburse Middlesex for previously incurred costs for the construction of the Park Avenue Plant PFAS treatment upgrades, including depreciation and carrying costs. This resulted in the reclassification of $48.3 million from Regulatory Liabilities to Contributions in Aid of Construction on the March 31, 2024 balance sheet. The Company also recognized for the quarter ended March 31, 2024 the recovery of $0.9 million for depreciation and $3.2 million for carrying costs associated with the Park Avenue Plant PFAS treatment upgrades, as well as the recovery of $1.4 million of previously incurred operating treatment costs while the Park Avenue Plant PFAS treatment upgrades were in process.

The Middlesex Lead Service Line Replacement (LSLR) Plan, which was approved by the NJBPU in January 2024, has commenced and Middlesex expects to submit a customer surcharge filing with the NJBPU in July 2024 to recover costs incurred replacing Middlesex customer-owned lead service lines. The surcharge is for costs to be incurred through June 2024 and is required to be reset every six months over the life of the LSLR Plan. The current estimates for replacement of Middlesex and Middlesex customer-owned lead service lines under the LSLR Plan are approximately $46 million to $77 million over a nine-year period. Cost recovery for replacing Company-owned lead service lines are recoverable through traditional base rate case filings.

As allowed under its NJBPU approved Distribution System Improvement Charge (DSIC) Foundation Filing, in April 2024, Middlesex filed a petition with the NJBPU, seeking to establish a DSIC tariff rate that would result in $0.5 million of annual revenues. The tariff rate, if approved, would apply to General Service customers and would be based on meter size. We cannot predict when and whether the NJBPU will ultimately approve, deny, or reduce the amount of the request.

**Tidewater -** In December 2023, the Delaware Public Service Commission (DEPSC) approved Tidewater's application to implement a new DSIC. Effective January 1, 2024, Tidewater implemented a DSIC rate of 3.71%, which is expected to generate revenue of approximately $1.3 million annually. A Delaware DISC is subject to a semi-annual reset with an overall maximum rate of 7.5%.

**Twin Lakes Utilities, Inc. (Twin Lakes) –** Twin Lakes provides water services to approximately 115 residential customers in Shohola, Pennsylvania. Pursuant to the Pennsylvania Public Utility Code, Twin Lakes filed a petition requesting the Pennsylvania Public Utilities Commission (PAPUC) to order the acquisition of Twin Lakes by a capable public utility. The PAPUC assigned an Administrative Law Judge (ALJ) to adjudicate the matter and submit a recommended decision (Recommended Decision) to the PAPUC. As part of this legal proceeding the PAPUC also issued an Order in January 2021 appointing a large Pennsylvania based investor-owned water utility as the receiver (the Receiver Utility) of the Twin Lakes system until the petition is fully adjudicated by the PAPUC. In November 2021, the PAPUC issued an Order affirming the ALJ's Recommended Decision, ordering the Receiver Utility to acquire the Twin Lakes water system and for Middlesex, the parent company of Twin Lakes, to submit $1.7 million into an escrow account within 30 days. Twin Lakes immediately filed a Petition For Review (PFR) with the Commonwealth Court of Pennsylvania (the Commonwealth Court) seeking reversal and vacation of the escrow requirement on the grounds that it violates the Pennsylvania Public Utility Code as well as the United States Constitution. In addition, Twin Lakes filed an emergency petition for stay of the PAPUC Order pending the Commonwealth Court's review of the merits arguments contained in Twin Lakes' PFR. In December 2021, the Commonwealth Court granted Twin Lakes' emergency petition, pending its review. In August 2022, the Commonwealth Court issued an opinion upholding PAPUC's November 2021 Order in its entirety. In September 2022, Twin Lakes filed a Petition For Allowance of Appeal (Appeal Petition) to the Supreme Court of Pennsylvania seeking reversal of the Commonwealth Court's decision to uphold the escrow requirement on the grounds that the Commonwealth Court erred in failing to address Twin Lakes' claims that because the $1.7 million escrow requirement placed on Middlesex violated Middlesex's constitutional rights, Middlesex's refusal to submit this escrow payment would jeopardize the relief Twin Lakes was otherwise entitled to in the appointment of the Receiver Utility. In March 2023, the Supreme Court of Pennsylvania issued a decision denying Twin Lakes' Appeal Petition without addressing this claim on the merits. As a result of the Pennsylvania Courts' failure to address Twin Lakes' claim, Middlesex has subsequently filed a Complaint with the United States District Court for the Middle District of Pennsylvania (US District Court) to address the issue of whether the PAPUC's Order violated Middlesex's rights under the United States Constitution. On January 18, 2024, the US District Court issued a decision dismissing Middlesex's complaint without addressing Middlesex's claims on the merits. On January 31, 2024, Middlesex filed a Notice of Appeal of the US District Court's decision with the United States Court of Appeals for the Third Circuit (Third Circuit Court). The Third Circuit Court has issued a briefing schedule that will extend into July 2024 and it is expected that oral arguments will be scheduled before a three-judge panel of the Third Circuit Court following the completion of the briefing schedule.

The financial results, total assets and financial obligations of Twin Lakes are not material to Middlesex.

**Note 3 – Capitalization**

**Common Stock** – During the three months ended March 31, 2024 and 2023, there were 4,775 common shares (approximately $0.3 million) and 29,810 common shares (approximately $2.3 million) respectively, issued under the Middlesex Water Company Investment Plan.

Middlesex has received approval from the NJBPU to issue and sell up to 1.0 million shares of its common stock, without par value, through December 31, 2025. Sales of additional shares of common stock are part of the Company's comprehensive financing plan to fund its multi-year utility plant infrastructure investment program. As described below in "Long-term Debt", the NJBPU also approved the debt funding component of the financing plan.

**Long-term Debt –** Subject to regulatory approval, the Company periodically issues long-term debt to fund its investments in utility plant. To the extent possible and fiscally prudent, the Company finances qualifying capital projects under State Revolving Fund (SRF) loan programs in New Jersey and Delaware. These government programs provide financing at interest rates typically below rates available in the broader financial markets. A portion of the borrowings under the New Jersey SRF is interest-free.

Middlesex has received approval from the NJBPU to borrow up to $300.0 million from the New Jersey SRF Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed through December 31, 2025. The Company expects to issue debt securities in a series of one or more transaction offerings over a multi-year period to help fund Middlesex's multi-year capital construction program.

Under the New Jersey SRF program, borrowers first enter into a construction loan agreement with the New Jersey Infrastructure Bank (NJIB) at a below market interest rate. When construction on the qualifying project is substantially complete, NJIB will coordinate the conversion of the construction loan into a long-term securitized loan with a portion of the principal balance having a stated interest rate of zero percent (0%) and a portion of the principal balance at a market interest rate at the time of closing using the credit rating of the State of New Jersey.

Under the Delaware SRF program, borrowers 1) enter into a long-term note agreement for a term not to exceed twenty years, 2) submit requisitions for cost reimbursements during the construction period for up to two years after the agreement is executed and 3) as the proceeds are received from the requisitions, borrowers record a corresponding debt obligation amount.

In April 2024, the DEPSC approved four Tidewater Delaware SRF loans totaling $6.6 million. These loans are for the construction, relocation, improvement, and/or interconnection of transmission mains and construction of a water treatment facility. Tidewater expects to close on these loans in the 2$^{nd}$ quarter of 2024. Each project has its own construction timetable with the last spending set to occur in 2026.

Separately, Tidewater has three active construction projects funded by prior year Delaware SRF loans totaling $13.3 million with remaining availability of funds for borrowing. These loans are for the construction of a one million gallon elevated storage tank and construction, relocation, improvement, and/or interconnection of transmission mains. Tidewater has drawn a total of $9.7 million through March 31, 2024 and expects that the requisitions will continue through mid-2025.

**Fair Value of Financial Instruments –** The following methods and assumptions were used by the Company in estimating its fair value disclosure for financial instruments for which it is practicable to estimate that value. The carrying amounts reflected in the condensed consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable and notes payable approximate their respective fair values due to the short-term maturities of these instruments. The fair value of First Mortgage Bonds (FMBs) and SRF Bonds (collectively, the Bonds) issued by Middlesex is based on quoted market prices for similar issues. Under the fair value hierarchy, the fair value of cash and cash equivalents is classified as a Level 1 measurement and the fair value of notes payable and the FMBs in the table below are classified as Level 2 measurements. The carrying amount and fair value of the FMBs were as follows:

| | (Thousands of Dollars) | | | |
|---|---|---|---|---|
| | **March 31, 2024** | | **December 31, 2023** | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| FMBs | $ 132,619 | $ 129,092 | $ 133,374 | $ 131,745 |

It was not practicable to estimate the fair value on our outstanding long-term debt for which there is no quoted market price and there is not an active trading market. For details, including carrying value, interest rates and due dates on these series of long-term debt, please refer to those series noted as "Amortizing Secured Notes" and "State Revolving Trust Notes" on the Condensed Consolidated Statements of Capital Stock and Long-Term Debt. The carrying amount of these instruments was $231.0 million and $231.3 million at March 31, 2024 and December 31, 2023, respectively. Customer advances for construction have carrying amounts of $21.1 million and $21.3 million at March 31, 2024 and December 31, 2023, respectively. Their relative fair values cannot be accurately estimated since future refund payments depend on several variables, including new customer connections, customer consumption levels and future rate increases.

Substantially all of the utility plant of the Company is subject to the lien of its mortgage, which includes debt service and capital ratio covenants. The Company is in compliance with all of its mortgage covenants and restrictions.

**Note 4 – Earnings Per Share**

Basic earnings per share (EPS) are computed on the basis of the weighted average number of shares outstanding during the period presented. Diluted EPS assumes the conversion of the Convertible Preferred Stock $7.00 Series.

| | (In Thousands Except per Share Amounts) Three Months Ended March 31, 2024 | | 2023 | |
|---|---|---|---|---|
| **Basic:** | Income | Shares | Income | Shares |
| Net Income | $ 10,682 | 17,819 | $ 5,868 | 17,652 |
| Preferred Dividend | (30) | | (30) | |
| Earnings Applicable to Common Stock | $ 10,652 | 17,819 | $ 5,838 | 17,652 |
| | | | | |
| **Basic EPS** | $ 0.60 | | $ 0.33 | |
| | | | | |
| **Diluted:** | | | | |
| Earnings Applicable to Common Stock | $ 10,652 | 17,819 | $ 5,838 | 17,652 |
| $7.00 Series Preferred Dividend | 17 | 115 | 17 | 115 |
| Adjusted Earnings Applicable to Common Stock | $ 10,669 | 17,934 | $ 5,855 | 17,767 |
| | | | | |
| **Diluted EPS** | $ 0.59 | | $ 0.33 | |

**Note 5 – Business Segment Data**

The Company has identified two reportable segments. One is the regulated business of collecting, treating and distributing water on a retail and wholesale basis to residential, commercial, industrial and fire protection customers in parts of New Jersey and Delaware. This segment also includes regulated wastewater systems in New Jersey and Delaware. The Company is subject to regulations as to its rates, services and other matters by New Jersey and Delaware with respect to utility services within these states. The other segment is primarily comprised of non-regulated contract services for the operation and maintenance of municipal and private water and wastewater systems in New Jersey and Delaware. Inter-segment transactions relating to operational costs are treated as pass-through expenses. Finance charges on inter-segment loan activities are based on interest rates that are below what would normally be charged by a third-party lender.

| | (In Thousands) Three Months Ended March 31, | |
|---|---|---|
| Operations by Segments: | 2024 | 2023 |
| Revenues: | | |
| Regulated | $ 37,465 | $ 34,953 |
| Non – Regulated | 3,204 | 3,342 |
| Inter-segment Elimination | (145) | (139) |
| Consolidated Revenues | $ 40,524 | $ 38,156 |
| | | |
| Operating Income: | | |
| Regulated | $ 8,999 | $ 6,715 |
| Non – Regulated | 866 | 775 |
| Consolidated Operating Income | $ 9,865 | $ 7,490 |
| | | |
| Net Income: | | |
| Regulated | $ 10,049 | $ 5,324 |
| Non – Regulated | 633 | 544 |
| Consolidated Net Income | $ 10,682 | $ 5,868 |
| | | |
| Capital Expenditures: | | |
| Regulated | $ 14,376 | $ 24,465 |
| Non – Regulated | 13 | 50 |
| Total Capital Expenditures | $ 14,389 | $ 24,515 |

| | As of March 31, 2024 | As of December 31, 2023 |
|---|---|---|
| Assets: | | |
| Regulated | $ 1,247,041 | $ 1,235,549 |
| Non – Regulated | 8,264 | 8,068 |
| Inter-segment Elimination | (5,200) | (7,565) |
| Consolidated Assets | $ 1,250,105 | $ 1,236,052 |

**Note 6 – Short-term Borrowings**

The Company maintains lines of credit aggregating $140.0 million.

| | (Millions) As of March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Outstanding | Available | Maximum | Credit Type | Renewal Date |
| Bank of America | $ — | $ 60.0 | $ 60.0 | Uncommitted | January 24, 2025 |
| PNC Bank | 51.0 | $ 17.0 | 68.0 | Committed | January 31, 2026 |
| CoBank, ACB | 7.0 | 5.0 | 12.0 | Committed | May 20, 2026 |
| | $ 58.0 | $ 82.0 | $ 140.0 | | |

The interest rates are set for borrowings under the Bank of America and PNC Bank lines of credit using the Secured Overnight Financing Rate (SOFR) and then adding a specific financial institution credit spread. The interest rate for borrowings under the CoBank, ACB (CoBank) line of credit are set weekly using CoBank's internal cost of funds index that is similar to the SOFR and adding a credit spread. There is no requirement for a compensating balance under any of the established lines of credit.

The weighted average interest rate on the outstanding borrowings at March 31, 2024 under these credit lines is 6.46%.

The weighted average daily amounts of borrowings outstanding under these credit lines and the weighted average interest rates on those amounts were as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Average Daily Amounts Outstanding | $ 49,992 | $ 54,561 |
| Weighted Average Interest Rates | 6.42% | 5.52% |

All borrowings outstanding under the lines of credit as of March 31, 2024 mature daily and are currently being rolled over on a daily basis.

**Note 7 – Commitments and Contingent Liabilities**

**Water Supply –** Middlesex has an agreement with the New Jersey Water Supply Authority (NJWSA) for the purchase of untreated water through November 30, 2048. This agreement with the NJWSA provides for an average purchase of 27 million gallons a day (mgd). with a peak up to 47.0 mgd. Pricing is set annually by the NJWSA through a public rate making process. The agreement has provisions for additional pricing in the event Middlesex overdrafts or exceeds certain monthly and annual thresholds.

Middlesex also has an agreement with a non-affiliated NJBPU-regulated water utility for the purchase of treated water. This agreement, which expires February 27, 2026, provides for the minimum purchase of 3.0 mgd of treated water with provisions for additional purchases if needed.

Tidewater contracts with the City of Dover, Delaware to purchase treated water of up to 60.0 million gallons annually.

Purchased water costs are shown below:

| | (In Thousands) Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Treated | $ 909 | $ 1,383 |
| Untreated | 850 | 802 |
| Total Costs | $ 1,759 | $ 2,185 |

**Leases –** The Company determines if an arrangement is a lease at inception. Generally, a lease agreement exists if the Company determines that the arrangement gives the Company control over the use of an identified asset and obtains substantially all of the benefits from the identified asset.

The Company has entered into an operating lease of office space for administrative purposes, expiring in 2030. The Company has not entered into any finance leases. The exercise of a lease renewal option for the Company's administrative offices is solely at the discretion of the Company.

The right-of-use (ROU) asset recorded represents the Company's right to use an underlying asset for the lease term and lease liability represents the Company's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company's operating lease does not provide an implicit discount rate and as such the Company used an estimated incremental borrowing rate (4.03%) based on the information available at the commencement date in determining the present value of lease payments.

Given the impacts of accounting for regulated operations, and the resulting recognition of expense at the amounts recovered in customer rates, expenditures for operating leases are consistent with lease expense and were $0.2 million for each of the three months ended March 31, 2024 and 2023, respectively.

Information related to operating lease ROU assets and lease liabilities is as follows:

| | (In Millions) As of March 31, 2024 | December 31, 2023 |
|---|---|---|
| ROU Asset at Lease Inception | $ 7.3 | $ 7.3 |
| Accumulated Amortization | (4.3) | (4.1) |
| Current ROU Asset | $ 3.0 | $ 3.2 |

The Company's future minimum operating lease commitments as of March 31, 2024 are as follows:

| | (In Millions) |
|---|---|
| 2024 | $ 0.6 |
| 2025 | 0.8 |
| 2026 | 0.9 |
| 2027 | 0.9 |
| 2028 | 0.9 |
| Thereafter | 0.9 |
| Total Lease Payments | $ 5.0 |
| Imputed Interest | (1.5) |
| Present Value of Lease Payments | 3.5 |
| Less Current Portion* | (0.6) |
| Non-Current Lease Liability | $ 2.9 |
| | |
| *Included in Other Current Liabilities | |

**Construction –** The Company expects to spend approximately $78 million for its construction program in 2024. The Company has entered into several construction contracts that, in the aggregate, obligate expenditure of an estimated $14 million in the future. The actual amount and timing of capital expenditures is dependent on the need for upgrade or replacement of existing infrastructure, customer growth, residential new home construction and sales, project scheduling, supply chain issues and continued refinement of project scope and costs. With continued upward pressure on mortgage interest rates, as well as other financial market uncertainties, there is no assurance that projected customer growth and residential new home construction and sales will occur.

**PFOA Matter –** In November 2021, the Company was served with two PFOA-related class action lawsuits seeking restitution for medical, water replacement and other related costs and economic damages. Middlesex and 3M agreed to enter into a joint mediation on these lawsuits and their ultimate resolution is not known at this time. For further information on the 3M Settlement Agreement, see Note 2, *Rate and Regulatory Matters, Middlesex*.

**Contingencies –** Based on our operations in the heavily-regulated water and wastewater industries, the Company is routinely involved in disputes, claims, lawsuits and other regulatory and legal matters, including responsibility for fines and penalties relative to regulatory compliance. At this time, Management does not believe the final resolution of any such matters, whether asserted or unasserted, will have a material adverse effect on the Company's financial position, results of operations or cash flows. In addition, the Company maintains business insurance coverage that may mitigate the effect of any current or future loss contingencies.

**Change in Control Agreements –** The Company has Change in Control Agreements with its executive officers that provide compensation and benefits in the event of termination of employment under certain conditions in connection with a change in control of the Company.

**Note 8 – Employee Benefit Plans**

**Pension Benefits –** The Company's defined benefit pension plan (Pension Plan) covers all active employees hired prior to April 1, 2007. Employees hired after March 31, 2007 are not eligible to participate in this plan, but do participate in a defined contribution plan that provides for a potential annual contribution in an amount at the discretion of the Company, based upon a percentage of the participants' annual paid compensation. For each of the three month periods ended March 31, 2024 and 2023, the Company did not make cash contributions to the Pension Plan. The Company expects to make cash contributions of approximately $0.9 million over the remainder of the current year.

**Other Postretirement Benefits –** The Company's retirement plan other than pensions (Other Benefits Plan) covers substantially all currently eligible retired employees. Employees hired after March 31, 2007 are not eligible to participate in this plan. Coverage includes healthcare and life insurance. For each of the three month periods ended March 31, 2024 and 2023, the Company did not make cash contributions to its Other Benefits Plan. The Company expects to make additional Other Benefits Plan cash contributions of $0.9 million over the remainder of the current year.

The following tables set forth information relating to the Company's periodic costs (benefit) for its employee retirement benefit plans:

| | (In Thousands) | | | |
|---|---|---|---|---|
| | Pension Benefits | | Other Benefits | |
| | Three Months Ended March 31, | | | |
| | 2024 | 2023 | 2024 | 2023 |
| Service Cost | $ 318 | $ 388 | $ 80 | $ 98 |
| Interest Cost | 1,070 | 1,067 | 328 | 402 |
| Expected Return on Assets | (1,580) | (1,466) | (846) | (771) |
| Amortization of Unrecognized Losses | 38 | 164 | (275) | (48) |
| Net Periodic Benefit Cost (Benefit)* | $ (154) | $ 153 | $ (713) | $ (319) |

*Service cost is included Operations and Maintenance expense on the consolidated statements of income; all other amounts are included in Other Income (Expense), net.

**Note 9 – Revenue Recognition from Contracts with Customers**

The Company's revenues are primarily generated from regulated tariff-based sales of water and wastewater services and non-regulated operation and maintenance contracts for services on water and wastewater systems owned by others. Revenue from contracts with customers is recognized when control of a promised good or service is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company's regulated revenue from contracts with customers results from tariff-based sales from the provision of water and wastewater services to residential, industrial, commercial, fire-protection and wholesale customers. Residential customers are billed quarterly while most industrial, commercial, fire-protection and wholesale customers are billed monthly. Payments by customers are due between 15 and 30 days after the invoice date. Revenue is recognized as the water and wastewater services are delivered to customers as well as from accrual of unbilled revenues estimated from the last meter reading date to the end of the accounting period utilizing factors such as historical customer data, regional weather indicators and general economic conditions in the relevant service territories. Unearned Revenues and Advance Service Fees include fixed service charge billings in advance to Tidewater customers recognized as service is provided to the customer.

Non-regulated service contract revenues consist of base service fees, as well as fees for additional billable services provided to customers. Fees are billed monthly and are due within 30 days after the invoice date. The Company considers the amounts billed to represent the value of these services provided to customers. These contracts expire at various times through June 2032 and contain remaining performance obligations for which the Company expects to recognize revenue in the future. These contracts also contain termination provisions.

Substantially all of the amounts included in operating revenues and accounts receivable are from contracts with customers. The Company records its allowance for credit losses based on historical write-offs combined with an evaluation of current economic conditions within its service territories.

The Company's contracts do not contain any significant financing components.

The Company's operating revenues are comprised of the following:

| | (In Thousands) Three Months Ended March 31, | |
| --- | --- | --- |
| | 2024 | 2023 |
| **Regulated Tariff Sales** | | |
| Residential | $ 20,331 | $ 19,004 |
| Commercial | 5,976 | 5,379 |
| Industrial | 3,133 | 2,839 |
| Fire Protection | 3,292 | 3,104 |
| Wholesale | 4,673 | 4,553 |
| **Non-Regulated Contract Operations** | 3,088 | 3,229 |
| **Total Revenue from Contracts with Customers** | $ 40,493 | $ 38,108 |
| Other Regulated Revenues | 60 | 74 |
| Other Non-Regulated Revenues | 116 | 113 |
| Inter-segment Elimination | (145) | (139) |
| **Total Revenue** | $ 40,524 | $ 38,156 |

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements of Middlesex Water Company (Middlesex or the Company) included elsewhere herein and with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

**Forward-Looking Statements**

Certain statements contained in this periodic report and in the documents incorporated by reference constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. The Company intends that these statements be covered by the safe harbors created under those laws. They include, but are not limited to statements as to:

- expected financial condition, performance, prospects and earnings of the Company;
- strategic plans for growth;
- the amount and timing of rate increases and other regulatory matters, including the recovery of certain costs recorded as regulatory assets;
- the Company's expected liquidity needs during the upcoming fiscal year and beyond and the sources and availability of funds to meet its liquidity needs;
- expected customer rates, consumption volumes, service fees, revenues, margins, expenses and operating results;
- financial projections;
- the expected amount of cash contributions to fund the Company's retirement benefit plans, anticipated discount rates and rates of return on plan assets;
- the ability of the Company to pay dividends;
- the Company's compliance with environmental laws and regulations and estimations of the materiality of any related costs;
- the safety and reliability of the Company's equipment, facilities and operations;
- the Company's plans to renew municipal franchises and consents in the territories it serves;
- trends; and
- the availability and quality of our water supply.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from anticipated results and outcomes include, but are not limited to:

- effects of general economic conditions;
- increases in competition for growth in non-franchised markets to be potentially served by the Company;
- ability of the Company to adequately control selected operating expenses which are necessary to maintain safe and proper utility services, and which may be beyond the Company's control;
- availability of adequate supplies of quality water;
- actions taken by government regulators, including decisions on rate increase requests;
- new or modified water quality standards and compliance with related legal and regulatory requirements;
- weather variations, including climate variability, and other natural phenomena impacting utility operations;
- financial and operating risks associated with acquisitions and/or privatizations;
- acts of war or terrorism;
- cyber-attacks;
- changes in the pace of new housing development;
- availability and cost of capital resources;
- timely availability of materials and supplies for operations and critical infrastructure projects;
- effectiveness of internal control over financial reporting;
- impact of pandemics; and
- other factors discussed elsewhere in this report.

Many of these factors are beyond the Company's ability to control or predict. Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements, which only speak to the Company's understanding as of the date of this report. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

For an additional discussion of factors that may affect the Company's business and results of operations, see Item 1A. - Risk Factors in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

**Overview**

Middlesex Water Company (Middlesex or the Company) has operated as a water utility in New Jersey since 1897 and in Delaware through our wholly-owned subsidiary, Tidewater Utilities, Inc. (Tidewater), since 1992. We are in the business of collecting, treating and distributing water for domestic, commercial, municipal, industrial and fire protection purposes. We operate water and wastewater systems under contract for governmental entities and private entities primarily in New Jersey and Delaware and provide regulated wastewater services in New Jersey. We are regulated by state public utility commissions as to rates charged to customers for water and wastewater services, as to the quality of water and wastewater service we provide and as to certain other matters in the states in which our regulated subsidiaries operate. Only our Utility Service Affiliates, Inc. (USA), Utility Service Affiliates (Perth Amboy), Inc. (USA-PA) and White Marsh Environmental Services, Inc. (White Marsh) subsidiaries are not regulated public utilities as related to rates and services quality. All municipal or commercial entities whose utility operations are managed by these entities however, are subject to environmental regulation at the federal and state levels.

Our principal New Jersey water utility system (the Middlesex System) provides water services to approximately 60,000 retail customers, primarily in central New Jersey. The Middlesex System also provides water sales under contract to municipalities in central New Jersey with a total population of over 0.2 million. Our other New Jersey subsidiaries, Pinelands Water Company (Pinelands Water) and Pinelands Wastewater Company (Pinelands Wastewater) (collectively, Pinelands) provide water and wastewater services to approximately 2,500 customers in Southampton Township, New Jersey.

Our Delaware subsidiaries, Tidewater and Southern Shores Water Company, LLC, provide water services to approximately 60,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Tidewater's subsidiary, White Marsh, services approximately 4,300 households in Kent and Sussex Counties through various operations and maintenance contracts.

USA-PA operates the water and wastewater systems for the City of Perth Amboy, New Jersey (Perth Amboy) under a 10-year operations and maintenance contract expiring in 2028. In addition to performing day-to day operations, USA-PA is also responsible for emergency response and management of capital projects funded by Perth Amboy.

USA operates the Borough of Avalon, New Jersey's (Avalon) water utility, sewer utility and storm water system under a ten-year operations and maintenance contract expiring in 2032. USA also operates the Borough of Highland Park, New Jersey's (Highland Park) water and wastewater systems under a 10-year operations and maintenance contract expiring in 2030. In addition to performing day-to-day service operations, USA is responsible for emergency response and management of capital projects funded by Avalon and Highland Park.

Under a marketing agreement with HomeServe USA Corp. (HomeServe) expiring in 2031, USA offers residential customers in New Jersey and Delaware water and wastewater related services and home maintenance programs. HomeServe is a leading national provider of such home maintenance service programs. USA receives a service fee for the billing, cash collection and other administrative matters associated with HomeServe's service contracts. USA also provides unregulated water and wastewater services under contract with several New Jersey municipalities.

**Recent Developments**

**Middlesex Base Water Rate Increase Approval -** The approval by the New Jersey Board of Public Utilities (NJBPU) in February 2024 of the negotiated settlement of the Middlesex 2023 base rate case is expected to increase annual operating revenues by $15.4 million effective March 1, 2024. The approved tariff rates were designed to recover increased operating costs as well as a return on invested capital of $563.1 million, based on an authorized return on common equity of 9.6%. Middlesex has made capital infrastructure investments to ensure prudent upgrade and replacement of its utility assets to support continued regulatory compliance, resilience and overall quality of service. In August 2023, Middlesex and 3M Company (3M) executed a settlement agreement (Settlement Agreement) to resolve a lawsuit Middlesex previously initiated claiming 3M introduced Perfluoroalkyl Substances (PFAS), which includes Perfluorooctanoic Acid, into the Company's water supply for its Park Avenue Wellfield Treatment Plant (Park Avenue Plant). The rate case settlement provides that the net proceeds from the 3M Settlement Agreement were to be used to mitigate the increase in customer rates and reimburse Middlesex for previously incurred costs for the construction of the Park Avenue Plant PFAS treatment upgrades, including depreciation and carrying costs. This resulted in the reclassification of $48.3 million from Regulatory Liabilities to Contributions in Aid of Construction on the March 31, 2024 balance sheet. The Company also recognized for the quarter ended March 31, 2024 the recovery of $0.9 million for depreciation and $3.2 million for carrying costs associated with the Park Avenue Plant PFAS treatment upgrades, as well as the recovery of $1.4 million of previously incurred operating treatment costs while the Park Avenue Plant PFAS treatment upgrades were in process.

**Middlesex Distribution System Improvement Charge (DSIC) -** As allowed under its NJBPU approved Distribution System Improvement Charge (DSIC) Foundation Filing, in April 2024, Middlesex filed a petition with the NJBPU, seeking to establish a DSIC tariff rate that would result in $0.5 million of annual revenues. The tariff rate, if approved, would apply to General Service customers and would be based on meter size. We cannot predict when and whether the NJBPU will ultimately approve, deny, or reduce the amount of the request.

**Tidewater DSIC-** In December 2023, the Delaware Public Service Commission (DEPSC) approved Tidewater's application to implement a new DSIC. Effective January 1, 2024, Tidewater implemented a DSIC rate of 3.71%, which is expected to generate revenue of approximately $1.3 million annually. A Delaware DISC is subject to a semi-annual reset with an overall maximum rate of 7.5%.

**United States Environmental Protection Agency (USEPA) Issues Final PFAS Regulations -** In April 2024, the USEPA finalized drinking water regulations for PFAS, establishing maximum contaminant levels (MCLs) for three PFAS compounds (Regulated PFAS) that are lower than the current New Jersey Department of Environmental Protection MCLs adhered to by the Company. Under the new USEPA regulations, effective April 2024, water systems must monitor for Regulated PFAS and have three years to complete initial monitoring (by April 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of Regulated PFAS in their drinking water beginning in 2027. Water systems have five years (by April 2029) to implement solutions that reduce Regulated PFAS if monitoring shows that drinking water levels exceed these MCLs.

Beginning in April 2029, water systems that have Regulated PFAS in drinking water which exceeds one or more of these MCLs must take action to reduce levels of these PFAS compounds in their drinking water and must provide notification to the public of the violation.

In anticipation of these new USEPA standards, in 2023, the Company began implementing its strategy to meet these lower MCLs for Regulated PFAS and is currently performing preliminary engineering studies to ensure that effective PFAS treatment approaches are implemented.

**Financings**

***Tidewater –*** In April 2024, the DEPSC approved four Tidewater Delaware State Revolving Fund (SRF) loans totaling $6.6 million. These loans are for the construction, relocation, improvement, and/or interconnection of transmission mains and construction of a water treatment facility. Tidewater expects to close on these loans in the 2nd quarter of 2024. Each project has its own construction timetable with the last spending set to occur in 2026.

**Capital Construction Program -** The Company's multi-year capital construction program encompasses numerous projects designed to upgrade and replace utility infrastructure as well as enhance the integrity and reliability of assets to maintain and improve service for the current and future generations of water and wastewater customers. The Company plans to invest approximately $78 million in 2024 in connection with projects that include, but are not limited to:

- Replacement of approximately 17,000 linear feet of cast iron 6" water main in the Port Reading and Carteret sections of Woodbridge, New Jersey;
- Replacement of control room and electrical distribution equipment at our Carl J. Olsen Surface Water Treatment Plant (CJO Plant);
- Supply and storage improvements and installation of emergency generators at several of our Tidewater Delaware facilities;
- Construction of residual removal equipment and chemical feed improvements, pumps and a surge mitigation tank as well as other improvements and upgrades at our Park Avenue Plant;
- Upgrades and improvements to our Enterprise Resource Planning System; and
- Various water main replacements and improvements.

The actual amount and timing of capital expenditures is dependent on project scheduling and refinement of engineering estimates for certain capital projects.

**Outlook**

Our ability to increase operating income and net income is based significantly on four factors: weather, adequate and timely rate relief, effective cost management and customer growth. These factors are discussed in the Results of Operations section below. Unfavorable weather patterns may occur at any time, which can result in lower customer demand for water.

We continue to make investments in system infrastructure and our operating costs continue to increase in 2024 in a variety of categories. These factors, among others, may require base rate increase request filings for Tidewater, Pinelands Water and Pinelands Wastewater later in 2024.

Overall, organic residential customer growth continues in our Tidewater system (approximately 4% in 2023). However, current and evolving economic market conditions may challenge that growth.

The Company has projected to spend approximately $226 million for the 2024-2026 capital investment program, including approximately $15 million for replacement of a thirty inch main in our Middlesex System, $9 million for Lead Service Line Replacement compliance in the Middlesex System, $34 million on the RENEW Program, which is our ongoing initiative to replace water mains in the Middlesex System, $6 million for evaluation of PFAS treatment at our CJO Plant and $7 million for control room and electrical distribution equipment at our CJO Plant.

Our strategy for profitable growth is focused on the following key areas:

- Invest in projects, products and services that complement our core water and wastewater competencies;
- Timely and adequate recovery of infrastructure investments and other costs to maintain service quality;
- Prudent acquisitions of investor and municipally-owned water and wastewater utilities; and
- Operation of municipal and industrial water and wastewater systems on a contract basis which meet our risk profile.

**Operating Results by Segment**

The discussion of the Company's operating results is on a consolidated basis and includes significant factors by subsidiary. The Company has two operating segments, Regulated and Non-Regulated. The operations of the Regulated segment are subject to regulations promulgated by state public utility commissions as to rates and level of service. Rates and level of service in the Non-Regulated segment are subject to the terms of individually-negotiated and executed contracts with municipal, industrial and other clients. Both segments are subject to federal and state environmental, water and wastewater quality and other associated legal and regulatory requirements.

The segments in the tables included below consist of the following companies: Regulated-Middlesex, Tidewater, Pinelands and Southern Shores; Non-Regulated-USA, USA-PA, and White Marsh.

**Results of Operations – Three Months Ended March 31, 2024**

| | (In Thousands) Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Regulated | Non-Regulated | Total | Regulated | Non-Regulated | Total |
| Revenues | $ 37,436 | $ 3,088 | $ 40,524 | $ 34,926 | $ 3,230 | $ 38,156 |
| Operations and maintenance expenses | 18,364 | 2,101 | 20,465 | 17,930 | 2,327 | 20,257 |
| Depreciation expense | 5,329 | 67 | 5,396 | 5,921 | 65 | 5,986 |
| Other taxes | 4,744 | 54 | 4,798 | 4,360 | 63 | 4,423 |
| **Operating income** | $ 8,999 | $ 866 | $ 9,865 | $ 6,715 | $ 775 | $ 7,490 |
| | | | | | | |
| Other income, net | 5,306 | 59 | 5,365 | 1,668 | 43 | 1,711 |
| Interest charges | 3,269 | — | 3,269 | 2,595 | — | 2,595 |
| Income taxes | 987 | 292 | 1,279 | 464 | 274 | 738 |
| **Net income** | $ 10,049 | $ 633 | $ 10,682 | $ 5,324 | $ 544 | $ 5,868 |

*Operating Revenues*

Operating revenues for the three months ended March 31, 2024 increased $2.4 million from the same period in 2023 due to the following factors:

- Middlesex System revenues increased $1.6 million due to the approved base rate increase effective March 1, 2024 and higher commercial and industrial customer billings; and
- Tidewater System revenues increased $0.8 million due to increased customers and higher customer demand.

*Operation and Maintenance Expense*

Operation and maintenance expenses for the three months ended March 31, 2024 increased $0.2 million from the same period in 2023 due to the following factors:

- An enhanced water treatment process at Middlesex's Park Avenue Plant resulted in $0.4 million of increased costs;
- Labor and employee benefit cost increased $1.1 million due to wage and 401k Plan contribution increases and executive management transition costs;
- Outside professional support service costs for legal, finance and regulatory matters rose by $0.2 million;
- Recovery of prior year water treatment operating costs at the Park Avenue Plant and amortization of proceeds from the 3M Settlement Agreement reduced costs $1.6 million. The conclusion of Middlesex's 2023 base rate increase request allowed Middlesex to recover costs, including certain prior year operating expenses, from the proceeds from the 3M Settlement Agreement. For further information on the 3M Settlement Agreement and Middlesex's 2023 base rate matter, see Note 2, *Rate and Regulatory Matters, Middlesex*; and
- All other operation and maintenance expense categories increased $0.1 million.

*Depreciation*

Depreciation expense for the three months ended March 31, 2024 decreased $0.6 million from the same period in 2023 due to the recovery of prior year depreciation related to upgrades at Middlesex's Park Avenue Plant partially offset by a higher level of utility plant in service. The conclusion of Middlesex's 2023 base rate increase request allowed Middlesex to recover costs, including deprecation, from the proceeds from the 3M Settlement Agreement. For further information on the 3M Settlement Agreement and Middlesex's 2023 base rate matter, see Note 2, *Rate and Regulatory Matters, Middlesex*.

*Other Taxes*

Other taxes for the three months ended March 31, 2024 increased $0.4 million from the same period in 2023 primarily due to higher gross receipts taxes on higher revenues in our Middlesex System and higher payroll related taxes on increased labor costs in our Middlesex System.

*Other Income, net*

Other Income, net for the three months ended March 31, 2024 increased $3.7 million from the same period in 2023 due primarily to the recovery of carrying costs on the PFAS treatment upgrades at Middlesex's Park Avenue Plant and higher actuarially-determined retirement benefit plans non-service benefit. Lower Allowance for Funds Used During Construction resulting from a lower level of capital projects in progress partially offset these increases. The conclusion of Middlesex's 2023 base rate increase request allowed Middlesex to recover costs, including carrying costs, from the proceeds from the 3M Settlement Agreement. For further information on the 3M Settlement Agreement and Middlesex's 2023 base rate matter, see Note 2, *Rate and Regulatory Matters, Middlesex*.

*Interest Charges*

Interest charges for the three months ended March 31, 2024 increased $0.7 million from the same period in 2023 due to higher average debt outstanding and an increase in average borrowing rates.

*Income Taxes*

Income taxes for the three months ended March 31, 2024 increased by $0.5 million from the same period in 2023, primarily due to higher pre-tax income and lower income tax benefits associated with decreased repair expenditures on tangible property in the Middlesex System offset by the recovery of income taxes on the taxable portion of the proceeds from the 3M Settlement Agreement. For further information on the 3M Settlement Agreement and Middlesex's 2023 base rate matter, see Note 2, *Rate and Regulatory Matters, Middlesex*.

*Net Income and Earnings Per Share*

Net income for the three months ended March 31, 2024 increased $4.8 million as compared with the same period in 2023. Basic earnings per share were $0.60 and $0.33 for the three months ended March 31, 2024 and 2023, respectively. Diluted earnings per share were $0.59 and $0.33 for the three months ended March 31, 2024 and 2023, respectively

**Liquidity and Capital Resources**

*Operating Cash Flows*

Cash flows from operations are largely based on four factors: weather, adequate and timely rate increases, effective cost management and customer growth. The effect of those factors on net income is discussed in "Results of Operations."

For the three months ended March 31, 2024, cash flows from operating activities decreased $9.3 million to $6.7 million. The decrease in cash flows from operating activities primarily resulted from timing of vendor payments and higher interest payments.

*Investing Cash Flows*

For the three months ended March 31, 2024, cash flows used in investing activities decreased $10.1 million to $14.4 million due to decreased utility plant expenditures in 2024.

For further discussion on the Company's future capital expenditures and expected funding sources, see "*Capital Expenditures and Commitments*" below.

*Financing Cash Flows*

For the three months ended March 31, 2024, cash flows from financing activities decreased $1.4 million to $8.2 million. The decrease in cash flows provided by financing activities is due to lower proceeds from the issuance of common stock under the Middlesex Water Company Investment Plan (Investment Plan) offset by higher net borrowings.

*Capital Expenditures and Commitments*

To fund our capital program, we use internally generated funds, short-term and long-term debt borrowings, proceeds from sales of common stock under the Investment Plan and proceeds from sales offerings to the public of our common stock. See below for a more detailed discussion regarding the funding of our capital program for the current year.

The capital investment program for 2024 is currently estimated to be approximately $78 million. Through March 31, 2024, we have expended $14.4 million and expect to incur approximately $64 million for capital projects for the remainder of 2024.

We currently project that we may expend approximately $149 million for capital projects in 2025 and 2026. The actual amount and timing of capital expenditures is dependent on the need for replacement of existing infrastructure, customer growth, residential new home construction and sales, project scheduling and continued refinement of project scope and costs.

To pay for our capital program for the remainder of 2024, we plan on utilizing some or all of the following:

- Internally generated funds;
- Short-term borrowings, as needed, through $140 million of bank lines of credit established with multiple financial institutions. As of March 31, 2024, there was $82.0 million of available credit under these lines (for further discussion on Company lines of credit, see *Note 6 – Short Term Borrowings*);
- Proceeds from long-term borrowing arrangements, including loans from private placement, CoBank, ACB and/or the Delaware SRF Program, which provides cost-effective financing for projects that meet certain water quality-related and/or system improvement criteria (for further discussion on long-term borrowings, see *Recent Developments – Financings above*); and
- Proceeds from sales of common stock under the Investment Plan; and
- Proceeds from 3M Settlement Agreement. For further information on the 3M Settlement Agreement, see Note 2, *Rate and Regulatory Matters, Middlesex.*

Middlesex has received approval from the NJBPU to borrow up to $300.0 million from the New Jersey SRF Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed through December 31, 2025. The Company expects to issue debt securities in a series of one or more transaction offerings over a multi-year period to help fund Middlesex's multi-year capital construction program.

In April 2024, the DEPSC approved four Tidewater Delaware SRF loans totaling $6.6 million. These loans are for the construction, relocation, improvement, and/or interconnection of transmission mains and construction of a water treatment facility. Tidewater expects to close on these loans in the 2nd quarter of 2024. Each project has its own construction timetable with the last spending set to occur in 2026.

In order to fully fund the ongoing investment program in our utility plant infrastructure and maintain a balanced capital structure consistent with regulators' expectations for a regulated water utility, Middlesex may offer for sale additional shares of its common stock. The amount, the timing and the sales method of the common stock is dependent on the timing of the construction expenditures, the level of additional debt financing and financial market conditions. As approved by the NJBPU, the Company is authorized to issue and sell up to 1.0 million shares of its common stock in one or more transactions through December 31, 2025.

**Recent Accounting Pronouncements** – See Note 1 of the Notes to Unaudited Condensed Consolidated Financial Statements for a discussion of recent accounting pronouncements and guidance.

**Item 3. Quantitative and Qualitative Disclosures of Market Risk**

We are exposed to market risk associated with changes in interest rates and commodity prices. The Company is subject to the risk of fluctuating interest rates in the normal course of business. Our policy is to manage interest rates through the use of fixed rate long-term debt and, to a lesser extent, short-term debt. The Company's interest rate risk related to existing fixed rate, long-term debt is not material due to the term of the majority of our First Mortgage Bonds, which have final maturity dates ranging from 2024 to 2059. Over the next twelve months, approximately $7.8 million of the current portion of existing long-term debt instruments will mature. Applying a hypothetical change in the rate of interest charged by 10% on those borrowings, would not have a material effect on our earnings.

Our risks associated with price increases for chemicals, electricity and other commodities are reduced through contractual arrangements and the ability to recover price increases through rates charged to the Company's regulated utility customers. Non-performance by these commodity suppliers could have a material adverse impact on our results of operations, financial position and cash flows.

We are exposed to credit risk for both our Regulated and Non-Regulated business segments. Our Regulated operations serve residential, commercial, industrial and municipal customers while our Non-Regulated operations engage in business activities with developers, government entities and other customers. Our primary credit risk is exposure to customer default on contractual obligations and the associated loss that may be incurred due to the non-payment of customer accounts receivable balances. Our credit risk is managed through established credit and collection policies which are in compliance with applicable regulatory requirements and involve monitoring of customer exposure and the use of credit risk mitigation measures such as letters of credit or prepayment arrangements. Our credit portfolio is diversified with no significant customer or industry concentrations. In addition, our Regulated businesses are generally able to recover all prudently incurred costs including uncollectible customer accounts receivable expenses and collection costs through customers' rates.

The Company's retirement benefit plan assets are subject to fluctuating market prices of debt and equity securities. Changes to the Company's retirement benefit plan asset values can impact the Company's retirement benefit plan expense, funded status and future minimum funding requirements. Risk is mitigated by our ability to recover retirement benefit plan costs through rates for regulated utility services charged to our customers.

**Item 4. Controls and Procedures**

*Disclosure Controls and Procedures*

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company’s Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding disclosure.

As required by Rule 13a-15 under the Exchange Act, an evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures was conducted by the Company’s Chief Executive Officer along with the Company’s Chief Financial Officer for the quarter ended March 31, 2024. Based upon that evaluation, the Company’s Chief Executive Officer and the Company’s Chief Financial Officer concluded that no changes in internal control over financial reporting occurred during the quarter ended March 31, 2024 that has materially affected, or are reasonably likely to materially affect, internal control over financial reporting and that our disclosure controls and procedures were not effective as of March 31, 2024 due to the material weakness described below. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In 2023, the Company’s independent registered public accounting firm, Baker Tilly US, LLP (Baker Tilly), conducted a routine internal quality review of its integrated audit of the Company’s 2022 consolidated financial statements and internal control over financial reporting as of December 31, 2022. As a result of this review, Baker Tilly re-examined the Company’s information technology general controls (ITGCs) in the areas of user access and change management over certain information technology (IT) systems that support the Company’s financial reporting processes. Certain of those controls were found to be deficient because of a lack of sufficient IT control processes designed to prevent or detect unauthorized changes in applications and data in selected IT environments. These ineffective controls create a possibility that material misstatements in financial reporting processes and financial statement accounts in our consolidated financial statements will not be prevented or detected on a timely basis and, therefore, based on the assessment, management has concluded that they represent a material weakness in our internal control over financial reporting and that the Company’s internal control over financial reporting was not effective as of March 31, 2024.

Notwithstanding the material weakness referred to above, Management, including our Principal Executive Officer and Principal Financial Officer, believe that the financial statements contained in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company for all periods presented in accordance with accounting principles generally accepted in the United States of America.

We are committed to remediating the material weakness in a timely manner. Our remediation process includes, but is not limited to, enhancements to our ITGCs and automated auditing features of our IT systems as well increased monitoring of IT system changes made through certain user accounts. Since the material weakness was first identified, Management has implemented various auditing and monitoring solutions that provide greater transparency into changes made within our information technology (IT) systems. These control solutions are supported by a timely review process that focuses on the proper authorization and approval of IT system changes. We expect to implement additional internal controls during the second quarter of 2024 to further remediate the material weakness.

The Audit Committee of our Board of Directors and Company Management will continue to closely monitor the remediation efforts discussed in this section, including any additional remediation efforts that our Management identifies as necessary. When they are completed, tested and determined effective, we will be able to conclude that the material weakness has been remediated.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The following information updates and amends the information provided in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 in Part I, Item 3—Legal Proceedings. Capitalized terms used but not otherwise defined herein have the meanings set forth in the Company’s Form 10-K.

**PFOA Regulatory Notice of Non-Compliance**

***Vera et al. v. Middlesex Water Company*** – The deadline of February 29, 2024 set by the Superior Court of New Jersey for the parties to submit a final settlement agreement with the Court was cancelled to allow the parties additional time to reach a settlement.

***Lonsk et al. v. Middlesex Water Company and 3M Company*** - The deadline of March 4, 2024 set by the Superior Court of New Jersey for the parties to submit a final settlement agreement with the Court was cancelled to allow the parties additional time to reach a settlement.

### Item 1A. Risk Factors

The information about risk factors does not differ materially from those set forth in Part I, Item 1A. of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

(a) None.

(b) None.

(c) *Insider Trading Arrangements and Policies* - During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

Exhibits designated with a dagger (t) are management contracts or compensatory plans.

| | |
|---|---|
| (t)10.12 | Employment Agreement, dated as of March 1, 2024, between the Company and Nadine Duchemin-Leslie, filed as Exhibit 99.2 of the Company's Current Report on Form 8-K dated January 23, 2024. |
| (t)10.12(a) | Change in Control Termination Agreement, dated as of March 1, 2024, between the Company and Nadine Duchemin-Leslie, filed as Exhibit 99.3 of the Company's Current Report on Form 8-K dated January 23, 2024. |
| 10.12 | Consulting Agreement, dated March 1, 2024, between the Company and Dennis W. Doll, filed as Exhibit 99.4 of the Company's Current Report on Form 8-K dated January 23, 2024. |
| 31.1 | Section 302 Certification by Nadine Leslie pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934. |
| 31.2 | Section 302 Certification by A. Bruce O'Connor pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934. |
| 32.1 | Section 906 Certification by Nadine Leslie pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Section 906 Certification by A. Bruce O'Connor pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Schema Document |
| 101.CAL | XBRL Calculation Linkbase Document |
| 101.LAB | XBRL Labels Linkbase Document |
| 101.PRE | XBRL Presentation Linkbase Document |
| 101.DEF | XBRL Definition Linkbase Document |
| 104 | Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MIDDLESEX WATER COMPANY

By: /s/A. Bruce O'Connor
A. Bruce O'Connor
Senior Vice President, Treasurer and
Chief Financial Officer
(Principal Financial Officer)

Date: May 8, 2024

**Exhibit 31.1**

**SECTION 302 CERTIFICATION PURSUANT TO RULES 13a-14
AND 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Nadine Leslie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Middlesex Water Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have;

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Nadine Leslie
Nadine Leslie
Chief Executive Officer

Date: May 8, 2024

**Exhibit 31.2**

**SECTION 302 CERTIFICATION PURSUANT TO RULES 13a-14 AND 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934**

I, A. Bruce O'Connor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Middlesex Water Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have;

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ A. Bruce O'Connor
A. Bruce O'Connor
Chief Financial Officer

Date: May 8, 2024

**Exhibit 32.1**

**SECTION 906 CERTIFICATION PURSUANT TO 18 U.S.C. §1350**

I, Nadine Leslie, hereby certify that, to the best of my knowledge, the periodic report being filed herewith containing financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) and that information contained in said periodic report fairly presents, in all material respects, the financial condition and results of operations of Middlesex Water Company for the period covered by said periodic report.

/s/ Nadine Leslie
Nadine Leslie
Chief Executive Officer

Date: May 8, 2024

A signed original of this written statement required by Section 906 has been provided to Middlesex Water Company and will be retained by Middlesex Water Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 32.2**

**SECTION 906 CERTIFICATION PURSUANT TO 18 U.S.C. §1350**

I, A. Bruce O'Connor, hereby certify that, to the best of my knowledge, the periodic report being filed herewith containing financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) and that information contained in said periodic report fairly presents, in all material respects, the financial condition and results of operations of Middlesex Water Company for the period covered by said periodic report.

/s/ A. Bruce O'Connor
A. Bruce O'Connor
Chief Financial Officer

Date: May 8, 2024

A signed original of this written statement required by Section 906 has been provided to Middlesex Water Company and will be retained by Middlesex Water Company and furnished to the Securities and Exchange Commission or its staff upon request.