

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2025

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
(State of Incorporation)

22-1114430
(IRS employer identification no.)

485C Route 1 South, Suite 400, 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:	Name of each exchange on which registered:
Common Stock, No Par Value	MSEX	The NASDAQ Stock Market, LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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 their 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 for such shorter period that the registrants were required to submit and post such 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", "smaller reporting company" and "emerging growth company" in Rule 12(b)-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>
Smaller reporting company <input type="checkbox"/>		Emerging growth company <input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant at June 30, 2025 was \$954,602,892 based on the closing market price of \$54.18 per share on the NASDAQ Global Select Market.

The number of shares outstanding for each of the registrant's classes of common stock, as of February 17, 2026:

Common Stock, No par Value 18,521,933 shares outstanding

Documents Incorporated by Reference

Proxy Statement to be filed in connection with the Registrant's Annual Meeting of Stockholders to be held on May 19, 2026, which will be filed with the Securities and Exchange Commission within 120 days of the end of our 2025 fiscal year, is incorporated by reference into Part III of this Annual Report on Form 10-K to the extent described herein.

MIDDLESEX WATER COMPANY
FORM 10-K

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual 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. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “strategy,” or “anticipates,” or the negative of those words or other comparable terminology. Middlesex Water Company (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 ;
- 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 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 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 real estate development;
- availability and cost of capital resources;
- timely availability of materials and supplies for operations and for critical infrastructure projects;
- effectiveness of internal control over financial reporting; and
- other factors discussed elsewhere in this annual 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 annual 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.

PART I

Item 1. Business.

The terms “the Company,” “we,” “our,” and “us” collectively refer to Middlesex Water Company (Middlesex) and its subsidiaries, including Tidewater Utilities, Inc. (Tidewater) and Tidewater’s wholly-owned subsidiaries, Southern Shores Water Company, LLC (Southern Shores) and White Marsh Environmental Systems, Inc. (White Marsh). The Company’s other subsidiaries are 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).

Overview

Middlesex was incorporated as a water utility company in 1897 and owns and operates regulated water utility and wastewater systems primarily in New Jersey and Delaware. Middlesex also operates water and wastewater systems under contract on behalf of municipal and private clients primarily in New Jersey and Delaware. Across our regulated utility systems, we serve approximately 131,000 customers. We operate water and wastewater systems under unregulated contracts for governmental entities and private entities.

Our principal executive offices are located at 485C Route 1 South, Suite 400, Iselin, New Jersey 08830. Our telephone number is (732) 634-1500. Our website address is www.middlesexwater.com. Information contained on our website is not part of this Annual Report on Form 10-K. We make available, free of charge through our website, reports and amendments filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, after such material is electronically filed with or furnished to the United States Securities and Exchange Commission (the SEC). We also periodically provide certain information for investors on our website, and our investor relations website, investors.middlesexwater.com. This includes press releases and other information about dividends on the Company’s equity securities.

Middlesex System

Located in New Jersey, the Middlesex System provides water services to approximately 61,000 retail customers, primarily in eastern Middlesex County, and under wholesale contracts to the City of Rahway, Townships of Edison and Marlboro, the Borough of Highland Park and the Old Bridge Municipal Utilities Authority. The Middlesex System treats, stores and distributes water for residential, commercial, industrial and fire protection purposes. The Middlesex System also provides water treatment and pumping services to the Township of East Brunswick under contract. The amount of water supply allocated to the Township of East Brunswick is granted directly to the Township by the New Jersey Water Supply Authority. The Middlesex System produced approximately 67% of our 2025 consolidated operating revenues.

The Middlesex System’s retail customers are located in an area of approximately 55 square miles in Woodbridge Township, the City of South Amboy, the Boroughs of Metuchen and Carteret, portions of the Township of Edison and the Borough of South Plainfield, all in Middlesex County, and a portion of the Township of Clark in Union County. Retail customers include a mix of residential customers, large industrial concerns and commercial and light industrial facilities. These customers are located in generally well-developed areas of central New Jersey.

The contract customers of the Middlesex System comprise an area of approximately 110 square miles with a population of over 0.2 million. Contract sales to the Townships of Edison and Marlboro, the City of Rahway and the Old Bridge Municipal Utilities Authority are supplemental to the water systems owned and operated by these customers. Middlesex is the primary source of water for the Borough of Highland Park and the Township of East Brunswick.

Tidewater System

Tidewater, together with its wholly-owned subsidiary, Southern Shores, provides water services to approximately 65,000 retail customers for residential, commercial and fire protection purposes in over 485 separate communities in New Castle, Kent and Sussex Counties, Delaware. The Tidewater System produced approximately 25% of our 2025 consolidated operating revenues.

Pinelands Systems

Pinelands Water provides water services to approximately 2,500 residential customers in Burlington County, New Jersey. Pinelands Water is not physically interconnected with the Middlesex System. Pinelands Water produced approximately 1% of our 2025 consolidated operating revenues.

Pinelands Wastewater provides wastewater collection and treatment services to approximately 2,500 residential customers and one municipal wastewater system in Burlington County, New Jersey. Pinelands Wastewater produced approximately 1% of our 2025 consolidated operating revenues.

USA-PA

USA-PA operates the City of Perth Amboy, New Jersey’s (Perth Amboy) water and wastewater systems under a ten-year agreement, which expires in December 2028. In addition to performing day-to day operations, USA-PA is also responsible for emergency responses and management of capital projects funded by Perth Amboy. USA-PA produced approximately 4% of our 2025 consolidated operating revenues.

USA

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. In addition to performing day-to-day service operations, USA is responsible for emergency responses and management of capital projects funded by Avalon.

USA operates the Borough of Highland Park, New Jersey’s (Highland Park) water utility and sewer utility under a ten-year operations and maintenance contract expiring in 2030.

Under a marketing agreement with HomeServe USA Corp. (HomeServe) expiring in 2031, USA offers residential customers in New Jersey and Delaware various water and wastewater related 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 produced approximately 2% of our 2025 consolidated operating revenues.

White Marsh

White Marsh operates or maintains water and/or wastewater systems that serve approximately 3,700 service connections under 28 separate contracts, primarily in New Castle, Kent and Sussex Counties, Delaware. White Marsh also owns two commercial properties that are leased to Tidewater for its administrative office campus and its field operations center. White Marsh produced approximately 0.5% of our 2025 consolidated operating revenues.

Financial Information

Consolidated operating revenues, operating income and net income are as follows:

	(Thousands of Dollars)		
	Years Ended December 31,		
	2025	2024	2023
Operating Revenues	\$ 194,694	\$ 191,877	\$ 166,274
Operating Income	\$ 54,376	\$ 53,210	\$ 39,223
Net Income	\$ 42,822	\$ 44,351	\$ 31,524

Operating revenues were earned from the following sources:

	Years Ended December 31,		
	2025	2024	2023
Residential	52.7%	51.0%	52.1%
Commercial	15.6	16.6	14.4
Industrial	6.9	7.2	7.0
Fire Protection	7.8	7.4	7.6
Contract Sales	10.6	11.0	11.5
Contract Operations	6.4	6.8	7.4
Total	100.0%	100.0%	100.0%

Water Supplies and Contracts

Our New Jersey and Delaware water supply systems are physically separate and are not interconnected. In New Jersey, the Pinelands System is not interconnected with the Middlesex System. We believe we have adequate sources of water supply to meet the current service requirements of our present customers in New Jersey and Delaware.

Middlesex System

Our Middlesex System produced approximately 13.8 billion gallons in 2025 from:

- The Carl J. Olsen Surface Water Treatment Plant (CJO Plant)-10.1 billion gallons;
- Company-owned wells (ground water)-2.7 billion gallons; and
- The balance purchased from a non-affiliated water utility regulated by the New Jersey Board of Public Utilities (NJBPUB) under an agreement which expires February 27, 2031. This agreement provides for minimum purchases of 3.0 million gallons per day (mgd) of treated water with provisions for additional purchases.

The Middlesex System's distribution storage facilities are used to supply water to customers at times of peak demand, outages and emergencies.

The principal source of surface water for the Middlesex System is the Delaware & Raritan Canal, which is owned by the State of New Jersey and operated by the New Jersey Water Supply Authority (NJWSA). Middlesex has an agreement with NJWSA for the purchase of untreated water through November 30, 2048. This agreement with the NJWSA provides for average purchases 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. The untreated surface water is pumped to, and treated at, the CJO Plant.

Tidewater System

Our Tidewater System, together with our wholly-owned subsidiary, Southern Shores, produced approximately 3.2 billion gallons in 2025, primarily from 166 wells. Tidewater expects to submit applications to Delaware regulatory authorities for the approval of additional wells as growth, customer demand and water quality warrant. Tidewater augments its water production with annual purchases of approximately 75.0 million gallons of treated water from the City of Dover, Delaware. Tidewater does not have a central water treatment facility for the over 485 separate communities it serves. As the number has grown, many of Tidewater's individual systems have been interconnected, forming several regional systems that are served by multiple water treatment facilities owned by Tidewater.

Pinelands Water System

Water supply to our Pinelands Water System is derived from four wells which produced approximately 123 million gallons in 2025. The aggregate pumping capacity of the four wells is 2.2 mgd.

Wastewater Facilities

Pinelands Wastewater System

The Pinelands Wastewater System discharges into the South Branch of the Rancocas Creek through a wastewater treatment plant that provides clarification, sedimentation, filtration and disinfection. The total capacity of the plant is 0.5 mgd, and the system treated approximately 87.0 million gallons in 2025.

Human Capital Management

The Company strives to attract and retain employees by offering competitive compensation and benefits along with career development and training opportunities in a safe, supportive and inclusive work environment. Our mission, our business philosophy and the manner in which we deliver value for our customers, our shareholders and our employees, is inherent in what we, as an enterprise, profess to be our core values of Respect, Invest, Growth, Honesty and Teamwork. Our employees' success is a key element of the Company's success.

Workforce

As of December 31, 2025, the Company had 395 employees. None of our employees are subject to a collective bargaining agreement. We believe our employee relations are positive.

Employee Compensation and Benefits

The Company provides competitive compensation and benefits programs designed to attract, retain, and motivate qualified employees. Compensation is structured based on job responsibilities, skill level, experience, and geographic market considerations. The Company periodically reviews and evaluates its compensation programs, including through independent benchmarking against industry peers and relevant labor markets.

Compensation increases and incentive compensation are merit-based and linked to individual performance, as documented through the Company's bi-annual performance management process.

The Company offers a range of benefits intended to support employees' physical, mental, and financial well-being, including healthcare coverage, employer-funded retirement plans, insurance programs, and other benefits consistent with market practice.

Safety

The Company has implemented safety programs and management practices designed to promote a safe work environment and protect employee health. These programs include required safety training for all employees, as well as role-specific qualifications and certifications for certain operational positions.

Employees are encouraged to identify and report unsafe conditions and are authorized to stop work they reasonably believe presents a safety risk or does not comply with Company safety policies and procedures. The Company maintains a policy of non-retaliation for employees who raise safety concerns or exercise stop-work authority in good faith.

Employee Development and Training

The Company maintains training and educational programs designed to support workforce capability, operational effectiveness, and risk awareness. These programs include company-wide and role-specific training initiatives delivered through Middlesex Water Company Academy, the Company's internal learning and development framework that supports onboarding, role-based training, leadership development, and ongoing professional development. The Company also offers tuition assistance for eligible full-time employees enrolled in pre-approved undergraduate, graduate, or professional licensing programs.

Employees receive training to identify and report operational, financial, cybersecurity, physical security and other enterprise risks, including risks related to the protection and use of sensitive data, physical risks and risks to the Company's brand and reputation, reinforcing accountability and responsible risk management.

Executive management and the Board of Directors regularly review leadership development progress, workforce planning, and succession planning for key leadership positions. In addition, formal succession plans have also been established for certain critical roles to support business continuity and long-term organizational needs.

Workplace Culture

The Company seeks to maintain a professional work environment in which employees are treated with respect and provided opportunities to contribute and develop based on their skills, experience, and performance. The Company focuses on the recruitment and development of both external and internal candidates to support workforce continuity and organizational effectiveness.

Competition

Our business in our franchised service areas is substantially free from direct competition for growth with other public utilities, municipalities and other entities. However, our ability to provide contract wholesale water supply and operations and maintenance services that are not under the jurisdiction of a state public utility commission is subject to competition from other public utilities, municipalities and other entities. Although Tidewater has been granted exclusive franchises for its existing community water systems, the ability to expand service areas can be affected by the Delaware Public Service Commission (DEPSC) awarding franchises to other regulated water utilities with whom we compete for such franchises and for projects.

Regulation

Our rates charged to customers for utility services, the quality of the services we provide and certain other matters are regulated by the state public utility commissions in the states where we operate, including the NJBPU and the DEPSC (collectively, the Public Utility Commissions).

Our USA, USA-PA and White Marsh subsidiaries are not regulated public utilities as related to rates and service quality. However, they are subject to federal and state environmental regulations with respect to water quality and wastewater effluent quality to the extent such services are provided.

We are subject to environmental and water quality regulation by the following regulatory agencies (collectively, the Government Environmental Regulatory Agencies):

- United States Environmental Protection Agency (USEPA);
- New Jersey Department of Environmental Protection (NJDEP) with respect to operations in New Jersey; and
- Delaware Department of Natural Resources and Environmental Control, the Delaware Department of Health and Social Services-Division of Public Health (DEDPH), and the Delaware River Basin Commission with respect to operations in Delaware.

In addition, our issuances of equity securities are subject to the prior approval of the NJBPU and require registration with the United States Securities and Exchange Commission. Our issuances of long-term debt securities are subject to the prior approval of the respective state Public Utility Commissions.

Regulation of Rates and Services

For regulated rate setting purposes, we account separately for our regulated utility operations to facilitate independent rate setting by the applicable Public Utility Commissions.

In determining our regulated utility rates, the respective Public Utility Commissions consider the revenue, expenses and utility infrastructure used and useful in providing service to the public. Rate determinations by the respective Public Utility Commissions do not guarantee achievement by our regulated utility companies of specific rates of return for our regulated utility operations. Thus, we may not achieve the rates of return authorized by the Public Utility Commissions. In addition, there can be no assurance that any future rate increases will be granted or, if granted, that they will be in the amounts requested.

Rate Matters

Middlesex - In February 2026, the NJBPU approved:

- \$14.5 million of base rate increases for Middlesex and Pinelands, effective February 23, 2026;
- A Resiliency and Environmental System Improvement Charge (RESIC) Foundational Filing, which allows for the recovery of certain costs of future Middlesex and Pinelands investments related to compliance with requirements to address existing and emerging chemical elements or compounds, installation of new plant or equipment or replacement of existing plant or equipment to further maintain, enhance, or improve resiliency, health, safety or environmental protection; and
- A Distribution System Improvement System Charge (DSIC) Foundational Filing, which allows for the recovery of future Middlesex and Pinelands Water investments in qualifying capital improvements to their water distribution system.

In January 2026, the NJBPU approved the merger of Pinelands into Middlesex through a corporate reorganization.

In addition to above, Middlesex is currently recovering costs associated with its Lead Service Line Replacement Plan, prior DISC eligible investments and purchased water.

Tidewater - In July 2025, the DEPSC approved a \$5.5 million base rate increase for Tidewater, effective July 3, 2025.

In addition to the above, Tidewater is currently recovering costs associated with DSIC investments and Tidewater's obligation to identify and inventory lead service lines.

For additional information on these rate matters, see Note 2, *Rate and Regulatory Matters*.

Water and Wastewater Quality and Environmental Regulations

Government environmental regulatory agencies regulate our operations in New Jersey and Delaware with respect to water supply, treatment and distribution systems and the quality of the water. They also regulate our operations with respect to wastewater collection, treatment and disposal.

Regulations relating to water quality require us to perform tests to ensure our water meets state and federal quality requirements. We participate in industry-related research to identify technologies that may reduce the level of organic, inorganic and synthetic compounds found in water. The cost to water utilities to comply with any proposed water quality standards depends in part on the limits set in the regulations and on the method selected to treat the water to the required standards. We regularly test our water to determine compliance with government environmental regulatory agencies' water quality standards.

In April 2024, the USEPA finalized drinking water regulations for Perfluoroalkyl Substances (PFAS), establishing maximum contaminant levels (MCLs) for three PFAS compounds (Regulated PFAS) that are lower than the current NJDEP 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. Delaware law requires all water systems to notify their customers beginning in 2026 if PFAS levels exceed the proposed EPA MCL. Water systems have five years (by April 2029) to implement treatment solutions if monitoring shows that drinking water levels exceed these MCLs. The USEPA has announced its plans to issue a proposed rule extending the compliance date to 2031, however currently no rule has been published.

Beginning in April 2029 and absent an extension by the USEPA, water systems that have Regulated PFAS in drinking water which exceeds one or more of these MCLs must take action to comply with the USEPA rule 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 finalizing preliminary engineering studies and has begun preliminary design of for PFAS treatment at the Company's largest water treatment facility in New Jersey to ensure that effective PFAS treatment approaches are implemented. Similarly, in Delaware the Company currently treats for PFAS at four locations and is implementing a strategy to treat at other locations as needed to ensure compliance with the new regulation.

We treat the groundwater supplies in our Middlesex System with chlorination for primary disinfection purposes and use air stripping for removal of volatile organic compounds. In addition, we use granular activated carbon filtration for Regulated PFAS compounds treatment.

Surface water treatment in our Middlesex System is by conventional treatment; coagulation, sedimentation and filtration. The treatment process includes pH adjustment, ozone and chlorination for disinfection, and corrosion control for the distribution system.

Treatment of groundwater in our Tidewater System is by chlorination for disinfection purposes, ion exchange for PFAS treatment and, in some cases, pH adjustment and filtration for nitrate and iron removal. Chloramination is used for final disinfection at Southern Shores and at a Tidewater plant.

Treatment of groundwater in the Pinelands Water System (primary disinfection only) is performed at individual well sites.

Treatment of wastewater in the Pinelands Wastewater System includes the use of rotating biological contactors.

The NJDEP and DEDPH monitor our activities and review the results of water quality tests that are performed for adherence to applicable regulations. Other applicable regulations include the Lead, Copper and Lead Service Line Rules, the Federal Surface Water Treatment Rule and the Federal Total Coliform Rule and regulations for maximum contaminant levels established for various volatile organic compounds.

The Company must comply with various environmental laws and regulations promulgated by the USEPA, NJDEP and other governmental agencies, including the Toxic Catastrophe Prevention Act, the Spill Prevention, Control, and Countermeasure Rule and the Discharge Prevention Program of the New Jersey Spill Compensation and Control Act.

Seasonality

Customer demand for our water during the warmer months is generally greater than other times of the year due primarily to additional consumption of water in connection with irrigation systems, swimming pools, cooling systems and other outside water use. Throughout the year, and particularly during typically warmer months, demand may vary with temperature and rainfall timing and overall levels. In the event that temperatures during the typically warmer months are cooler than normal, or if there is more rainfall than normal, the customer demand for our water may decrease and therefore, adversely affect our revenues.

Management

This table lists information concerning our executive management team:

Name	Age	Principal Position(s)
Nadine Leslie	62	President, Chief Executive Officer and Board of Directors Chair
Mohammed G. Zerhouni	50	Senior Vice President, Chief Financial Officer and Treasurer
Gregory S. Sorensen	55	Vice President and Chief Operating Officer
Robert K. Fullagar	59	President – New Jersey Operations
Lorrie B. Ginegaw	50	Vice President - Human Resources
Jay L. Kooper	53	Vice President - General Counsel and Secretary
Georgia M. Simpson	52	Vice President -Information Technology and Chief Technology Officer
Bruce E. Patrick	57	President- Delaware Operations
Robert J. Capko	52	Corporate Controller and Principal Accounting Officer

Nadine Leslie – Ms. Leslie joined the Company as President and Chief Executive Officer in March 2024. Ms. Leslie is an accomplished leader with more than 25 years of domestic and international experience in the Water Industry. She previously served as Chief Executive Officer of Suez North America from 2019 to 2022. Ms. Leslie holds a Bachelor of Science degree in civil engineering from the Faculte des Sciences in Haiti and completed an internship/scholarship program in urban planning at La Cambre University in Belgium. Ms. Leslie currently serves as a Director on the Board of Directors of Provident Financial Services, Inc. (since June 2021), Hackensack Meridian Health (since July 2020) and Syensqo SA/NV (from December 2023 through July 2025).

Mohammed G. Zerhouni – Mr. Zerhouni, a Certified Public Accountant, joined the Company in June 2024 as Senior Vice President, Chief Financial Officer and Treasurer. He was most recently the Senior Vice President of Finance and Principal Accounting Officer of SJW Group. Prior to joining SJW Group, he was the Chief Financial Officer for Veolia North America’s regulated utility business. Mr. Zerhouni served in various roles of increasing responsibility up to Senior Manager in the audit practice of PricewaterhouseCoopers LLP. Mr. Zerhouni attended Franklin University, where he received a Bachelor of Science in Accounting and a Masters in Business Administration.

Gregory S. Sorensen - Mr. Sorensen joined the Company in December 2024 as Vice President and Chief Operating Officer. Prior to joining the Company, Mr. Sorensen served as President, West Region at Liberty Utilities where he led a team of 800 professionals delivering safe and reliable water, wastewater, and electric service in Arizona, California, Texas and Chile. At Liberty, Mr. Sorensen had nearly 20 years of progressive leadership roles including in accounting, customer service, engineering, operations and general management. Before joining Liberty, Mr. Sorensen worked in various roles in accounting and finance for an international call center company in Arizona and in public accounting in North Carolina and Georgia. Mr. Sorensen attended Wake Forest University where he received a Bachelor of Science in Accounting.

Robert K. Fullagar – Mr. Fullagar, a licensed professional engineer and New Jersey T4 and W4 Licensed Operator, joined the Company in 1997, was named Assistant Vice President-Operations in January 2019 and promoted to Vice President-Operations in July 2019. In February 2025, Mr. Fullagar was promoted to President-New Jersey Operations. Mr. Fullagar attended the New Jersey Institute of Technology, where he received a Bachelor of Science Degree in Civil Engineering. Mr. Fullagar serves as Sector Chair of the New Jersey Infrastructure Advisory Committee and is a Member of the NJDEP’s Licensed Operator Advisory Committee.

Lorrie B. Ginegaw – Ms. Ginegaw joined Tidewater in 2004 and in 2007 was promoted to Director of Human Resources for Middlesex. In March 2012, Ms. Ginegaw was named Vice President-Human Resources. Prior to joining the Company, Ms. Ginegaw worked in various human resources positions in the healthcare and transportation/logistics industries and is a Society for Human Resource Management Certified Professional. Ms. Ginegaw attended Wichita State University, where she received a Bachelor of Arts in Field Studies, Business and Psychology, and Wilmington University, where she received a Master’s in Business Administration. Ms. Ginegaw serves as a volunteer director on the Board of the New Jersey Utilities Association.

Jay L. Kooper – Mr. Kooper joined the Company in 2014 as Vice President and General Counsel and serves as Secretary for the Company and all subsidiaries. Prior to joining the Company, Mr. Kooper held various positions in private and public entities as well as in private law practice, representing electric, gas, water, wastewater, telephone and cable companies as well as municipalities and private clients before 17 state public utility commissions and legislatures, federal agencies and federal and state appellate courts. Mr. Kooper serves as a volunteer director on selected non-profit utility industry-related Boards including the New Jersey State Bar Association’s Public Utility Law Section (current Consulter and Past Chairman) and serves as the Chairman of the National Association of Water Companies’ New Jersey Chapter. Mr.

Kooper also serves on other non-profit boards based in New Jersey, including as President of Temple B’Nai Abraham in Livingston, New Jersey and as a Director of the Crohn’s and Colitis Foundation’s New Jersey Chapter.

Georgia M. Simpson – Ms. Simpson joined the Company in 2009, was named Assistant Vice President-Information Technology in January 2019 and promoted to Vice President- Information Technology in July 2019. In April 2022, Ms. Simpson was named Chief Technology Officer. Prior to joining the Company, Ms. Simpson held various Information Technology positions and has gained an extensive array of technical and business computer certifications. Ms. Simpson graduated from Monroe University in New York with a Bachelor’s Degree in Information Systems. Ms. Simpson serves as a member of the Delaware Cyber Security Advisory Council, the Society for Information Management, New Jersey chapter and the Project Management Institute, New Jersey chapter.

Bruce E. Patrick – Mr. Patrick, a licensed professional engineer, joined Tidewater in February 2002 as Vice President of Engineering. He was promoted to Vice President and General Manager in April 2012, Executive Vice President in April 2023, and President in December 2023. Mr. Patrick has extensive experience in regulatory compliance, permitting, planning and design. Prior to joining Tidewater, he served as Kent County, Delaware Public Works Director and County Engineer where he had overall responsibility for the County’s regional wastewater facilities. Mr. Patrick also held prior positions with the Delaware Department of Natural Resources and Environmental Control as well as the Delaware Division of Public Health.

Robert J. Capko – Mr. Capko, a Certified Public Accountant, joined the Company in 2009 as Corporate Controller. On March 28, 2023, Mr. Capko was appointed Principal Accounting Officer of Middlesex. Mr. Capko is also a Director and Treasurer of Tidewater and White Marsh and Controller of USA, USA-PA, Pinelands Water and Pinelands Wastewater. Prior to joining Middlesex, Mr. Capko was an Audit Senior Manager with Deloitte & Touche LLP, with a focus on publicly traded regulated utilities including several regulated public utility clients subject to the jurisdiction of the NJBPU. Mr. Capko serves as the Treasurer of the National Association of Water Companies’ New Jersey Chapter.

ITEM 1A. RISK FACTORS.

Operational Risks

Weather conditions and overuse of underground aquifers may interfere with our sources of water, demand for water services and our ability to supply water to customers.

Our ability to meet current and future water demands of our customers depends on the availability of an adequate supply of water. Unexpected conditions may interfere with our water supply sources. Drought and overuse of underground aquifers may limit the availability of ground and/or surface water. Freezing weather may also contribute to water transmission and distribution interruptions caused by water main breakage. Any interruption in our water supply could cause a reduction in our revenue and profitability. These factors may adversely affect our ability to supply water in sufficient quantities to our customers. Governmental drought restrictions, heightened levels of rainfall and temperatures during the typically warmer months that are cooler than normal may result in decreased customer demand for water services and can adversely affect our revenue and earnings.

Our water sources or water service provided to customers may become contaminated by naturally-occurring or man-made compounds and events. This may cause disruption in services and impose operational and regulatory enforcement costs upon us to restore the water to required levels of quality as well as may damage our reputation and cause private litigation claims against us.

Our sources of water or water in our distribution systems have in the past and in the future may again become contaminated by naturally-occurring or man-made compounds or other contaminants. In the event that any portion of our water supply sources or water distribution systems is contaminated, we may need to interrupt service to our customers until we are able to remediate the contamination or substitute the flow of water from an uncontaminated water source through existing interconnections with other water purveyors or through our transmission and distribution systems, where possible. We may also incur significant costs in treating any contaminated water, or remediating the effects on our treatment and distribution systems, through the use of our current treatment facilities, or development of new treatment methods. Our inability to substitute water supply from an uncontaminated water source, or to adequately treat the contaminated water supply in a cost-effective manner, may reduce our revenues or increase our expenses and make us less profitable.

We may be unable to recover costs associated with treating water supplies through rates or, recovery of these costs may not occur in a timely manner. In addition, we could be subject to claims for damages arising from government enforcement actions or legal actions arising out of interruption of service or actual or perceived human exposure to contaminants in our drinking water and water supplies. Such costs could adversely affect our financial results.

Contamination of the water supply or the water service provided to our customers could result in substantial injury or damage to our customers, employees or others and we could be exposed to substantial claims and litigation, which are

inherently subject to uncertainties and are potentially subject to unfavorable regulatory and/or legal actions. Previously, claims have been brought against us alleging our customers received contaminated water. Negative impacts to our profitability and/or our reputation may occur even if we are not responsible for the contamination or the consequences arising out of human exposure to contamination or hazardous substances in the water supplies. Pending or future claims against us could have a material adverse impact on our financial condition, results of operations and cash flows.

The necessity for ongoing physical and technological security has resulted, and may continue to result, in increased operating costs.

Because of physical and technological threats to the health and security of the United States of America, we employ physical and technological security measures to guard against such threats and have implemented procedures to review and modify security measures. We provide ongoing training and communications to our employees about threats to our water supply, our assets and related systems and our employees' personal safety. We have incurred, and will continue to incur, costs for security measures in efforts to protect against such risks.

Climate variability may cause weather volatility in the future, which may impact water usage and related revenue or, may require additional expenditures to reduce risk associated with any increasing storm, flood, drought or other weather occurrences.

Increased climate variability may cause increased precipitation and flooding, increased frequency and severity of storms and droughts and other weather events, any of which may result in degradation of water quality, decreases in available water supply, changes in water usage patterns and disruptions in service. Because of the uncertainty of weather volatility related to climate variability, we cannot predict its potential impact on our financial condition, results of operations, cash flows and liquidity. Reductions of or delays in weather forecasting could adversely affect our ability to plan and respond to such events, which may exacerbate the impact of such an event. Although some or all potential expenditures and costs with respect to our regulated businesses could be recovered through rates we charge to our customers, there can be no assurance that the NJBPU or the DEPSC would authorize recovery of such costs, in whole or in part, in a timely manner or at all.

Disruptions in our supply chain related to goods, such as pipe, chemicals, power and other fuel, equipment, water and other raw materials could adversely impact our operations, financial position, and cash flows.

Our ability to serve our customers and operate our business in compliance with regulatory requirements is dependent upon purchasing or securing necessary goods from our suppliers and vendors. These items include but are not limited to chemicals, pipe, valves, hydrants, fittings, equipment (including personal protective equipment), water, and power and other fuel. Examples of supply chain disruptions include reduced quantities of goods available in the marketplace, delays in manufacturing or shipping goods, labor shortages at our suppliers or vendors, natural or other disasters and operational impacts to some of our suppliers or vendors. Disruptions in our supply chain related to goods have occurred and we anticipate may continue to occur in the future.

Supply chain disruptions may cause us to be unable to purchase or otherwise obtain needed goods at a reasonable price or at all, and may significantly increase the price of goods we may obtain from suppliers and vendors. This, in turn, may adversely impact our operations and our ability to serve our customers in compliance with regulatory requirements, as well as our associated results of operations, cash flows and financial condition. While we attempt to plan for and have contingencies in place to address supply chain disruptions, our mitigation efforts may not be successful or may have further negative impacts on us.

Regulatory Risks

Our revenue and earnings depend on the rates we charge our customers. We cannot raise utility rates in our regulated businesses without petitioning and receiving approval from the appropriate Public Utility Commissions. If these agencies modify, delay or deny our petition, our revenues will not increase and our earnings will decline unless we are able to reduce costs without degrading service quality.

The NJBPU regulates our public utility companies in New Jersey with respect to rates and charges for service, classification of accounts, awards of new service territory, acquisitions, financings and other matters. That means, for example, that we cannot raise the utility rates we charge to our customers in New Jersey without first petitioning the NJBPU for approval and navigating a lengthy administrative process. Similarly, the DEPSC regulates our public utility companies in Delaware. We cannot provide assurance as to when we will request approval for any such matter, nor can we predict whether these Public Utility Commissions will approve, deny or reduce the amount of such requests.

Certain costs are not completely within our control. The failure to obtain any rate increase would limit our ability to increase our revenues and, unless we are able to reduce costs without degrading service quality, would result in reduced earnings. Even if the rates approved are sufficient, we face the risk that we will not achieve the rates of return on equity permitted by the applicable Public Utility Commission. This could occur if certain conditions exist, including, but not limited to, (i) water usage is less than the level anticipated in establishing rates, (ii) customers increase their conservation

efforts, (iii) we experience unusual or emergent situations, events or conditions, (iv) a decrease in customers that causes a decrease in operating revenue, or (v) our investments or expenses prove to be higher than the levels estimated in establishing rates.

We are subject to environmental laws and regulations, including water quality and wastewater effluent quality regulations, as well as other state and local regulations. Compliance with those laws and regulations requires us to incur costs and we are subject to fines or other sanctions for non-compliance.

Government environmental regulatory agencies regulate our operations in New Jersey and Delaware with respect to water supply, treatment and distribution systems and the quality of water. Government environmental regulatory agencies also regulate our operations in New Jersey and Delaware with respect to wastewater collection, treatment and disposal.

Government environmental regulatory agencies' regulations relating to water quality require us to perform additional testing to ensure our water meets state and federal water quality requirements. We are subject to USEPA regulations under the Federal Safe Drinking Water Act and under the Federal Clean Water Act regarding wastewater services. Regulations under the Safe Drinking Water Act include the Lead and Copper Rule, the maximum contaminant levels established for various volatile organic compounds, the Federal Surface Water Treatment Rule and the Total Coliform Rule. There are also similar NJDEP regulations for our New Jersey water systems. The NJDEP and DEDPH monitor our activities and review the results of water quality tests we perform for adherence to applicable regulations. In addition, Government Environmental Regulatory Agencies are continually reviewing regulations governing the limits of certain organic compounds found in the water as byproducts of treatment.

We are also subject to regulations related to fire protection services in New Jersey and Delaware. In New Jersey there is no state-wide fire protection regulatory agency. However, New Jersey regulations exist as to the size of piping required regarding the provision of fire protection services. In Delaware, fire protection is regulated statewide by the Office of State Fire Marshal.

The cost of compliance with the water and wastewater effluent quality standards depends in part on the limits set in the regulations and on the methods selected to comply with these standards. If new or more restrictive standards are imposed, the cost of compliance could increase and therefore, have an adverse impact on our revenues and results of operations if we cannot recover those costs through the rates we charge our customers. The cost of compliance with fire protection requirements could also increase and make us less profitable if we cannot recover those costs through our rates charged to our customers.

The Company must comply with various environmental laws and regulations promulgated by the USEPA, NJDEP and other governmental agencies, including the Toxic Catastrophe Prevention Act, the Spill Prevention, Control, and Countermeasure Rule and the Discharge Prevention Program of the New Jersey Spill Compensation and Control Act. If we fail to comply with environmental or other laws and regulations to which our business is subject, we could be subject to fines, penalties or other sanctions, as well as damage to our reputation, as a result of governmental proceedings and private litigation, which could adversely impact our business or results of operations.

Financial Risks

We depend upon our ability to raise money in the capital markets to finance some of the costs of complying with laws and regulations, including environmental laws and regulations and to pay for some of the costs of improvements to or the expansion of our utility system assets. Neither we nor our regulated utility companies can issue debt or equity securities without prior regulatory approval.

We require financing from external sources to fund the ongoing capital program for the improvement in our utility system assets and for planned expansion of those systems. We expect to spend approximately \$506 million for capital projects through 2028. We must obtain prior approval from our economic regulators to sell debt or equity securities to raise capital for these projects. If sufficient capital is not available, or the cost of capital is too high, or if the regulatory authorities deny our petition to sell debt or equity securities, we may not be able to meet the costs of complying with environmental laws and regulations or the costs of improving and expanding our utility system assets to the level we believe operationally prudent. This may result in the imposition of fines from environmental regulators or restrictions on our operations which could curtail our ability to upgrade or replace utility system assets and have a material adverse effect on our financial condition and results of operations.

We face competition from other utilities and service providers which might hinder our growth opportunities and mitigate our future profitability.

We face risks of competition from other utilities or other entities authorized by federal, state or local agencies to expand rate-regulated or contracted utility services. Once a state utility regulator grants a franchise to a public utility to serve a specific territory, that utility effectively has an exclusive right to service that territory. Although a new franchise offers

some protection against competitors, the pursuit of franchises is often competitive, particularly in Delaware, where new franchises may be awarded to utilities based upon competitive negotiation. Competing entities have challenged, and may challenge in the future, our applications for new franchises. Also, third parties entering into agreements to operate municipal utility systems may adversely affect the management of our long-term agreements to supply water or wastewater services on a contract basis to those municipalities, which could adversely affect our financial results.

We have short-term and long-term contractual obligations for water, wastewater and storm water system operation and maintenance under which we may incur costs in excess of payments received.

USA-PA and USA operate and maintain water and wastewater systems for three New Jersey municipalities under 10-year contracts expiring in 2028, 2030 and 2032, respectively. These contracts do not protect us against incurring costs in excess of revenues we earn pursuant to the contracts. There can be no assurance we will not experience losses resulting from these contracts. Losses under these contracts, or our failure or inability to perform or renew such agreements, may have a material adverse effect on our financial condition and results of operations.

Capital market conditions and key assumptions may adversely impact the value of our postretirement benefit plan assets and liabilities.

Market factors can adversely affect (1) the rate of return on assets held in trusts to satisfy our future postretirement benefit obligations and (2) interest rates. Reduced rates of return can increase the level of contributions required by us to satisfy future postretirement benefit obligations. Changes in interest rates impact the discount rates used in the determination of our postretirement benefit actuarial valuations. In addition, changes in demographics, such as increases in life expectancy assumptions, can increase future postretirement benefit obligations. Any negative impact to these factors, either individually or a combination thereof, may have a material adverse effect on our financial condition and results of operations.

An element of our growth strategy is the acquisition of water and wastewater assets, operations, contracts or companies. Any pending or future acquisitions we decide to undertake will involve risks.

The acquisition and/or operation of additional water and wastewater systems is an element of our growth strategy. This strategy depends on identifying suitable opportunities that meet our risk and reward profile and reaching mutually agreeable terms with acquisition candidates or contract parties. In addition, many acquisitions or operational arrangements involving regulated water and wastewater systems are subject to approval by one or more governmental or regulatory authorities, which may include Public Utility Commissions or similar bodies with jurisdiction over rates, service territories, ownership changes, or operating authority. There can be no assurance that such approvals will be obtained on acceptable terms, in a timely manner, or at all, and regulatory authorities may impose conditions, limitations, or requirements that increase costs, restrict operations, delay integration, or reduce the anticipated benefits of a transaction.

Acquisitions may result in dilution in the value of our equity securities, incurrence of debt and contingent liabilities and fluctuations in financial results. In addition, identifying suitable opportunities, negotiating terms, and integrating operations may require management attention without any assurance of achieving a projected outcome. Even if an acquisition is successfully consummated, or we enter into an agreement to operate additional water or wastewater systems, the assets, operations, contracts or companies we acquire may not achieve the projected revenues and profitability.

Our ability to achieve organic customer growth in our market area is dependent on the residential building market. New housing starts and home sale closings are one element that impacts our rate of growth and therefore, may not meet our expectations.

We expect our revenues to increase from customer growth for our regulated water operations as a result of anticipated construction, sale and close of new housing units. If housing starts decline, or do not increase as we have projected, or home sales closing cycle times increase as a result of economic conditions or otherwise, the timing and extent of our organic revenue growth may not meet our expectations, our deferred project costs may not produce revenue-generating projects in the timeframes anticipated and our financial results could be negatively impacted.

There can be no assurance we will continue to pay dividends in the future or, if dividends are paid, that they will be in amounts similar to past dividends.

We have paid dividends on our common stock each year since 1912 and have increased the amount of dividends paid each year since 1973. Our earnings, financial condition, capital requirements, applicable regulations and other factors, including the timeliness and adequacy of rate increases, will determine both our ability to pay dividends and the amount of those dividends. There can be no assurance we will continue to pay dividends in the future or, if dividends are paid, that they will be in amounts similar to past dividends.

If we are unable to pay the principal and interest on our indebtedness as it comes due or we default under certain other provisions of our loan documents, our indebtedness could be accelerated and our results of operations and financial condition could be adversely affected.

Our ability to pay the principal and interest on our indebtedness as it comes due will depend upon our current and future performance. Our performance is affected by many factors, some of which are beyond our control.

We believe cash generated from operations and, if necessary, borrowings under existing credit facilities, will be sufficient to enable us to make our debt payments as they become due. If, however, we do not generate sufficient cash, we may be required to attempt to refinance our obligations or sell additional equity.

No assurance can be given that any refinancing or sale of equity will be possible when needed, or that we will be able to negotiate favorable terms. In addition, our failure to comply with certain provisions contained in our trust indentures and loan agreements relating to our outstanding indebtedness could lead to a default under these documents, which could result in an acceleration of our indebtedness.

The current concentration of our business in central New Jersey and in Delaware makes us susceptible to adverse developments in local regulatory, economic, demographic, competitive and weather conditions.

Our Middlesex System provides water services to customers located primarily in eastern Middlesex County, New Jersey. Water service is provided under wholesale contracts to the Townships of Edison, East Brunswick and Marlboro, the Borough of Highland Park, the Old Bridge Municipal Utilities Authority and the City of Rahway. We also provide water services to customers in the State of Delaware. Our revenues and operating results are therefore subject to local regulatory, economic, demographic, competitive and weather conditions in a relatively concentrated geographic area. A change in any of these conditions could make it more costly for us to conduct our business or reduce the revenue earned in conducting our business.

We are subject to anti-takeover measures that may be used to discourage, delay or prevent changes of control that might benefit non-management shareholders.

Subsection 10A of the New Jersey Business Corporation Act, known as the New Jersey Shareholders Protection Act, applies to us. The Shareholders Protection Act deters merger proposals, tender offers or other attempts to effect changes in control that are not approved by our Board of Directors. In addition, we have a classified Board of Directors, which means only a portion of the Director population is elected each year. A classified Board can make it more difficult for an acquirer to gain control of the Company by voting its candidates onto the Board of Directors and may also deter merger proposals and tender offers. The Board of Directors has the authority, upon obtaining NJBPU approval, to issue preferred stock in one or more series with the number of shares, voting rights, designation, limitations and other rights determined at their discretion. This could be used by the Board of Directors to discourage, delay or prevent an acquisition the Board of Directors determines is not in the best interest of the common shareholders.

General Risks

General economic conditions may materially and adversely affect our financial condition and results of operations.

Adverse economic conditions could negatively impact our customers' water usage demands, particularly the level of water usage demand by our commercial and industrial customers in our Middlesex System. If water demand by our commercial and industrial customers in our Middlesex System decreases, our financial condition and results of operations could be negatively impacted until completion of a subsequent base rate filing.

We rely on our information technology systems to help manage our operations.

Our information technology systems require periodic modifications, upgrades and/or replacement which subject us to costs and risks including potential disruption of our internal control structure, substantial unanticipated capital expenditures, additional operating expenses, retention of sufficiently skilled personnel and other risks in transitioning to new systems or integrating new systems. A failure to modify, upgrade or replace our information technology systems could have an adverse impact on our business. In addition, challenges implementing new technology systems may cause disruptions in our business operations and have an adverse effect on our business operations.

Our information technology systems may be subject to physical and cyber attacks.

We rely on our computer, information and communications technology systems in connection with the operation of our business, especially with respect to customer service and billing, accounting and, in some cases, the monitoring and operation of our operating facilities. Our computer and communications systems and operations could be damaged or interrupted by natural disasters, cyber-attacks, power loss and internet, telecommunications or data network failures or acts

of war or terrorism or similar events or disruptions. Any of these or other events could cause service interruption, delays and loss of critical data or, impede aspects of operations and therefore, adversely affect our financial results.

Cyber-attacks could result in the loss, or compromise, of customer, financial or operational data, disruption of billing, collections or normal field service activities, disruption of electronic monitoring and control of operational systems and delays in financial reporting and other management functions. Possible impacts associated with a cyber-incident may include remediation costs related to lost, stolen, or compromised data, repairs to data processing systems, increased cyber security protection costs, adverse effects on our compliance with regulatory and environmental laws and regulations, including standards for drinking water, litigation and reputational damage.

We depend significantly on the technical and management services of our team, and the departure of any of certain persons could cause our operating results to temporarily be short of our expectations.

Our success depends significantly on the continued individual and collective contributions of our team. If we lose the services of certain members of our team, or are unable to attract and retain qualified personnel in key roles, our operating results could be negatively impacted.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Program

The Company's cybersecurity program is an integral element of the Company's overarching strategic plan and risk management system. The robustness of the cybersecurity initiatives directly impact the realization of the Company's mission, vision, and goals. Aligned with the National Institute of Standards and Technology Cyber Security Framework, the Company employs a comprehensive "defense-in-depth" strategy, deploying multiple security measures to safeguard its operational environment and data integrity systems.

The Company continually evaluates and refines its cybersecurity program in response to key factors such as evolving threat landscapes, program maturation, gap analysis, and guidance from external security consultants. The Company's cybersecurity program relies on three key pillars: People, Process and Technology (PPT) to deliver a robust cybersecurity program. The cybersecurity program includes various aspects of PPT, including, but not limited to:

- **Technology:** Encryption, threat management, backups, monitoring, investigative support utilizing artificial intelligence embedded tools;
- **Identity and Access Control Management Tools:** Multi-factor authentication, monitoring and alerting of privilege account access;
- **Cybersecurity Processes:** Vulnerability scanning, penetration testing, and periodic assessments conducted by external security consultants;
- **Incident Response Training:** Regularly assessed incident response preparedness through various incident response and disaster recovery exercises; and
- **Cyber Risk Awareness and Training:** Frequent simulation exercises to heighten awareness of cybersecurity threats and educate our user community on preventative measures and reporting protocols. All employees participate in required periodic training with respect to cybersecurity risk and risk mitigation.

Our Chief Technology Officer (CTO), with over 25 years of experience in various disciplines of information technology, oversees the cybersecurity program. Reporting to the Chief Executive Officer, the CTO provides regular briefs to the Board of Directors (the Board) and executive management, informing them about prevention, detection, mitigation, and remediation of cybersecurity incidents, as well as ongoing risks and threats.

In our industry, the continuous functioning of information systems is of the utmost importance. Leveraging information technology systems, we collect, process and safeguard sensitive data and utilize automated tools to operate our plants.

Cybersecurity threats encompass potential hazards such as malicious code, employee misconduct, advanced persistent threats, fraud, and phishing attacks. These risks have the potential to lead to information technology system failures, threat to water supply, or compromise of sensitive information.

Our cybersecurity program aims to protect the uninterrupted availability of critical information technology resources. Regular assessments, conducted both internally and by third parties, evaluate our program against industry standards,

including the National Institute of Standards and Technology Cybersecurity Standard and the Risk Management Framework.

Although we have not experienced cybersecurity breaches or incidents that have significantly impacted our financial condition, results of operations, or business strategy, the effectiveness of our measures to prevent, detect, mitigate, or recover is based on currently known threats and recovery methods. There is no guarantee that cybersecurity breaches or incidents will not impact our business operations, strategy, financial condition, or operations.

The ever-evolving landscape of cybersecurity threats introduces ongoing challenges. The Company recognizes the increasing frequency and sophistication of these threats. Despite implementing measures to secure operational and technology systems and fostering a culture of continuous improvement, the dynamic nature of cyber-attacks and vulnerabilities implies that these defenses may not be foolproof.

Cybersecurity Risk Management Program and Strategy

Cybersecurity risk management strategy is an integral component of our operations and our overall risk management process. Recognizing the dynamic nature of cybersecurity threats, we have implemented a comprehensive risk management program that aims to identify, assess, and mitigate potential risks. Our strategy involves a proactive approach, incorporating preventative measures, continuous monitoring, and adaptive response mechanisms. We prioritize the safeguarding of our operational network environment, sensitive data, including confidential business information and personal details of our customers and employees. Regular assessments conducted both internally and by third parties ensure our cybersecurity program aligns with industry standards. In addition to a dedicated cybersecurity team, we employ a defense-in-depth strategy, utilizing multiple security measures to protect our information technology system. Collaboration with third-party experts, industry peers and ongoing training initiatives ensures our cybersecurity strategy remains robust and responsive to evolving threats. We understand the importance of maintaining a vigilant and adaptive stance in the ever-evolving landscape of cybersecurity to safeguard our business operations, financial stability, and as a direct result, our overall success.

Key elements of our cybersecurity risk mitigation approach are comprised of:

- A dedicated cybersecurity team;
- Collaboration with third-party managed detection and response resources for 24/7 monitoring and response;
- Cybersecurity insurance to cover a portion of losses and damages resulting from cyber-attacks or security breaches;
- An incident response team that is comprised of various departments required for an effective response;
- Conducting periodic drills and exercises, including industry collaborations and participation from the executive team;
- Continuous information security awareness training and phishing simulation exercises;
- Regular security assessments to address evolving risks and threats;
- Deployment of automation solutions to strengthen detection and response capabilities;
- Utilizing services offered by the United States Department of Homeland Security to assist with resiliency planning; and
- Active participation and collaboration with organizations such as the Cybersecurity and Infrastructure Security Agency, Water Information Sharing & Analysis Center, New Jersey Cybersecurity and Communications Integration Cell, Delaware Cybersecurity Advisory Council, and the NJBPU.

Third-Party Relationships

The Company utilizes partners and third-party service providers to help deliver safe and reliable water and wastewater services across its regulated operations. In connection with these relationships, we perform due diligence, cyber risk scoring, cybersecurity related contractual obligations, and periodic reviews of third-party control environments to ensure alignment with the Company's risk exposure, business requirements, and risk tolerances.

We extend our cybersecurity focus to third-party service providers by evaluating and monitoring their cybersecurity risks. High-risk vendors undergo continuous monitoring, and we maintain contractual agreements that mandate our third-party providers' commitment to managing cybersecurity risks, providing incident notifications, and being subject to cybersecurity audits.

Governance Structure and Oversight

The Company's cybersecurity governance framework is designed to ensure robust oversight, accountability, and continuous improvement in managing information technology and cybersecurity risks. Governance responsibilities are distributed across several key bodies and roles:

Board of Directors Oversight

- The Enterprise Risk Committee (Committee) of the Board of Directors serves as the primary oversight body for management of risk identification, assessment, and mitigation strategies related to information technology, cybersecurity, and data security risks.
- The Committee will regularly review and evaluate the effectiveness of the Company's cybersecurity program, ensuring alignment with the organization's risk appetite and strategic objectives.
- The Board of Directors receives periodic briefings from executive management, including updates on the evolving threat landscape, significant incidents, program enhancements, and the preparedness of internal response capabilities.

Continuous Improvement and Accountability

- The governance structure supports a culture of continuous improvement, required to adapt to the rapidly changing cybersecurity landscape.
- Accountability is reinforced through clearly defined roles, responsibilities, and performance metrics, ensuring that all stakeholders from the Board of Directors to operational teams are engaged in maintaining and enhancing the Company's cybersecurity posture.

ITEM 2. PROPERTIES.

Utility Plant

The water utility plant in our systems consists of source of supply, pumping, water treatment, transmission and distribution, general facilities and all appurtenances, including all connecting pipes.

The wastewater utility plant in our systems consist of pumping, treatment, collection mains, general facilities and all appurtenances, including all connecting pipes.

Middlesex System

The Middlesex System's principal source of surface supply is the Delaware & Raritan Canal owned by the State of New Jersey and operated as a water resource by the NJWSA.

Water is withdrawn from the Delaware & Raritan Canal at New Brunswick, New Jersey through our intake and pumping station, located on state-owned land bordering the canal. Water is transported through two raw water pipelines for treatment and distribution at our CJO Plant in Edison, New Jersey.

The CJO Plant includes chemical storage and chemical feed equipment, two dual rapid mixing basins, four upflow clarifiers which are also called superpululators, three ozone contactors, twelve rapid filters containing gravel, sand and anthracite for water treatment and a steel washwater tank. The CJO Plant also includes a computerized Supervisory Control and Data Acquisitions system to monitor and control the CJO Plant and the water supply and distribution system in the Middlesex System. There is a State of New Jersey certified on-site laboratory capable of performing bacteriological, chemical, process control and advanced instrumental chemical sampling and analysis.

The design capacity of the CJO Plant is 55 mgd (60 mgd maximum capacity). The five electric motor-driven, vertical turbine pumps presently installed have an aggregate capacity of 88 mgd.

In addition, there is a 15 mgd auxiliary pumping station on-site at the CJO Plant location. It has a dedicated substation and emergency power supply provided by a diesel-driven generator. It pumps from the 10 million gallon distribution storage reservoir directly into the distribution system.

The transmission and distribution system is comprised of 747 miles of mains and includes 24,300 feet of 48-inch concrete transmission main and 23,400 feet of 42-inch ductile iron transmission main connecting the CJO Plant to our distribution pipe network and related storage facilities. Also included are a 58,600 foot transmission main and a 38,800 foot transmission main, augmented with a long-term, non-exclusive agreement with East Brunswick to transport water through the East Brunswick system to several of our other contract customers.

The Middlesex System's storage facilities consist of a 10 million gallon reservoir at the CJO Plant, 5 million gallon and 2 million gallon reservoirs in Edison and a 2 million gallon reservoir at the Park Avenue Plant.

In New Jersey, we own the properties on which the Middlesex System's 24 wells are located, the properties on which our storage tanks are located as well as the property where the CJO Plant is located. We own our operations center located at 1500 Ronson Road, Iselin, New Jersey, consisting of a 27,000 square foot office building, 16,500 square foot maintenance facility and a 1.96 acre equipment and materials storage and staging yard. We lease 29,036 square feet of commercial office space adjacent to the Ronson Road complex. The leased space, which is under contract through December 2029, houses our corporate administrative functions including executive, accounting, communications, customer service and billing, engineering, human resources, information technology and legal.

Tidewater System

The Tidewater System is comprised of 83 production plants that vary in pumping capacity from 46,000 gallons per day to 3.0 mgd. Water is transported to our customers through 1,000 miles of transmission and distribution mains. Storage facilities include 48 tanks, with an aggregate capacity of 9.9 million gallons. The Delaware office property, located on an eleven-acre parcel owned by White Marsh, consists of two office buildings totaling approximately 17,000 square feet. In addition, Tidewater maintains a field operations center servicing its largest service territory in Sussex County, Delaware. The operations center is located on a 2.9 acre parcel owned by White Marsh, and consists of three buildings totaling approximately 12,000 square feet.

Pinelands Water System

Pinelands Water owns well site and storage properties in Southampton Township, New Jersey. The Pinelands Water storage facility is a 1.3 million gallon standpipe. Water is transported to our customers through 18 miles of transmission and distribution mains.

Pinelands Wastewater System

Pinelands Wastewater owns a 12 acre site on which its 0.5 mgd capacity wastewater treatment plant and connecting pipes are located. Its wastewater collection system is comprised of approximately 24 miles of sewer lines.

USA-PA, USA and White Marsh

Our non-regulated subsidiaries, namely USA-PA, USA and White Marsh, do not own utility plant property.

ITEM 3. LEGAL PROCEEDINGS.

The Company is a defendant in lawsuits in the normal course of business. We believe the resolution of pending claims and legal proceedings will not have a material adverse effect on the Company's consolidated financial statements.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

The Company's common stock is traded on the NASDAQ Stock Market, LLC, under the symbol MSEX. As of December 31, 2025, there were 1,554 holders of record.

The Company has paid dividends on its common stock each year since 1912. The payment of future dividends is contingent upon the future earnings of the Company, its financial condition and other factors deemed relevant by the Board of Directors at its discretion.

If four or more quarterly dividends are in arrears, the preferred shareholders, as a class, are entitled to elect two members to the Board of Directors in addition to Directors elected by holders of the common stock. In the event dividends on the preferred stock are in arrears, no dividends may be declared or paid on the common stock of the Company.

The Company issues shares of its common stock in connection with its Middlesex Water Company Investment Plan (the Investment Plan), a direct share purchase and dividend reinvestment plan for the Company's common stock. Since the inception of the Investment Plan and its predecessor plan, the Company has periodically replenished the level of authorized shares in the plans.

In 2025, Middlesex began an At-the-Market equity offering sales program, pursuant to which Middlesex may offer and sell shares of its common stock, no par value per share, from time to time in "at-the-market" offerings, having an aggregate gross sales price of up to \$110.0 million. As of December 31, 2025, the Company has \$80.0 million of aggregate gross sales remaining under the At-the-Market equity offering sales program

The Company maintains a long-term incentive compensation plan for certain management employees where awards are made in the form of restricted common stock. Shares issued in connection with this plan are subject to forfeiture by the employee in the event of termination of employment for any reason within three or five years of the award, other than as a result of retirement at normal retirement age, death, disability or change in control. The maximum number of shares authorized for award under this plan is 0.3 million shares, of which approximately 62% remain available for future issuance as of December 31, 2025.

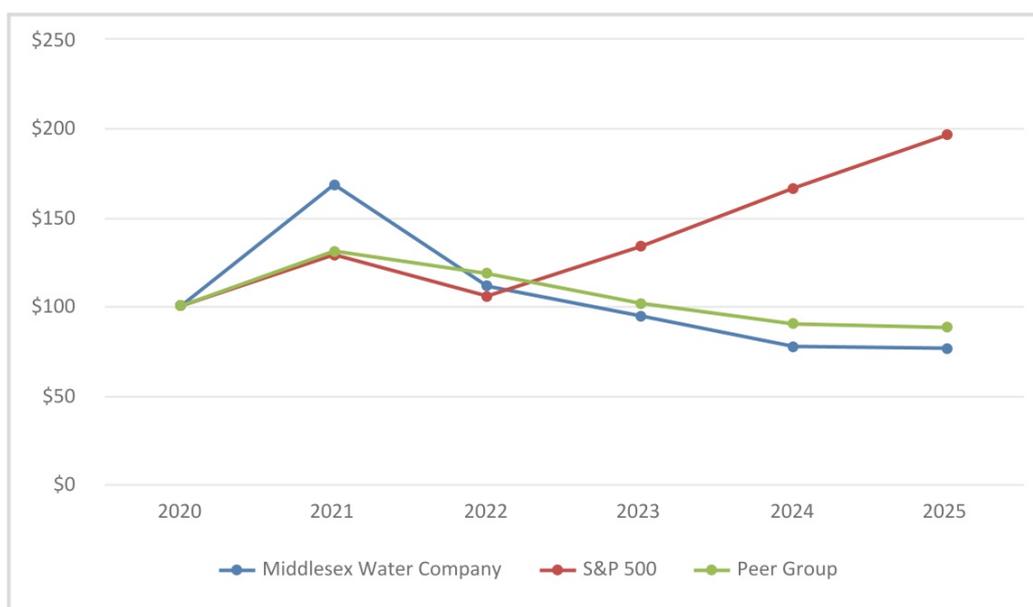
The Company maintains a stock plan for its independent members of the Board of Directors as a component of their compensation. In 2025, shares of the Company's common stock valued at \$0.4 million were granted and issued to the Independent Directors. The maximum number of shares authorized for grant under this plan is 0.1 million. Approximately 28% of the authorized shares remain available for future issuance as of December 31, 2025.

The conversion feature of the Company's no par \$7.00 Series Cumulative and Convertible Preferred Stock allows each security holder to convert one convertible preferred share for twelve shares of the Company's common stock. In 2025, 2,782 shares of the Company's no par \$7.00 Series Cumulative and Convertible Preferred Stock were converted into 33,384 shares (approximately \$0.3 million) of the Company's common stock.

Set forth below is a graph comparing the yearly change in the cumulative total return (which includes reinvestment of dividends) of a \$100 investment for the Company's common stock, a peer group of investor-owned water utilities, and the S&P 500 Stock Index for the period of five years commencing December 31, 2020. The S&P 500 Stock Index measures the stock performance of 500 large companies listed on stock exchanges in the United States.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Among Middlesex Water Company, the S&P 500 Stock Index and a Peer Group*



* Peer group includes American States Water Company, Artesian Resources Corp., California Water Service Group, Global Water Resources Inc, H2O America, York Water Company and Middlesex.

	2020	2021	2022	2023	2024	2025
Middlesex Water Company	100.00	168.02	111.29	94.40	77.39	76.09
S&P 500 Stock Index	100.00	128.71	105.40	133.10	166.40	196.16
Peer Group	100.00	130.72	118.05	101.49	89.66	87.73

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the consolidated financial statements and related notes. For discussion of the year ended December 31, 2024 compared to December 31, 2023, refer to *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* in the December 31, 2024 Annual report on Form 10-K, filed on February 28, 2025.

Operations

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 providing an essential water utility service 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. We also 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 61,000 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 65,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Tidewater's subsidiary, White Marsh, services approximately 3,700 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.

Rates and Regulatory Matters

Middlesex - In February 2026, the New Jersey Board of Public Utilities (NJBPU) approved:

- \$14.5 million of base rate increases for Middlesex and Pinelands, effective February 23, 2026;
- A Resiliency and Environmental System Improvement Charge (RESIC) Foundational Filing, which allows for the recovery of certain costs of future Middlesex and Pinelands investments related to compliance with requirements to address existing and emerging chemical elements or compounds, installation of new plant or equipment or replacement of existing plant or equipment to further maintain, enhance, or improve resiliency, health, safety or environmental protection; and
- A Distribution System Improvement System Charge (DSIC) Foundational Filing, which allows for the recovery of future Middlesex and Pinelands Water investments in qualifying capital improvements to their water distribution system.

In January 2026, the NJBPU approved the merger of Pinelands into Middlesex through a corporate reorganization.

Tidewater - In July 2025, the Delaware Public Service Commission (DEPSC) approved a \$5.5 million base rate increase for Tidewater, effective July 3, 2025.

In April 2025 and January 2026, Tidewater completed the acquisitions of the water utility assets of the Town of Ocean View, Delaware and Pinewood Acres, LLC, respectively, as authorized by the DEPSC.

For additional information, see Note 2, *Rates and Regulatory Matters*

Perfluoroalkyl Substances (PFAS) Multi-District Litigation Settlement

Several of the Company's utility subsidiaries are parties to a multi-district litigation (MDL) lawsuit against manufacturers of certain PFAS for damages, contribution and reimbursement of costs incurred and continuing to be incurred to address the presence of such PFAS in public water supply systems owned and operated by these utility subsidiaries and throughout their service areas. Settlements with several defendants in the MDL have received final approval by the MDL court. The Company timely submitted to the MDL court its Phase One claim forms under settlement agreements with defendants 3M Company, DuPont de Nemours, Inc., Tyco Fire Products LP and BASF Corporation. In 2025, the Company received settlement payments from 3M Company that will ultimately be refunded to customers. The Company anticipates receiving additional settlement payments in 2026 from the defendants named above.

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 treatment solutions if monitoring shows that drinking water levels exceed these MCLs. The USEPA has announced its plans to issue a proposed rule extending the compliance date to 2031.

Beginning in April 2029 and absent an extension by the USEPA, 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 designing and implementing the most effective PFAS treatment approach.

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 better serve current and future generations of water and wastewater customers. The Company plans to invest approximately \$126 million in 2026 in connection with this plan for projects that include, but are not limited to:

- Upgrade of the Carl J. Olson Surface Water Treatment Plant (CJO Plant) to integrate PFAS removal from source water and CJO Plant finished water pump electrical distribution system improvements in our Middlesex System;
- Construction of new water treatment facilities, distribution system improvements and PFAS treatment facilities in Delaware; and
- Various water main replacements and improvements.

Strategy for Growth

Our strategy for selective and sustainable growth is focused on the following key areas:

- Invest in our utility infrastructure to build system resiliency and meet compliance requirements;
- Timely and adequate recovery of infrastructure investments and other costs to maintain and continually improve service quality;
- Selective 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.

Outlook

The Company has projected to spend approximately \$506 million for the 2026-2028 capital investment program, including approximately \$255 million for upgrading our CJO Plant to integrate PFAS removal from source water, \$34 million on the RENEW Program, which is our ongoing initiative to replace water mains in the Middlesex System, \$17 million for replacement of a transmission main in Metuchen in our Middlesex System, \$8 million for booster station generator replacement and electrical improvements. \$9 million for construction of the Bethany Bay new water treatment facility in the Tidewater System and \$13 million for elevated storage tanks in our Tidewater System.

The Company utilizes semi-annual DSIC and RESIC filings between general rate case filings to timely recover costs for qualified capital investments related to its utility systems as well as compliance with requirements to address existing and emerging chemical elements or compounds, installation of new plant or equipment or replacement of existing plant or equipment to further maintain and enhance resiliency, health, safety or environmental protection investments.

Organic residential customer growth continues in our Tidewater system (approximately 3.0% in 2025) through expansion of our franchise area.

The Company continues to seek "tuck-in" acquisition opportunities for small water systems near our current service areas that are easily integrated into our Company, such as the recent acquisitions of the water utility assets of the Town of Ocean View and Pinewood Acres, LLC in Delaware.

Our ability to increase earnings is based primarily on four factors: weather, adequate and timely rate relief, effective cost management and customer growth (which are evident in comparison discussions in the *Results of Operations* section below). Weather patterns which can result in lower customer demand for water may occur in 2026. Changes in customer water usage habits, as well as increases in capital expenditures and operating costs, are significant factors in determining the timing and extent of base rate increase requests.

Operating Results by Segment

The Company has two operating segments, Regulated and Non-Regulated. Our Regulated segment contributed approximately 94% and 93% of total revenues for the years ended December 31, 2025 and 2024, respectively, and approximately 94% of net income for each of the years ended December 31, 2025 and 2024, respectively. The discussion of the Company's results of operations is on a consolidated basis and includes significant factors by subsidiary. The segments in the tables included below are comprised of the following companies: Regulated- Middlesex, Tidewater, Pinelands and Southern Shores; Non-Regulated- USA, USA-PA, and White Marsh.

Results of Operations for 2025 as Compared to 2024

	(In Millions)					
	Years Ended December 31,					
	2025			2024		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	\$ 182.2	\$ 12.5	\$ 194.7	\$ 178.8	\$ 13.1	\$ 191.9
Operations and maintenance expenses	82.8	8.5	91.3	83.5	8.9	92.4
Depreciation expense	26.8	0.3	27.1	24.2	0.2	24.4
Other taxes	21.7	0.2	21.9	21.6	0.3	21.9
Operating income	50.9	3.5	54.4	49.5	3.7	53.2
Other income, net	7.3	0.2	7.5	11.8	0.3	12.1
Interest expense	14.3	—	14.3	14.0	—	14.0
Income taxes	3.6	1.2	4.8	5.7	1.2	6.9
Net income	\$ 40.3	\$ 2.5	\$ 42.8	\$ 41.6	\$ 2.8	\$ 44.4

Operating Revenues

Operating revenues for the year ended December 31, 2025 increased \$2.8 million from the same period in 2024 due primarily to the following factors:

- Middlesex System revenues increased by \$1.5 million due to the increase in base rates effective March 1, 2024 and the increase in DSIC partially offset by lower consumption driven by unfavorable weather;
- Tidewater System revenues increased by \$1.6 million due to the increase in base rates effective July 3, 2025 and customer growth partially offset by lower consumption driven by unfavorable weather;
- Pinelands System revenues increased \$0.2 million due to the full year impact of base rate increases;
- Non-regulated revenues decreased \$0.6 million, primarily due to lower supplemental contract services; and
- All other operating revenue categories increased \$0.1 million.

Operation and Maintenance Expense

Operation and maintenance expenses for the year ended December 31, 2025 decreased \$1.1 million from the same period in 2024 due to higher capitalizable costs and lower legal, financial and regulatory matter costs, partially offset by increased production costs from weather-driven lower water quality, increased weather-driven main break repair costs, higher labor cost due to wage and employee headcount increases and the one-time recovery in 2024 of previous water treatment operating costs at Middlesex's Park Avenue Plant in connection with Middlesex's 2023 rate case order.

Depreciation

Depreciation expense for the year ended December 31, 2025 increased \$2.7 million from the same period in 2024 due to higher average utility plant in service and the one-time recovery in 2024 of previous depreciation costs related to the PFAS treatment upgrades at Middlesex's Park Avenue Plant in connection with Middlesex's 2023 rate case order.

Other Taxes

Other taxes for the year ended December 31, 2025 are consistent with the same period in 2024.

Other Income, net

Other Income, net for the year ended December 31, 2025 decreased \$4.5 million from the same period in 2024 primarily due to lower actuarially-determined retirement benefit plans non-service benefit and the one-time recovery in 2024 of carrying costs on PFAS treatment upgrades at Middlesex's Park Avenue Plant in connection with Middlesex's 2023 rate case order, partially offset by higher allowance for funds used during construction from increased capital expenditures.

Interest Charges

Interest charges for the year ended December 31, 2025 increased \$0.3 million from the same period in 2024 due to higher average debt outstanding offset by lower average interest rates.

Income Taxes

Income taxes for the year ended December 31, 2025 decreased by \$2.1 million from the same period in 2024, primarily due to lower pretax income and higher income tax benefits associated with increased repair expenditures on tangible property in the Middlesex System, partially offset by the 2024 recovery of income taxes on the taxable portion of the proceeds from a litigation agreement.

Liquidity and Capital Resources

Cash Flows from Operating Activities

Cash flows from operating activities are largely influenced by 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 the Results of Operations section above.

For the year ended December 31, 2025, cash flows from operating activities increased \$3.9 million to \$62.6 million. The increase in cash flows from operating activities primarily resulted from the impact of Middlesex's approved base rate increase effective March 1, 2024, Tidewater's base rate increase effective July 3, 2025, Middlesex's increased DSIC, decreased unbilled revenues and lower federal income tax payments.

Increases in certain operating costs impact our liquidity and capital resources. We continually monitor the need for timely rate case filings to minimize the lag between the time we experience increased operating costs and capital expenditures and the time we receive appropriate rate relief.

Cash Flows from Investing Activities

For the year ended December 31, 2025, cash flows used in investing activities increased \$26.3 million to \$101.0 million due to increased utility plant expenditures in 2025 and Tidewater's acquisition of the water utility assets of Ocean View.

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

Cash Flows from Financing Activities

For the year ended December 31, 2025, cash flows from financing activities increased \$20.9 million to \$38.6 million. The increase in cash flows provided by financing activities is due to higher long-term debt and short-term borrowings, and higher proceeds from the issuance of common stock under Middlesex's At-the-Market (ATM) equity offering program, partially offset by proceeds received from a litigation settlement in 2024.

For further discussion on the Company's long-term debt, short-term borrowings and common stock, see "Sources of Liquidity" section below.

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 Middlesex Water Company Investment Plan (Investment Plan) and ATM equity offering program, and, when market conditions are favorable, proceeds from sales to the public of our common stock.

The table below summarizes our estimated capital expenditures for the years 2026-2028.

	(In Millions)			
	2026	2027	2028	Total
Distribution/Network System	\$ 53	\$ 57	\$ 65	\$ 175
Production System	65	135	110	310
Information Technology (IT) Systems	2	2	1	5
Other	6	6	4	16
Total Estimated Capital Expenditures	\$ 126	\$ 200	\$ 180	\$ 506

Our estimated capital expenditures for the items listed above are primarily comprised of the following:

- **Distribution/Network System** - Includes projects associated with replacement, installation and relocation of water mains and service lines and wastewater collection systems, construction of water storage tanks, installation and replacement of hydrants, meters and meter pits and the RENEW Program. RENEW is our ongoing initiative to replace water mains in the Middlesex System. In connection with RENEW, we expect to spend approximately \$12 million each year from 2026 to 2028. Also, we plan to replace a transmission main in Metuchen, New Jersey in our Middlesex System for approximately \$8 million in 2027 and 2028. In addition, we expect to invest \$2 million in Tidewater distribution system improvements in 2026. Also, we expect to invest \$3 million and \$9 million in 2027 and 2028, respectively, for elevated storage tanks in our Tidewater System.
- **Production System** - Includes projects associated with our treatment plants, including approximately \$36 million, \$119 million and \$100 million of expenditures in 2026, 2027 and 2028, respectively to install PFAS treatment at our CJO Plant.
- **Information Technology (IT) Systems** - Includes additional upgrades of our enterprise resource planning system and hardware and software purchases for other IT systems.
- **Other** - Includes purchase of transportation equipment, tools, furniture, laboratory equipment, security systems and other general infrastructure needs including improvements to field and inventory management facilities.

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 fund our capital program in 2026, we estimate we will utilize some or all of the following:

- Internally generated funds;
- Short-term borrowings, as needed, through \$148 million of available lines of credit with several financial institutions. (see discussion under “*Sources of Liquidity-Short-term Borrowings*” below);
- Proceeds from the Delaware State Revolving Fund (SRF) Program. SRF programs provide lower cost financing for projects meeting certain water quality and system improvement benchmarks (see discussion under “*Sources of Liquidity-Long-term Debt*” below);
- Proceeds from other long-term borrowings (see discussion under “*Sources of Liquidity-Long-term Debt*” below); and
- Proceeds from common stock sales through the ATM equity offering program and Investment Plan and proceeds from sales to the public of our common stock when market conditions are favorable (see discussion under “*Sources of Liquidity-Common Stock*” below).

Sources of Liquidity

Short-term Borrowings - In February 2026, the Company increased available lines of credit from \$148 million to \$180 million. The outstanding borrowings under the credit lines at December 31, 2025 were \$28.3 million, at a weighted average interest rate of 5.03%.

The weighted average daily amounts of borrowings outstanding under the credit lines and the weighted average interest rates on those amounts were \$42.1 million and \$38.7 million at 5.42% and 6.33% for the years ended December 31, 2025 and 2024, respectively.

Long-term Debt - Subject to regulatory approval, the Company periodically issues long-term debt to fund investments in utility plant. To the extent possible and fiscally prudent, the Company finances qualifying capital projects under 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.

The Company intends to issue debt securities in a series of transaction offerings over a multi-year period to fund the multi-year capital construction program.

In September 2025, the NJBPU authorized Middlesex to borrow up to \$260.0 million during the period January 2026 through December 2028, in one or more negotiated transactions in the form of notes and/or first mortgage bonds through loans from the New Jersey SRF Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed. Middlesex was previously authorized to borrow up to \$300.0 million for the period beginning in April 2023 through December 2025.

In October 2025, Middlesex closed on a \$30.0 million, 5.99% private placement of First Mortgage Bonds (FMBs) due 2055, designated as Series 2025A. The net proceeds from the sale were used to repay short-term borrowings under the Company's bank lines of credit and for other general corporate purposes.

In September 2024, Tidewater closed on a \$2.2 million Delaware SRF loan with a 0.0% interest rate with an expected maturity date in 2044. This loan is for costs associated with Tidewater's obligation, as required by federal law and Delaware regulations, to identify and inventory lead service lines throughout Tidewater's service area. Tidewater has drawn down \$1.8 million as of December 31, 2025.

In May 2024, Tidewater closed on four DEPSC-approved Delaware SRF loans totaling \$5.6 million, all at interest rates of 2.0% with maturity dates in 2045. These loans are for the construction, relocation, improvement, and/or interconnection of transmission mains and construction of a water treatment facility. In December 2025, Tidewater closed on an additional \$1.0 million, 2.0% SRF loan with a maturity date of 2045 related to these projects. Tidewater has drawn down \$0.9 million on these loans as of December 31, 2025. Each project has its own construction timetable with the last spending set to occur in 2027.

Separately, Tidewater has two active construction projects funded by Delaware SRF loans totaling \$8.3 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 interconnection of transmission mains. Tidewater has drawn a total of \$7.1 million through December 31, 2025 and expects that the requisitions will continue through the first quarter of 2026.

In December 2025, Southern Shores closed on a \$0.4 million Delaware SRF loan with a 0.0% interest rate with a maturity date in 2045. This loan is for costs associated with Southern Shore's obligation, as required by federal law and Delaware regulations, to identify and inventory lead service lines in its service area.

In February 2026, Pinelands Water and Pinelands Wastewater repaid in full \$3.7 million and \$3.4 million, respectively, of their amortizing secured notes. The interest rates and due dates on both of these notes were 6.17% and 2043, respectively.

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. As of December 31, 2025, the Company is in compliance with all of its mortgage covenants.

Common Stock - The Company issues shares of its common stock in connection with the Investment Plan, a direct share purchase and dividend reinvestment plan for the Company's common stock. The Company raised approximately \$0.9 million through the issuance of shares under the Investment Plan during 2025.

In September 2025, the NJBPU authorized Middlesex to issue and sell up to 2.5 million shares of its common stock, without par value, during the period January 2026 through December 2028, through one or more traditional underwriting offerings and/or ATM offerings. Middlesex's was previously authorized to issue and sell up to 1.0 million shares of its common stock, without par value for the period beginning in April 2023 through December 2025.

In May 2025, Middlesex entered into an ATM Equity Offering Sales Agreement (Equity Sales Agreement) with BofA Securities, Inc., Robert W. Baird & Co. Incorporated, and Janney Montgomery Scott LLC, pursuant to which Middlesex may offer and sell shares of its common stock, no par value per share, from time to time in "at-the-market" offerings, having an aggregate gross sales price of up to \$110.0 million. The Company intends to use the net proceeds from these sales, after deducting commissions and offering expenses, to fund our capital expenditures, to purchase and maintain plant equipment, as well as for other general corporate purposes. In 2025, Middlesex issued and sold a total of 560,000 shares of common stock, at a weighted average price of \$53.54 per share, and received \$29.5 million in net proceeds, under the Equity Sales Agreement. As of December 31, 2025, the Company has \$80.0 million of aggregate gross sales remaining under the Equity Sales Agreement.

In order to fully fund the ongoing capital investment program and maintain a balanced capital structure required 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. Common stock offerings will occur as needed to maintain a balanced capital structure as we continue on a parallel path with future debt offerings.

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.

Contractual Obligations

In the course of normal business activities, the Company enters into a variety of contractual obligations and commercial commitments. Some result in direct obligations on the Company's balance sheet while others are commitments, some firm and some based on uncertainties, which are disclosed in the Company's consolidated financial statements.

The table below presents our known contractual obligations for the periods specified as of December 31, 2025.

	Payment Due by Period				
	(Millions of Dollars)				
	Total	Less than 1 Year	2-3 Years	4-5 Years	More than 5 Years
Long-term Debt	\$ 386	\$ 8	\$ 15	\$ 12	\$ 351
Note Payable	28	28	—	—	—
Interest on Long-Term Debt	285	13	25	25	222
Purchased Water Contracts	102	7	15	15	65
Commercial Office Leases	4	1	2	1	—
TOTAL	\$ 805	\$ 57	\$ 57	\$ 53	\$ 638

The table above does not reflect any anticipated cash payments for retirement benefit plan obligations. The effect on the timing and amount of these payments resulting from potential changes in actuarial assumptions and returns on plan assets cannot be estimated. In 2025 the Company contributed \$2.0 million to its postretirement benefit plans and expects to contribute approximately \$2.0 million in 2026 as well.

We do not currently have, nor have we ever had, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements, or for other contractually narrow or limited purposes. In addition, we do not engage in trading activities involving non-exchange traded contracts.

Critical Accounting Policies and Estimates

The application of accounting policies and standards often requires the use of estimates, assumptions and judgments. The Company regularly evaluates these estimates, assumptions and judgments, including those related to the calculation of pension and other retirement benefits, unbilled revenues, and the recoverability of certain assets, including regulatory assets. The Company bases its estimates, assumptions and judgments on historical experience and current operating environment. Changes in any of the variables that are used for the Company's estimates, assumptions and judgments may lead to significantly different financial statement results.

Our critical accounting policies and estimates are set forth below.

Regulatory Accounting

We maintain our books and records in accordance with accounting principles generally accepted in the United States of America. Middlesex and certain of its subsidiaries are subject to regulation in the states in which they operate. Those companies are required to maintain their accounts in accordance with regulatory authorities' rules and guidelines, which may differ from other authoritative accounting pronouncements. In those instances, the Company follows the guidance in the Financial Accounting Standards Board Accounting Standards Codification Topic 980 *Regulated Operations* (Regulatory Accounting).

In accordance with Regulatory Accounting, costs and obligations are deferred if it is probable that these items will be recognized for rate-making purposes in future rates. Accordingly, we have deferred certain costs and obligations, which will be amortized in the same periods that revenues for these costs are recognized. Any change in the assessment of the probability of rate-making treatment would require us to change the accounting treatment of the deferred item. We have no reason to believe any of the deferred items that are recorded will be treated differently by the regulators in the future.

Revenues

Revenues from our regulated customers, which include amounts billed quarterly or monthly to residential customers and monthly to industrial, commercial, fire-protection and wholesale customers, also include unbilled amounts based upon estimated usage from the date of the last meter reading to the end of the accounting period. While actual usage for

customers may differ from the estimate, we believe the overall total estimate of consumption and revenue for the fiscal period will not differ materially from actual consumption.

Retirement Benefit Plans

We maintain a noncontributory defined benefit pension plan (Pension Plan) which covers all currently active employees hired prior to April 1, 2007. In addition, the Company maintains an unfunded supplemental plan for certain executive officers.

The Company has a retirement benefit plan other than pensions (Other Benefits Plan) for substantially all of its retired employees. Employees hired after March 31, 2007 are not eligible to participate in the Other Benefits Plan. Coverage includes healthcare and life insurance.

The costs for providing retirement benefits are dependent upon numerous factors, including actual plan experience and assumptions of future experience. Future retirement benefit plan obligations and expense will depend on future investment performance, changes in future discount rates and various other demographic factors related to the population participating in the Company's retirement benefit plans, all of which can change significantly in future years.

The primary assumptions used for determining future retirement benefit plans' obligations and costs, which are reviewed and revised as needed each year, are as follows:

- Discount Rate - calculated based on market rates for long-term, high-quality corporate bonds specific to the expected duration of our Pension Plan and Other Benefits Plan's liabilities;
- Compensation Increase - based on management projected future employee compensation increases;
- Long-Term Rate of Return - determined based on expected returns from our asset allocation for our Pension Plan and Other Benefits Plan assets;
- Mortality - The Company utilizes the Society of Actuaries' mortality table (Pri-2012) (Fully Generational, IRS Adjusted, Mortality Improvement Scale MP-2021); and
- Healthcare Cost Trend Rate - based on management projected future healthcare costs.

The discount rate, compensation increase rate and long-term rate of return used to determine future obligations of our retirement benefit plans as of December 31, 2025 are as follows:

	Pension Plan	Other Benefits Plan
Discount Rate	5.39%	5.49%
Compensation Increase	3.00%	3.00%
Long-term Rate of Return	6.25%	6.75%

For the 2025 valuation, costs and obligations for our Other Benefits Plan assumed an 8.0% annual rate of increase in the per capita cost of covered healthcare benefits in 2026 with the annual rate of increase declining 0.15% per year for 2027-2046, resulting in an annual rate of increase in the per capita cost of covered healthcare benefits of 5.0% by year 2046.

The following is a sensitivity analysis for certain actuarial assumptions used in determining projected benefit obligations (PBO) and expenses for our retirement benefit plans:

Pension Plan

Actuarial Assumptions	Estimated Increase/ (Decrease) on PBO (000s)	Estimated Increase/ (Decrease) on Expense (000s)
Discount Rate 1% Increase	\$ (9,066)	\$ 58
Discount Rate 1% Decrease	10,945	148

Other Benefits Plan

Actuarial Assumptions	Estimated Increase/ (Decrease) on PBO (000s)	Estimated Increase/ (Decrease) on Expense (000s)
Discount Rate 1% Increase	\$ (3,905)	\$ (547)
Discount Rate 1% Decrease	4,846	603
Healthcare Cost Trend Rate 1% Increase	4,199	837
Healthcare Cost Trend Rate 1% Decrease	(3,434)	(684)

Recent Accounting Standards

See Note 1(q) of the Notes to Consolidated Financial Statements for a discussion of recent accounting pronouncements.

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT 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, variable rate 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 2026 to 2059. Over the next twelve months, approximately \$7.9 million of the current portion of existing long-term debt instruments will mature. The Company manages its interest rate risk related to existing variable-rate short-term debt by limiting our variable rate exposure. Applying a hypothetical change in the rate of interest charged by 10% on those fixed- and variable-rate borrowings would not have a material effect on our earnings. Fixed rate long-term debt and variable rate short-term debt agreements were not entered into for trading purposes.

Our risks associated with commodity price increases for chemicals, electricity and other commodities we use are reduced through contractual arrangements and the ability to recover price increases through rates. 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 rates.

The Company's retirement benefit plan assets are exposed to the market price variations of debt and equity securities. Changes to the Company's retirement benefit plan assets' value can impact the Company's retirement benefit plan expense, funded status and future minimum funding requirements. Our exposure to market price risk in our retirement benefit plan assets is managed through our ability to recover retirement benefit plan costs through customer rates. There were no material changes to our primary market risk exposures or how such exposures are managed in 2025 nor are there expected to be in the future.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Middlesex Water Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet, including the consolidated statement of capital stock and long-term debt, of Middlesex Water Company and its subsidiaries (the "Company") as of December 31, 2025, and the related consolidated statements of income, of common stockholders' equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for the Effects of Regulatory Matters

As described in Notes 1 and 2 to the consolidated financial statements, the Company is subject to regulation in the states in which it operates. As of December 31, 2025, regulatory assets were \$110.3 million and regulatory liabilities were \$68.4 million. In accordance with the accounting guidance for regulated operations, costs and obligations are deferred if it is probable that these items will be recognized for rate-making purposes in future rates. Certain costs are recorded as regulatory assets because full recovery of these costs in rates charged to customers is expected. Regulatory liabilities are recorded for amounts expected to be refunded to customers in the rate making process. Any change in the assessment of the probability of rate-making treatment will require a change to the accounting treatment of the deferred item.

The principal considerations for our determination that performing procedures relating to the accounting for the effects of regulatory matters is a critical audit matter are a high degree of auditor effort in performing procedures and evaluating audit evidence related to the probability of recovery of regulatory assets and refund of regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of regulatory proceedings, including controls over the probability of recovery of regulatory assets and refund of regulatory liabilities, and the related accounting and disclosure impacts. These procedures also included, among others (i) evaluating the reasonableness of management's assessment regarding the probability of recovery of regulatory assets and refund of regulatory liabilities and (ii) testing, on a sample basis, regulatory assets and regulatory liabilities by considering (a) the provisions and formulas outlined in rate orders; (b) other regulatory proceedings and correspondence; and (c) the application of relevant regulatory precedents.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 19, 2026

We have served as the Company's auditor since 2025.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Middlesex Water Company:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet and consolidated statement of capital stock and long-term debt of Middlesex Water Company (the "Company") as of December 31, 2024, the related consolidated statements of income, common stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Baker Tilly US, LLP

Philadelphia, Pennsylvania
February 28, 2025

We served as the Company's auditor from 2006 to 2024.

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

	Years Ended December 31,		
	2025	2024	2023
Operating Revenues	\$ 194,694	\$ 191,877	\$ 166,274
Operating Expenses:			
Operations and Maintenance	91,291	92,363	83,113
Depreciation	27,113	24,430	25,194
Other Taxes	21,914	21,874	18,744
Total Operating Expenses	140,318	138,667	127,051
Operating Income	54,376	53,210	39,223
Other Income:			
Allowance for Funds Used During Construction	1,618	1,254	2,433
Other Income, net	5,944	10,815	4,052
Total Other Income, net	7,562	12,069	6,485
Interest Charges	14,295	14,023	13,143
Income before Income Taxes	47,643	51,256	32,565
Income Taxes	4,821	6,905	1,041
Net Income	42,822	44,351	31,524
Preferred Stock Dividend Requirements	76	112	120
Earnings Applicable to Common Stock	\$ 42,746	\$ 44,239	\$ 31,404
Earnings per share of Common Stock:			
Basic	\$ 2.36	\$ 2.48	\$ 1.77
Diluted	\$ 2.36	\$ 2.47	\$ 1.76
Average Number of			
Common Shares Outstanding:			
Basic	18,096	17,842	17,732
Diluted	18,137	17,946	17,847

See Notes to Consolidated Financial Statements.

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

ASSETS		December 31, 2025	December 31, 2024
UTILITY PLANT:	Water Production	\$ 328,496	\$ 314,924
	Transmission and Distribution	938,118	855,497
	General	111,325	105,167
	Construction Work in Progress	44,400	34,209
	TOTAL	1,422,339	1,309,797
	Less Accumulated Depreciation	275,132	254,425
	UTILITY PLANT - NET	1,147,207	1,055,372
CURRENT ASSETS:	Cash and Cash Equivalents	2,800	4,226
	Accounts Receivable, net of allowance for credit losses of \$1,625 and \$2,695, respectively in 2025 and 2024	19,213	18,842
	Unbilled Revenues	9,361	10,764
	Materials and Supplies (at average cost)	7,549	6,719
	Prepayments	2,843	2,422
	TOTAL CURRENT ASSETS	41,766	42,973
OTHER ASSETS:	Operating Lease Right of Use Asset	1,972	2,567
	Regulatory Assets	110,284	101,783
	Restricted Cash	1,675	—
	Non-utility Assets - Net	12,354	11,760
	Employee Benefit Plans	44,328	36,856
	Other	6,151	3,863
	TOTAL OTHER ASSETS	176,764	156,829
	TOTAL ASSETS	\$ 1,365,737	\$ 1,255,174

See Notes to Consolidated Financial Statements.

CAPITALIZATION AND LIABILITIES		December 31, 2025	December 31, 2024
CAPITALIZATION:	Common Stock, No Par Value, authorized 40,000, 18,521 and 17,887 outstanding in 2025 and 2024, respectively	\$ 279,148	\$ 248,202
	Retained Earnings	214,883	197,061
	TOTAL COMMON STOCKHOLDERS' EQUITY	494,031	445,263
	Preferred Stock, No Par Value, authorized 120, 13 and 16 outstanding in 2025 and 2024, respectively	1,343	1,635
	Long-term Debt	378,874	352,822
	TOTAL CAPITALIZATION	874,248	799,720
CURRENT LIABILITIES:	Current Portion of Long-term Debt	7,850	7,711
	Notes Payable	28,250	23,000
	Accounts Payable	31,326	28,050
	Accrued Taxes	15,992	11,976
	Accrued Interest	3,311	2,916
	Unearned Revenues and Advanced Service Fees	497	1,476
	Other	6,569	7,759
	TOTAL CURRENT LIABILITIES	93,795	82,888
COMMITMENTS AND CONTINGENT LIABILITIES (Note 4)			
OTHER LIABILITIES:	Advances for Construction	25,519	22,629
	Lease Obligations	1,838	2,432
	Accumulated Deferred Income Taxes	110,475	101,235
	Regulatory Liabilities	68,437	64,557
	Other	229	344
	TOTAL OTHER LIABILITIES	206,498	191,197
CONTRIBUTIONS IN AID OF CONSTRUCTION		191,196	181,369
	TOTAL CAPITALIZATION AND LIABILITIES	\$ 1,365,737	\$ 1,255,174

See Notes to Consolidated Financial Statements.



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

	Years Ended December 31,		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 42,822	\$ 44,351	\$ 31,524
Adjustments to Reconcile Net Income to			
Net Cash Provided by Operating Activities:			
Depreciation and Amortization	32,495	28,038	29,442
Provision for Deferred Income Taxes and Investment Tax Credits	(5,234)	(1,605)	(5,599)
Equity Portion of Allowance for Funds Used During Construction (AFUDC)	(977)	(743)	(1,458)
Cash Surrender Value of Life Insurance	(296)	(308)	(300)
Stock Compensation Expense	1,237	1,537	2,214
Changes in Assets and Liabilities:			
Accounts Receivable	(371)	(670)	(2,154)
Unbilled Revenues	1,403	(1,467)	(638)
Materials and Supplies	(830)	253	(795)
Prepayments	(421)	(589)	791
Accounts Payable	1,296	2,574	2,771
Accrued Taxes	4,016	1,441	(1,627)
Accrued Interest	395	(222)	603
Employee Benefit Plans	(5,380)	(3,696)	(1,340)
Unearned Revenue and Advanced Service Fees	(979)	86	25
Recovered Costs Litigation Settlement	—	(9,031)	—
Other Assets and Liabilities	(6,580)	(1,219)	(677)
NET CASH PROVIDED BY OPERATING ACTIVITIES	62,596	58,730	52,782
CASH FLOWS FROM INVESTING ACTIVITIES:			
Utility Plant Expenditures, Including AFUDC-Debt of \$640 in 2025, \$511 in 2024 and \$975 in 2023	(96,354)	(74,622)	(90,179)
Acquisition of Water Systems	(4,607)	—	—
NET CASH USED IN INVESTING ACTIVITIES	(100,961)	(74,622)	(90,179)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Redemption of Long-term Debt	(7,317)	(7,646)	(17,463)
Proceeds from Issuance of Long-term Debt	33,615	2,296	75,812
Net Short-term Bank Borrowings	5,250	(19,750)	(12,750)
Proceeds from Litigation Settlement, net	—	63,635	—
Deferred Debt Issuance Expense	(142)	(54)	(131)
Common Stock Issuance Expense	(667)	—	(10)
Payment of Grantee Withholding Taxes in Exchange for Restricted Stock	(371)	(1,468)	(619)
Proceeds from Issuance of Common Stock	30,454	974	12,115
Payment of Common Dividends	(24,924)	(23,408)	(22,441)
Payment of Preferred Dividends	(76)	(109)	(120)
Construction Advances and Contributions-Net	2,792	3,258	1,566
NET CASH PROVIDED BY FINANCING ACTIVITIES	38,614	17,728	35,959
Years Ended December 31,			
	2025	2024	2023
NET CHANGES IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	249	1,836	(1,438)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	4,226	2,390	3,828
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	\$ 4,475	\$ 4,226	\$ 2,390

See Notes to Consolidated Financial Statements.

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

	December 31, 2025	December 31, 2024
Common Stock, No Par Value		
Shares Authorized - 40,000		
Shares Outstanding - 2025 - 18,521; 2024 - 17,887	\$ 279,148	\$ 248,202
Retained Earnings	214,883	197,061
TOTAL COMMON STOCKHOLDERS' EQUITY	\$ 494,031	\$ 445,263
Cumulative Preferred Stock, No Par Value:		
Shares Authorized - 120		
Shares Outstanding - 2025 - 13; 2024 - 16		
Convertible:		
Shares Outstanding, \$7.00 Series - 2025 - 2; 2024 - 5	\$ 264	\$ 556
Nonredeemable:		
Shares Outstanding, \$7.00 Series - 1	79	79
Shares Outstanding, \$4.75 Series - 10	1,000	1,000
TOTAL PREFERRED STOCK	\$ 1,343	\$ 1,635
Long-term Debt:		
First Mortgage Bonds, 0.00%-5.99%, due 2026-2059	\$ 301,172	\$ 274,602
Amortizing Secured Notes, 3.94%-7.05%, due 2028-2046	63,971	66,889
State Revolving Trust Notes, 0.00%-4.03%, due 2026-2047	20,540	17,895
SUBTOTAL LONG-TERM DEBT	385,683	359,386
Add: Premium on Issuance of Long-term Debt	6,148	6,339
Less: Unamortized Debt Expense	(5,107)	(5,192)
Less: Current Portion of Long-term Debt	(7,850)	(7,711)
TOTAL LONG-TERM DEBT	\$ 378,874	\$ 352,822

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock Shares	Common Stock Amount	Retained Earnings	Total
Balance at January 1, 2023	17,642	\$ 233,054	\$ 167,274	\$ 400,328
Net Income	—	\$ —	\$ 31,524	\$ 31,524
Dividend Reinvestment & Common Stock Purchase Plan	167	12,115	—	12,115
Restricted Stock Award - Net - Employees	7	1,235	—	1,235
Stock Award - Board Of Directors	5	360	—	360
Cash Dividends on Common Stock (\$1.2625 per share)	—	—	(22,441)	(22,441)
Cash Dividends on Preferred Stock	—	—	(120)	(120)
Common Stock Issuance Expenses	—	—	(10)	(10)
Balance at December 31, 2023	17,821	\$ 246,764	\$ 176,227	\$ 422,991
Net Income	—	\$ —	\$ 44,351	\$ 44,351
Dividend Reinvestment & Common Stock Purchase Plan	17	974	—	974
Restricted Stock Award - Net - Employees	(10)	(383)	—	(383)
Stock Award - Board Of Directors	8	398	—	398
Cash Dividends on Common Stock (\$1.3150 per share)	—	—	(23,408)	(23,408)
Cash Dividends on Preferred Stock	—	—	(109)	(109)
Conversion of \$7 Preferred Stock to Common Stock	51	449	—	449
Balance at December 31, 2024	17,887	\$ 248,202	\$ 197,061	\$ 445,263
Net Income	—	\$ —	\$ 42,822	\$ 42,822
Dividend Reinvestment & Common Stock Purchase Plan	17	907	—	907
Restricted Stock Award - Net - Employees	18	462	—	462
Stock Award - Board Of Directors	6	405	—	405
At-The-Market Program Common Stock Issuance	560	29,547	—	29,547
Common Stock Issuance Expense	—	(667)	—	(667)
Cash Dividends on Common Stock (\$1.3800 per share)	—	\$ —	(24,924)	(24,924)
Cash Dividends on Preferred Stock	—	\$ —	(76)	(76)
Conversion of \$7 Preferred Stock to Common Stock	33	292	\$ —	292
Balance at December 31, 2025	18,521	\$ 279,148	\$ 214,883	\$ 494,031

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization, Summary of Significant Accounting Policies and Recent Developments

(a) Organization - 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), Utility Service Affiliates (Perth Amboy) Inc. (USA-PA) and Twin Lakes Utilities, Inc. (Twin Lakes). Southern Shores Water Company, LLC (Southern Shores) and White Marsh Environmental Systems, Inc. (White Marsh) are wholly-owned subsidiaries of Tidewater. The terms “we,” “our,” and “us” collectively refer to Middlesex and its subsidiaries,

Middlesex has operated as a water utility in New Jersey since 1897 and in Delaware, through our wholly-owned subsidiary, Tidewater, since 1992. We are in the business of providing an essential water utility service for domestic, commercial, municipal, industrial and fire protection purposes. We also operate New Jersey municipal water, wastewater and storm water systems under contract and provide unregulated water and wastewater services in New Jersey and Delaware through our subsidiaries. Our rates charged to customers for water and wastewater services, the quality of services we provide and certain other matters are regulated in New Jersey and Delaware by the New Jersey Board of Public Utilities (NJBPU) and the Delaware Public Service Commission (DEPSC), respectively. Our USA, USA-PA and White Marsh subsidiaries are not regulated utilities.

(b) Principles of Consolidation – The financial statements for Middlesex are reported on a consolidated basis. All significant intercompany accounts and transactions have been eliminated. Other financial investments in which the Company holds a 50% or less voting interest, has significant influence and cannot exercise control over the operation and policies of the investments are accounted for under the equity method of accounting. Under the equity method of accounting, the Company records its investment interests in Non-Utility Assets and its percentage share of the earnings or losses of the investees in Other Income.

(c) System of Accounts – The Company’s regulated utilities maintain their accounts in accordance with the Uniform System of Accounts prescribed by the NJBPU and DEPSC.

(d) Regulatory Accounting - We maintain our books and records in accordance with accounting principles generally accepted in the United States of America (GAAP). Middlesex and certain of its subsidiaries, which account for 94% of Operating Revenues and 99% of Total Assets, are subject to regulation in the state in which they operate. Those companies are required to maintain their accounts in accordance with regulatory authorities’ rules and guidelines, which may differ from other authoritative accounting pronouncements. In those instances, the Company follows the guidance provided in Accounting Standards Codification (ASC) 980, *Regulated Operations*.

In accordance with ASC 980, *Regulated Operations*, costs and obligations are deferred if it is probable that these items will be recognized for rate-making purposes in future rates. Accordingly, we have recorded costs and obligations, which will be amortized over various future periods. Any change in the assessment of the probability of rate-making treatment will require us to change the accounting treatment of the deferred item. We have no reason to believe any of the deferred items that are recorded will be treated differently by the regulators in the future. For additional information, see Note 2 – *Rate and Regulatory Matters*.

(e) Retirement Benefit Plans - We maintain a noncontributory defined benefit pension plan (Pension Plan), which covers all active employees who were hired prior to April 1, 2007, as well as a defined contribution plan in which all employees are eligible to participate. In addition, the Company maintains an unfunded supplemental plan for certain of its executive officers. The Company has a retirement benefit plan other than pensions (Other Benefits Plan) for substantially all of its retired employees. Employees hired after March 31, 2007 are not eligible to participate in this plan. Coverage includes healthcare and life insurance.

The Company’s costs for providing retirement benefits are dependent upon numerous factors, including actual plan experience and assumptions of future experience. Retirement benefit plan obligations and expense are determined based on investment performance, discount rates and various other demographic factors related to the population participating in the Company’s retirement benefit plans, all of which can change significantly in future years. For more information on the Company’s Retirement Benefit Plans, see Note 7 – Employee Benefit Plans.

(f) Utility Plant – Utility Plant is stated at original cost as defined for regulatory purposes. Property accounts are charged with the cost of betterments and major replacements of property. Cost includes direct material, labor and indirect charges for pension benefits and payroll taxes. The cost of labor, materials, supervision and other expenses incurred in making repairs and maintenance of the properties is charged to the appropriate expense accounts. At December 31, 2025, there was

no event or change in circumstance that would indicate that the carrying amount of any long-lived asset was not recoverable.

(g) Depreciation – Depreciation is computed by each regulated subsidiary of the Company utilizing a rate approved by the applicable regulatory authority. The accumulated provision for depreciation is charged with the cost of property retired, less salvage. The following table sets forth the range of depreciation rates for the major utility plant categories used to calculate depreciation for the years ended December 31, 2025, 2024, and 2023. These rates have been approved by the NJBPU or DEPSC:

Source of Supply	1.15% - 3.44%	Transmission and Distribution (T&D):	
Pumping	2.00% - 5.39%	T&D – Mains	1.10% - 3.13%
Water Treatment	1.65% - 7.09%	T&D – Services	2.12% - 3.16%
General Plant	2.08% - 17.84%	T&D – Other	1.61% - 4.63%
Wastewater Collection	1.42% - 1.81%		

Non-regulated fixed assets consist primarily of office buildings, furniture and fixtures, and transportation equipment. These assets are recorded at original cost and depreciation is calculated based on the estimated useful lives, ranging from 3 to 42 years.

(h) Advances for Construction– Cash advances are provided to the Company by customers, real estate developers and builders in order to extend utility service to their properties. These transactions are recorded as Advances for Construction (CAC). Contractual refunds of CAC in the form of cash are made by the Company and are based on either additional operating revenues generated from new customers or as new customers are connected to the respective system. After all refunds are made and/or contract terms have expired, any remaining balance is transferred to Contributions in Aid of Construction (CIAC). For the twelve months ended December 31, 2025, the Company refunded \$0.5 million of CAC.

CIAC – CIAC include direct non-refundable contributions of utility plant and/or cash and the portion of Advances for Construction that becomes non-refundable.

In accordance with regulatory requirements, Advances for Construction and CIAC are not depreciated. In addition, these amounts reduce the investment base for purposes of setting rates.

(i) Allowance for Funds Used During Construction (AFUDC) - Middlesex and its regulated subsidiaries capitalize AFUDC, which represents the cost of financing projects during construction. AFUDC is added to the construction costs of individual projects exceeding specific cost and construction period thresholds established for each company and then depreciated with the utility plant direct costs over the underlying assets’ estimated useful life. AFUDC is calculated using each company’s weighted cost of debt and equity as approved in their most recent respective regulatory rate order. The AFUDC rates for the years ended December 31, 2025, 2024 and 2023 for Middlesex and Tidewater are as follows:

	2025	2024	2023
Middlesex	6.64%	6.64%	6.35%
Tidewater	7.04%	7.92%	7.92%

(j) Accounts Receivable – We record bad debt expense based on a variety of factors such as our customers’ payment history, current economic conditions and trending reasonable and supportable forecasts on expected collectability of accounts receivable. The allowance for credit losses was \$1.6 million and \$2.7 million as of December 31, 2025 and 2024, respectively. For the years ended December 31, 2025, 2024 and 2023, bad debt expense was \$0.3 million, \$1.6 million and \$1.0 million, respectively. For the years ended December 31, 2025, 2024 and 2023, write-offs were \$1.4 million, \$1.0 million and \$1.2 million, respectively.

(k) Revenues - The Company’s revenues are primarily generated from regulated tariff-based water and wastewater utility 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 Company expects to be entitled in exchange for those goods and services.

The Company’s regulated revenue results from tariff-based water and wastewater utility services to residential, industrial, commercial, fire-protection and wholesale customers. Residential customers are billed quarterly or monthly while most industrial, commercial, fire-protection and wholesale customers are billed monthly. Payments by customers are due between 15 to 30 days after the invoice date. Revenue is recognized as the water and wastewater services are delivered to customers which includes an 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 and regional weather indicators. 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 2032 and contain remaining performance obligations for which the Company expects to recognize revenue in the future. These contracts also contain customary termination provisions.

Substantially all of the amounts included in operating revenues and accounts receivable are from contracts with customers.

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

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

	(In Thousands)		
	Years Ended December 31,		
	2025	2024	2023
Regulated Tariff Sales			
Residential	\$ 102,437	\$ 97,802	\$ 86,581
Commercial	30,436	31,833	23,945
Industrial	13,367	13,842	11,586
Fire Protection	15,116	14,188	12,582
Wholesale	20,702	21,003	19,117
Non-Regulated Contract Operations	12,504	13,085	12,320
Total Revenue from Contracts with Customers	\$ 194,562	\$ 191,753	\$ 166,131
Other Regulated Revenues	596	691	806
Other Non-Regulated Revenues	481	467	453
Inter-segment Elimination	(945)	(1,034)	(1,116)
Total Revenue	\$ 194,694	\$ 191,877	\$ 166,274

(l) Unamortized Debt Expense and Premiums on Long-Term Debt - Unamortized Debt Expense and Premiums on Long-Term Debt, included on the consolidated balance sheet in long-term debt, are amortized over the lives of the related debt.

(m) Income Taxes - Middlesex files a consolidated federal income tax return for the Company. Certain income and expense items are accounted for in different time periods for financial reporting than for income tax reporting purposes. The determination of our provision for income taxes requires the use of estimates and the interpretation and application of tax laws. Judgment is required in assessing the deductibility and recoverability of certain tax benefits. We use the asset and liability method to determine and record deferred tax assets and liabilities, representing future tax benefits and taxes payable, which result from the differences in basis recorded in GAAP financial statements and amounts recorded in the income tax returns. The deferred tax assets and liabilities are recorded utilizing the statutorily enacted tax rates expected to be in effect at the time the assets are realized and/or the liabilities settled. An offsetting valuation allowance is recorded when it is more likely than not that some or all of the deferred income tax assets won't be realized. Any significant changes to the estimates and judgments with respect to the interpretations, timing or deductibility could result in a material change to earnings and cash flows. Investment tax credits have been deferred and are amortized over the estimated useful life of the related property. In the event there are interest and penalties associated with income tax adjustments from income tax authority examinations, these amounts will be reported under interest charges and other expense, respectively. For more information on income taxes, see Note 3 – *Income Taxes*.

Accounting guidance requires that we establish reserves for uncertain tax positions, if any, when it is more likely than not that the positions will not be sustained when challenged by taxing authorities. Any changes to the estimates and judgments with respect to the interpretations, timing or deductibility could result in a change to earnings and cash flows.

(n) Cash and Cash Equivalents - For purposes of reporting cash flows, the Company considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. Cash and cash equivalents represent bank balances and money market funds with investments maturing in less than 90 days. Restricted cash includes amounts held in escrow related to the acquisition of a subsidiary currently in receivership by another utility.

(o) Use of Estimates - Conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

(p) Recent Accounting Pronouncements - The recently issued accounting standards and their impact on the Company as of December 31, 2025 are as follows:

Standard	Description	Date of Adoption	Application	Effect on the Condensed Consolidated Financial Statements
Accounting Standards Update (ASU) 2023-09 "Improvements to Income Tax Disclosures"	The ASU amends certain income tax disclosure requirements, including adding requirements to present the reconciliation of income tax expense computed at the statutory rate to actual income tax expense using both percentages and amounts and providing a disaggregation of income taxes paid. Further, certain disclosures are eliminated, including the current requirement to disclose information on changes in unrecognized tax benefits in the next 12 months.	The ASU is effective for the Company beginning with its annual financial statements for the year ending December 31, 2025.	Prospective, with retrospective application also permitted.	The Company adopted ASU 2023-09 prospectively and has enhanced its income tax disclosures included in Note 3, Income Taxes, to comply with the requirements. The adoption of ASU 2023-09 did not have a material impact on the Company's consolidated financial statements.
ASU 2024-03 "Disaggregation of Income Statement Expenses"	The ASU enhances disclosures related to income statement expenses to further disaggregate expenses in the footnotes to the financial statements. The standard requires disaggregation of any relevant expense caption presented on the face of the income statement that contains the following expense categories: purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion. Further, the standard requires disclosure of the total amount and the entity's definition of selling expenses.	The ASU is effective for the Company beginning with its annual financial statements for the year ending December 31, 2027.	Prospective, with retrospective application also permitted.	The Company is currently evaluating the requirements of ASU 2024-03.
ASU 2025-06 "Internal-Use Software"	This ASU removes all reference to prescriptive and sequential software development stages, requiring an entity to start capitalizing software costs when the following criteria are both met: (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. Further, the standard requires disclosure for all capitalized internal-use software costs and removes the requirement for intangibles disclosures for capitalized internal-use software.	The ASU is effective for the Company beginning with its annual financial statements for the year ending December 31, 2028.	Prospective, with a modified transition or retrospective application also permitted.	The Company is evaluating the impact of ASU 2025-06 on its Consolidated Financial Statements and the timing of adoption.

Note 2 - Rates and Regulatory Matters

Middlesex Rate Matters

In February 2026, the NJBPU approved the settlement agreement in our general base rate application between Middlesex and Pinelands, NJBPU Staff and the New Jersey Rate Payer Advocate, with new rates effective February 23, 2026. The NJBPU order approved an increase in our annual operating revenues by \$14.5 million based on an authorized return on common equity of 9.6% and a common equity ratio of 54.25%. Included in the settlement agreement, Middlesex and Pinelands customers will receive a one-time bill credit totaling \$3.3 million for the refund by New Jersey and overcollection of New Jersey Gross Receipts Taxes. In addition, Middlesex customers will receive a \$3.3 million credit over 12 months from the proceeds of a multi-district litigation (MDL) settlement agreement between Middlesex and manufacturers of Perfluoroalkyl Substances (PFAS) (for further information on the MDL settlement, see *MDL Settlement* below).

In February 2026, the NJBPU approved the joint petition filed by Middlesex and Pinelands for a Resiliency and Environmental System Improvement Charge (RESIC) Foundational Filing, which allows for the recovery of certain costs of investments for the three-year period ending October 2028 related to compliance with requirements to address existing and emerging chemical elements or compound, installation of new plant or equipment or replacement of existing plant or equipment to further maintain, enhance, or improve resiliency, health, safety or environmental protection for Middlesex and Pinelands' customers, employees or the public and addressing treatment media and related equipment for both existing and emerging chemical elements and compounds. Under the RESIC program, Middlesex and Pinelands submit semi-annual surcharge filings to the NJBPU for qualifying capital investments completed every six-months to be recovered up to \$3.6 million or 2.5% of total annual revenues included in their February 2026 base rate increase.

In February 2026, the NJBPU approved the joint petition filed by Middlesex and Pinelands Water for a Distribution System Improvement Charge (DSIC) Foundational Filing, which allows for the recovery of investments in qualifying capital improvements to their water distribution system for the three-year period ending October 2028. Under the DSIC program, Middlesex and Pinelands Water submit semi-annual surcharge filings to the NJBPU for qualifying capital investments completed every six months to be recovered up to \$7.1 million or 5% of total annual revenues included in their February 2026 base rate increase.

In January 2026, the NJBPU approved the joint petition filed by Middlesex, Pinelands Water and Pinelands Wastewater to consolidate the three entities into Middlesex through a corporate reorganization. The reorganization is expected to deliver operational efficiencies and enhanced benefits for customers across multiple areas. The merger is expected to be finalized in the first quarter of 2026.

In November 2025, the NJBPU approved the fourth Middlesex DSIC rate, effective December 1, 2025 that was expected to result in \$0.9 million of annual revenues, which is in addition to the existing \$2.3 million of annual revenues from previous DSIC filings. Middlesex's DSIC rate resets to zero in connection with Middlesex's February 2026 base rate increase.

In February 2025, the NJBPU approved Middlesex's petition to reset its Purchased Water Adjustment Clause (PWAC) tariff rate to recover additional annual costs of \$0.5 million, primarily for the purchase of treated water from a nonaffiliated water utility regulated by the NJBPU. The new PWAC rate became effective March 1, 2025. A PWAC is a rate mechanism that allows for the recovery of increased purchased water costs between base rate case filings. The PWAC is reset to zero in connection with Middlesex's February 2026 base rate increase.

The NJBPU-approved Middlesex Lead Service Line Replacement (LSLR) Plan continues and costs of \$0.3 million for replacing customer-owned lead service line which were incurred between January 2025 through June 2025 are expected to be recovered between September 2025 and February 2026. Costs of \$0.3 million incurred between July 2025 through December 2025 are expected to be recovered between March 2026 and August 2026. The LSLR surcharge is required to be reset every six months over the life of the LSLR Plan. Cost recovery for replacing Company-owned lead service lines are recoverable through traditional rate making in connection with general rate case filings.

Tidewater Rate Matters

In February 2026, the DEPSC approved the March 2026 refund of \$1.1 million to Tidewater customers resulting from the proceeds of the MDL settlement agreement between Tidewater and manufacturers of PFAS. For further information, see discussion in *MDL Settlement* below.

In January 2026, Tidewater completed the acquisition of the water utility assets of the Pinewood Acres' water utility assets, as approved by the DEPSC, for \$0.2 million. Pinewood Acres serves approximately 350 customers in Kent County, Delaware.

In December 2025, the DEPSC approved the Tidewater DSIC rate, effective January 1, 2026. In Tidewater's regulatory filing related to this matter, Tidewater indicated that the DSIC rate was expected to result in \$0.3 million of semi-annual revenues from January 2026 to June 2026.

In July 2025, the DEPSC approved the settlement agreement in our general base rate application between Tidewater, DEPSC Staff and the Delaware Division of the Public Advocate, with new rates effective July 3, 2025. The DEPSC order approved an increase in our annual operating revenues by \$5.5 million based on an authorized return on common equity of 9.5% and a common equity ratio of 53.5%. In addition, Tidewater refunded approximately \$1.1 million of excess deferred income taxes associated with the Tax Cuts and Jobs Act of 2017 between July 2025 and December 2025, including \$0.4 million of interest.

In April 2025, Tidewater completed the acquisition of the water utility assets of the Town of Ocean View, Delaware (Ocean View), as authorized by the DEPSC, for approximately \$4.6 million. Ocean View serves approximately 900 customers in Sussex County, Delaware, who had been receiving water supply from Tidewater since the system was constructed in 2008.

In September 2024, the DEPSC approved Tidewater's petition to recover up to \$2.1 million of costs associated with Tidewater's obligation to identify and inventory lead service lines throughout Tidewater's service area, as required by federal law and Delaware regulations. Recovery of these costs began February 1, 2025 and is expected to continue through January 2028. Through December 31, 2025, Tidewater has spent \$1.9 million to identify and inventory lead service lines.

MDL Settlement

Several of the Company's utility subsidiaries are parties to the aforementioned MDL lawsuit against manufacturers of certain PFAS for damages, contribution and reimbursement of costs incurred and continuing to be incurred to address the presence of such PFAS in public water supply systems owned and operated by these utility subsidiaries and throughout their service areas. Settlements with several defendants in the MDL have received final approval by the MDL court. The Company timely submitted to the MDL court its Phase One claim forms under settlement agreements with defendants 3M Company, DuPont de Nemours, Inc., Tyco Fire Products LP and BASF Corporation and began receiving settlement payments in 2025.

Southern Shores Rate Matters

Southern Shores provides water service to a 2,200 unit condominium community in Sussex County, Delaware under a DEPSC-approved agreement expiring December 31, 2029. Under the agreement, rates are increased annually by the lesser of the regional Consumer Price Index or 3%. Additionally, when there are unanticipated capital expenditures or regulatory related changes in operating expenses exceed certain annual thresholds, rates are increased. In 2024 and 2025, capital expenditures did exceed the established threshold. Effective January 1, 2025 and January 1, 2026, Southern Shores rates were increased \$0.1 million, or 6.51%, and \$0.1 million, or 4.89%, respectively.

Regulatory Matters

We have recorded certain costs as regulatory assets because we expect full recovery of, or are currently recovering, these costs in the rates we charge customers. These deferred costs have been excluded from rate base and, therefore, we are not earning a return on the unamortized balances. We record regulatory liabilities for amounts expected to be refunded to customers in the rate making process. These items are detailed as follows:

	(In Thousands)	
	2025	2024
<u>Regulatory Assets</u>		
Income Taxes (a)	\$ 97,300	\$ 89,825
Other (b)	12,984	11,958
Total	\$ 110,284	\$ 101,783
<u>Regulatory Liabilities</u>		
Income Taxes (c)	\$ 25,585	\$ 27,380
Cost of Removal (d)	22,037	20,595
Employee Benefit Plans (e)	11,526	9,435
Lawsuit Settlement (f)	1,598	5,334
New Jersey Revenue Taxes (g)	3,258	1,813
MDL Settlement (h)	\$ —	\$ —
Total	\$ 68,437	\$ 64,557

- (a) The recovery period for income taxes is dependent upon when the temporary differences between the tax and book treatment of various items reverse.
- (b) Other primarily includes deferred costs for rate cases and tank painting.
- (c) The 2017 Tax Act reduced the statutory corporate federal income tax rate from 35% to 21%. The tariff rates charged to customers effective prior to 2018 in the Company's regulated companies include recovery of income taxes at the statutory rate in effect at the time those rates were approved by the respective state public utility commissions. The Company has recorded regulatory liabilities for excess income taxes collected through rates due to the lower income tax rate under the 2017 Tax Act. These regulatory liabilities are largely related to utility plant depreciation deduction timing differences, which are subject to Internal Revenue Service (IRS) normalization rules. The IRS rules limit how quickly the excess taxes attributable to accelerated taxes can be returned to customers. The current base rates for Middlesex, Pinelands and Tidewater customers reflect the impact of the 2017 Tax Act.
- (d) The Company uses composite depreciation rates for its regulated utility assets, which is currently an acceptable method under GAAP and is widely used in the utility industry. Historically, under the composite depreciation method, the anticipated costs of removing assets upon retirement are provided for over the life of those assets as a component of depreciation expense. The Company recovers certain asset retirement costs through rates charged to customers as an approved component of depreciation expense.
- (e) Retirement benefits include pension and other retirement benefits that have been recorded on the Consolidated Balance Sheet in accordance with the guidance provided in ASC 715, *Compensation – Retirement Benefits*. These amounts represent obligations less than current funding.
- (f) The net proceeds available to Middlesex from the 3M Settlement Agreement were recorded as a regulatory liability and are being used for future related operating and maintenance costs.
- (g) Revenue-related taxes paid by the Company's New Jersey Regulated subsidiaries, and reflected in those subsidiaries current base rates, were above enacted rates and will be refunded back to customers in a future rate proceeding.
- (h) Proceeds received by Middlesex and Tidewater from the settlement of the MDL lawsuit against manufacturers of PFAS that will be refunded to customers. For additional information, see *Middlesex* and *Tidewater Rate Matters* above.

Note 3 – Income Taxes

The following table is a reconciliation of the U.S. federal statutory rate of 21% to the Company's effective rate for the year ended December 31, 2025 in accordance with the guidance in ASU No. 2023-09:

	(\$ in Thousands)	
	Year Ended December 31, 2025	
	\$	%
Earnings from continuing operations, before income tax expense	\$ 47,643	
U.S Federal Statutory Tax Rate	10,005	21.0 %
State Taxes, Net of Federal Income Tax Effect (*)	1,271	2.7 %
Nontaxable or Nondeductible Items		
Utility Plant Related	(726)	(1.5)%
Tangible Property Repairs	(5,792)	(12.2)%
Other Adjustments	63	0.1 %
Total Income Tax Expense	\$ 4,821	10.1 %

(*) State taxes in Delaware make up the majority (greater than 50 percent) of the tax effect in this category.

The following table is a reconciliation of the U.S. federal statutory rate of 21% to the Company's effective rate for the years ended December 31, 2024 and 2023 in accordance with the guidance prior to the adoption of ASU No. 2023-09:

	Years Ended December 31,	
	2024	2023
Income Tax at Statutory Rate	\$ 10,764	\$ 6,839
Tax Effect of:		
Utility Plant Related	(659)	(1,495)
Tangible Property Repairs	(4,535)	(5,475)
State Income Taxes-Net	1,270	1,117
Other	65	55
Total Income Tax Expense	\$ 6,905	\$ 1,041

The Company paid income taxes as follows:

	Year Ended December 31, 2025
Federal taxes Paid	\$ 236
State Taxes Paid-New Jersey	307
State Taxes Paid-Delaware	1,092
State Taxes Paid-Other	4
Total State Taxes Paid	\$ 1,403
Total Income Taxes Paid	\$ 1,639

The table above is in accordance with the guidance in ASU No. 2023-09.

The Company's effective tax rate was 10.1%, 13.5% and 3.2% for the years ended December 31, 2025, 2024 and 2023, respectively.

The statutory Federal tax rate is 21.0% for the years ended December 31, 2025, 2024 and 2023. For states where the Company's subsidiaries are subject to a state income tax, the state corporate net income tax rates range from 8.25% to 9.0% for all periods presented. Our effective tax rate differs from the federal statutory tax rate primarily due to the recognition of the income tax benefits for the immediate deduction of repair expenditures on tangible property in the Middlesex System as well as other permanent book-to-tax differences.

Income tax expense (benefit) is comprised of the following:

	(In Thousands)		
	Years Ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ 2,971	\$ 1,554	\$ 2,952
State	1,292	1,126	1,066
Deferred:			
Federal	295	3,802	(3,261)
State	317	482	348
Investment Tax Credits	(54)	(59)	(64)
Total Income Tax Expense	\$ 4,821	\$ 6,905	\$ 1,041

As part of Middlesex's March 2018 general rate case settlement with the NJBPU, Middlesex received approval for regulatory accounting treatment of income tax benefits associated with the adoption of tangible property regulations issued by the IRS as well as prospective recognition of the income tax benefits for the immediate deduction of repair costs on tangible property. This results in significant reductions in the Company's effective income tax rate, current income tax expense and deferred income tax expense (benefit).

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial purposes and the amounts used for income tax purposes. The components of the net deferred tax liability are as follows:

	(In Thousands)	
	December 31,	
	2025	2024
Utility Plant Related	\$ 100,934	\$ 95,877
Customer Advances	850	(3,525)
Employee Benefits	8,778	7,888
Investment Tax Credits	128	181
Other	(215)	814
Total Accumulated Deferred Income Taxes	\$ 110,475	\$ 101,235

The Company has no material unrecognized tax benefits, interest, or penalties and does not expect significant changes to unrecognized tax benefits within the next 12 months.

An IRS examination of the Company's 2023 federal income tax returns commenced in February 2026. The Company is also obligated to report adjustments resulting from IRS settlements to state tax authorities.

Note 4 - Commitments and Contingent Liabilities

Water Supply – Middlesex's agreement with the New Jersey Water Supply Authority (NJWSA) for the purchase of untreated water expires November 30, 2048. NJWSA provides for an average purchase of 27.0 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, 2031, 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 75.0 million gallons annually.

Purchased water costs are shown below:

	(In Millions)					
	Years Ended December 31,					
	2025		2024		2023	
Untreated	\$	3.6	\$	3.5	\$	3.2
Treated		4.4		4.0		5.3
Total Costs	\$	8.0	\$	7.5	\$	8.5

Leases - The Company determines if an arrangement is a lease at the inception of the lease. 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 December 2029. 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 commencement date based on the present value of lease payments over the lease term. The Company's operating lease does not provide an explicit discount rate and as such the Company used an estimated incremental borrowing rate (4.03%) based on the information available at 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 was \$0.8 million for each of the years ended December 31, 2025, 2024 and 2023.

Information related to operating lease ROU assets is as follows:

	(In Millions)			
	December 31,			
	2025		2024	
ROU Asset at Lease Inception	\$	7.3	\$	7.3
Accumulated Amortization		(5.3)		(4.7)
Current ROU Asset	\$	2.0	\$	2.6

The Company's future minimum operating lease commitments as of December 31, 2025 are as follows:

	(In Millions)	
	December 31, 2025	
2026	\$	0.8
2027		0.9
2028		0.9
2029		0.9
2030		—
Total Lease Payments	\$	3.5
Imputed Interest		(1.1)
Present Value of Lease Payments		2.4
Less Current Portion*		(0.6)
Non-Current Lease Liability	\$	1.8

*Included in Other Current Liabilities

Construction – In connection with the Company's planned capital expenditures, the Company has entered into several contractual construction agreements that in total obligate it to expend an estimated \$21 million in the future. 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, supply chain issues and continued refinement of project scope and costs.

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 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 in connection with a change in control of the Company.

Note 5 – Short-term Borrowings

Information regarding the Company’s short-term borrowings for the years ended December 31, 2025 and 2024 is summarized below:

	(\$ In Millions)			
	2025		2024	
Average Amount Outstanding	\$	42.1	\$	38.7
Weighted Average Interest Rate		5.42%		6.33%
Notes Payable at Year-End	\$	28.3	\$	23.0
Weighted Average Interest Rate at Year-End		5.03%		5.63%

As of December 31, 2025, the Company maintains bank lines of credit aggregating \$148.0 million.

	(In Millions)					Line of Credit Expiration Date
	As of December 31, 2025			Credit Type		
	Outstanding	Available	Maximum			
Bank of America	\$ —	\$ 60.0	\$ 60.0	Uncommitted	July 31, 2026	
PNC Bank	9.3	58.7	68.0	Committed	January 31, 2027	
CoBank, ACB (CoBank)	19.0	1.0	20.0	Committed	May 20, 2028	
	<u>\$ 28.3</u>	<u>\$ 119.7</u>	<u>\$ 148.0</u>			

The maturity dates for the Notes Payable as of December 31, 2025 are all three months or less extendable at the discretion of the Company.

In July 2025, Tidewater increased the maximum borrowing amount under its line of credit with CoBank, ACB (CoBank) to \$20.0 million and extended the expiration date to May 2028.

In September 2025, the Company amended its line of credit with Bank of America and extended the expiration date to July 2026.

In February 2026, the Company amended its line of credit with PNC Bank. Under the terms of the amendment, the expiration date was extended to January 31, 2029 and the maximum borrowing amount was increased to \$100 million.

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 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.

Note 6 - Capitalization

Common Stock

The Company issues shares of its common stock in connection with its Middlesex Water Company Investment Plan (the Investment Plan), a direct share purchase and dividend reinvestment plan for the Company’s common stock. The Company raised approximately \$0.9 million under the Investment Plan during 2025. Currently, 0.7 million shares remain registered

with the United States Securities and Exchange Commission and available for issuance to participants under the Investment Plan.

In April 2023, the NJBPU authorized Middlesex to issue and sell up to 1.0 million shares of its common stock, without par value, for the period from April 2023 through December 2025, through one or more traditional underwriting offerings and/or At-the-Market (ATM) offerings. In September 2025, the NJBPU authorized Middlesex to issue and sell up to 2.5 million shares of its common stock, without par value, during the period January 2026 through December 2028, through one or more traditional underwriting offerings and/or ATM offerings. 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.

On May 12, 2025, Middlesex entered into an ATM Equity Offering Sales Agreement (Equity Sales Agreement) with BofA Securities, Inc., Robert W. Baird & Co. Incorporated, and Janney Montgomery Scott LLC, pursuant to which Middlesex may offer and sell shares of its common stock, no par value per share, from time to time in "at-the-market" offerings, having an aggregate gross sales price of up to \$110.0 million. The Company intends to use the net proceeds from these sales, after deducting commissions and offering expenses, to fund our capital expenditures, to purchase and maintain plant equipment, as well as for other general corporate purposes. For the year ended December 31, 2025, Middlesex issued and sold a total of 560,000 shares of common stock at a weighted average price of \$53.54 per share, and received \$29.5 million in net proceeds under the Equity Sales Agreement. As of December 31, 2025, the Company has \$80.0 million of aggregate gross sales remaining under the Equity Sales Agreement.

The Company issues common shares under a restricted stock plan for certain management employees, which is described in Note 7 – *Employee Benefit Plans*.

The Company maintains a stock plan for its independent Directors as a component of outside members of the Board of Directors compensation. For the years ended December 31, 2025, 2024 and 2023, 6,318, 7,570 and 4,608 shares, respectively, of Middlesex common stock were granted and issued to the Company's independent Directors under the plan. The maximum number of shares authorized for grant under the plan is 100,000, of which 27,965 shares remain available for future awards.

In the event dividends on the preferred stock are in arrears, no dividends may be declared or paid on the common stock of the Company.

Preferred Stock

At December 31, 2025, there were 120,000 shares of preferred stock authorized and less than 13,000 shares of preferred stock outstanding. There were no preferred stock dividends in arrears.

The Company may not pay any dividends on its common stock unless full cumulative dividends to the preceding dividend date for all outstanding shares of preferred stock have been paid or set aside for payment. If four or more quarterly dividends are in arrears, the preferred shareholders, as a class, are entitled to elect two members to the Board of Directors in addition to Directors elected by holders of the common stock. In addition, if Middlesex were to liquidate, holders of preferred stock would be paid back the stated value of their preferred shares before any distributions could be made to common stockholders.

The conversion feature of the no par \$7.00 Series Cumulative and Convertible Preferred Stock allows the security holders to convert one convertible preferred share for twelve shares of the Company's common stock. In 2025, 2,782 shares of the Company's no par \$7.00 Series Cumulative and Convertible Preferred Stock were converted into 33,384 shares (approximately \$0.3 million) of the Company's common stock. In addition, the Company may redeem up to 10% of the outstanding convertible stock in any calendar year at a price equal to the fair value of twelve shares of the Company's common stock for each share of convertible stock redeemed.

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.

In September 2025, the NJBPU authorized Middlesex to borrow up to \$260.0 million during the period January 2026 through December 2028, in one or more negotiated transactions in the form of notes and/or first mortgage bonds (FMBs) through loans from the New Jersey SRF Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed. Middlesex was previously authorized to borrow up to \$300.0 million for the period beginning in April 2023 through December 2025.

In October 2025, Middlesex closed on a \$30.0 million, 5.99% private placement of First Mortgage Bonds (FMBs) due 2055, designated as Series 2025A. The net proceeds from the sale were used to repay short-term borrowings under the Company's bank lines of credit and for other general corporate purposes.

In September 2024, Tidewater closed on a \$2.2 million Delaware SRF loan with a 0.0% interest rate with an expected maturity date in 2044. This loan is for costs associated with Tidewater's obligation, as required by federal law and Delaware regulations, to identify and inventory lead service lines throughout Tidewater's service area. Tidewater has drawn down \$1.8 million as of December 31, 2025.

In May 2024, Tidewater closed on four DEPSC-approved Delaware SRF loans totaling \$5.6 million, all at interest rates of 2.0% with maturity dates in 2045. These loans are for the construction, relocation, improvement, and/or interconnection of transmission mains and construction of a water treatment facility. In December 2025, Tidewater closed on an additional \$1.0 million, 2.0% SRF loan with a maturity date of 2045 related to these projects. Tidewater has drawn down \$0.9 million on these loans as of December 31, 2025. Each project has its own construction timetable with the last spending set to occur in 2027.

Separately, Tidewater has two active construction projects funded by Delaware SRF loans totaling \$8.3 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 interconnection of transmission mains. Tidewater has drawn a total of \$7.1 million through December 31, 2025 and expects that the requisitions will continue through the first quarter of 2026.

In December 2025, Southern Shores closed on a \$0.4 million Delaware SRF loan with a 0.0% interest rate with a maturity date in 2045. This loan is for costs associated with Southern Shore's obligation, as required by federal law and Delaware regulations, to identify and inventory lead service lines in its service area.

In February 2026, Pinelands Water and Pinelands Wastewater repaid in full \$3.7 million and \$3.4 million, respectively, of their amortizing secured notes. The interest rates and due dates on both of these notes were 6.17% and 2043, respectively.

The aggregate annual principal repayment obligations as of December 31, 2025 for all long-term debt over the next five years and thereafter are shown below:

	(In Millions)	
Year	Annual Maturities	
2026	\$	7.9
2027		7.5
2028		7.2
2029		6.7
2030		5.8
Thereafter		350.8

The weighted average interest rate on all long-term debt at December 31, 2025 and 2024 was 3.49% and 3.64%, respectively.

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.

Earnings Per Share

The following table presents the calculation of basic and diluted earnings per share (EPS) of common stock for the years ended December 31, 2025, 2024 and 2023. Basic EPS is computed on the basis of the weighted average number of shares outstanding. Diluted EPS assumes the conversion of the Convertible Preferred Stock \$7.00 Series.

	(In Thousands, Except Per Share Amounts)					
	2025		2024		2023	
Basic:	Income	Shares	Income	Shares	Income	Shares
Net Income	\$ 42,822	18,096	\$ 44,351	17,842	\$ 31,524	17,732
Preferred Dividend	(76)		(112)		(120)	
Earnings Applicable to Common Stock	\$ 42,746	18,096	\$ 44,239	17,842	\$ 31,404	17,732
Basic EPS	\$ 2.36		\$ 2.48		\$ 1.77	
Diluted:						
Earnings Applicable to Common Stock	\$ 42,746	18,096	\$ 44,239	17,842	\$ 31,404	17,732
Convertible Preferred \$7.00 Series Dividend	24	41	46	104	67	115
Adjusted Earnings Applicable to Common Stock	\$ 42,770	18,137	\$ 44,285	17,946	\$ 31,471	17,847
Diluted EPS	\$ 2.36		\$ 2.47		\$ 1.76	

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 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 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 Bonds in the table below are classified as Level 2 measurements. The carrying amount and fair value of the Bonds were as follows:

	(In Thousands)			
	At December 31,			
	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FMBs	\$ 126,172	\$ 120,430	\$ 129,602	\$ 125,067

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 rate and due date on these series of long-term debt, please refer to those series of long-term debt titled "Amortizing Secured Notes" and "State Revolving Trust Notes" on the Consolidated Statements of Capital Stock and Long-Term Debt. The carrying amount of these instruments was \$259.5 million and \$229.8 million at December 31, 2025 and 2024, respectively. Advances for construction have carrying amounts of \$25.5 million and \$22.6 million at December 31, 2025 and 2024, 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.

Note 7 - Employee Benefit Plans

Pension Benefits

The Company's 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 can participate in a defined contribution profit sharing plan that provides an annual contribution at the discretion of the Company, based upon a percentage of the participants' annual paid compensation. In order to be eligible for contribution, the eligible employee must be employed by the Company on December 31st of the year to which the contribution relates. The Company maintains an unfunded supplemental plan for a

limited number of its executive officers. The Accumulated Benefit Obligation for the Company's Pension Plan at December 31, 2025 and 2024 was \$82.5 million and \$80.8 million, respectively.

Other Benefits

The Company's Other Benefits Plan covers substantially all of its current retired employees. Employees hired after March 31, 2007 are not eligible to participate in this plan. Coverage includes healthcare and life insurance.

Regulatory Treatment of Over/Underfunded Retirement Obligations

Because the Company is subject to rate regulation in the states in which it operates, it is required to maintain its accounts in accordance with the regulatory authority's rules and guidelines, which may differ from other authoritative accounting pronouncements. In those instances, the Company follows the guidance of ASC 980, *Regulated Operations*. Based on prior regulatory practice, and in accordance with the guidance in ASC 980, *Regulated Operations*, the Company records underfunded Pension Plan and Other Benefits Plan obligation costs, which otherwise would be recognized in Other Comprehensive Income under ASC 715, *Compensation – Retirement Benefits*, as a Regulatory Asset, and expects to recover those costs in rates charged to customers. The Company uses a December 31 measurement date for all of its employee benefit plans. The tables below set forth information relating to the Company's Pension Plan and Other Benefits Plan for 2025 and 2024.

	(In Thousands)			
	Pension Plan		Other Benefits Plan	
	Years Ended December 31,			
	2025	2024	2025	2024
Change in Projected Benefit Obligation:				
Beginning Balance	\$ 87,501	\$ 91,853	\$ 28,201	\$ 28,000
Service Cost	967	1,270	340	320
Interest Cost	4,635	4,280	1,719	1,313
Actuarial (Gain) Loss	1,026	(5,478)	2,867	(486)
Benefits Paid	(5,079)	(4,424)	(1,102)	(946)
Ending Balance	\$ 89,050	\$ 87,501	\$ 32,025	\$ 28,201

	(In Thousands)			
	Pension Plan		Other Benefits Plan	
	Years Ended December 31,			
	2025	2024	2025	2024
Change in Fair Value of Plan Assets:				
Beginning Balance	\$ 98,648	\$ 92,346	\$ 53,027	\$ 48,352
Actual Return on Plan Assets	9,566	7,976	7,473	4,675
Employer Contributions	886	2,750	1,102	946
Benefits Paid	(5,079)	(4,424)	(1,102)	(946)
Ending Balance	\$ 104,021	\$ 98,648	\$ 60,500	\$ 53,027
Funded Status	\$ 14,971	\$ 11,147	\$ 28,474	\$ 24,826

	(In Thousands)			
	Pension Plan		Other Benefits Plan	
	As of December 31,			
	2025	2024	2025	2024
Amounts Recognized in the Consolidated Balance Sheets consist of:				
Current Liability	\$ 883	\$ 883	\$ —	\$ —
Noncurrent Asset	(15,854)	(12,030)	(28,474)	(24,826)
Net Asset Recognized	\$ (14,971)	\$ (11,147)	\$ (28,474)	\$ (24,826)

	(In Thousands)					
	Pension Plan			Other Benefits Plan		
	Years Ended December 31,					
	2025	2024	2023	2025	2024	2023
Components of Net Periodic Benefit (Gain) Cost						
Service Cost	\$ 967	\$ 1,270	\$ 1,551	\$ 340	\$ 320	\$ 391
Interest Cost	4,635	4,280	4,270	1,719	1,313	1,608
Expected Return on Plan Assets	(6,748)	(6,322)	(5,865)	(3,712)	(3,384)	(3,082)
Amortization of Net Actuarial Loss (Gain)	50	153	658	(613)	(1,098)	(191)
Net Periodic Benefit (Gain) Cost*	\$ (1,096)	\$ (619)	\$ 614	\$ (2,266)	\$ (2,849)	\$ (1,274)

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

Amounts that are expected to be amortized from Regulatory Assets into Net Periodic Benefit Cost in 2025 are as follows:

	(In Thousands)	
	Pension Plan	Other Benefits Plan
Actuarial Loss (Gain)	\$ 74	\$ (1,071)

The discount rate and compensation increase rate for determining our postretirement benefit plans' benefit obligations and costs as of and for the years ended December 31, 2025, 2024 and 2023, respectively, are as follows:

	Pension Plan			Other Benefits Plan		
	2025	2024	2023	2025	2024	2023
Weighted Average Assumptions:						
Expected Return on Plan Assets for:						
Benefit Cost	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Discount Rate for:						
Benefit Obligation	5.39%	5.47%	4.79%	5.49%	5.49%	4.79%
Benefit Cost	5.47%	4.79%	4.98%	5.49%	4.79%	4.98%
Compensation Increase for:						
Benefit Obligation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Benefit Cost	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The compensation increase assumption for the Other Benefits Plan is attributable to life insurance provided to qualifying employees upon their retirement. The insurance coverage will be determined based on the employee's base compensation as of their retirement date.

The Company utilizes the Society of Actuaries' mortality table (Pri-2012) (Mortality Improvement Scale MP2021).

For the 2025 valuation, costs and obligations for our Other Benefits Plan assumed a 8.0% annual rate of increase in the per capita cost of covered healthcare benefits in 2026 with the annual rate of increase declining 0.15% per year for 2027-2046, resulting in an annual rate of increase in the per capita cost of covered healthcare benefits of 5.0% by year 2046.

A one-percentage point change in assumed healthcare cost trend rates would have the following effects on the Other Benefits Plan:

	(In Thousands)			
	1 Percentage Point			
	Increase		Decrease	
Effect on Current Year Service and Interest Costs	\$	295	\$	(239)
Effect on Projected Benefit Obligation	\$	4,199	\$	(3,434)

The following benefit payments, which reflect expected future service, are expected to be paid:

Year	(In Thousands)			
	Pension Plan		Other Benefits Plan	
2026	\$	5,446	\$	1,355
2027		5,466		1,427
2028		5,588		1,491
2029		5,586		1,593
2030		5,691		1,654
2030-2034		30,481		9,549
Totals	\$	58,258	\$	17,070

Benefit Plans Assets

The allocation of plan assets at December 31, 2025 and 2024 by asset category is as follows:

Asset Category	Pension Plan			Other Benefits Plan		
	2025	2024	Target	2025	2024	Target
Equity Securities	51.9%	31.8%	30%	68.0%	65.2%	65%
Debt Securities	47.5%	67.9%	68%	30.0%	33.0%	33%
Cash	0.6%	0.3%	2%	2.0%	1.8%	2%
Total	100.0%	100.0%		100.0%	100.0%	

Two outside investment firms each manage a portion of the Pension Plan asset portfolio. One of those investment firms also manages the Other Benefits Plan asset portfolio. Quarterly meetings are held between the Company's Pension Committee of the Board of Directors and the investment managers to review their performance and asset allocation. If the actual asset allocation is outside the targeted range, the Pension Committee reviews current market conditions and advice provided by the investment managers to determine the appropriateness of rebalancing the portfolio.

The objective of the Company is to maximize the long-term return on retirement plan assets, relative to a reasonable level of risk, maintain a diversified investment portfolio and maintain compliance with the Employee Retirement Income Security Act of 1974. The expected long-term rate of return is based on the various asset categories in which plan assets are invested and the current expectations and historical performance for these categories.

Fair Value Measurements

Accounting guidance provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in accessible active markets.
- Level 2 – Inputs to the valuation methodology that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Certain investments in cash and cash equivalents, equity securities, and commodities are valued based on quoted market prices in active markets and are classified as Level 1 investments. Certain investments in cash and cash equivalents, equity securities and fixed income securities are valued using prices received from pricing vendors that utilize observable inputs and are therefore classified as Level 2 investments.

The following tables present Middlesex's Pension Plan assets measured and recorded at fair value within the fair value hierarchy:

(In Thousands)						
As of December 31, 2025						
	Level 1		Level 2		Level 3	Total
Money Market Funds	\$ 637	\$	—	\$	—	\$ 637
Government Treasury	21,546		—		—	21,546
Common Equity Securities	32,400		—		—	32,400
Corporate Bonds	—		44,878		—	44,878
Sovereign/Non-US Debt	—		4,560		—	4,560
Total Investments	\$ 54,583	\$	49,438	\$	—	\$ 104,021

(In Thousands)						
As of December 31, 2024						
	Level 1		Level 2		Level 3	Total
Mutual Funds	\$ 31,187	\$	—	\$	—	\$ 31,187
Money Market Funds	293		—		—	293
Common Equity Securities	195		—		—	195
Corporate Bonds	42,974		—		—	42,974
Agency/US Debt	19,041		—		—	19,041
Sovereign/Non-US Debt	4,958		—		—	4,958
Total Investments	\$ 98,648	\$	—	\$	—	\$ 98,648

The following tables present Middlesex's Other Benefits Plan assets measured and recorded at fair value within the fair value hierarchy:

(In Thousands)						
As of December 31, 2025						
	Level 1		Level 2		Level 3	Total
Money Market Funds	885		—		—	885
Cash	317		—		—	317
Equity Securities	41,150		—		—	41,150
Agency/US/State/Municipal Debt	—		18,148		—	18,148
Total Investments	\$ 42,352	\$	18,148	\$	—	\$ 60,500

(In Thousands)						
As of December 31, 2024						
	Level 1		Level 2		Level 3	Total
Mutual Funds	\$ 34,545	\$	—	\$	—	\$ 34,545
Money Market Funds	977		—		—	977
Agency/US/State/Municipal Debt	—		17,505		—	17,505
Total Investments	\$ 35,522	\$	17,505	\$	—	\$ 53,027

Benefit Plans Contributions

For the Pension Plan, Middlesex expects to make approximately \$0.9 million of cash contributions in 2026.

For the Other Benefits Plan, Middlesex expects to make approximately \$1.1 million of cash contributions in 2026.

401(k) Plan

The Company maintains a 401(k) defined contribution plan, which covers substantially all employees (temporary employee needs to complete at least 1,000 hours of service to be eligible). Under the terms of the plan, the Company matches 100% of a participant's contributions, which do not exceed 1% of a participant's compensation, plus 50% of a participant's contributions exceeding 1%, but not more than 6%. The Company's matching contribution was \$0.9 million, \$0.8 million and \$0.7 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Employees hired after March 31, 2007 are not eligible to participate in the Pension Plan and are generally eligible to participate in a discretionary profit sharing plan administered through the 401(k) plan. In December each year, the Board of Directors may approve that a stated percentage of eligible compensation be contributed to the account of the employee participant in the first quarter of the following year. For those employees still actively employed on December 31, 2025 or retired during the current year, the Company will fund a discretionary contribution of \$1.3 million before April 1, 2026, which represents 5.0% of eligible 2025 compensation. For the years ended December 31, 2024 and 2023, the Company made qualifying discretionary contributions of \$1.1 million and \$0.9 million respectively for each year.

Stock-Based Compensation

The Company maintains a long-term incentive compensation plan for certain management employees where awards are made in the form of restricted common stock. Shares of restricted stock issued under the plan are subject to forfeiture by the employee in the event of termination of employment for any reason within three or five years of the award, as applicable, other than as a result of retirement at normal retirement age, death, disability or change in control. The maximum number of shares authorized for award under the plan is 300,000 shares, of which approximately 62% remain available for issuance.

The Company recognizes compensation expense at fair value for the plan awards in accordance with ASC 718, *Compensation – Stock Compensation*. Compensation expense is determined by the market value of the stock on the date of the award and is being amortized over the expected vesting period.

The following table presents awarded but not yet vested share information for the plan:

	Shares(thousands)	Unearned Compensation (thousands)	Weighted Average Granted Price
Balance, January 1, 2021	83	\$ 1,931	
Granted	11	1,151	\$ 105.17
Vested	(17)		
Amortization of Compensation expense	—	(1,350)	
Balance, December 31, 2022	77	1,732	
Granted	15	1,165	\$ 77.63
Vested	(18)	—	
Amortization of Compensation expense	—	(1,854)	
Balance, December 31, 2023	74	1,043	
Granted	19	1,003	\$ 52.50
Vested	(58)	—	
Amortization of Compensation expense	—	(1,140)	
Balance, December 31, 2024	35	906	
Granted	24	1,540	\$ 64.10
Vested	(17)		
Amortization of Compensation expense	—	(905)	
Balance, December 31, 2025	42	1,541	

Note 8 – Business Segment Data

The Company's Chief Operating Decision Maker (CODM) consists of the Company's Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer. The CODM evaluates segment performance and profitability using net

income. This metric provides a clear, consistent basis for analyzing the financial results of each segment and supports decision-making regarding the allocation of resources.

Resource allocation to the Company's regulated and non-regulated segments begins with the annual budgeting process, which establishes initial funding and resource levels for each segment. The budget incorporates key financial and operational inputs, including anticipated revenues, expenses, capital and financing requirements, aligning with the Company's strategic objectives and regulatory obligations. The CODM reviews budget-to-actual variances on a monthly, quarterly and year to-date basis and makes interim decisions to reallocate resources among segments as needed, ensuring a timely and effective response to changing conditions. For the regulated segment, the CODM uses this assessment to determine whether the segment is achieving its regulatory authorized rate of return.

The segments follow the same accounting policies as described in *Note 1 – Organization, Summary of Significant Accounting Policies and Recent Developments*. Segment profit or loss is based on Net Income. Expenses used to determine operating income before taxes are charged directly to each segment or are allocated based on the applicable cost allocation factors. Assets allocated to each segment are based upon specific identification of such assets provided by Company records. The effects of all intra-segment and/or intercompany transactions are eliminated in the consolidated financial statements.

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 and includes Middlesex, Tidewater, Pinelands Water and Southern Shores. This segment also includes a regulated wastewater system in New Jersey, Pinelands Wastewater. The Company is subject to regulations as to its rates, services and other matters by the states of New Jersey and Delaware with respect to utility service 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 and includes USA, USA-PA, and White Marsh.

(In Thousands)
Years Ended December 31,

Operation by Segments	2025	2024	2023
Revenues:			
Regulated	\$ 182,654	\$ 179,359	\$ 154,617
Non – Regulated	12,985	13,552	12,773
Total Reportable Segments	195,639	192,911	167,390
Inter-segment Elimination	(945)	(1,034)	(1,116)
Consolidated Revenues	\$ 194,694	\$ 191,877	\$ 166,274
Operating Expenses			
Purchased Water:			
Regulated	\$ 8,458	\$ 8,064	\$ 9,144
Non – Regulated	—	—	—
Total Reportable Segments	8,458	8,064	9,144
Inter-segment Elimination	(464)	(567)	(663)
Consolidated Purchased Water	\$ 7,994	\$ 7,497	\$ 8,481
Other Operations and Maintenance Expenses:			
Regulated	\$ 75,293	\$ 76,483	\$ 66,670
Non – Regulated	8,485	8,850	8,415
Total Reportable Segments	83,778	85,333	75,085
Inter-segment Elimination	(481)	(467)	(453)
Consolidated Other Operations and Maintenance Expenses	\$ 83,297	\$ 84,866	\$ 74,632
Other Taxes:			
Regulated	\$ 21,675	\$ 21,644	\$ 18,504
Non – Regulated	239	230	240
Consolidated Other Taxes	\$ 21,914	\$ 21,874	\$ 18,744
Depreciation:			
Regulated	\$ 26,844	\$ 24,173	\$ 24,931
Non – Regulated	269	257	263
Consolidated Depreciation	\$ 27,113	\$ 24,430	\$ 25,194
Operating Income:			
Regulated	\$ 50,865	\$ 49,462	\$ 35,820
Non – Regulated	3,511	3,748	3,403
Consolidated Operating Income	\$ 54,376	\$ 53,210	\$ 39,223
Other Income (Expense), Net:			
Regulated	\$ 8,001	\$ 12,195	\$ 6,637
Non – Regulated	236	281	214
Total Reportable Segments	8,237	12,476	6,851
Inter-segment Elimination	(675)	(407)	(366)
Consolidated Other Income, Net	\$ 7,562	\$ 12,069	\$ 6,485

Operation by Segments (continued)	(In Thousands)					
	Years Ended December 31,					
	2025		2024		2023	
Interest Expense:						
Regulated	\$	14,970	\$	14,430	\$	13,508
Non – Regulated		—		—		—
Total Reportable Segments		14,970		14,430		13,508
Inter-segment Elimination		(675)		(407)		(365)
Consolidated Interest Expense	\$	14,295	\$	14,023	\$	13,143
Income Taxes:						
Regulated	\$	3,637		5,653		(146)
Non – Regulated		1,184		1,252		1,187
Consolidated Income Taxes	\$	4,821	\$	6,905	\$	1,041
Net Income:						
Regulated	\$	40,258	\$	41,575	\$	29,094
Non – Regulated		2,564		2,776		2,430
Consolidated Net Income		42,822		44,351		31,524
Capital Expenditures:						
Regulated	\$	96,015	\$	74,584	\$	90,047
Non – Regulated		339		38		132
Total Capital Expenditures	\$	96,354	\$	74,622	\$	90,179

	(In Thousands)			
	As of		As of	
	December 31, 2025		December 31, 2024	
Assets:				
Regulated	\$	1,377,391	\$	1,264,472
Non – Regulated		9,076		7,671
Total Reportable Segments		1,386,466		1,272,143
Inter-segment Elimination		(20,730)		(16,969)
Consolidated Assets	\$	1,365,737	\$	1,255,174

Note 9 - Supplemental Cash Flows Information

(in thousands)	2025	2024	2023
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:			
Utility Plant received as Construction Advances and Contributions	\$ 9,924	\$ 8,968	\$ 7,259
Accrued Payables for Utility Plant	9,901	8,109	10,251
Litigation Settlement Receivable	—	(6,237)	69,872
Litigation Settlement Payable	—	(6,237)	6,237
Conversion of Preferred Stock Into Common Stock	292	449	—
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Cash Paid During the Year for:			
Interest	13,459	14,485	12,762
Interest Capitalized	640	511	975
Income Taxes	1,639	3,169	2,962

The cash flow impact of Tangible Property Repairs in Note 3, *Income Taxes* is reflected in Provision for Deferred Income Taxes and Investment Tax Credits in the Consolidated Statements of Cash Flows.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES
Evaluation of Disclosure Control and Procedures

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that the information required to be disclosed in the reports filed or submitted to the United States Securities and Exchange Commission (SEC) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management of the Company, with the participation of its principal executive officer and principal financial officer, has evaluated its disclosure controls and procedures as of the end of the period covered by this report and, based on such evaluation, has concluded that the disclosure controls and procedures are effective at the reasonable assurance level as of December 31, 2025. Reasonable assurance is not absolute assurance, however, and there can be no assurance that any design of controls or procedures would be effective under all potential future conditions, regardless of how remote.

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management of the Company assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013 framework). Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There has been no change in internal control over financial reporting during the quarter ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting of the Company.

ITEM 9B. OTHER INFORMATION.

- (a) None.
- (b) Insider Trading Arrangements and Policies - During the three months ended December 31, 2025, 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."
- (c) Form 8-K Disclosures – None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Information with respect to Directors of Middlesex Water Company will be included in Middlesex Water Company's Proxy Statement for the 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

Information regarding the Executive Officers of Middlesex Water Company is included under Item 1. in Part I of this Annual Report.

Information regarding Middlesex Water Company's Insider Trading Policy will be included in Middlesex Water Company's Proxy Statement for the 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

This information for Middlesex Water Company will be included in Middlesex Water Company's Proxy Statement for the 2026 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

This information for Middlesex Water Company will be included in Middlesex Water Company's Proxy Statement for the 2026 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

This information for Middlesex Water Company will be included in Middlesex Water Company's Proxy Statement for the 2026 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

This information for Middlesex Water Company will be included in Middlesex Water Company's Proxy Statement for the 2026 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

1. The following Financial Statements and Supplementary Data are included in Part II- Item 8. of this Annual Report:
Consolidated Balance Sheets at December 31, 2025 and 2024.
Consolidated Statements of Income for each of the three years in the period ended December 31, 2025.
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2025.
Consolidated Statements of Capital Stock and Long-term Debt as of December 31, 2025 and 2024.
Consolidated Statements of Common Stockholders' Equity for each of the three years in the period ended December 31, 2025.
Notes to Consolidated Financial Statements.
2. Financial Statement Schedules
All Schedules are omitted because of the absence of the conditions under which they are required or because the required information is shown in the financial statements or notes thereto.
3. Exhibits
See Exhibit listing immediately following the signature page.

ITEM 16. FORM 10-K SUMMARY.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MIDDLESEX WATER COMPANY

By: /s/ Nadine Leslie
Nadine Leslie
President and Chief Executive Officer

Date: February 19, 2026

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 19, 2026.

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Senior Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)

By: /s/ Robert J. Capko
Robert J. Capko
Corporate Controller
(Principal Accounting Officer)

By: /s/ Nadine Leslie
Nadine Leslie
President, Chief Executive Officer and Director
(Principal Executive Officer)

By: /s/ Joshua Bershad, M.D.
Joshua Bershad, M.D.
Director

By: /s/ James F. Cosgrove Jr.
James F. Cosgrove Jr.
Director

By: /s/ Kim C. Hanemann
Kim C. Hanemann
Director

By: /s/ Robert Høglund
Robert Høglund
Director

By: /s/ Steven M. Klein
Steven M. Klein
Director

By: /s/ Amy B. Mansue
Amy B. Mansue
Director

By: /s/ Vaughn L. McKoy
Vaughn L. McKoy
Director

By: /s/ Ann L. Noble
Ann L. Noble
Director

By: /s/ Walter G. Reinhard
Walter G. Reinhard
Director

EXHIBIT INDEX

Exhibits designated with an asterisk (*) are filed herewith. The exhibits not so designated have heretofore been filed with the Commission and are incorporated herein by reference to the documents indicated in the previous filing columns following the description of such exhibits. Exhibits designated with a dagger (†) are management contracts or compensatory plans.

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
3.1	The Restated Certificate of Incorporation, filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the Year ended December 31, 1998.		
3.2	Certificate of Amendment to the Restated Certificate of Incorporation, filed with the State of New Jersey on June 20, 1997, filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.		
3.3	Certificate of Amendment to the Restated Certificate of Incorporation, filed with the State of New Jersey on May 27, 1998, filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.		
3.4	Certificate of Amendment to the Restated Certificate of Incorporation, filed with the State of New Jersey on June 10, 1998, filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.		
3.5	Certificate of Correction of Middlesex Water Company filed with the State of New Jersey on April 30, 1999, filed as Exhibit 3.3 to the Company's Annual Report on Form 10-K/A-2 for the year ended December 31, 2003.		
3.6	Certificate of Amendment to the Restated Certificate of Incorporation of Middlesex Water Company, filed with the State of New Jersey on February 17, 2000, filed as Exhibit 3.4 to the Company's Annual Report on Form 10-K/A-2 for the year ended December 31, 2003.		
3.7	Certificate of Amendment to the Restated Certificate of Incorporation of Middlesex Water Company, filed with the State of New Jersey on June 5, 2002, filed as Exhibit 3.5 to the Company's Annual Report on Form 10-K/A-2 for the year ended December 31, 2003.		
3.8	Certificate of Amendment to the Restated Certificate of Incorporation, filed with the State of New Jersey on June 19, 2007, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed April 30, 2010.		
3.9	Certificate of Amendment to the Restated Certificate of Incorporation, filed with the State of New Jersey on September 4, 2019, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed September 6, 2019.		
3.10	Certificate of Amendment to the Restated Certificate of Incorporation, filed with the State of New Jersey on September 19, 2019, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed September 23, 2019.		

EXHIBIT INDEX

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
3.11	By-laws of the Company, as amended, filed as Exhibit 4.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.		
3.12	Amendments to the by-laws of the Company, included as Exhibit 3(ii) to the Company's Current Report on Form 8-K dated November 22, 2017.		
4.1	Form of Common Stock Certificate.	2-55058	2(a)
10.1	Water Service Agreement, dated February 28, 2006, between the Company and Elizabethtown Water Company, filed as Exhibit 10 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.		
10.2	Mortgage, dated April 1, 1927, between the Company and Union County Trust Company, as Trustee, as supplemented by Supplemental Indentures, dated as of October 1, 1939 and April 1, 1949.	2-15795	4(a)-4(f)
10.3	Supplemental Indenture, dated as of July 1, 1964 and June 15, 1991, between the Company and Union County Trust Company, as Trustee.	33-54922	10.4-10.9
10.4	Agreement for a Supply of Water, dated as of July 27, 2011, between the Company and the Old Bridge Municipal Utilities Authority, filed as Exhibit No. 10.4 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011.		
10.5	Water Supply Agreement, dated as of July 14, 1987, between the Company and the Marlboro Township Municipal Utilities Authority, as amended.	33-31476	10.13
10.6	Water Purchase Contract, dated as of October 24, 2023, between the Company and the New Jersey Water Supply Authority, filed as Exhibit No. 10.6 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.		
10.7	Treatment and Pumping Agreement, dated October 1, 2014, between the Company and the Township of East Brunswick, filed as Exhibit No. 10.7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2016.		
10.8	Water Supply Agreement, dated June 4, 1990, between the Company and Edison Township.	33-54922	10.24
10.9	Agreement for a Supply of Water, dated January 1, 2006, between the Company and the Borough of Highland Park, filed as Exhibit No. 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.		
10.9(a)	Amendment to Agreement for a Supply of Water, dated as of December 1, 2015, between the Company and the Borough of Highland Park, filed as Exhibit No. 10.9(a) of the Company's Annual Report on Form 10-K for the year ended December 31, 2015.		

EXHIBIT INDEX

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
(t)10.10	Middlesex Water Company Supplemental Executive Retirement Plan, filed as Exhibit 10.13 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999.		
(t)10.11(a)	Middlesex Water Company 2018 Restricted Stock Plan, filed as Appendix A to the Company's Definitive Proxy Statement, dated and filed April 12, 2018.		
(t)10.11(b)	Registration Statement, Form S-8, under the Securities Act of 1933, filed December 18, 2008, relating to the Middlesex Water Company Outside Director Stock Compensation Stock Plan.	333-156269	
(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 November 1, 2024, between the Company and Nadine Leslie, filed as Exhibit 10.6 of the Company's Current Report on Form 8-K dated November 5, 2024.		
(t)10.12(b)	Employment Agreement, dated as of June 24, 2024, between the Company and Mohammed G. Zerhouni, filed as Exhibit 99.2 of the Company's Current Report on Form 8-K dated June 10, 2024.		
(t) 10.12(b-1)	Employment Agreement Amendment between the Company and Mohammed G. Zerhouni, filed as Exhibit 10.1 of the Company's Current Report on Form 8-K dated December 22, 2025.		
(t)10.12(c)	Change in Control Termination Agreement, dated as of June 24, 2024, between the Company and Mohammed G. Zerhouni, filed as Exhibit 99.3 of the Company's Current Report on Form 8-K dated June 10, 2024.		
(t)10.12(d)	Change in Control Termination Agreement, dated as of November 1, 2024, between the Company and Lorrie B. Ginegaw, filed as Exhibit 10.2 of the Company's Current Report on Form 8-K dated November 5, 2024.		
(t)10.12(e)	Employment Agreement, dated as of December 16, 2024, between the Company and Gregory Sorensen, filed as Exhibit 99.2 of the Company's Current Report on Form 8-K dated November 26, 2024.		
(t)10.12(e-1)	Employment Agreement Amendment between the Company and Gregory Sorensen, filed as Exhibit 10.1 of the Company's Current Report on Form 8-K dated December 22, 2025.		
(t)10.12(f)	Change in Control Termination Agreement, dated as of December 16, 2024, between the Company and Gregory Sorensen, filed as Exhibit 99.3 of the Company's Current Report on Form 8-K dated November 26, 2024.		
(t)10.12(g)	Change in Control Termination Agreement, dated as of November 1, 2024, between the Company and Jay L. Kooper, filed as Exhibit 10.1 of the Company's Current Report on Form 8-K dated November 5, 2024.		
(t)10.12(h)	Change in Control Termination Agreement, dated as of November 1, 2024, between the Company and Robert K. Fullagar, filed as Exhibit 10.3 of the Company's Current Report on Form 8-K dated November 5, 2024.		

EXHIBIT INDEX

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
(t)10.12(i)	Change in Control Termination Agreement, dated as of November 1, 2024, between the Company and Georgia M. Simpson, filed as Exhibit 10.4 of the Company's Current Report on Form 8-K dated November 5, 2024.		
(t)10.12(j)	Change in Control Termination Agreement, dated as of November 1, 2024 between the Company and Robert J. Capko, filed as Exhibit 10.5 of the Company's Current Report on Form 8-K dated November 5, 2024.		
10.13	Transmission Agreement, dated October 16, 1992, between the Company and the Township of East Brunswick.	33-54922	10.23
10.13(a)	Amendment, dated November 28, 2016, to Transmission Agreement between the Company and the Township of East Brunswick, filed as Exhibit No. 10.13(a) of the Company's Annual Report on Form 10-K for the year ended December 31, 2016.		
10.14	Contract, dated August 20, 2018, between the City of Perth Amboy and Utility Service Affiliates (Perth Amboy), Inc., filed as Exhibit 10.16 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018.		
10.15(a)	Promissory Note and Supplement, dated October 15, 2014, between Tidewater Utilities, Inc. and CoBank, ACB; Amendment to Combination Water Utility Real Estate Mortgage and Security Agreement, effective October 15, 2014, between Tidewater Utilities, Inc. and CoBank, ACB, filed as Exhibit 10.23 of the Company's Annual Report on Form 10-K for the year ended December 31, 2014.		

EXHIBIT INDEX

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
10.15(b)	Promissory Note and Supplement, dated March 29, 2021, between Tidewater Utilities, Inc. and CoBank, ACB; Amendment to Combination Water Utility Real Estate Mortgage and Security Agreement, effective March 29, 2021, between Tidewater Utilities, Inc. and CoBank, ACB, filed as Exhibit 10.19(b) of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.		
10.15(c)	Promissory Note and Supplement, dated May 11, 2023, between Tidewater Utilities, Inc. and CoBank, ACB; Amendments to Combination Water Utility Real Estate Mortgage and Security Agreement, effective May 11, 2023, between Tidewater Utilities, Inc. and CoBank, ACB, filed as Exhibit 10.17(c) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.		
10.15(d)	Sixth Amendment to Promissory Note and Supplement, dated as of May 11, 2023, between Tidewater Utilities, Inc. and CoBank, ACB, filed as Exhibit 10.17(d) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.		
10.15(e)	Seventh Amendment to Promissory Note and Supplement, dated as of July 24, 2025, between Tidewater Utilities, Inc. and CoBank, ACB, filed as Exhibit 10.17(e) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025		
10.16	Agreement for a Supply of Water, dated April 1, 2006, between the Company and the City of Rahway, filed as Exhibit No. 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.		
10.17	Loan Agreement, dated November 1, 2006, between the State of New Jersey and the Company (Series GG), filed as Exhibit No. 10.30 of the Company's Annual Report on Form 10-K for the year ended December 31, 2006.		
10.18	Loan Agreement, dated November 1, 2006, between the New Jersey Environmental Infrastructure Trust and the Company (Series HH), filed as Exhibit No. 10.31 of the Company's Annual Report on Form 10-K for the year ended December 31, 2006.		
10.19	Loan Agreement, dated November 1, 2007, between the State of New Jersey and the Company (Series JJ), filed as Exhibit 10.33 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007.		
10.20	Loan Agreement, dated November 1, 2008, between New Jersey Environmental Infrastructure Trust and the Company dated as of (Series KK), filed as Exhibit 10.34 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008.		

EXHIBIT INDEX

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
10.21	Loan Agreement, dated November 1, 2008, between the State of New Jersey and the Company (Series LL), filed as Exhibit 10.35 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008.		
10.22	The Middlesex Water Company Investment Plan, filed as pages S-9 through S-24 of the Company's Prospectus Supplement dated as of July 29, 2025, filed as Exhibit 10.25 of the Company's Quarterly report on Form 10-Q for the quarterly period ended June 30, 2025	333-287177	
10.23(a)	Amended and Restated \$68,000,000 Revolving Line of Credit Note, dated February 9, 2022, between the Company, Pinelands Wastewater Company, Pinelands Water Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc. and While Marsh Environmental Systems, Inc., and PNC Bank, N.A., filed as Exhibit 10.26(a) of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.		
10.23(b)	Waiver and Amendment to Loan Documents, dated February 9, 2022, between the Company, Pinelands Wastewater Company, Pinelands Water Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc. and While Marsh Environmental Systems, Inc., and PNC Bank, N.A., filed as Exhibit 10.26(b) of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.		
10.23(c)	Amendment to Loan Documents, dated March 17, 2023, between the Company, Pinelands Wastewater Company, Pinelands Water Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc. and While Marsh Environmental Systems, Inc., and PNC Bank, N.A., filed as Exhibit 10.26(c) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.		
10.23(d)	Amendment to Loan Documents, dated April 5, 2023, between the Company, Pinelands Wastewater Company, Pinelands Water Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc. and While Marsh Environmental Systems, Inc., and PNC Bank, N.A., filed as Exhibit 10.26(d) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.		

EXHIBIT INDEX

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
10.23(e)	Amendment to Loan Documents, dated June 15, 2023, between the Company, Pinelands Wastewater Company, Pinelands Water Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc. and While Marsh Environmental Systems, Inc., and PNC Bank, N.A. filed as Exhibit 10.26(e) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023.		
10.23(f)	Amendment to Loan Documents, dated January 29, 2024, between the Company, Pinelands Wastewater Company, Pinelands Water Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc. and While Marsh Environmental Systems, Inc., and PNC Bank, N.A., filed as Exhibit 10.26(f) of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.		
10.23(g)	Amendment to Loan Documents, dated January 24, 2025, between the Company, Pinelands Wastewater Company, Pinelands Water Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc. and While Marsh Environmental Systems, Inc., and PNC Bank, N.A.		
*10.23(h)	Amended and Restated \$100,000,000 Revolving Line of Credit Note, dated February 17, 2026, between the Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc., While Marsh Environmental Systems, Inc. and Middlesex Water Maryland, Inc. and PNC Bank, N.A.		
*10.23(i)	Amendment to Loan Documents, dated February 17, 2026, between the Company, Tidewater Utilities, Inc., Utility Service Affiliates (Perth Amboy) Inc., Utility Service Affiliates Inc., While Marsh Environmental Systems, Inc. and Middlesex Water Maryland, Inc. and PNC Bank, N.A.		
10.24(a)	Uncommitted (\$30,000,000) Loan Agreement, dated January 28, 2021, between the Company, Tidewater Utilities, Inc., White Marsh Environmental Systems, Inc., Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc., Utility Service Affiliates (Perth Amboy) Inc., Tidewater Environmental Services, Inc., and Bank of America, N.A. filed as Exhibit 10.30 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020.		
10.24(b)	Amendment No. 1 (\$60,000,000) to Uncommitted Loan Agreement, dated January 27, 2022, between the Company, Tidewater Utilities, Inc., White Marsh Environmental Systems, Inc., Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc., Utility Service Affiliates (Perth Amboy) Inc., and Bank of America, N.A., filed as Exhibit 10.27(b) of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.		
10.24(c)	Amendment No. 2 (\$60,000,000) to Uncommitted Loan Agreement, dated January 26, 2023, between the Company, Tidewater Utilities, Inc., White Marsh Environmental Systems, Inc., Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc., Utility Service Affiliates (Perth Amboy) Inc., and Bank of America, N.A. filed as Exhibit 10.27(c) of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.		

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Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
10.24(d)	Amendment No. 3 (\$60,000,000) to Uncommitted Loan Agreement, dated January 25, 2024, between the Company, Tidewater Utilities, Inc., White Marsh Environmental Systems, Inc., Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc., Utility Service Affiliates (Perth Amboy) Inc., and Bank of America, N.A., filed as Exhibit 10.27(d) of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.		
10.24(e)	Amendment No. 4 (\$60,000,000) to Uncommitted Loan Agreement, dated January 24, 2025, between the Company, Tidewater Utilities, Inc., White Marsh Environmental Systems, Inc., Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc., Utility Service Affiliates (Perth Amboy) Inc., and Bank of America, N.A.		
10.24(f)	Amendment No. 5 (\$60,000,000) to Uncommitted Loan Agreement, dated September 2, 2025, between the Company, Tidewater Utilities, Inc., White Marsh Environmental Systems, Inc., Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc., Utility Service Affiliates (Perth Amboy) Inc., and Bank of America, N.A. filed as Exhibit 10.27(f) of the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2025		
10.25	Fourth Amendment to Promissory Note and Supplement, dated as of August 19, 2020, between Tidewater Utilities, Inc. and CoBank, ACB, filed as Exhibit 10.34 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.		
10.26	Loan Agreement, dated December 1, 2010, between the State of New Jersey and the Company (Series MM), filed as Exhibit 10.41 of the Company's Annual Report on Form 10-K for the year ended December 31, 2010.		
10.27	Loan Agreement, dated December 1, 2010, between New Jersey Environmental Infrastructure Trust and the Company (Series NN), filed as Exhibit 10.42 of the Company's Annual Report on Form 10-K for the year ended December 31, 2010.		
10.28	Loan Agreement, dated May 1, 2012, between the State of New Jersey and the Company, (Series OO), filed as Exhibit 10.43 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.		
10.29	Loan Agreement, dated May 1, 2012, between New Jersey Environmental Infrastructure Trust and the Company (Series PP), filed as Exhibit 10.44 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.		
10.30	Loan Agreement, dated May 1, 2013, between the State of New Jersey and the Company (Series TT), filed as Exhibit 10.42 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.		

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Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
10.31	Loan Agreement, dated May 1, 2013, between New Jersey Environmental Infrastructure Trust and the Company (Series UU), filed as Exhibit 10.43 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.		
10.32	Loan Agreement, dated May 1, 2014, between New Jersey Environmental Infrastructure Trust and the Company (Series VV), filed as Exhibit 10.43 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.		
10.33	Loan Agreement, dated May 1, 2014, between New Jersey Environmental Infrastructure Trust and the Company (Series WW), filed as Exhibit 10.44 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.		
10.34	Loan Agreement, dated November 1, 2017, between New Jersey Environmental Infrastructure Trust and the Company (Series XX), filed as Exhibit 10.44 of the Company's Annual Report on Form 10-K for the year ended December 31, 2017.		
10.35	Loan Agreement, dated November 1, 2017, between New Jersey Environmental Infrastructure Trust and the Company (Series YY), filed as Exhibit 10.45 of the Company's Annual Report on Form 10-K for the year ended December 31, 2017.		
10.36	Loan Agreement, dated May 1, 2018, between New Jersey Environmental Infrastructure Trust and the Company (Series 2018A), filed as Exhibit 10.46 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.		
10.37	Loan Agreement, dated May 1, 2018, between New Jersey Environmental Infrastructure Trust and the Company (Series 2018B), filed as Exhibit 10.47 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.		
10.38	Loan Agreement, dated August 1, 2019, between New Jersey Economic Development Authority and the Company (Series 2019A and Series 2019B), filed as Exhibit 10.50 to the Company's Current Report on Form 8-K filed September 6, 2019.		
10.39	Bond Purchase Agreement, dated November 16, 2020, between New York Life Insurance Company and Affiliates and the Company (Series 2020A), filed as Exhibit 10.48 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020.		
10.40	Bond Purchase Agreement, dated November 5, 2021, between New York Life Insurance Company and Affiliates and the Company (Series 2021A and Series 2021B), filed as Exhibit 10.46 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.		

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Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
10.41	Financing Agreement, dated December 16, 2021, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health & Social Services, and Tidewater Utilities, Inc, filed as Exhibit 10.46 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.		
10.42	Loan Agreement, dated May 1, 2022, between New Jersey Infrastructure Bank and the Company (Series 2022A), filed as Exhibit 10.40 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022.		
10.43	Loan Agreement, dated May 1, 2022, between the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection, and the Company (Series 2022B) filed as Exhibit 10.41 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022.		
10.44	Bond Purchase Agreement, dated March 2, 2023, between New York Life Insurance Company and Affiliates and the Company (Series 2023A) filed as Exhibit 10.48 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.		
10.45	Financing Agreement, dated April 5, 2023, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc., filed as Exhibit 10.49 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.		
10.46	Financing Agreement, dated April 5, 2023, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc, filed as Exhibit 10.50 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.		
10.47	Financing Agreement, dated April 5, 2023, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc, filed as Exhibit 10.51 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.		
10.48	Multiple Advance Term Promissory Note, dated May 22, 2023, between Pinelands Water Company and CoBank, ACB, filed as Exhibit 10.53 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023.		
10.49	Multiple Advance Term Promissory Note, dated May 22, 2023, between Pinelands Wastewater Company and CoBank, ACB, filed as Exhibit 10.54 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023.		

EXHIBIT INDEX

Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
10.50	Settlement Agreement, dated as of August 28, 2023, between Middlesex Water Company and 3M Company, filed as Exhibit 10.55 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023.		
10.51	Financing Agreement (Minos Conaway Project), dated May 17, 2024, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc, filed as Exhibit 10.55 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.		
10.52	Financing Agreement (Kendale Road Project), dated May 17, 2024, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc., filed as Exhibit 10.56 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.		
10.53	Financing Agreement (Bethany Bay Project), dated May 17, 2024, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc, filed as Exhibit 10.57 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.		
10.54	Financing Agreement (DelDOT – Lochmeath), dated May 17, 2024, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc; filed as Exhibit 10.58 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.		
10.55	Financing Agreement (Lead and Copper Rule Service Lines Field Verifications Project), dated September 27, 2024, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc, filed as Exhibit 10.59 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.		
10.56	Bond Purchase Agreement, dated October 15, 2025, between New York Life Insurance Company and Affiliates and the Company (Series 2025A) filed as Exhibit 10.62 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025.		
*10.57	Financing Agreement (Supplemental Kendale Road Interconnection Project), dated December 31, 2025, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Tidewater Utilities, Inc.		

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Exhibit No.	Document Description	Previous Registration No.	Filing's Exhibit No.
*10.58	Financing Agreement (Lead Service Line Sea Colony Community Vacuum Excavation Project), dated December 31, 2025, between the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health and Southern Shores Water Company, LLC.		
10.59	At the Market Equity Offering Sales Agreement dated May 12, 2025 by and among Bank of America Securities, Inc., Robert W. Baird & Co. Incorporated, and Janney Montgomery Scott LLC and Middlesex Water Company, filed as Exhibit 10.61 on of the Company's Quarterly report on Form 10-Q for the quarterly period ended June 30, 2025		
19	Middlesex Water Company Insider Trading Policy, filed as Exhibit 19 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.		
*21	Middlesex Water Company Subsidiaries.		
*23.1	Consent of Independent Registered Public Accounting Firm, Baker Tilly US, LLP.		
*23.2	Consent of Independent Registered Public Accounting Firm, PricewaterhouseCoopers, LLP		
*31	Section 302 Certification by Nadine Leslie pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.		
*31.1	Section 302 Certification by Mohammed G. Zerhouni pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.		
*32	Section 906 Certification by Nadine Leslie pursuant to 18 U.S.C.§1350.		
*32.1	Section 906 Certification by Mohammed G. Zerhouni pursuant to 18 U.S.C.§1350.		
97	Middlesex Water Company Incentive-Based Award Clawback Policy, filed as Exhibit 97 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.		
101.INS	XBRL Instance Document– the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.		
101.SCH	Inline XBRL Taxonomy Extension Schema Document		
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document		



**Amended and Restated
Revolving Line of Credit Note
(Multi-Rate Options – SOFR)**

\$100,000,000.00

February 17, 2026

FOR VALUE RECEIVED, MIDDLESEX WATER COMPANY, TIDEWATER UTILITIES, INC., UTILITY SERVICE AFFILIATES (PERTH AMBOY) INC., UTILITY SERVICE AFFILIATES INC., WHITE MARSH ENVIRONMENTAL SYSTEMS, INC., and MIDDLESEX WATER MARYLAND, INC. (individually and collectively, jointly and severally, the “**Borrower**”), with an address at 485C US Highway 1 South, Suite 400, Iselin, NJ 08830-3037, promise to pay, on a joint and several basis, to the order of **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), in lawful money of the United States of America in immediately available funds at its offices located at Two Tower Center Boulevard, East Brunswick, New Jersey 08816, or at such other location as the Bank may designate from time to time, the principal sum of **\$100,000,000.00** (hereinafter, as it may be from time to time amended, modified, extended, renewed, substituted, and/or supplemented, referred to as the “**Facility**”), or such lesser amount as may be advanced to or for the benefit of the Borrower hereunder, together with interest accruing on the outstanding principal balance from the date hereof, all as provided below.

1. Revolving Line of Credit Advances. This Amended and Restated Revolving Line of Credit Note (hereinafter, as it may be from time to time amended, modified, extended, renewed, substituted, and/or supplemented, referred to as this “**Note**”), evidences a revolving line of credit. The Borrower may borrow, repay and reborrow hereunder and the Bank may advance and readvance under this Note from time to time (each an “**advance**” and together the “**advances**”) until the Expiration Date, subject to the terms and conditions of this Note and the Loan Documents (as defined below). The “**Expiration Date**” means **January 31, 2029**, or such later date as may be designated by the Bank by written notice from the Bank to the Borrower. The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Facility or this Note beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under this Note exceed the face amount of this Note.

2. Interest Rate. Each advance outstanding under this Note will bear interest at a rate or rates per annum as may be selected by the Borrower from the interest rate options set forth below (each, an “**Option**”):

- (i) **Base Rate Option.** A rate of interest per annum equal to the Base Rate (as defined below).
- (ii) **Daily SOFR Option.** A rate of interest per annum equal to the sum of (A) Daily SOFR (as defined below) plus (B) one hundred ten (110) basis points (1.10%).
- (iii) **Term SOFR Rate Option.** A rate of interest per annum equal to the sum of (A) the Term SOFR Rate (as defined below) plus (B) the Term SOFR Rate Spread (as defined below) for the applicable Term SOFR Interest Period (as defined below).

For purposes hereof, “**Term SOFR Rate Spread**” means, for each Term SOFR Interest Period set forth below, the corresponding basis points (percentage) specified below for such Term SOFR Interest Period:

Term SOFR Interest Period	Term SOFR Rate Spread in basis points(bps) (and %)
One-month	110 bps (1.10%)
Three-month	110 bps (1.10%)

The Borrower may select different Options to apply simultaneously to different portions of the advances and may select up to seven (7) different interest periods to apply simultaneously to different portions of the advances bearing interest under the Fixed Rate Option(s) (as defined below).

3. Payments. The Borrower shall pay accrued interest on the unpaid principal balance of this Note in arrears: (a) for amounts under this Note bearing interest under the Base Rate Option or the Daily SOFR Option (if such Option is provided in the paragraph entitled “Interest Rate” above), on the first day of each month during the term of this Note, (b) for amounts hereunder bearing interest under a Fixed Rate Option, on the last day of the respective interest period for such amounts, (c) if any interest period is longer than 3 months, then also on the 3-month anniversary of the commencement of such interest period and every 3 months thereafter, and (d) for all outstanding amounts, at maturity, whether by acceleration of this Note or otherwise, and after maturity, on demand until paid in full. All outstanding principal and accrued interest under this Note shall be due and payable in full on the Expiration Date.

4. Certain Definitions. If the following terms are used in this Note, such terms shall have the meanings set forth below:

“**Base Rate**” means the Prime Rate.

“**Base Rate Option**” means the option of the Borrower to have portions of the advances bear interest at a rate based on the Base Rate, if such Option is provided in the paragraph entitled “Interest Rate” above.

“**Business Day**” means any day other than (A) a Saturday or Sunday or (B) a legal holiday on which commercial banks are authorized or required by law to be closed for business in Pittsburgh, Pennsylvania; provided that, when used in connection with an amount that bears interest at a rate based on SOFR or any direct or indirect calculation or determination involving SOFR, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“**Daily Simple SOFR**” means, for any day (a “**SOFR Rate Day**”), the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, at the Bank’s discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the “**SOFR Determination Date**”) that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the NYFRB (or a successor administrator of the secured overnight financing rate) on the website of the NYFRB, currently at <http://www.newyorkfed.org>, or any successor source identified by the NYFRB or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the Floor, then Daily Simple SOFR shall be deemed to be the Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement (as defined below) by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of “SOFR”;

provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Borrower, effective on the date of any such change.

“**Daily SOFR**” means Daily Simple SOFR.

“**Daily SOFR Option**” means the option of the Borrower to have portions of the advances bear interest at a rate based on Daily SOFR, if such Option is provided in the paragraph entitled “Interest Rate” above.

“**Default Rate**” means the rate per annum equal to the lesser of (A) the sum of 3% plus the interest rate otherwise in effect from time to time under this Note and (B) the Maximum Rate.

“**Fixed Rate Option**” means each Term SOFR Rate Option.

“**Floor**” means a rate of interest per annum equal to zero.

“**Maximum Rate**” means the maximum rate of interest allowed by applicable law.

“**NYFRB**” means the Federal Reserve Bank of New York.

“**Prime Rate**” means the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

“**SOFR**” means a rate equal to the secured overnight financing rate as administered by the NYFRB (or a successor administrator of the secured overnight financing rate).

“**SOFR Reserve Percentage**” means, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Bank in its reasonable discretion).

“**Term SOFR Interest Period**” means, with respect to any amount to which the Term SOFR Rate Option applies, a period set forth in the definition of “Term SOFR Rate Spread” (in each case, subject to the availability thereof), as selected by the Borrower, commencing on the date of disbursement of such amount (or the date of conversion of any amount to the Term SOFR Rate Option, as the case may be) and each successive period selected by the Borrower thereafter; provided that:

- (A) if a Term SOFR Interest Period would end on a day that is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next

succeeding calendar month in which case the Term SOFR Interest Period shall end on the next preceding Business Day;

- (B) the Borrower may not select a Term SOFR Interest Period that would end on a day after the Expiration Date; and
- (C) any Term SOFR Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Term SOFR Interest Period) shall end on the last Business Day of the last calendar month of such Term SOFR Interest Period.

“**Term SOFR Rate**” means, with respect to any amount to which the Term SOFR Rate Option applies, for any Term SOFR Interest Period, the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, at the Bank’s discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for a tenor comparable to such Term SOFR Interest Period, as published by the Term SOFR Administrator on the day (the “**Term SOFR Determination Date**”) that is 2 Business Days prior to the first day of such Term SOFR Interest Period, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Term SOFR Reference Rate, for purposes of clause (A) in the preceding sentence, shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than 3 Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above, would be less than the Floor, then the Term SOFR Rate shall be deemed to be the Floor. The Term SOFR Rate shall be adjusted automatically without notice to the Borrower on and as of (i) the first day of each Term SOFR Interest Period, and (ii) the effective date of any change in the SOFR Reserve Percentage.

“**Term SOFR Rate Option**” means the option of the Borrower to have portions of the advances bear interest at a rate based on the Term SOFR Rate, if such Option is provided in the paragraph entitled “Interest Rate” above.

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**U.S. Government Securities Business Day**” means any day except for (A) a Saturday or Sunday or (B) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

5. Advance Procedures. The Borrower may request advances hereunder by giving oral or written notice to the Bank by 11:00 a.m. Pittsburgh, Pennsylvania time (a) 3 Business Days prior to the proposed advance, in the case of advances to bear interest under the Term SOFR Rate Option and (b) on the day of the proposed advance, in the case of advances to bear interest under any other Option, followed promptly thereafter by the Borrower’s written confirmation to the Bank of any oral notice. If permitted by the Bank, a request for advance may be made by telephone or electronic mail, or delivered in accordance with the Bank’s security procedures through any automated platform or electronic service provided by the Bank, with such confirmation or verification (if any) as the Bank may require in its discretion from time to time. A request for advance by any Borrower shall be binding upon Borrower, jointly and severally. The Borrower authorizes the Bank to accept telephonic, email, automated and electronic requests for

advances, and the Bank shall be entitled to rely upon the authority of any person providing such instructions. The Borrower hereby indemnifies and holds the Bank harmless from and against any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) which may arise or be created by the acceptance of such telephonic, email, automated and electronic requests or by the making of such advances. The Bank will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, as well as the date and amount of each payment made by the Borrower.

6. Interest Rate Election. Subject to the terms and conditions of this Note, at the end of each interest period applicable to any amounts hereunder that bear interest under a Fixed Rate Option, the Borrower may renew the Option applicable to such amounts (in the case of a Term SOFR Rate Option) or convert such amounts to a different Option; provided that, during any period in which any Event of Default (as hereinafter defined) has occurred and is continuing, any amounts bearing interest under a Fixed Rate Option shall, at the Bank's sole discretion, be converted at the end of the applicable interest period to the Base Rate Option, and any Fixed Rate Option will not be available to the Borrower with respect to any new advances (or with respect to the conversion or renewal of any other amounts) until such Event of Default has been cured by the Borrower or waived by the Bank. The Borrower shall notify the Bank of each election of an Option, each conversion from one Option to another, the amount of the portions hereunder to be allocated to each Option and where relevant the interest period therefor. In the case of converting to the Term SOFR Rate Option, such notice shall be given at least three (3) Business Days prior to the commencement of any Term SOFR Interest Period. If no interest period is specified in any such notice for an amount that is to bear interest under the Term SOFR Rate Option, the Borrower shall be deemed to have selected a Term SOFR Interest Period of one month's duration. If no notice of election, conversion or renewal is timely received by the Bank with respect to any amount hereunder, the Borrower shall be deemed to have elected the Term SOFR Rate Option having a Term SOFR Interest Period of one month's duration. Any such election shall be promptly confirmed in writing by such method as the Bank may require.

7. Interest Calculation; Maximum Rate. Interest will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the Maximum Rate. Regardless of any other provision of this Note or the other Loan Documents, if for any reason the effective interest rate should exceed the Maximum Rate, the effective interest rate shall be deemed reduced to, and shall be, the Maximum Rate, and (a) the amount which would be excessive interest shall be deemed applied to the reduction of the principal balance of this Note and not to the payment of interest, and (b) if the loan evidenced by this Note has been or is thereby paid in full, the excess shall be returned to the party paying same, such application to the principal balance of this Note or the refunding of such excess to be a complete settlement and acquittance thereof.

8. Conforming Changes; Benchmark Replacement Provisions. The Bank shall have the right to make any technical, administrative or operational changes from time to time that the Bank decides may be appropriate to reflect the adoption and implementation of SOFR or any other Benchmark (as defined below) or to permit the use and administration thereof by the Bank in a manner substantially consistent with market practice or in such other manner as the Bank decides is reasonably necessary. Notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such technical, administrative or operational changes will become effective without any further action or consent of the Borrower. The Bank shall provide notice to the Borrower of any such amendment reasonably promptly after such amendment becomes effective.

If the applicable interest rate under this Note is based on a Benchmark and the Bank determines (which determination shall be final and conclusive) that (A) such Benchmark cannot be determined pursuant to its definition other than as a result of a Benchmark Transition Event (as defined below), or (B) any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impracticable for the Bank to make or maintain or fund loans based on that Benchmark, then the Bank shall give notice thereof to the Borrower.

Thereafter, until the Bank notifies the Borrower that the circumstances giving rise to such determination no longer exist, (a) the availability of any Option based on that Benchmark shall be suspended, and (b) the interest rate for all amounts then bearing interest under such Option shall be converted to the Base Rate Option either (i) on the last day of the then current applicable interest period(s) if the Bank may lawfully continue to maintain or fund loans based on that Benchmark to such day, or (ii) immediately if the Bank may not lawfully continue to maintain or fund loans based on that Benchmark.

Notwithstanding anything to the contrary herein or in any other Loan Document, if the Bank determines (which determination shall be final and conclusive) that a Benchmark Transition Event has occurred with respect to a Benchmark, the Bank may amend this Note to replace such Benchmark with a Benchmark Replacement; and any such amendment shall be in writing, shall specify the date that the Benchmark Replacement is effective and will not require any further action or consent of the Borrower. Until the Benchmark Replacement is effective, amounts bearing interest with reference to a Benchmark will continue to bear interest with reference to such Benchmark as long as such Benchmark is available, and otherwise such amounts automatically will bear interest at the Base Rate Option.

For purposes of this Section, the following terms have the meanings set forth below:

“**Benchmark**” means, at any time, any interest rate index (or tenor of an interest rate index) then used in the determination of an interest rate under the terms of this Note. Once a Benchmark Replacement becomes effective under this Note, it is a Benchmark.

“**Benchmark Replacement**” means, for any Benchmark, the sum of (a) an alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case that has been selected by the Bank as the replacement for such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the official sector or any official sector-sponsored committee or working group, for U.S. dollar-denominated credit facilities at such time; provided that, if the Benchmark Replacement as determined pursuant to the foregoing would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Note and the other Loan Documents.

“**Benchmark Transition Event**” means a public statement or publication by or on behalf of the administrator of a Benchmark, the regulatory supervisor of such administrator, the Board of Governors of the Federal Reserve System, NYFRB, an insolvency official or resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that at the time of such statement or publication there is no successor administrator that will continue to provide such Benchmark or (b) such Benchmark is or will no longer be representative.

9. **Other Payment Terms.** If any payment under this Note is due on a day of a calendar month for which there is no numerically corresponding day in certain other months (each, a “**Non-Conforming Month**”), then the payment in a Non-Conforming Month shall be due on the last Business Day of such Non-Conforming Month. If any payment under this Note shall become due on a day other than a Business Day, such payment shall be due on the next succeeding Business Day, except that if such day falls in the next succeeding calendar month, such payment shall be due on the next preceding day that is a Business Day. Interest shall be computed to, but excluding, the date payment is due. The Borrower hereby authorizes the Bank to charge the Borrower’s deposit account at the Bank for any payment when due under this Note or any other Loan Document. Payments received will be applied to charges, fees and

expenses (including attorneys' fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

10. Late Payments; Default Rate. If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within fifteen (15) calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of 5% of the amount of such payment or \$100.00 (the "**Late Charge**"). Such 15-day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under this Note shall bear interest at the Default Rate. The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Bank's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty.

11. Prepayment. The Borrower shall have the right to prepay any amounts outstanding hereunder at any time and from time to time, in whole or in part; subject, however, to payment of any break funding indemnification amounts owing pursuant to the paragraph entitled "Break Funding Indemnification" below.

12. Increased Costs; Yield Protection. On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Facility. "**Change in Law**" means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

13. Break Funding Indemnification. The Borrower agrees to indemnify the Bank against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any amounts hereunder (or any part thereof) bearing interest under a Fixed Rate Option) which the Bank sustains or incurs as a consequence of either (i) the Borrower's failure to make a payment on the due date thereof, (ii) the Borrower's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Bank to request, convert, renew or prepay any amounts bearing interest under a Fixed Rate Option, or (iii) the Borrower's payment or prepayment (whether voluntary, after acceleration of the maturity of this Note or otherwise) or conversion of any amounts bearing interest under a Fixed Rate Option on a day other than the regularly scheduled due date therefor. A notice as to any amounts payable pursuant to this paragraph given to the Borrower by the Bank shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The Borrower's indemnification obligations hereunder shall survive the payment in full of all amounts payable hereunder.

14. Other Loan Documents. This Note is issued in connection with a Second Amended and Restated Loan Agreement between the Borrower and the Bank of even date herewith, and the other agreements and documents executed and/or delivered in connection therewith or referred to therein, the terms of which are incorporated herein by reference (as amended, modified or renewed from time to time, collectively the “**Loan Documents**”), and is secured by the property (if any) described in the Loan Documents and by any and all mortgages, security agreements, assignments, loan agreements, pledge agreements and other documents or instruments evidencing a security interest or other lien in favor of the Bank and delivered by the Borrower or by any third party with reference to indebtedness of the Borrower, whether such documents were previously or are hereafter executed, and whether given expressly as security for payment of this Note or generally as security for any and all indebtedness of the Borrower to the Bank. Such documents may be executed contemporaneously with the execution of this Note, or they may be executed and delivered at another time. Collateral securing other obligations of the Borrower to the Bank may also secure this Note.

15. Events of Default. The occurrence of any of the following events will be deemed to be an “**Event of Default**” under this Note: (i) the nonpayment of any principal, interest or other indebtedness under this Note when due; (ii) the occurrence of any event of default or any default and the lapse of any notice or cure period, or any Obligor’s failure to observe or perform any covenant or other agreement, under or contained in any Loan Document or any other document now or in the future evidencing or securing any debt, liability or obligation of any Obligor to the Bank; (iii) the filing by or against any Obligor of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against any Obligor, such proceeding is not dismissed or stayed within thirty (30) days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds hereunder during such period); (iv) any assignment by any Obligor for the benefit of creditors, or any levy, garnishment, attachment or similar proceeding is instituted against any property of any Obligor held by or deposited with the Bank; (v) a default with respect to any other indebtedness of any Obligor for borrowed money, if the effect of such default is to cause or permit the acceleration of such debt; (vi) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any collateral securing the obligations of any Obligor to the Bank; (vii) the entry of a final judgment against any Obligor and the failure of such Obligor to discharge the judgment within ten (10) days of the entry thereof; (viii) any change in any Obligor’s business, assets, operations, financial condition or results of operations that has or could reasonably be expected to have any material adverse effect on any Obligor; (ix) any Obligor ceases doing business as a going concern; (x) any representation or warranty made by any Obligor to the Bank in any Loan Document or any other documents now or in the future evidencing or securing the obligations of any Obligor to the Bank, is false, erroneous or misleading in any material respect; (xi) if this Note or any guarantee executed by any Obligor is secured, the failure of any Obligor to provide the Bank with additional collateral if in the Bank’s opinion at any time or times, the market value of any of the collateral securing this Note or any guarantee has depreciated below that required pursuant to the Loan Documents or, if no specific value is so required, then in an amount deemed material by the Bank; (xii) the revocation or attempted revocation, in whole or in part, of any guarantee by any Obligor; or (xiii) the death, incarceration, indictment or legal incompetency of any individual Obligor or, if any Obligor is a partnership or limited liability company, the death, incarceration, indictment or legal incompetency of any individual general partner or member. As used herein, the term “**Obligor**” means any Borrower and any guarantor of, or any pledgor, mortgagor or other person or entity providing collateral support for, the Borrower’s obligations to the Bank existing on the date of this Note or arising in the future.

Upon the occurrence of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Bank’s option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Bank’s option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law.

16. Right of Setoff. In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to the Borrower. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

17. Indemnity. The Borrower agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) (each, a "**Claim**") which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of or relating to the matters referred to in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any Claim that is determined by a court of competent jurisdiction in a final, non-appealable judgment to have been solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this paragraph shall survive the termination of this Note, payment of any amounts hereunder and the assignment of any rights hereunder. The Borrower may participate at its expense in the defense of any such action or claim.

18. Miscellaneous. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Note). Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time or through an automated platform that the Bank provides to the Borrower. Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph. Notices will be effective upon receipt. For purposes hereof, "receipt" means: (i) for notices sent by U.S. mail, the third business day after the date such notice was sent; (ii) for notices delivered by hand or sent by overnight courier service, the date delivered; (iii) for notices sent by facsimile or electronic communication, the date when sent; and (iv) for notices sent by any other method, the date received. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. Except as otherwise set forth in this Note, no modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Note will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Note for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Borrower (which notice may be given by

electronic mail). The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid, illegal or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor, notice of non-payment, notice of intent to accelerate and notice of acceleration, and any other notice of any kind. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; provided, however, that the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

19. Amendment and Restatement. This Note amends and restates, and is in substitution for, that certain Amended and Restated Committed Line of Credit Note in the original principal amount of \$68,000,000.00 payable to the order of the Bank and dated March 17, 2023 (the "**Existing Note**"). With the foregoing understanding, without duplication, it is expressly understood that this Note shall in no way extinguish, cancel or satisfy Borrower's unconditional obligation to repay all indebtedness evidenced by the Existing Note or constitute a novation of the Existing Note. Nothing herein to the contrary is intended to extinguish, cancel or impair the lien priority or effect of any security agreement, pledge agreement or mortgage with respect to any Obligor's obligations hereunder and under any other document relating hereto.

20. Governing Law and Venue. This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located (the "**State**"). **THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN EFFECT IN THE STATE (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT).** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

21. Commercial Purpose. The Borrower represents that the indebtedness evidenced by this Note is being incurred by the Borrower solely for the purpose of acquiring or carrying on a business, professional or commercial activity, and not for personal, family or household purposes.

22. USA PATRIOT Act Notice. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each Borrower that opens an account. What this means: when the Borrower opens an account, the Bank will ask for the business name, business address, taxpayer identifying number and other information that will allow the Bank to identify the Borrower, such as organizational documents. For some businesses and organizations, the Bank may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

23. Representation by Counsel. The Borrower hereby represents that it has been represented by competent counsel of its choice, or has knowingly waived its right to use and retain counsel, in the negotiation and execution of this Note and the other Loan Documents; that it has read and fully understood the terms hereof; that the Borrower and any retained counsel have been afforded an

opportunity to review, negotiate and modify the terms of this Note and the other Loan Documents; and that it intends to be bound hereby. In accordance with the foregoing, the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Note or any other Loan Document.

24. Authorization to Obtain Credit Reports. By signing below, each person, who is signing in his or her individual capacity, requests and provides written authorization to the Bank or its designee (and any assignee or potential assignee hereof) to obtain such individual's personal credit profile from one or more national credit bureaus. This authorization extends to obtaining a credit profile in (i) considering an application for credit that is evidenced, guaranteed or secured by this document, (ii) assessing creditworthiness and (iii) considering extensions of credit, including on an ongoing basis, as necessary for the purposes of (a) update, renewal or extension of such credit or additional credit, (b) reviewing, administering or collecting the resulting account and (c) reporting on the repayment and satisfaction of such credit obligations. By signing below, such individual further ratifies and confirms his or her prior requests and authorizations with respect to the matters set forth herein. For the avoidance of doubt, this provision does not apply to persons signing below in their capacities as officers or other authorized representatives of entities, organizations or governmental bodies.

25. Counterparts; Electronic Signatures and Records. This Note and any other Loan Document may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Notwithstanding any other provision herein, the Borrower agrees that this Note, the Loan Documents, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a "**Communication**") may, at the Bank's option, be in the form of an electronic record. Any Communication may, at the Bank's option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

26. Unused Commitment Fee. Beginning on the last day of the quarter after the date of this Note and continuing on the last day of each quarter thereafter until the Expiration Date, the Borrower shall pay an unused commitment fee (the "**Unused Fee**") to the Bank, in arrears, at the rate of five (5) basis points (0.05%) per annum on the daily balance under this Note which is undisbursed and uncanceled on each day during the preceding quarter. The Unused Fee shall be computed on the basis of a year of 360 days and paid on the actual number of days elapsed. Borrower hereby authorizes and directs the Bank to charge the Borrower's deposit account with the Bank for each Unused Fee on or after the date it is due.

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27. **WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE BORROWER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

The Borrower acknowledges that it has read and understands all the provisions of this Note, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be jointly and severally, and legally bound hereby.

BORROWERS:

Witness / Attest: **MIDDLESEX WATER COMPANY**

/s/ Jay L. Kooper

Name: Jay L. Kooper

Title: Secretary

By: /s/ Mohammed G. Zerhouni

Mohammed G. Zerhouni

Sr. Vice President, Treasurer & Chief Financial Officer

Witness / Attest: **TIDEWATER UTILITIES, INC.**

/s/ Jay L. Kooper

Name: Jay L. Kooper

Title: Secretary

By: /s/ Mohammed G. Zerhouni

Mohammed G. Zerhouni

Chief Financial Officer

Witness / Attest: **UTILITY SERVICE AFFILIATES (PERTH AMBOY)
INC.**

/s/ Jay L. Kooper

Name: Jay L. Kooper

Title: Secretary

By: /s/ Mohammed G. Zerhouni

Mohammed G. Zerhouni

Vice President and Treasurer

Witness / Attest: **UTILITY SERVICE AFFILIATES INC.**

/s/ Jay L. Kooper

Name: Jay L. Kooper

Title: Secretary

By: /s/ Mohammed G. Zerhouni

Mohammed G. Zerhouni

Treasurer

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

Witness / Attest: **WHITE MARSH ENVIRONMENTAL
SYSTEMS, INC.**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Chief Financial Officer

Witness / Attest: **MIDDLESEX WATER MARYLAND, INC.**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Chief Financial Officer

ACCEPTED AND AGREED TO THIS 17th DAY OF FEBRUARY, 2026:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Virginia Alling
Virginia Alling
Managing Director, Senior Vice President

[END OF SIGNATURE PAGES]



Second Amended and Restated Loan Agreement

THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT (hereinafter, as it may be from time to time amended, modified, extended, renewed, substituted, and/or supplemented, referred to as this “**Agreement**”), is entered into as of February 17, 2026, between **MIDDLESEX WATER COMPANY, TIDEWATER UTILITIES, INC., UTILITY SERVICE AFFILIATES (PERTH AMBOY) INC., UTILITY SERVICE AFFILIATES INC., WHITE MARSH ENVIRONMENTAL SYSTEMS, INC., and MIDDLESEX WATER MARYLAND, INC.** (individually and collectively, the “**Borrower**” and the “**Borrowers**”), with an address at 485C US Highway 1 South, Suite 400, Iselin, New Jersey 08330-3037, and **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), with an address at Two Tower Center Boulevard, East Brunswick, New Jersey 08816. This Agreement amends, restates and replaces (but does not constitute a novation of or affect the status or lien priority of any liens or security interest granted pursuant to), that certain Amended and Restated Loan Agreement dated April 29, 2015, executed by and among, inter alia, certain of the Borrowers and the Bank (as amended, modified, extended or renewed from time to time, the “**Existing Loan Agreement**”), and the Borrower’s execution of this Loan Agreement constitutes a ratification and confirmation of all liens and security interest granted under or pursuant to the Existing Loan Agreement.

The Borrower and the Bank, with the intent to be legally bound, agree as follows:

1. Loan. The Bank has made or may make one or more loans (the “**Loan**”) to the Borrower subject to the terms and conditions and in reliance upon the representations and warranties of the Borrower set forth in this Agreement. Each Loan is or will be evidenced by a promissory note or notes of the Borrower and all renewals, extensions, amendments and restatements thereof (whether one or more, collectively, the “**Note**”), acceptable to the Bank, which shall set forth the interest rate, repayment and other provisions of the respective Loan, the terms of which are incorporated into this Agreement by reference.

The Loan governed by this Agreement shall include, but is not limited to, the following, together with any additional lines of credit or term loans that Bank may, in its sole discretion, make to Borrower in the future (each additional line of credit or term loan shall be referred to as an “**Additional Loan**” and shall be a Loan governed hereby):

1.1 Line of Credit. One of the Loans governed by this Agreement is a committed revolving line of credit under which the Borrower may request and the Bank, subject to the terms and conditions of this Agreement, will make advances to the Borrower from time to time until the Expiration Date, in an aggregate amount outstanding at any time not to exceed \$100,000,000.00 (the “**Line of Credit**”). The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Line of Credit beyond the “**Expiration Date**” (as such term is defined in the Note). In no event shall the aggregate unpaid principal amount of advances under the Line of Credit exceed the face amount of the Line of Credit. Advances under the Line of Credit will be used for working capital or other general business purposes of the Borrower. Notwithstanding anything to the contrary stated in the note evidencing the Line of Credit, the Borrower shall repay the outstanding principal balance of the Line

of Credit, together with all accrued and unpaid interest thereon, in an amount sufficient to reduce the outstanding principal balance thereof to zero, for a period of at least thirty (30) consecutive days prior to the Expiration Date, and annually thereafter if the Expiration Date is extended, at the Bank's sole discretion.

2. Security. The security for repayment of the Loan shall include but not be limited to the collateral, guaranties and other documents heretofore, contemporaneously or hereafter executed and delivered to the Bank (the "**Security Documents**"), which shall secure repayment of the Loan all other loans, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Bank or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not: (i) evidenced by any note, guaranty or other instrument; (ii) arising under any agreement, instrument or document; (iii) for the payment of money; (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee; (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement; (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner; or (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Bank to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Bank's non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of the Bank incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys' fees and expenses (hereinafter referred to collectively as the "**Obligations**"). Unless expressly provided to the contrary in documentation for any other loan or loans, it is the express intent of the Bank and the Borrower that all Obligations including those included in the Loan be cross-collateralized and cross-defaulted, such that collateral securing any of the Obligations shall secure repayment of all Obligations, and a default under any Obligation shall be a default under all Obligations.

This Agreement, the Note, the Security Documents and all other agreements and documents executed and/or delivered pursuant or subject hereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the "Loan Documents." Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

3. Representations and Warranties. The Borrower hereby makes the following representations and warranties, which shall be continuing in nature and remain in full force and effect until the Obligations are paid in full, and which shall be true and correct except as otherwise set forth on the Addendum attached hereto and incorporated herein by reference (the "**Addendum**"):

3.1. Existence, Power and Authority. If not a natural person, the Borrower is duly organized, validly existing and in good standing under the laws of the State of its incorporation or organization and has the power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all

jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing. The Borrower is duly authorized to execute and deliver the Loan Documents, all necessary action to authorize the execution and delivery of the Loan Documents has been properly taken, and the Borrower is and will continue to be duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

3.2. Financial Statements. The Borrower has delivered or caused to be delivered to the Bank its most recent Financial Statements (as such term is defined herein). The Financial Statements are true, complete and accurate in all material respects and fairly present the Borrower's financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise and the results of the Borrower's operations for the period specified therein. The Financial Statements have been prepared in accordance with generally accepted accounting principles in effect from time to time ("**GAAP**") consistently applied from period to period, subject in the case of interim statements to normal year-end adjustments and to any comments and notes acceptable to the Bank in its sole discretion.

As used herein, "**Financial Statements**" shall mean: (i) with respect to an entity that is not a natural person, consolidated and, if required by the Bank in its sole discretion, consolidating balance sheets statements of income and cash flows for the year, month or quarter together with year-to-date figures and comparative figures for the corresponding periods of the prior year, prepared in accordance with GAAP, consistently applied from period to period; and (ii) with respect to natural persons, means personal financial statement and federal income tax returns.

3.3. No Material Adverse Change. Since the date of the most recent Financial Statements, the Borrower has not suffered all damage, destruction or loss, and no event or condition has occurred or exists, which has resulted or could result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operation.

3.4. Binding Obligations. The Borrower has full power and authority to enter into the transactions provided for in this Agreement and has been duly authorized to do so by appropriate action of its Board of Directors if the Borrower is a corporation, its members and/or managers, as applicable, if the Borrower is a limited liability company, all its general partners if the Borrower is a partnership or otherwise as may be required by law, charter, other organizational documents or agreements; and the Loan Documents, when executed and delivered by the Borrower, will constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their terms.

3.5. No Defaults or Violations. There does not exist any Default or Event of Default, as hereinafter defined, under this Agreement or any default or violation by the Borrower of or under any of the terms, conditions or obligations of: (i) its partnership agreement if the Borrower is a partnership, its articles or certificate of incorporation, regulations and bylaws if the Borrower is a corporation, its articles or certificate of organization and operating agreement if the Borrower is a limited liability company, or its other organizational documents as applicable; (ii) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which it is a party or by which it is bound; or (iii) any law, ordinance, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon it by any, law, the action of any court or any governmental authority or agency; and the consummation of this Agreement and the transactions set forth herein will not result in any such default or violation or Event of Default.

3.6. Title to Assets. The Borrower has good and marketable title to the assets reflected on the most recent Financial Statements, free and clear of all liens and encumbrances, except for

(i) current taxes and assessments not yet due and payable; (ii) assets disposed of by the Borrower in the ordinary course of business since the date of the most recent Financial Statements; and (iii) those liens or encumbrances, if any, specified on the Addendum.

3.7. Litigation. There are no actions, suits, proceedings or governmental investigations pending or, to the knowledge of the Borrower, threatened against the Borrower, which could result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operations and there is no basis known to the Borrower for any action, suit, proceeding or investigation which could result in such a material adverse change. All pending and threatened litigation against the Borrower is listed on the Addendum attached hereto.

3.8. Tax Returns. The Borrower has filed all returns and reports that are required to be filed by it in connection with any federal, state or local tax, duty or charge levied, assessed or imposed upon it or its property or withheld by it, including income, unemployment, social security and similar taxes, and all of such taxes have been either paid or adequate reserves or other provision has been made therefor.

3.9. Employee Benefit Plans. Each employee benefit plan as to which the Borrower may have any liability complies in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974 (as amended from time to time, "ERISA"), including minimum funding requirements, and (i) no Prohibited Transaction (as defined under ERISA) has occurred with respect to any such plan; (ii) no Reportable Event (as defined under Section 4043 of ERISA) has occurred with respect to any such plan which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Section 4042 of ERISA; (iii) the Borrower has not withdrawn from any such plan or initiated steps to do so; and (iv) no steps have been taken to terminate any such plan.

3.10. Environmental Matters. The Borrower is in compliance, in all material respects, with all Environmental Laws (as hereinafter defined), including, without limitation, all Environmental Laws in jurisdictions in which the Borrower owns or operates, or has owned or operated, a facility or site, stores Collateral, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other waste, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. Except as otherwise disclosed on the Addendum, no litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best of the Borrower's knowledge, threatened against the Borrower, any real property in which the Borrower holds or has held an interest or any past or present operation of the Borrower. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or to the best of the Borrower's knowledge has occurred, on, under or to any real property in which the Borrower holds or has held any interest or performs or has performed any of its operations, in violation of any Environmental Law. As used in this Section, "**litigation or proceeding**" means any demand, claim notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by a governmental authority or other person, and "**Environmental Laws**" means all provisions of laws, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by any governmental authority concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

3.11. Intellectual Property. The Borrower owns or is licensed to use all patents, patent rights, trademarks, trade names, service marks, copyrights, intellectual property, technology, know-

how and processes necessary for the conduct of its business as currently conducted that are material to the condition (financial or otherwise), business or operations of the Borrower.

3.12. Regulatory Matters. No part of the proceeds of any Loan will be used for “purchasing” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time in effect or for any purpose which violates the provisions of the Regulations of such Board of Governors.

3.13. Solvency. As of the date hereof and after giving effect to the transactions contemplated by the Loan Documents, (i) the aggregate value of the Borrower’s assets will exceed its liabilities (including contingent, subordinated, unmatured and unliquidated liabilities); (ii) the Borrower will have sufficient cash flow to enable it to pay its debts as they become due; and (iii) the Borrower will not have unreasonably small capital for the business in which it is engaged.

3.14. Disclosure. None of the Loan Documents contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Loan Documents not misleading. There is no fact known to the Borrower which materially adversely affects or, so far as the Borrower can now foresee, might materially adversely affect the business, assets, operations, condition (financial or otherwise) or results of operation of the Borrower and which has not otherwise been fully set forth in this Agreement or in the Loan Documents.

3.15. Beneficial Owners. If the Borrower is or was required to execute and deliver to the Bank a Certification of Beneficial Owner(s) (individually and collectively, as updated from time to time, the “**Certification of Beneficial Owners**”), the information in the Certification of Beneficial Owners, as updated from time to time in accordance with this Agreement, is true, complete and correct as of the date thereof, as of the date hereof and as of the date any such update is delivered to the Bank. The Borrower acknowledges and agrees that the Certification of Beneficial Owners is a Loan Document.

3.16. Anti-Corruption Laws and International Trade Laws; Anti-Money Laundering Laws; Certain Definitions. Each Covered Entity, and its directors and officers, and each employee, agent or affiliate acting on behalf of such Covered Entity: (a) is not a Sanctioned Person; (b) does not do any business in or with, or derive any of its operating income from direct or indirect investments in or transactions involving, any Sanctioned Jurisdiction or Sanctioned Person; and (c) is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in violation of, applicable International Trade Laws or Anti-Corruption Laws.

No Covered Entity nor any of its directors, officers, employees, or to the knowledge of the Borrower, any agents or affiliates acting on behalf of any Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or been involved in an internal investigation involving any allegations relating to, potential violation of any International Trade Laws or Anti-Corruption Laws, or received a request for information from any Official Body regarding International Trade Law matters or Anti-Corruption Law matters. There is no Blocked Property pledged as Collateral.

For the purposes of this Agreement, the following defined terms shall have the following meanings:

“**Anti-Corruption Laws**” means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (b) the U.K. Bribery Act 2010, as amended, and (c) any other applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which any Loan Party is located or doing business.

“**Anti-Money Laundering Laws**” means (a) the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001; (b) the U.K. Proceeds of Crime Act 2002, the Money Laundering Regulations 2017, as amended and the Terrorist Asset-Freezing etc. Act 2010; and (c) any other applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which any Loan Party is located or doing business.

“**Blocked Property**” means any property (a) owned, directly or indirectly, by a Sanctioned Person; (b) due to or from a Sanctioned Person; (c) in which a Sanctioned Person otherwise holds any interest; (d) located in a Sanctioned Jurisdiction; or (e) that otherwise could cause any actual or possible violation by the Bank of any applicable International Trade Law if the Bank were to obtain an encumbrance on, lien on, pledge of, or security interest in such property, or provide services in consideration of such property.

“**Collateral**” means any collateral securing any debt, liabilities, or other obligations of any Loan Party to the Bank.

“**Compliance Authority**” means (a) the United States government or any agency or political subdivision thereof, including, without limitation, the U.S. Department of State, the U.S. Department of Commerce, the U.S. Department of the Treasury and its Office of Foreign Assets Control, and the U.S. Customs and Border Protection agency; (b) the government of Canada or any agency thereof; (c) the European Union or any agency thereof; (d) the government of the United Kingdom or any agency thereof; (e) the United Nations Security Council; and (f) any other Official Body with jurisdiction to administer Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws with respect to the conduct of a Covered Entity.

“**Covered Entity**” means (a) the Borrower and each of the Borrower’s subsidiaries; (b) each Guarantor and any pledgor of Collateral; and (c) each Person that directly or indirectly controls a Person described in clause (a) or (b) above.

“**Guarantor**” shall collectively refer to each Person who is a guarantor of the Borrower’s Obligations in connection with the Loan whether as of the date of this Agreement or in the future.

“**International Trade Laws**” means all Laws relating to economic and financial sanctions, trade embargoes, export controls, customs, and anti-boycott measures.

“**Law**” means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award, or any settlement arrangement, by agreement, consent or otherwise, of any Official Body, foreign or domestic.

“**Loan Parties**” means the Borrower and any Guarantors.

“**Official Body**” means the government of the United States of America or of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality,

regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Official Body, or other entity.

“**Reportable Compliance Event**” as used herein means (1) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint, or similar charging instrument, arraigned, custodially detained, penalized or the subject of an assessment for a penalty, by, or enters into a settlement with an Official Body in connection with any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or any predicate crime to any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (2) any Covered Entity engages in a transaction that has caused or would cause the Bank to be in violation of any International Trade Law or Anti-Corruption Law, including a Covered Entity’s use of any proceeds of the Loans hereunder to directly or indirectly fund any activities or business of, with or for the benefit of any Sanctioned Person, or to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction; (3) any Collateral qualifies as Blocked Property, or (4) any Covered Entity otherwise violates, or reasonably believes it will violate, any of the International Trade Law- or Anti-Corruption Law-specific representations and covenants herein.

“**Sanctioned Jurisdiction**” means, at any time, a country, area, territory, or jurisdiction that is the subject or target of comprehensive U.S. sanctions.

“**Sanctioned Person**” means any Person (a) located in, organized under the laws of, or ordinarily resident in a Sanctioned Jurisdiction; (b) identified on any sanctions-related list maintained by any Compliance Authority; or (c) owned 50% or more, in the aggregate, directly or indirectly by, controlled by, or acting for, on behalf of, or at the direction of, one or more Persons described in clauses (a) or (b) above.

4. Affirmative Covenants. The Borrower agrees that from the date of execution of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, the Borrower will:

4.1. Books and Records. Maintain books and records in accordance with GAAP and give representatives of the Bank access thereto at all reasonable times, including permission to examine, copy and make abstracts from any of such books and records and such other information as the Bank may from time to time reasonably request, and the Borrower will make available to the Bank for examination copies of any reports, statements and returns which the Borrower may make to or file with any federal, state or local governmental department, bureau or agency.

4.2. Financial Reporting. Deliver or cause to be delivered to the Bank the Financial Statements, reports and certifications, if any, set forth on the Addendum.

4.3. Payment of Taxes and Other Charges. Pay and discharge when due all indebtedness and all taxes, assessments, charges, levies and other liabilities imposed upon the Borrower, its income, profits, property or business, except those which currently are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside adequate reserves or made other adequate provision with respect thereto acceptable to the Bank in its sole discretion.

4.4. Maintenance of Existence, Operation and Assets. Do all things necessary to (i) maintain, renew and keep in full force and effect its organizational existence and all rights, permits and franchises necessary to enable it to continue its business as currently conducted; (ii) continue in operation in substantially the same manner as at present; (iii) keep its properties in good operating condition and repair; and (iv) make all necessary and proper repairs, renewals, replacements, additions and improvements thereto.

4.5. Insurance. Maintain, with financially sound and reputable insurers, insurance with respect to its property and business against such casualties and contingencies, of such types and in such amounts, as is customary for established companies engaged in the same or similar business and similarly situated. In the event of a conflict between the provisions of this Section and the terms of any Security Documents relating to insurance, the provisions in the Security Documents will control.

4.6. Compliance with Laws. Comply with all laws applicable to the Borrower and to the operation of its business (including without limitation any statute, ordinance, rule or regulation relating to employment practices, pension benefits or environmental, occupational and health standards and controls).

4.7. Bank Accounts. Establish and maintain at the Bank the Borrower's primary depository accounts.

4.8. Financial Covenants. Comply with all of the financial and other covenants, if any, set forth on the Addendum.

4.9. Additional Reports. Provide prompt written notice to the Bank of the occurrence of any of the following (together with a description of the action which the Borrower proposes to take with respect thereto): (i) any Event of Default or any event, act or condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (a "**Default**"); (ii) any litigation filed by or against the Borrower; (iii) any Reportable Event or Prohibited Transaction with respect to any Employee Benefit Plan(s) (as defined in ERISA) or (iv) any event which might result in a material adverse change in the business, assets, operations, condition (financial or otherwise) or results of operation of the Borrower.

4.10. Certification of Beneficial Owners and Other Additional Information. Provide: (i) such information and documentation as may reasonably be requested by the Bank from time to time for purposes of compliance by the Bank with applicable laws (including without limitation the USA PATRIOT Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by the Bank to comply therewith; and (ii) if the Borrower is or was required to deliver a Certification of Beneficial Owners to the Bank, (a) confirmation of the accuracy of the information set forth in the most recent Certification of Beneficial Owners provided to the Bank, as and when requested by the Bank; and (b) a new Certification of Beneficial Owners in form and substance acceptable to the Bank when the individual(s) identified as a controlling party and/or a direct or indirect

individual owner on the most recent Certification of Beneficial Owners provided to the Bank have changed.

4.11. Compliance with Anti-Corruption Laws; Anti-Money Laundering Laws and International Trade Laws. (a) Immediately notify the Bank in writing upon the occurrence of a Reportable Compliance Event; (b) immediately provide substitute Collateral to the Bank if, at any time, any Collateral becomes Blocked Property; and (c) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws and maintain in effect policies and procedures reasonably designed to ensure compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws by each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity in connection with this Agreement.

5. Negative Covenants. The Borrower covenants and agrees that from the date of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, except as set forth in the Addendum, the Borrower will not, without the Bank's prior written consent:

5.1. Indebtedness. Create, incur, assume or suffer to exist any indebtedness for borrowed money other than:

- (i) the Loan and any subsequent indebtedness to the Bank;
- (ii) open account trade debt incurred in the ordinary course of business and not past due;
- (iii) other long-term indebtedness, which has been approved by the New Jersey Board of Public Utilities (the "BPU") or the Delaware Public Service Commission (the "DPSC"), respectively, as provided for, and subject to the restrictions set forth, in a then existing order of the BPU or the DPSC, respectively;
- (iv) indebtedness in respect of purchase money financings of personal property of the Borrower;
- (v) other future indebtedness in an aggregate principal amount not to exceed \$40,000,000.00; and
- (vi) indebtedness under existing agreements with (i) CoBank, ACB and (ii) Bank of America, N.A.

5.2. Liens and Encumbrances. Except as provided in Section 3.6, create, assume, incur or permit to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any of its property, now owned or hereafter acquired, or acquire or agree to acquire any kind of property subject to any conditional sales or other title retention agreement, except (a) liens and encumbrances securing purchase money indebtedness permitted pursuant to Section 5.1(iv) above, (b) liens and encumbrances securing financing transactions permitted pursuant to Section 5.1(iii) above and (c) liens and encumbrances securing indebtedness permitted pursuant to Section 5.1(v).

5.3. Merger or Transfer of Assets. Liquidate or dissolve, or merge or consolidate with or into any person, firm, corporation or other entity, or sell, lease, transfer or otherwise dispose of all

or a substantial part of its property, assets, operations or business, whether now owned or hereafter acquired.

5.4 Anti-Corruption Laws; Anti-Money Laundering Laws; International Trade Laws. (1) Do any of the following, nor permit any of its directors, officers, employees, agents or affiliates acting on behalf of any Loan Party in connection with this Agreement, nor such Loan Party's subsidiaries to (a) become a Sanctioned Person; (b) directly or indirectly provide, use, or make available the proceeds of any Loan hereunder (i) to fund any activities or business of, with, or for the benefit of any Person that, at the time of such funding or facilitation, is a Sanctioned Person, (ii) to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction, (iii) in any manner that could result in a violation by any Person (including the Bank) of Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws or (iv) in violation of any applicable Law, including, without limitation, any applicable Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (c) repay any Loan with Blocked Property or funds derived from any unlawful activity; or (d) permit any Collateral to become Blocked Property; nor (2) directly or indirectly provide, use, or make available the proceeds of any Loan hereunder to any such Loan Party's subsidiaries that is not party to this Agreement.

6. Events of Default. The occurrence of any of the following will be deemed to be an "Event of Default":

6.1. Covenant Default. The Borrower shall default in the performance of any of the covenants or agreements contained in this Agreement.

6.2. Breach of Warranty. Any Financial Statement, representation, warranty or certificate made or furnished by the Borrower to the Bank in connection with this Agreement shall be false, incorrect or incomplete when made.

6.3. Other Default. The occurrence of (i) an Event of Default as defined in the Note or any of the other Loan Documents and (ii) a default or event of default under or as defined in any other agreement, instrument or document between the Borrower and PNC Bank, National Association or any of its subsidiaries or affiliates.

Upon the occurrence of an Event of Default, the Bank will have all rights and remedies specified in the Note and the Loan Documents and all rights and remedies (which are cumulative and not exclusive) available under applicable law or in equity.

7. Conditions. The Bank's obligation to make any advance under any Loan is subject to the conditions that as of the date of the advance:

7.1. No Event of Default. No Event of Default or Default shall have occurred and be continuing.

7.2. Authorization Documents. The Bank shall have received certified copies of resolutions of the board of directors, the general partners or the members or managers of any partnership, corporation or limited liability company that executes this Agreement, the Note or any of the other Loan Documents; or other proof of authorization satisfactory to the Bank.

7.3. Receipt of Loan Documents. The Bank shall have received the Loan Documents and such other instruments and documents which the Bank may reasonably request in connection with the

transactions provided for in this Agreement, which may include an opinion of counsel in form and substance satisfactory to the Bank for any party executing any of the Loan Documents.

7.4. Fees. The Bank shall have received all fees owing in respect of the Loan.

8. Expenses. The Borrower agrees to reimburse the Bank, upon the execution of this Agreement, and otherwise on demand, all costs and expenses incurred by the Bank in connection with the preparation, negotiation and delivery of this Agreement and the other Loan Documents, and any modifications or amendments thereto or renewals thereof, and the collection of all of the Obligations, including but not limited to enforcement actions, relating to the Loan, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to this Agreement, including (i) reasonable fees and expenses of counsel (which may include costs of in-house counsel); (ii) all costs related to conducting UCC, title and other public record searches; (iii) fees for filing and recording documents in the public records to perfect the Bank's liens and security interests; (iv) expenses for auditors, appraisers and environmental consultants; and (v) taxes.

9. Increased Costs. On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Loan. "**Change in Law**" means the occurrence, after the date hereof, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty; (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

10. Miscellaneous.

10.1. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Agreement) and will be effective upon receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time. Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

10.2. Preservation of Rights. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any

such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity.

10.3. Illegality. If any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Agreement.

10.4. Changes in Writing. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Agreement will be effective unless made in a writing signed by the party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Agreement or any of the other Loan Documents for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Borrower (which notice may be given by electronic mail). No notice to or demand on the Borrower will entitle the Borrower to any other or further notice or demand in the same, similar or other circumstance.

10.5. Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. The representations, warranties, covenants, and agreements in this Agreement regarding Anti-Corruption Laws, International Trade Laws and Anti-Money Laundering Laws will control to the extent of any inconsistency between any such provisions and any provision in any Note regarding such matters.

10.6. Counterparts. This Agreement and any other Loan Document may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement or any other Loan Document by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement or any other Loan Document by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

10.7. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Borrower and the Bank and their respective heirs, executors, administrators, successors and assigns; provided however, that the Borrower may not assign this Agreement in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Agreement in whole or in part.

10.8. Interpretation. In this Agreement, unless the Bank and the Borrower otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Unless otherwise specified in this Agreement, all accounting

terms shall be interpreted and all accounting determinations shall be made in accordance with GAAP. If this Agreement is executed by more than one party as Borrower, the obligations of such persons or entities will be joint and several.

10.9. No Consequential Damages, Etc. The Bank will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any person or entity, including the Borrower and any Guarantor, as a result of this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the use of the proceeds of the Loan.

10.10. Assignments and Participations. At any time, without any notice to the Borrower, the Bank may sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of all or any part of the Bank's interest in the Loan. The Borrower hereby authorizes the Bank to provide, without any notice to the Borrower, any information concerning the Borrower, including information pertaining to the Borrower's financial condition, business operations or general creditworthiness, to any person or entity which may succeed to or participate in all or any part of the Bank's interest in the Loan.

10.11. USA PATRIOT Act Notice. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each Borrower that opens an account. What this means: when the Borrower opens an account, the Bank will ask for the business name, business address, taxpayer identifying number and other information or documentation that will allow the Bank to identify the Borrower, such as organizational documents. For some businesses and organizations, the Bank may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

10.12. Important Information about Phone Calls. By providing telephone number(s) to the Bank, now or at any later time, the Borrower hereby authorizes the Bank and its affiliates and designees to contact the Borrower regarding the Borrower's account(s) with the Bank or its affiliates, whether such accounts are Borrower's individual accounts or business accounts for which Borrower is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or by leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Borrower hereby consents that any phone call with the Bank may be monitored or recorded by the Bank.

10.13. Confidentiality. In connection with the Obligations, this Agreement and the other Loan Documents, the Bank and the Borrower will be providing to each other, whether orally, in writing or in electronic format, nonpublic, confidential or proprietary information (collectively, "**Confidential Information**"). Each of the Borrower and the Bank agrees (i) to hold the Confidential Information of the other in strict confidence; and (ii) not to disclose or permit any other person or entity access to the Confidential Information of the other party, except for disclosure or access (a) to a party's affiliates and its or their employees, officers, directors, agents, representatives, (b) to other third parties that provide or may provide ancillary support relating to the Obligations, this Agreement and/or the other Loan Documents, (c) in connection with the exercise of any remedies or enforcement of rights under this Agreement or any action or proceeding relating to the Obligations, this Agreement and/or the other Loan Documents, (d) to its external or internal auditors or regulatory authorities, or (e) upon the order of a court or other governmental agency having jurisdiction over a party. It is understood and agreed that the obligation to protect such Confidential Information shall be satisfied if the party receiving such Confidential Information utilizes the same control (but no less than reasonable) as it does to avoid disclosure of its own confidential and valuable information. It is also understood and agreed that no

information shall be within the protection of this Agreement where such information: (w) is or becomes publicly available through no fault of the party to whom such Confidential Information has been disclosed, (x) is released by the originating party to anyone without restriction, (y) is rightly obtained from third parties who are not, to such receiving party's knowledge, under an obligation of confidentiality, or (z) is required to be disclosed by subpoena or similar process of applicable law or regulations.

For the purposes of this Agreement, Confidential Information of a party shall include, without limitation, any financial information, scientific or technical information, design, process, procedure or improvement and all concepts, documentation, reports, data, data formats, specifications, computer software, source code, object code, user manuals, financial models, screen displays and formats, software, databases, inventions, knowhow, showhow and trade secrets, whether or not patentable or copyrightable, whether owned by a party or any third party, together with all memoranda, analyses, compilations, studies, notes, records, drawings, manuals or other documents or materials which contain or otherwise reflect any of the foregoing information.

Each of the Borrower and the Bank agrees to return to the other or destroy all Confidential Information of the other upon the termination of this Agreement; provided, however, each party may retain such limited information for customary archival and audit purposes only for reference with respect to prior dealings between the parties subject at all times to the continuing terms of this **Section 10.13**.

Each of the Borrower and the Bank agrees not to use the other's name or logo in any marketing, advertising or related materials, without the prior written consent of the other party.

10.14. Sharing Information with Affiliates of the Bank. The Borrower acknowledges that from time to time other financial and banking services may be offered or provided to the Borrower or one or more of its subsidiaries and/or affiliates (in connection with this Agreement or otherwise) by the Bank or by one or more subsidiaries or affiliates of the Bank or of The PNC Financial Services Group, Inc., and the Borrower hereby authorizes the Bank to share any information delivered to the Bank by the Borrower and/or its subsidiaries and/or affiliates pursuant to this Agreement or any of the Loan Documents to any subsidiary or affiliate of the Bank and/or The PNC Financial Services Group, Inc., subject to any provisions of confidentiality in this Agreement or any other Loan Documents.

10.15. Governing Law and Jurisdiction. This Agreement has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **This Agreement will be interpreted and the rights and liabilities of the Bank and the Borrower determined in accordance with the laws of the state where the Bank's office indicated above is located, excluding its conflict of laws rules, including without limitation the Electronic Transactions Act (or equivalent) in effect in the state where the Bank's office indicated above is located (or, to the extent controlling, the laws of the United States Of America, including without limitation the Electronic Signatures in Global and National Commerce Act).** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Agreement will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Bank and the Borrower agree that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

10.16. Electronic Signatures and Records. Notwithstanding any other provision herein, the Borrower agrees that this Agreement, the Loan Documents, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a “**Communication**”) may, at the Bank’s option, be in the form of an electronic record. Any Communication may, at the Bank’s option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

10.17. WAIVER OF JURY TRIAL. EACH OF THE BORROWER AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The Borrower acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES FOLLOW]**

BORROWERS:

Witness / Attest: **MIDDLESEX WATER COMPANY**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Sr. Vice President, Treasurer & Chief Financial Officer

Witness / Attest: **TIDEWATER UTILITIES, INC.**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Chief Financial Officer

Witness / Attest: **UTILITY SERVICE AFFILIATES (PERTH AMBOY)
INC.**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Vice President and Treasurer

Witness / Attest: **UTILITY SERVICE AFFILIATES INC.**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Treasurer

Witness / Attest: **WHITE MARSH ENVIRONMENTAL
SYSTEMS, INC.**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Chief Financial Officer

Witness / Attest: **MIDDLESEX WATER MARYLAND, INC.**

/s/ Jay L. Kooper
Name: Jay L. Kooper
Title: Secretary

By: /s/ Mohammed G. Zerhouni
Mohammed G. Zerhouni
Chief Financial Officer

[SIGNATURES CONTINUE ON NEXT PAGE]

BANK:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Virginia Alling

Virginia Alling

Managing Director, Senior Vice President

[END OF SIGNATURES]

ADDENDUM

ADDENDUM to that certain Second Amended and Restated Loan Agreement dated February 17, 2026 by and between **MIDDLESEX WATER COMPANY, TIDEWATER UTILITIES, INC., UTILITY SERVICE AFFILIATES (PERTH AMBOY) INC., UTILITY SERVICE AFFILIATES INC., WHITE MARSH ENVIRONMENTAL SYSTEMS, INC.,** and **MIDDLESEX WATER MARYLAND, INC.**, as the Borrower and PNC Bank, National Association, as the Bank. Capitalized terms used in this Addendum and not otherwise defined shall have the meanings given them in the Agreement. Section numbers below refer to the sections of the Agreement.

3.6 Title to Assets. Describe additional liens and encumbrances below:

N/A

3.7 Litigation. Describe pending and threatened litigation, investigations, proceedings, etc. below:

N/A

3.10 Environmental Matters. Describe pending or threatened litigation or proceeding arising under, relating to or in connection with any Environmental Law below:

N/A

CONTINUATION OF ADDENDUM

4.2 **Financial Reporting Requirements.**

1. **Borrower's Financial Reporting.**

(a) **Annual Financial Statements.** Within ninety (90) days after the end of each fiscal year, Middlesex Water Company's annual Financial Statements, which such annual Financial Statements shall include all Borrowers. The Financial Statements will be prepared on an audited basis in accordance with GAAP by an independent certified public accountant selected by Middlesex Water Company and satisfactory to the Bank. Audited Financial Statements shall contain the unqualified opinion of an independent certified public accountant and all accountant examinations shall have been made in accordance with GAAP consistently applied from period to period. Notwithstanding anything herein to the contrary, the Borrowers' timely filing of its annual Form 10-K, which includes the Financial Statements, with the Securities and Exchange Commission shall be deemed to satisfy its reporting obligation hereunder.

(b) **Form 10-Q.** Within sixty (60) days after the end of each quarterly fiscal period in each fiscal year of Middlesex Water Company, a copy of Middlesex Water Company's 's Form 10-Q. Notwithstanding anything herein to the contrary, the Borrowers' timely filing of its annual Form 10-Q with the Securities and Exchange Commission shall be deemed to satisfy its reporting obligation hereunder.

4.8 **Financial Covenants.**

N/A

TIDEWATER UTILITIES, INC.

**\$996,075 GENERAL OBLIGATION BOND
(SUPPLEMENTAL KENDALE ROAD INTERCONNECTION PROJECT)
SERIES 2025A-DWSRF**

FINANCING AGREEMENT

BETWEEN

TIDEWATER UTILITIES, INC.

AND

DELAWARE DRINKING WATER STATE REVOLVING FUND,
ACTING BY AND THROUGH THE
DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES,
DIVISION OF PUBLIC HEALTH

Loan No. 22000041

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<u>EXHIBIT C</u>	FORM OF REQUISITION
<u>EXHIBIT D</u>	SCHEDULE OF DISBURSEMENTS
<u>EXHIBIT E</u>	FORM OF CHANGE ORDER
<u>EXHIBIT F</u>	PROJECTED DRAWDOWN CERTIFICATE

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “Agreement”) is made as of this 31st day of December, 2025, between the DELAWARE DRINKING WATER STATE REVOLVING FUND, acting by and through the DELAWARE DEPARTMENT OF HEALTH & SOCIAL SERVICES, DIVISION OF PUBLIC HEALTH, a public agency of The State of Delaware (the “Department”) and TIDEWATER UTILITIES, INC., a corporation organized under the laws of The State of Delaware (the “Borrower”).

Pursuant to Title 29 Delaware Code Section 7903 (the “Act”), the General Assembly established a permanent and perpetual fund known as the “Delaware Drinking Water State Revolving Fund” (the “Fund”) and empowered the Secretary of the Department of Health & Social Services to administer such Fund. From the Fund, the Department from time to time makes loans to and acquires obligations of eligible persons in Delaware to finance the costs of drinking water facilities in accordance with the Federal Safe Drinking Water Act. General information on Drinking Water State Revolving Funds can be found at: <https://www.epa.gov/dwsrf>.

The Borrower requested a loan (the “Loan”) from the Fund and will evidence its obligation to repay the Loan by the signing of this Agreement and by the delivery of its General Obligation Bond (Supplemental Kendale Road Interconnection Project), Series 2025A-DWSRF (the “Bond”). The Borrower will use the Loan Proceeds from the Fund to: (i) finance the extension of a 16" main along Kendale Road to connect the existing 16" mains located on Beaver Dam Road and Robinsonville Road, as more fully described in **Exhibit A** and (ii) if desired, pay certain administrative costs and costs of issuing the Bond (collectively, the “Project”).

ARTICLE I

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

“Agreement” means this Financing Agreement between the Department and the Borrower, together with any amendments or supplements hereto.

“Authorized Representative” means the President, Vice President, Chairman, Chief Financial Officer, Treasurer, and Secretary of the Borrower or any employee of the Borrower authorized by resolution or certificate of the Borrower to perform the act or sign the document in question.

“Business Day” means a day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York or Delaware are required or authorized to remain closed or on which the New York Stock Exchange is closed.

“Closing Date” means the date this Agreement is executed and delivered by the Borrower and the Department.

“Commitment Letter” shall mean the commitment letter from the Department to the Borrower dated August 4, 2025 and all extensions and amendments thereto.

“Consulting Engineer” means any firm of independent consulting engineers of recognized standing and experienced in the field of environmental engineering and registered to do business in Delaware. Any such firm shall be subject to the reasonable approval of the Department.

“Department” means the Department of Health and Social Services, Division of Public Health.

“Event of Default” shall have the meaning set forth in Section 10.1.

“Fiscal Year” means the period of twelve months established by the Borrower as its annual accounting period.

“Loan” means the loan from the Department to the Borrower pursuant to this Agreement.

“Loan Proceeds” means the funds applied to make the loan to the Borrower pursuant to this Agreement.

“Notice to Proceed” means a written notice given by the Borrower and signed by an Authorized Representative issued to each construction contractor fixing the date on which construction, equipping, acquisition, expansion or renovation of the Project as described in **Exhibit A** will commence, a copy of which must be furnished to the Department by the Borrower within one year of the Closing Date.

“Penalty” shall have the meaning set forth in Section 3.3.

“Project” means, collectively, the various improvements and upgrades to the System of the Borrower, as more fully described in **Exhibit A**, the costs of the construction, acquisition or equipping of which are to be financed in whole or in part with the Loan Proceeds.

“Project Budget” means the budget for the financing of the Project, a copy of which is attached to this Agreement as **Exhibit B**.

“Project Costs” means the costs of the construction, acquisition or equipping of the Project, as further described in the Project Budget, and such other costs as may be approved in writing by the Department, provided such costs are permitted by the Act.

“System” means all plants, systems, facilities, equipment or property, of which the Project constitutes the whole or a part, owned, operated or maintained by the Borrower and used in connection with the drinking water services for the systems which comprise the Project, all as described in **Exhibit A**.

Section 1.2. Rules of Construction.

The following rules shall apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) All references in this Agreement to particular Sections or Exhibits are references to Sections or Exhibits of this Agreement unless otherwise indicated.

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II
REPRESENTATIONS

Section 2.1. Representations by Borrower.

The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly organized and validly existing corporation in good standing under the laws of the State of Delaware.

(b) The Borrower has full right, power and authority to (i) execute this Agreement and the other documents related thereto, (ii) own and operate the System, (iii) construct, acquire or equip the Project and finance the Project Costs by borrowing money for such purpose pursuant to this Agreement, and (iv) carry out and consummate all of the transactions contemplated by this Agreement.

(c) All permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of signing of this Agreement have been obtained for (i) the execution by the Borrower of this Agreement, (ii) the performance and enforcement of the obligations of the Borrower thereunder, (iii) the acquisition, construction, equipping, occupation, operation and use of the Project, and (iv) the operation and use of the System. The Borrower knows of no reason why any other necessary permits or approvals cannot be obtained as required.

(d) This Agreement has been executed by a duly authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with the terms of this Agreement.

(e) There are not pending nor, to the best of the knowledge of the undersigned officer of the Borrower, threatened, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, in which a judgment, order or resolution may have a material adverse effect on the Borrower, or its business, assets, condition (financial or otherwise), operations or prospects or in its ability to perform its obligations under this Agreement.

(f) There have been no material defaults by any contractor or subcontractor under any contract made in connection with the construction or equipping of the Project.

(g) No material adverse change has occurred in the financial condition of the Borrower from that indicated in the financial statements, application and other information furnished to the Department in connection with this Agreement.

(h) No Event of Default has occurred and is continuing.

(i) Except as may otherwise be approved by the Department or permitted by the terms hereof, the Project and the System at all times will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(j) The Project will be a part of the System.

(k) The Loan Proceeds and funds available from the other sources specified in the Project Budget will be sufficient to pay the estimated Project Costs.

(l) The Borrower has received or has commitments to obtain all funds and other financing for the Project as contemplated in the Project Budget.

(m) As of March 31, 2025, the Borrower has completed the acquisition, construction and equipping of the Project. The Borrower expects to adhere to the estimated drawdown schedule attached hereto as **Exhibit D** and certified to in the "Certificate of the Borrower and Projected Drawdown Schedule of the Project" attached hereto as **Exhibit F** and made a part hereof. Noncompliance with this Section 2.1(m) may cause loan funds to become de-obligated and reallocated to other drinking water projects at the discretion of the Department.

ARTICLE III ADVANCE AND USE OF LOAN PROCEEDS; CONSTRUCTION OF PROJECT

Section 3.1. Advance of Loan Proceeds.

The Department agrees to advance to the Borrower pursuant to this Agreement up to Nine Hundred Ninety-Six Thousand Seventy-Five Dollars (\$996,075) to pay Project Costs in accordance with the Project Budget.

Section 3.2. Application of Loan Proceeds.

(a) The Borrower agrees to apply the Loan Proceeds solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs and further agrees, upon the request of the Department, to exhibit to the Department, vouchers, statements, bills of sale or other evidence of the actual payment of such Project Costs. The Department shall disburse the Loan Proceeds to or for the account of the Borrower upon execution of this Agreement and upon receipt by the Department of the following:

(1) A requisition (upon which the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, **Exhibit C** attached hereto.

(2) If such requisition includes an item for payment for labor or to contractors, builders or materialmen (i) a certificate, signed by an Authorized Representative, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and (ii) a certificate signed by an Authorized Representative stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates, the Department shall disburse Loan Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Department. The Borrower expects to adhere to the estimated drawdown schedule attached hereto as **Exhibit D**. The Department shall have no obligation to disburse any such Loan Proceeds if the Borrower is in default hereunder, nor shall the Department have any obligation to approve any requisition if the Borrower is not in compliance with the terms of this Agreement.

(b) The Borrower shall comply with all applicable State of Delaware and federal laws. Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the maximum amount authorized hereunder to ensure satisfactory completion of the Project. Upon receipt from the Borrower of the certificate specified in Section 3.4 and a final requisition detailing all retainages to which the Borrower is then entitled, the Department, to the extent approved by the Department and subject to the provisions of this Section and Section 3.4, will disburse Loan Proceeds to or for the account of the Borrower to the extent of such approval.

(c) The Department may apply Loan Proceeds to pay any Penalty assessed pursuant to Section 3.3.

(d) The Department shall have no obligation to disburse Loan Proceeds in excess of the amount necessary to pay for approved Project Costs.

(e) The Borrower shall comply in all respects with all applicable federal laws, regulations and other requirements related to or arising out of or in connection with the Project and the funding thereto by the Fund.

(f) The Borrower is subject to 2 CFR 200 Subpart F (Audit Requirements) audits. The Borrower shall comply in all respects with the Federal Single Audit Act (the "SAA"), 2 CFR 200 Subpart F, as a sub-recipient of Federal funds. As a recipient of Loan Proceeds from the Fund, the Borrower is required to notify the Department when a SAA audit has been conducted and provide the Department within 30 days of completion with a copy of the SAA audit if the Borrower expends \$1,000,000 or more in Loan Proceeds and other federal financial assistance in its fiscal year. Other federal financial assistance sources include, but are not limited to, equivalency funds received by the Delaware Water Pollution Control Revolving Fund, other federal water infrastructure funding programs (e.g., USDA RD, CDBG, and EPA's WIFIA and Community Grants, among others), as well as health care, social services, highways, and

education funding programs. The Borrower shall notify the Department when they have reached the \$1,000,000 expenditure threshold.

For purposes of the Fund, an expenditure occurs at the time that Loan Proceeds are disbursed by the Borrower for the purpose for which the Fund assistance is provided (e.g., Project Costs). For example, for the Loan, the expenditure occurs at the time the Borrower pays an invoice. In the case of refinancing assistance, the expenditure occurs at the time the Borrower uses the Loan Proceeds to refinance the existing debt.

The Borrower is responsible for (i) maintaining an annual (fiscal year) accounting system and identifying all expenditures of federal financial assistance, (ii) submitting its SAA audit to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period, and (iii) notifying the Department that the SAA audit has been submitted to the Federal Audit Clearinghouse and providing a copy to the state SRF program upon request. The Borrower shall inform the Department of any findings and recommendations pertaining to Loan Proceeds received from the Fund contained in SAA audits conducted by the Borrower. The Borrower, as a subrecipient of Federal funds, must submit all reports including financial, performance, and other reports required by this Federal award, no later than 120 days after the conclusion of the period of performance on the Project.

The SAA dollar threshold, currently at \$1,000,000 as previously stated, that requires performance of an audit increases periodically, and the Borrower is required to know the threshold for a given year.

The Borrower, as a subrecipient of Federal funds, must certify to the Department the accuracy of the Borrower's application for funds, requesting payment/funds, and submitting financial reports.

The single audit report MUST be submitted using the Federal Audit Clearinghouse available at: <https://fac.gov/>. For complete information on how to accomplish the single audit submissions, the recipient will need to visit the Federal Audit Clearinghouse Web site: <https://fac.gov/>.

(g) The Borrower shall comply with the Delaware Department of Labor Prevailing Wage Rate Regulations.

(h) The Borrower shall comply with the Delaware Drinking Water State Revolving Fund's Davis-Bacon Wage Rate Act Requirement as set forth in the closing documents. The Borrower agrees that all contractors or subcontractors utilized by the Borrower in the Project will complete and file the U.S. Department of Labor's payroll form WH-347.

By accepting this loan, the Borrower acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients at <https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>. The Borrower acknowledges that it has read, executed and will comply with the requirements outlined in the closing document titled "Davis-Bacon Wage Rate Act Requirement and Related Acts".

(i) As a recipient of Fund assistance, the Borrower shall comply with the Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment located in 2 CFR 200.216, as such regulation relates to the Project. The Borrower agrees that none of the Loan Proceeds shall be used to procure, enter into, extend or renew contracts or obtain equipment, services or systems that use “covered telecommunications equipment or services,” as identified in the regulation, as a substantial or essential component of any system, or as critical technology as part of any system.

(j) As a recipient of Fund assistance, the Borrower agrees that none of the Loan Proceeds made available to the Borrower shall be used for the Project for the construction, alteration, maintenance, or repair of the System unless all of the iron and steel products used in the Project are produced in the United States (“American Iron and Steel Requirement”), unless: (i) the Borrower has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the Department has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project. The American Iron and Steel Requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that: (i) applying the requirement would be inconsistent with the public interest; (ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

In this section 3.2(j), the term “iron and steel products” means the following products made primarily of iron or steel-lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. “Steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

The Bipartisan Infrastructure Law of 2021, also known as the Infrastructure Investment and Jobs Act of 2021 (“IIJA”), established the Build America Buy America (BABA) Act domestic sourcing requirements for federal financial assistance programs for infrastructure, including the Fund, and the Borrower must comply with the BABA provision. BABA also creates expanded American Iron and Steel requirements to include construction materials and manufactured goods for domestic preference and sourcing requirements.

In procuring materials for public works projects, entities using taxpayer-financed Federal assistance should give a commonsense procurement preference for the materials and products produced by companies and workers in the United States in accordance with the high ideals embodied in the environmental, worker, workplace safety, and other regulatory requirements of the United States. The benefits of domestic content procurement preferences extend beyond economics. Common construction materials used in public works infrastructure projects, including steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall are not adequately covered by a domestic content procurement preference, thus limiting the impact of taxpayer purchases to enhance supply chains in the United States.

(k) The Borrower agrees to comply with all federal requirements applicable to the Loan Proceeds received (including those imposed by IIJA, Public Law No. 117-58) which the Borrower understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the Borrower has requested and obtained a waiver from the Department pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the Department has otherwise advised the Borrower in writing that the Build America, Buy America Requirements are not applicable to the Project.

(l) The Borrower, as a sub-recipient of Federal funds, agrees that when collecting and managing environmental data under this Agreement, it will protect the data by following all applicable State of Delaware law cybersecurity requirements, if the Borrower’s network or information system is connected to the Environmental Protection Agency networks to transfer data to the Environmental Protection Agency using systems other than the Environmental Information Exchange Network or the Environmental Protection Agency’s Central Data Exchange.

Section 3.3. Agreement to Draw Loan Proceeds and Penalty for Delay.

The Borrower agrees after the Closing Date to commence work in earnest on the Project and make draws on the Loan Proceeds of at least ten percent (10%) of the Project Costs within one year of the Closing Date. The Borrower further agrees to provide a Notice to Proceed within one year of the Closing Date.

If by December 31, 2026, which is one year from the Closing Date, (i) the Borrower has not submitted requisition(s), in the manner required by Section 3.2, for more than ten percent (10%) of the Project Costs, and (ii) the Department has not received a Notice to Proceed, the Department may in its discretion assess a penalty equal to one percent (1%) of the Loan Proceeds (the “Penalty”). Such Penalty may be drawn by the Department from the Loan Proceeds, or charged directly to the Borrower, at the Department’s discretion. It is within the Department’s complete discretion whether to impose the Penalty based upon its review of affirmative steps taken by the Borrower to commence and complete the Project and the totality of the circumstances surrounding any such delay in requesting disbursement of Loan Proceeds.

Section 3.4. Agreement to Accomplish Project.

The Borrower will cause the Project to be acquired, constructed, expanded, renovated or equipped as described in **Exhibit A** and in accordance with the Project Budget and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Department. The Borrower has completed the Project by the date set forth in Section 2.1(m). All plans, specifications and designs have been approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the Project Costs and permit the Department through its duly authorized representatives to inspect such books and records at any reasonable time. The Borrower and the Department may amend the description of the Project set forth in **Exhibit A**.

The Borrower will deliver to the Department a certificate signed by an Authorized Representative of the Borrower and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Department, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all certificates of occupancy or other material permits necessary for the Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of Project Costs.

Section 3.5. Permits.

The Borrower, at its sole cost and expense, shall comply with, and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Project. The Borrower shall, upon request, promptly furnish to the Department copies of all such permits, consents and approvals. The Borrower shall also comply with all lawful program or procedural guidelines or requirements duly promulgated and amended as of the date hereof by the Department in connection with the acquisition, construction, equipping, occupation, operation or use of projects financed by the Fund under the Act. The Borrower shall also comply in all respects with all applicable State of Delaware and federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof by the Fund.

Section 3.6. Construction Contractors.

Each construction contractor employed in the accomplishment of the Project shall be required in the construction contract to furnish a performance bond and a payment bond, each in an amount equal to one hundred percent (100%) of the particular contract price. Such bonds shall list the Borrower as beneficiary. Each contractor shall be required to maintain, during the construction period covered by the particular construction contract, builder's risk insurance, workers compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms customarily maintained on such projects. Upon request of the Department, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Department. In addition to the foregoing,

(a) Each construction contractor employed in the accomplishment of the Project is required to comply with the Anti-Kickback Act (and is required to insert similar requirements in all subcontracts) and all other applicable federal laws and regulations.

Each construction contractor employed in the accomplishment of the Project shall comply with the Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000.

Each construction contractor employed in the accomplishment of the Project acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and

Subcontractors Under EPA Grants at <https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>.

(b) All construction contracts and contractors' estimate forms will be prepared so that materials and equipment may be readily itemized and identified as to eligible and noneligible costs.

(c) Any change in a construction contract that will alter the contract price or completion time or will substantially modify the proposed use of the Project must be submitted to the Department for prior approval via a change order in the form of the change order attached hereto as **Exhibit E**.

(d) The construction of the Project facilities will conform to applicable federal, state and local laws, ordinances and regulations.

(e) The Borrower will proceed expeditiously and complete the Project facilities in accordance with the approved application, project schedule, surveys, plans, profiles, cross-sections, specifications and amendments approved by the Department.

Recipients and sub-recipients of Fund assistance, including the Borrower, shall not make any award or permit any award (sub-grant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension." Grantees and sub-grantees, including the Borrower, shall refer to the "List of Parties Excluded From Federal Procurement and Non-Procurement Programs" to insure that the contractor or subcontractor are not on this list. A search for exclusion records can be made at the official US Government System for Award Management website at <https://www.sam.gov>. For assistance visit the Federal Service Desk online at www.fsd.gov or by calling (866) 606-8220.

(f) Recipients have taken and will continue to take all necessary affirmative steps to solicit, and document its solicitation efforts of, minority business enterprises and women's business enterprises, individually and collectively referred to as Disadvantaged Business Enterprises (DBE), in accordance with the Six Good Faith Efforts, (40 CFR Part 33).

(g) Recipients have taken and will continue to take all necessary affirmative steps to assure that it is in compliance with all requirements for the procurement of architectural and engineering services as identified in 40 U.S.C. Section 1101 et. Seq, for all architectural and engineering contracts executed, amended or renewed.

Section 3.7. Signage and Public or Media Events.

The Borrower is required to place a sign at construction sites funded with Loan Proceeds displaying the Environmental Protection Agency ("EPA") logo in a manner that informs the public that the Project is funded in part or wholly by the EPA. Such sign must be placed in a visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The Borrower is required to comply with the sign specifications provided by the EPA Office of Public Affairs (“OPA”) available at: <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-Borrowers>.

If the EPA logo is displayed along with the logos of other participating entities, the EPA logo must not be displayed in a manner that implies that EPA itself is conducting the Project. Instead, the EPA logo must be accompanied with a statement indicating that the Borrower received financial assistance from EPA for the Project. As provided in the sign specifications from OPA, the EPA logo is the preferred identifier for assistance agreement projects and use of the EPA seal requires prior approval from the EPA. To obtain the appropriate EPA logo or seal graphic file, the Borrower should contact the Department.

Signage costs are considered an allowable cost under this Agreement provided that the costs associated with signage are reasonable.

The Borrower agrees to notify the Department, who will notify the EPA Project Officer of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days’ notice.

Section 3.8. Engineering Services.

The Borrower has retained or employed the Consulting Engineer to provide engineering services covering planning and design, operation of the System, and the supervision and inspection of the construction of the Project. The Consulting Engineer will provide to the Department the certificate required by Section 3.4.

Section 3.9. Borrower Required to Complete Project.

Subject to the provisions of Section 9.5 hereof, if the Loan Proceeds are not sufficient to pay in full the cost of the Project, the Borrower will complete the Project at its own expense and shall not be entitled to any reimbursement therefor from the Department or the Fund or to any abatement, diminution or postponement of the Borrower’s repayments under this Agreement.

Section 3.10. Inclusion of Eligible Project Reimbursement Costs Within The Loan.

Project Costs incurred prior to the initiation of construction and after approval of the Project by the Department are eligible for reimbursement from Loan Proceeds provided that the Project continues to meet all the criteria and requirements set forth by the Department. Notwithstanding anything to the contrary herein, costs incurred and associated with the initial stages of the Project, such as planning and design, are eligible for reimbursement regardless of when such costs were incurred.

Section 3.11. Lead Service Line Replacement (“LSLR”) and Lead Removal Projects¹.

The following terms and conditions apply to loans from the Department that involve actual construction associated with lead service line replacement and lead removal. It is within the Department’s complete discretion to allow for the partial replacement of lead service lines.

(a) Stand-alone Lead Service Line Replacement. The recipient agrees to ensure that this Project funded either in whole or in part under this Loan must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

The recipient agrees the time between starting and completing full this Project for individual service lines should be as short as possible and should not exceed three months.

(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects. If the logistics involved with coordinating the Project with planned infrastructure projects dictates, then partial replacement of a service line is acceptable if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full replacement because of a customer refusal, the Borrower may conduct partial replacement in conjunction with planned infrastructure work. The Borrower is required to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full replacement. The Department will allow for partial replacement so long as the Borrower submits the required documentation as outlined hereunder.

(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement. Under emergency circumstances, the Borrower may use Loan Proceeds to pay for partial replacement if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, the Borrower must document customer refusals in a manner determined by the Department. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full replacement.

ARTICLE IV
ADDITIONAL FEDERAL REQUIREMENTS

Section 4.1. Federal Requirements.

(a) As a recipient of Fund assistance, the Borrower shall comply Federal State Revolving Loan Requirements Section 1452 of the Federal Safe Drinking Water Act, 42 U.S.C. §300j-12 et seq., as amended.

¹ **THIS SECTION 3.11 ONLY APPLIES IF PROJECT BEING FUNDED WITH LOAN PROCEEDS INVOLVES ACTUAL CONSTRUCTION ASSOCIATED WITH LEAD SERVICE LINE REPLACEMENT AND LEAD REMOVAL.**

(b) Pursuant to Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of race, color or national origin in any activity funded through this Agreement.

(c) Pursuant to the Age Discrimination Act, 42 U.S.C. § 6101 et seq., as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of age in any activity funded through this Agreement.

(d) Pursuant to Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of disability in any activity funded through this Agreement.

(e) Pursuant to Section 1452 of the Federal Safe Drinking Water Act Amendments of 1996, P.L. 104-182, and Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 et seq., as amended, as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of sex in any activity funded through this Agreement.

(f) Pursuant to Executive Order 11246, dated September 24, 1965, as amended by Executive Order 11375, dated October 13, 1967, and as supplemented by U.S. Department of Labor regulations set forth at 41 C.F.R. Ch. 60, as a recipient of Fund assistance, the Borrower agrees to provide an equal opportunity for employment to all contracts and subcontracts awarded for the Project and funded through this Agreement.

(g) Pursuant to Executive Order 12898, dated February 11, 1994, as a recipient of Fund assistance, the Borrower agrees not to fund any action through this Agreement that will have disproportionately high and adverse effects on minority or low-income populations.

Section 4.2. Americans with Disabilities Act.

Pursuant to federal regulations promulgated under the authority of the Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., no individual with a disability shall, on the basis of the disability, be excluded from participation in this Agreement or from activities provided for under this Agreement, and the Borrower agrees to comply with the General Prohibitions Against Discrimination, 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of the Americans With Disabilities Act which are applicable to the benefits, services, programs, and activities provided by the Department as an agency of the State of Delaware through this Agreement. The State of Delaware and the Department shall be indemnified and held harmless from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the State of Delaware or the Department as a result of the Borrower's failure to comply with its obligations under the preceding provisions.

Section 4.3. Nondiscrimination; Sexual Harassment.

The Borrower shall comply, or cause its contractor or subcontractor, or other agents or representatives to comply, with the following requirements:

(a) In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under this Agreement or any Project contract, no person who is qualified and available to perform the work to which the employment relates shall be discriminated against by reason of gender, race, creed or color.

(b) No employee involved in the manufacture of supplies, the performance of work or any other activity required under this Agreement shall be discriminated against in any manner or intimidated on account of gender, race, creed, or color.

(c) A written sexual harassment policy providing that sexual harassment will not be tolerated and employees who practice it will be disciplined shall be established and maintained by the Borrower and employees shall be informed of the policy.

(d) No contractor who is qualified to perform the work relating to this Agreement shall discriminate against any other contractor by reason of gender, race, creed, or color.

(e) All necessary employment documents and records shall be provided and access shall be granted to the Department to books, records, and accounts for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If documents or records reflecting the necessary information requested are not available, such information shall be furnished on reporting forms supplied by the Department.

(f) This Nondiscrimination/Sexual Harassment Clause shall be included in any contract awarded for the Project so that such provisions will be binding upon any contractors engaged for the Project.

(g) The Department may cancel or terminate this Agreement and all money due or to become due under this Agreement may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the Department may proceed with debarment or suspension and may place the party not in compliance in the Contractor Responsibility File, a repository of information on contractors.

ARTICLE V
REPAYMENT OF LOAN; GENERAL OBLIGATION

Section 5.1. Repayment of Loan.

The Borrower shall repay the Loan pursuant to the terms of the Bond issued to the Department.

Section 5.2. General Obligation.

The Borrower's repayment obligation constitutes a general obligation of the Borrower, secured by a pledge of its full faith, revenue and credit.

Section 5.3. [RESERVED]

ARTICLE VI
PREPAYMENTS

Section 6.1. Prepayments of Loan.

At its option and upon providing prior written notice to the Department, the Borrower may prepay the Loan, in whole or in part, without penalty, at any time. Such prior written notice shall specify the date on which the Borrower will make such prepayment and whether the Loan will be prepaid in full or in part, and if in part, the principal amount to be

prepaid. Any such prepayment shall be applied against Loan principal installments then outstanding as shall be directed by the Borrower.

ARTICLE VII
OPERATION AND USE OF SYSTEM

Section 7.1. Inspection of System and Borrower's Books and Records.

The Department and its duly authorized representatives and agents shall have such reasonable rights of access to the System as may be necessary to determine whether the Borrower is in compliance with the requirements of this Agreement and shall have the right at all reasonable times and upon reasonable prior notice to the Borrower to examine and copy the books and records of the Borrower insofar as such books and records relate to the System.

The Borrower agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the Department, such as performance indicators of program deliverables and information on costs and project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of Loan Proceeds in advance of the maturity of the Bond and/or other remedial actions.

Section 7.2. Performance Certification.

The Borrower will notify the Department when the Project is completed and operation commenced on or before the date set out in Section 2.1(m).

Section 7.3. Operation, Maintenance and Use of System.

At its own cost and expense, the Borrower shall operate the System in a proper, sound and economical manner and in compliance with all legal requirements, shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

ARTICLE VIII
INSURANCE, DAMAGE AND DESTRUCTION

Section 8.1. Insurance.

Unless the Department otherwise agrees in writing, the Borrower shall maintain or cause to be maintained insurance against such risks as are customarily insured against by owners of systems similar in size and character to the System.

ARTICLE IX
SPECIAL COVENANTS

Section 9.1. Maintenance of Existence.

The Borrower shall maintain its existence as a “Person” (as defined in the Federal Safe Drinking Water Act) and, without consent of the Department, which consent shall not be unreasonably withheld, shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity. Notwithstanding the foregoing, the Borrower may consolidate or merge with or into, or sell or otherwise transfer all or substantially all of its assets to a political subdivision of The State of Delaware, and the Borrower thereafter may dissolve, if the surviving, resulting or transferee political subdivision, if other than the Borrower, assumes, in written form acceptable to the Department, all of the obligations of the Borrower contained in this Agreement, and there is furnished to the Department an Opinion of Counsel acceptable to the Department subject to customary exceptions and qualifications, to the effect that such assumption constitutes the legal, valid and binding obligations of the surviving, resulting or transferee entity in accordance with its terms.

Section 9.2. Financial Records and Statements.

The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted accounting principles, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit (such annual audit shall comply in all respects with the Federal Single Audit Act, 2 CFR 200 Subpart F) made by an independent certified public accountant within one hundred twenty (120) days after the end of each Fiscal Year. Such report shall include a certificate of the accountants to the effect that, during the course of such accountant’s regular examination of the Borrower’s financial condition, nothing came to such accountant’s attention that would constitute an Event of Default hereunder. A copy of the audited annual report shall be forwarded to the Department when completed, as outlined in Section 3.2 (f) herein.

Section 9.3. Certificate as to No Default.

The Borrower shall deliver to the Department, within one hundred twenty (120) days after the close of each Fiscal Year, a certificate signed by an Authorized Representative stating that, during such year and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes an Event of Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Borrower has taken, is taking or proposes to take to rectify it.

Section 9.4. Further Assurances.

The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights of the Department under this Agreement, or as may

be required to carry out the purpose of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect all rights of the Department under this Agreement against all claims and demands of all persons.

Section 9.5. Other Indebtedness.

In the event that the Borrower is required to borrow additional funds in order to complete the Project, the Borrower agrees to consult with the Department before borrowing any such additional funds. The Borrower agrees to pay when due all amounts required by any other bonded indebtedness and to perform all of its obligations in connection therewith.

Section 9.6. Assignment by Borrower.

The Borrower may not assign its rights under this Agreement without the prior written consent of the Department, which consent shall not be unreasonably withheld. If the Borrower desires to assign its rights under this Agreement to another "Person" (as defined in the Federal Safe Drinking Water Act), the Borrower shall give notice of such fact to the Department. If the Department consents to the proposed assignment, the Borrower may proceed with the proposed assignment, but such assignment shall not become effective until the Department is furnished: (i) an assumption agreement in form and substance satisfactory to the Department by which the assignee agrees to assume all of the Borrower's obligations under this Agreement, and (ii) an Opinion of Counsel to the assignee, subject to customary exceptions and qualifications, that the assumption agreement and this Agreement constitute legal, valid and binding obligations of the assignee enforceable against the assignee in accordance with their terms and that the assignment and assumption comply in all respects with the provisions of this Agreement. Notwithstanding the foregoing, the assignment of the rights of the Borrower under this Agreement or the assumption of the obligations thereunder by the assignee shall in no way be construed as releasing the Borrower's obligations unless specifically agreed to by the Department.

ARTICLE X
DEFAULTS AND REMEDIES

Section 10.1. Events of Default.

Each of the following events shall be an "Event of Default" hereunder:

(a) The failure to pay any payment of principal, interest and/or any administrative fee when due hereunder or under the Bond;

(b) The Borrower's failure to perform or observe any of the other covenants, agreements or conditions of this Agreement and the continuation of such failure for a period of thirty (30) days after the Department gives the Borrower written notice specifying such failure and requesting that it be cured, unless the Department shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Department will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the default is corrected;

(c) Any warranty, representation or other statement by or on behalf of Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect;

(d) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the System or any part thereof or of the income thereof, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated, discharged or stayed on appeal within ninety (90) days after the entry thereof;

(e) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the revenues of the System; or

(f) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Borrower under any federal or state bankruptcy or insolvency law now or hereinafter in effect and, if instituted against the Borrower, is not dismissed within ninety (90) days after filing.

Section 10.2. Notice of Default.

The Borrower agrees to give the Department prompt written notice if any order, decree or proceeding referred to in Section 10.1(d) through (f), inclusive, is entered or instituted against the Borrower or of the occurrence of any other event or condition which constitutes an Event of Default immediately upon becoming aware of the existence thereof.

Section 10.3. Remedies on Default.

Whenever any Event of Default referred to in Section 10.1 shall have happened and be continuing, the Department shall, in addition to any other remedies provided herein or by law, have the right, at its option without any further demand or notice, to take one or both of the following remedial steps:

(a) Discontinue advances of Loan Proceeds hereunder;

(b) Declare immediately due and payable all payments due or to become due under this Agreement or under the Bond, and upon notice to the Borrower, the same shall become immediately due and payable by the Borrower without further notice or demand; and

(c) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due under this Agreement or to enforce any other of the Department's rights under this Agreement or to enforce performance by the Borrower of its covenants, agreements or undertakings contained herein.

Section 10.4. Delay and Waiver.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under

this Agreement shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereto.

Section 10.5. Right to Cure Default.

If the Borrower shall fail to make any payment or to perform any act required by it under this Agreement, the Department without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Department and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of interest of five percent (5%) per annum until paid. The Borrower's obligation under this Section shall survive the repayment of the Bond.

ARTICLE XI
MISCELLANEOUS

Section 11.1. Successors and Assigns.

This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 11.2. Amendments.

The Department and the Borrower shall have the right to amend from time to time any of the terms and conditions of this Agreement, *provided* that all amendments shall be in writing and shall be signed by or on behalf of the Department and the Borrower.

Section 11.3. Limitation of Liability of Borrower's Officers.

No present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement.

Section 11.4. Applicable Law.

This Agreement shall be governed by the applicable laws of The State of Delaware.

Section 11.5. Severability.

If any clause, provision, or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement

or obligation shall be deemed to be the agreement or obligation of the Department and the Borrower, as the case may be, only to the extent permitted by law.

Section 11.6. Notice.

Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

Department: Delaware Department of Health and Social Services
 Division of Public Health
 Office of Drinking Water
 Jesse Cooper Building
 417 Federal Street – Room 226
 Dover, DE 19901
 Attention: DWSRF Program Director

With a copy to:

Delaware Department of Natural Resources
 & Environmental Control, on behalf of the Delaware Department of Health and Social
 Services
 Office Of the Secretary, Environmental Finance
 97 Commerce Way, Suite 106
 Dover, DE 19904
 Attention: Laura Robbins, Chief of Administration

and

Borrower: Tidewater Utilities, Inc.
 1100 South Little Creek Road
 Dover, DE 19901
 Attention: Mr. Robert J. Capko, Treasurer

With a copy to:

Middlesex Water Company
 485C Route One South, Suite 400
 Iselin, NJ 08830

Attn: Jay L. Kooper, Vice President, General Counsel & Secretary

The Department, and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinion or other communications shall be sent or persons to whose attention the same shall be directed.

Section 11.7. Headings.

The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

Section 11.8. Terms of Agreement.

This Agreement shall be effective upon its execution and delivery by the Borrower and the Department. Except as otherwise specified, the Borrower's obligations under this Agreement shall expire upon payment in full of the Bond and all other amounts payable by the Borrower under this Agreement.

Section 11.9. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

WITNESS the following signatures, all duly authorized.

FOR THE DELAWARE DRINKING WATER STATE REVOLVING FUND, ACTING BY AND THROUGH THE
DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES,
DIVISION OF PUBLIC HEALTH

By: /s/ Laura Robbins

Laura Robbins
DNREC, Chief of Administration

Delaware Department of Natural Resources and
Environmental Control, on behalf of the Delaware
Department of Health and Social Services

TIDEWATER UTILITIES, INC.

By: /s/ Robert J. Capko

Name: Robert J. Capko
Title: Treasurer

(SEAL)

Attest:

By: /s/ Jay L. Kooper

Jay L. Kooper
Secretary

[SIGNATURE PAGE TO FINANCING AGREEMENT – SERIES 2025A-DWSRF - SUPPLEMENTAL KENDALE ROAD INTERCONNECTION PROJECT]

EXHIBIT A

Project Description

The Project will extend a 16" main +/-3,950 LF along Kendale Road to connect the existing 16" mains located on Beaver Dam Road and Robinsonville Road. The new 16" interconnection will provide resiliency and redundancy for the existing main along Route 1 and reduce head losses associated with the supply of water throughout the consolidated Rehoboth water supply district. The interconnect is the completion of a large diameter distribution main along the western end of the Rehoboth District's service area to further solidify a regional distribution approach.

EXHIBIT B

Project Budget

<u>Project Budget:</u>		<u>Total Cost</u>
increased costs associated with Construction		<u>\$ 996,075.00</u>
Total Budget	\$	<u>996,075.00</u>
Source of Funds:		
DWSRF Loan	\$	<u>996,075.00</u>

EXHIBIT C

Form of Requisition

PROJECT NAME: _____ **FUNDING RECIPIENT:** _____

E. I. # _____

UNITED STATES AND/ **STATE OF DELAWARE** REQUISITION NO: _____
DEPARTMENT OF AGRICULTURE OR **DHSS**
RURAL DEVELOPMENT DATE: _____

USDA LOAN NO. _____ STATE LOAN NO. _____

USDA GRANT NO. _____ **SEPARATELY OR** STATE GRANT NO. _____
JOINTLY FUNDED PROJECT

ACCOUNT SUMMARY AND REQUEST FOR LOAN/GRANT DISBURSEMENT

DISBURSEMENT ITEMS	AMOUNT BUDGETED	PREVIOUS DISBURSEMENTS	THIS PERIOD	TOTAL TO DATE	REMAINING FUNDS
CONSTRUCTION					
CONTRACT NAME OR #					
CONTRACT NAME OR #					
CONTRACT NAME OR #					
LAND AND R.O.W.					
LEGAL AND ADMIN					
ENGINEERING FEES					
INTEREST					
CONTINGENCIES					
INITIAL O & M					
OTHER (describe)					
DISBURSEMENT TOTALS					
SOURCES OF FUNDING					
USDA LOAN					
USDA GRANT					
STATE LOAN					
STATE GRANT					
OTHER (describe)					
OTHER (describe)					

OTHER (describe)					
SOURCE TOTALS (must equal disbursement totals above)					

See Notes on Page 2 (other side)

Page 2
 LOAN/GRANT DISBURSEMENT FORM
 Requisition No. _____

 PREPARED BY (BORROWER/GRANTEE) DATE APPROVED BY (DHSS/ODW) DATE

 APPROVED BY (ARCHITECT/ENGINEER) DATE APPROVED BY (USDA/RD) DATE

Borrower/Grantee's Certification	Consulting Engineer's Certification
<p>The undersigned certifies that (1) the amounts requested by this requisition will be applied solely and exclusively to the payment, or the reimbursement of the recipient for the payment, of Project Costs, and (2) any materials, supplies or equipment covered by this requisition are not subject to any lien or security interest or such lien or security interest will be released upon payment of this requisition.</p> <p>Recipient's Authorized Representative Name, Title (PRINTED)</p> <p>_____ Recipient's Authorized Representative Signature Date</p>	<p>The undersigned Consulting Engineer for the Recipient hereby Certifies that insofar as the amounts covered by this Requisition include payment for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished to or installed in the Project.</p> <p>Title and Company Name (PRINTED)</p> <p>_____ Consulting Engineer's Name (PRINTED)</p> <p>_____ Authorized Consulting Engineer Signature Date</p>

- ES: 1. Include copies of all invoices or other acceptable documentation to support above request. Provide one (1) set for each funding agency.
2. On jointly funded projects, disbursements will not be processed until this document is approved by authorized representatives of both the U. S. Department of Agriculture and the State of Delaware, Department of Health and Social Services.

Forms-Jointly Funded-Disbursement.doc This form provides all information required by USDA Form RD 440-11

#4903-8400-3203 v2 C-3

EXHIBIT D

Schedule of Disbursements

<u>Date</u>	<u>Amount</u>
January 2026 \$	<u>996,075</u>
Total: \$	<u>996,075</u>

EXHIBIT E

Form of Change Order

UNITED STATES AND STATE OF DELAWARE ORDER NO: _____
DEPARTMENT OF AGRICULTURE OR DHSS OR DNREC
RURAL DEVELOPMENT
DATE _____

STATE: _____
SEPARATELY OR JOINTLY FUNDED PROJECT
COUNTY: _____
CONTRACT CHANGE ORDER

CONTRACT FOR: _____

OWNER: _____

To: _____
(Contractor)

You are hereby requested to comply with the following changes from the contract plans and specifications:

Description of Changes (Supplemental Plans and Specifications Attached)	DECREASE in Contract Price	INCREASE In Contract Price
	\$	\$
TOTALS	\$	\$
NET CHANGE IN CONTRACT PRICE	\$	\$

JUSTIFICATION: Explain (Differing Site Conditions) (Errors or Omissions in Drawings or Specifications) (Changes in Regulatory Requirements) (Design Changes) (Over run or Under run in Quantities) (Factors Affecting Time of Completion) (Other: Describe below)

The original amount of the Contract: _____
_____ Dollars (\$ _____)

The amount of the Contract as adjusted by all previously approved Change Orders: _____
_____ Dollars (\$ _____)

The amount of the Contract will be (Decreased) (Increased) through this Change Order by the sum of: _____
_____ Dollars (\$ _____)

The Contract Total including this and all previous Change Orders will be: _____
_____ Dollars (\$ _____)

The Contract Period provided for completion will be (Increased) (Decreased) (Unchanged) by: _____ Calendar Days

CHANGE ORDER NO. _____

This document will become a supplement to the contract and all provisions will apply hereto.

Requested: _____
(Owner) (Date)

Recommended: _____
(Owner's Architect/Engineer) (Date)

Accepted: _____
(Contractor) (Date)

Approved by State of Delaware: _____
(Date)

Approved by U. S. Department of Agriculture: _____
(Date)

After all five (5) copies of the Change Order have been signed and dated by authorized representatives of all the applicable parties in the spaces provided above, transmit one (1) copy to each party as listed below.

- U. S. Department of Agriculture's Copy
- State of Delaware's Copy
- Contractor's Copy
- Borrower/Grantee's Copy
- Architect/Engineer's Copy

Forms- Jointly Funded-Change Order.doc This form provides all information required by USDA Form RD 1924 (Rev. 2-97)

EXHIBIT "F"

**CERTIFICATE OF THE BORROWER AND
PROJECTED DRAWDOWN SCHEDULE OF THE
PROJECT**

The undersigned, as representatives of Tidewater Utilities, Inc. (the "Borrower") in connection with the issuance of its \$996,075 General Obligation Bond (Supplemental Kendale Road Interconnection Project), Series 2025A-DWSRF, have reviewed the estimated drawdown schedule prepared by the Borrower, attached hereto as Exhibit D and made a part hereof.

We hereby certify as of December 31, 2025 that the estimated drawdown schedule attached hereto as Exhibit D and statements made under Section 2.1(m) "Representations by Borrower" in the foregoing Financing Agreement between the Borrower and the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health, are to the best of our knowledge true and correct as of the date hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

TIDEWATER UTILITIES, INC.

By: /s/ Robert J. Capko
Robert J. Capko
Treasurer

Attest:

By: /s/ Jay L. Kooper
Jay L. Kooper
Secretary

*[SIGNATURE PAGE TO EXHIBIT F TO FINANCING AGREEMENT - CERTIFICATE AS TO PROJECTED DRAWDOWN SCHEDULE –
SERIES 2025A-DWSRF - SUPPLEMENTAL KENDALE ROAD INTERCONNECTION PROJECT]*

SOUTHERN SHORES WATER COMPANY, L.L.C.
\$418,000 GENERAL OBLIGATION BOND
(LEAD SERVICE LINE SEA COLONY COMMUNITY VACUUM EXCAVATION PROJECT)
SERIES 2025-DWSRF

FINANCING AGREEMENT

BETWEEN

SOUTHERN SHORES WATER COMPANY, L.L.C.

AND

DELAWARE DRINKING WATER STATE REVOLVING FUND,
ACTING BY AND THROUGH THE
DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES,
DIVISION OF PUBLIC HEALTH

Loan No. 28000011

TABLE OF CONTENTS

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<u>EXHIBIT A</u>	PROJECT DESCRIPTION
<u>EXHIBIT B</u>	PROJECT BUDGET
<u>EXHIBIT C</u>	FORM OF REQUISITION
<u>EXHIBIT D</u>	SCHEDULE OF DISBURSEMENTS
<u>EXHIBIT E</u>	FORM OF CHANGE ORDER
<u>EXHIBIT F</u>	PROJECTED DRAWDOWN CERTIFICATE

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “Agreement”) is made as of this 31st day of December, 2025, between the DELAWARE DRINKING WATER STATE REVOLVING FUND, acting by and through the DELAWARE DEPARTMENT OF HEALTH & SOCIAL SERVICES, DIVISION OF PUBLIC HEALTH, a public agency of The State of Delaware (the “Department”) and SOUTHERN SHORES WATER COMPANY, L.L.C., a limited liability company organized under the laws of the State of Maryland and authorized to do business in The State of Delaware (the “Borrower”).

Pursuant to Title 29 Delaware Code Section 7903 (the “Act”), the General Assembly established a permanent and perpetual fund known as the “Delaware Drinking Water State Revolving Fund” (the “Fund”) and empowered the Secretary of the Department of Health & Social Services to administer such Fund. From the Fund, the Department from time to time makes loans to and acquires obligations of eligible persons in Delaware to finance the costs of drinking water facilities in accordance with the Federal Safe Drinking Water Act. General information on Drinking Water State Revolving Funds can be found at: <https://www.epa.gov/dwsrf>.

The Borrower requested a loan (the “Loan”) from the Fund and will evidence its obligation to repay the Loan by the signing of this Agreement and by the delivery of its General Obligation Bond (Lead Service Line Sea Colony Community Vacuum Excavation Project), Series 2025-DWSRF (the “Bond”). The Borrower will use the Loan Proceeds from the Fund to: (i) finance the identification and replacement of lead service lines within the Sea Colony Community, as more fully described in **Exhibit A** and (ii) if desired, pay certain administrative costs and costs of issuing the Bond (collectively, the “Project”).

ARTICLE I

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

“Agreement” means this Financing Agreement between the Department and the Borrower, together with any amendments or supplements hereto.

“Authorized Representative” means the President, Vice President, Chairman, Chief Financial Officer, Treasurer, and Secretary of the Borrower or any employee of the Borrower authorized by resolution or certificate of the Borrower to perform the act or sign the document in question.

“Business Day” means a day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York or Delaware are required or authorized to remain closed or on which the New York Stock Exchange is closed.

“Closing Date” means the date this Agreement is executed and delivered by the Borrower and the Department.

“Commitment Letter” shall mean the commitment letter from the Department to the Borrower dated August 4, 2025 and all extensions and amendments thereto.

“Consulting Engineer” means any firm of independent consulting engineers of recognized standing and experienced in the field of environmental engineering and registered to do business in Delaware. Any such firm shall be subject to the reasonable approval of the Department.

“Department” means the Department of Health and Social Services, Division of Public Health.

“Event of Default” shall have the meaning set forth in Section 10.1.

“Fiscal Year” means the period of twelve months established by the Borrower as its annual accounting period.

“Loan” means the loan from the Department to the Borrower pursuant to this Agreement.

“Loan Proceeds” means the funds applied to make the loan to the Borrower pursuant to this Agreement.

“Notice to Proceed” means a written notice given by the Borrower and signed by an Authorized Representative issued to each construction contractor fixing the date on which construction, equipping, acquisition, expansion or renovation of the Project as described in **Exhibit A** will commence, a copy of which must be furnished to the Department by the Borrower within one year of the Closing Date.

“Penalty” shall have the meaning set forth in Section 3.3.

“Project” means, collectively, the various improvements and upgrades to the System of the Borrower, as more fully described in **Exhibit A**, the costs of the construction, acquisition or equipping of which are to be financed in whole or in part with the Loan Proceeds.

“Project Budget” means the budget for the financing of the Project, a copy of which is attached to this Agreement as **Exhibit B**.

“Project Costs” means the costs of the construction, acquisition or equipping of the Project, as further described in the Project Budget, and such other costs as may be approved in writing by the Department, provided such costs are permitted by the Act.

“System” means all plants, systems, facilities, equipment or property, of which the Project constitutes the whole or a part, owned, operated or maintained by the Borrower and used in connection with the drinking water services for the systems which comprise the Project, all as described in **Exhibit A**.

Section 1.2. Rules of Construction.

The following rules shall apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) All references in this Agreement to particular Sections or Exhibits are references to Sections or Exhibits of this Agreement unless otherwise indicated.

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II
REPRESENTATIONS

Section 2.1. Representations by Borrower.

The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly organized and validly existing corporation in good standing under the laws of the State of Delaware.

(b) The Borrower has full right, power and authority to (i) execute this Agreement and the other documents related thereto, (ii) own and operate the System, (iii) construct, acquire or equip the Project and finance the Project Costs by borrowing money for such purpose pursuant to this Agreement, and (iv) carry out and consummate all of the transactions contemplated by this Agreement.

(c) All permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of signing of this Agreement have been obtained for (i) the execution by the Borrower of this Agreement, (ii) the performance and enforcement of the obligations of the Borrower thereunder, (iii) the acquisition, construction, equipping, occupation, operation and use of the Project, and (iv) the operation and use of the System. The Borrower knows of no reason why any other necessary permits or approvals cannot be obtained as required.

(d) This Agreement has been executed by a duly authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with the terms of this Agreement.

(e) There are not pending nor, to the best of the knowledge of the undersigned officer of the Borrower, threatened, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, in which a judgment, order or resolution may have a material adverse effect on the Borrower, or its business, assets, condition (financial or otherwise), operations or prospects or in its ability to perform its obligations under this Agreement.

(f) There have been no material defaults by any contractor or subcontractor under any contract made in connection with the construction or equipping of the Project.

(g) No material adverse change has occurred in the financial condition of the Borrower from that indicated in the financial statements, application and other information furnished to the Department in connection with this Agreement.

(h) No Event of Default has occurred and is continuing.

(i) Except as may otherwise be approved by the Department or permitted by the terms hereof, the Project and the System at all times will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(j) The Project will be a part of the System.

(k) The Loan Proceeds and funds available from the other sources specified in the Project Budget will be sufficient to pay the estimated Project Costs.

(l) The Borrower has received or has commitments to obtain all funds and other financing for the Project as contemplated in the Project Budget.

(m) The Borrower expects to complete the acquisition, construction and equipping of the Project by December 31, 2025. The Borrower expects to adhere to the estimated drawdown schedule attached hereto as **Exhibit D** and certified to in the "Certificate of the Borrower and Projected Drawdown Schedule of the Project" attached hereto as **Exhibit F** and made a part hereof. Noncompliance with this Section 2.1(m) may cause loan funds to become de-obligated and reallocated to other drinking water projects at the discretion of the Department.

ARTICLE III ADVANCE AND USE OF LOAN PROCEEDS; CONSTRUCTION OF PROJECT

Section 3.1. Advance of Loan Proceeds.

The Department agrees to advance to the Borrower pursuant to this Agreement up to Four Hundred Eighteen Thousand Dollars (\$418,000) to pay Project Costs in accordance with the Project Budget.

Section 3.2. Application of Loan Proceeds.

(a) The Borrower agrees to apply the Loan Proceeds solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs and further agrees, upon the request of the Department, to exhibit to the Department, vouchers, statements, bills of sale or other evidence of the actual payment of such Project Costs. The Department shall disburse the Loan Proceeds to or for the account of the Borrower upon execution of this Agreement and upon receipt by the Department of the following:

(1) A requisition (upon which the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, **Exhibit C** attached hereto.

(2) If such requisition includes an item for payment for labor or to contractors, builders or materialmen (i) a certificate, signed by an Authorized Representative, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and (ii) a certificate signed by an Authorized Representative stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates, the Department shall disburse Loan Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Department. The Borrower expects to adhere to the estimated drawdown schedule attached hereto as **Exhibit D**. The Department shall have no obligation to disburse any such Loan Proceeds if the Borrower is in default hereunder, nor shall the Department have any obligation to approve any requisition if the Borrower is not in compliance with the terms of this Agreement.

(b) The Borrower shall comply with all applicable State of Delaware and federal laws. Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the maximum amount authorized hereunder to ensure satisfactory completion of the Project. Upon receipt from the Borrower of the certificate specified in Section 3.4 and a final requisition detailing all retainages to which the Borrower is then entitled, the Department, to the extent approved by the Department and subject to the provisions of this Section and Section 3.4, will disburse Loan Proceeds to or for the account of the Borrower to the extent of such approval.

(c) The Department may apply Loan Proceeds to pay any Penalty assessed pursuant to Section 3.3.

(d) The Department shall have no obligation to disburse Loan Proceeds in excess of the amount necessary to pay for approved Project Costs.

(e) The Borrower shall comply in all respects with all applicable federal laws, regulations and other requirements related to or arising out of or in connection with the Project and the funding thereto by the Fund.

(f) The Borrower is subject to 2 CFR 200 Subpart F (Audit Requirements) audits. The Borrower shall comply in all respects with the Federal Single Audit Act (the "SAA"), 2 CFR 200 Subpart F, as a sub-recipient of Federal funds. As a recipient of Loan Proceeds from the Fund, the Borrower is required to notify the Department when a SAA audit has been conducted and provide the Department within 30 days of completion with a copy of the SAA audit if the Borrower expends \$1,000,000 or more in Loan Proceeds and other federal financial assistance in its fiscal year. Other federal financial assistance sources include, but are not limited to, equivalency funds received by the Delaware Water Pollution Control Revolving Fund, other federal water infrastructure funding programs (e.g., USDA RD, CDBG, and EPA's WIFIA and Community Grants, among others), as well as health care, social services, highways, and

education funding programs. The Borrower shall notify the Department when they have reached the \$1,000,000 expenditure threshold.

For purposes of the Fund, an expenditure occurs at the time that Loan Proceeds are disbursed by the Borrower for the purpose for which the Fund assistance is provided (e.g., Project Costs). For example, for the Loan, the expenditure occurs at the time the Borrower pays an invoice. In the case of refinancing assistance, the expenditure occurs at the time the Borrower uses the Loan Proceeds to refinance the existing debt.

The Borrower is responsible for (i) maintaining an annual (fiscal year) accounting system and identifying all expenditures of federal financial assistance, (ii) submitting its SAA audit to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period, and (iii) notifying the Department that the SAA audit has been submitted to the Federal Audit Clearinghouse and providing a copy to the state SRF program upon request. The Borrower shall inform the Department of any findings and recommendations pertaining to Loan Proceeds received from the Fund contained in SAA audits conducted by the Borrower. The Borrower, as a subrecipient of Federal funds, must submit all reports including financial, performance, and other reports required by this Federal award, no later than 120 days after the conclusion of the period of performance on the Project.

The SAA dollar threshold, currently at \$1,000,000 as previously stated, that requires performance of an audit increases periodically, and the Borrower is required to know the threshold for a given year.

The Borrower, as a subrecipient of Federal funds, must certify to the Department the accuracy of the Borrower's application for funds, requesting payment/funds, and submitting financial reports.

The single audit report MUST be submitted using the Federal Audit Clearinghouse available at: <https://fac.gov/>. For complete information on how to accomplish the single audit submissions, the recipient will need to visit the Federal Audit Clearinghouse Web site: <https://fac.gov/>.

(g) The Borrower shall comply with the Delaware Department of Labor Prevailing Wage Rate Regulations.

(h) The Borrower shall comply with the Delaware Drinking Water State Revolving Fund's Davis-Bacon Wage Rate Act Requirement as set forth in the closing documents. The Borrower agrees that all contractors or subcontractors utilized by the Borrower in the Project will complete and file the U.S. Department of Labor's payroll form WH-347.

By accepting this loan, the Borrower acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients at <https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>. The Borrower acknowledges that it has read, executed and will comply with the requirements outlined in the closing document titled "Davis-Bacon Wage Rate Act Requirement and Related Acts".

(i) As a recipient of Fund assistance, the Borrower shall comply with the Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment located in 2 CFR 200.216, as such regulation relates to the Project. The Borrower agrees that none of the Loan Proceeds shall be used to procure, enter into, extend or renew contracts or obtain equipment, services or systems that use “covered telecommunications equipment or services,” as identified in the regulation, as a substantial or essential component of any system, or as critical technology as part of any system.

(j) As a recipient of Fund assistance, the Borrower agrees that none of the Loan Proceeds made available to the Borrower shall be used for the Project for the construction, alteration, maintenance, or repair of the System unless all of the iron and steel products used in the Project are produced in the United States (“American Iron and Steel Requirement”), unless: (i) the Borrower has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the Department has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project. The American Iron and Steel Requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that: (i) applying the requirement would be inconsistent with the public interest; (ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

In this section 3.2(j), the term “iron and steel products” means the following products made primarily of iron or steel-lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. “Steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

The Bipartisan Infrastructure Law of 2021, also known as the Infrastructure Investment and Jobs Act of 2021 (“IIJA”), established the Build America Buy America (BABA) Act domestic sourcing requirements for federal financial assistance programs for infrastructure, including the Fund, and the Borrower must comply with the BABA provision. BABA also creates expanded American Iron and Steel requirements to include construction materials and manufactured goods for domestic preference and sourcing requirements.

In procuring materials for public works projects, entities using taxpayer-financed Federal assistance should give a commonsense procurement preference for the materials and products produced by companies and workers in the United States in accordance with the high ideals embodied in the environmental, worker, workplace safety, and other regulatory requirements of the United States. The benefits of domestic content procurement preferences extend beyond economics. Common construction materials used in public works infrastructure projects, including steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall are not adequately covered by a domestic content procurement preference, thus limiting the impact of taxpayer purchases to enhance supply chains in the United States.

(k) The Borrower agrees to comply with all federal requirements applicable to the Loan Proceeds received (including those imposed by IIJA, Public Law No. 117-58) which the Borrower understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the Borrower has requested and obtained a waiver from the Department pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the Department has otherwise advised the Borrower in writing that the Build America, Buy America Requirements are not applicable to the Project.

(l) The Borrower, as a sub-recipient of Federal funds, agrees that when collecting and managing environmental data under this Agreement, it will protect the data by following all applicable State of Delaware law cybersecurity requirements, if the Borrower’s network or information system is connected to the Environmental Protection Agency networks to transfer data to the Environmental Protection Agency using systems other than the Environmental Information Exchange Network or the Environmental Protection Agency’s Central Data Exchange.

Section 3.3. Agreement to Draw Loan Proceeds and Penalty for Delay.

The Borrower agrees after the Closing Date to commence work in earnest on the Project and make draws on the Loan Proceeds of at least ten percent (10%) of the Project Costs within one year of the Closing Date. The Borrower further agrees to provide a Notice to Proceed within one year of the Closing Date.

If by December 31, 2026, which is one year from the Closing Date, (i) the Borrower has not submitted requisition(s), in the manner required by Section 3.2, for more than ten percent (10%) of the Project Costs, and (ii) the Department has not received a Notice to Proceed, the Department may in its discretion assess a penalty equal to one percent (1%) of the Loan Proceeds (the “Penalty”). Such Penalty may be drawn by the Department from the Loan Proceeds, or charged directly to the Borrower, at the Department’s discretion. It is within the Department’s complete discretion whether to impose the Penalty based upon its review of affirmative steps taken by the Borrower to commence and complete the Project and the totality of the circumstances surrounding any such delay in requesting disbursement of Loan Proceeds.

Section 3.4. Agreement to Accomplish Project.

The Borrower will cause the Project to be acquired, constructed, expanded, renovated or equipped as described in **Exhibit A** and in accordance with the Project Budget and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Department. The Borrower has completed the Project by the date set forth in Section 2.1(m). All plans, specifications and designs have been approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the Project Costs and permit the Department through its duly authorized representatives to inspect such books and records at any reasonable time. The Borrower and the Department may amend the description of the Project set forth in **Exhibit A**.

The Borrower will deliver to the Department a certificate signed by an Authorized Representative of the Borrower and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Department, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all certificates of occupancy or other material permits necessary for the Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of Project Costs.

Section 3.5. Permits.

The Borrower, at its sole cost and expense, shall comply with, and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Project. The Borrower shall, upon request, promptly furnish to the Department copies of all such permits, consents and approvals. The Borrower shall also comply with all lawful program or procedural guidelines or requirements duly promulgated and amended as of the date hereof by the Department in connection with the acquisition, construction, equipping, occupation, operation or use of projects financed by the Fund under the Act. The Borrower shall also comply in all respects with all applicable State of Delaware and federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof by the Fund.

Section 3.6. Construction Contractors.

Each construction contractor employed in the accomplishment of the Project shall be required in the construction contract to furnish a performance bond and a payment bond, each in an amount equal to one hundred percent (100%) of the particular contract price. Such bonds shall list the Borrower as beneficiary. Each contractor shall be required to maintain, during the construction period covered by the particular construction contract, builder's risk insurance, workers compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms customarily maintained on such projects. Upon request of the Department, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Department. In addition to the foregoing,

(a) Each construction contractor employed in the accomplishment of the Project is required to comply with the Anti-Kickback Act (and is required to insert similar requirements in all subcontracts) and all other applicable federal laws and regulations.

Each construction contractor employed in the accomplishment of the Project shall comply with the Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000.

Each construction contractor employed in the accomplishment of the Project acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and

Subcontractors Under EPA Grants at <https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>.

(b) All construction contracts and contractors' estimate forms will be prepared so that materials and equipment may be readily itemized and identified as to eligible and noneligible costs.

(c) Any change in a construction contract that will alter the contract price or completion time or will substantially modify the proposed use of the Project must be submitted to the Department for prior approval via a change order in the form of the change order attached hereto as **Exhibit E**.

(d) The construction of the Project facilities will conform to applicable federal, state and local laws, ordinances and regulations.

(e) The Borrower will proceed expeditiously and complete the Project facilities in accordance with the approved application, project schedule, surveys, plans, profiles, cross-sections, specifications and amendments approved by the Department.

Recipients and sub-recipients of Fund assistance, including the Borrower, shall not make any award or permit any award (sub-grant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension." Grantees and sub-grantees, including the Borrower, shall refer to the "List of Parties Excluded From Federal Procurement and Non-Procurement Programs" to insure that the contractor or subcontractor are not on this list. A search for exclusion records can be made at the official US Government System for Award Management website at <https://www.sam.gov>. For assistance visit the Federal Service Desk online at www.fsd.gov or by calling (866) 606-8220.

(f) Recipients have taken and will continue to take all necessary affirmative steps to solicit, and document its solicitation efforts of, minority business enterprises and women's business enterprises, individually and collectively referred to as Disadvantaged Business Enterprises (DBE), in accordance with the Six Good Faith Efforts, (40 CFR Part 33).

(g) Recipients have taken and will continue to take all necessary affirmative steps to assure that it is in compliance with all requirements for the procurement of architectural and engineering services as identified in 40 U.S.C. Section 1101 et. Seq, for all architectural and engineering contracts executed, amended or renewed.

Section 3.7. Signage and Public or Media Events.

The Borrower is required to place a sign at construction sites funded with Loan Proceeds displaying the Environmental Protection Agency ("EPA") logo in a manner that informs the public that the Project is funded in part or wholly by the EPA. Such sign must be placed in a visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The Borrower is required to comply with the sign specifications provided by the EPA Office of Public Affairs (“OPA”) available at: <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-Borrowers>.

If the EPA logo is displayed along with the logos of other participating entities, the EPA logo must not be displayed in a manner that implies that EPA itself is conducting the Project. Instead, the EPA logo must be accompanied with a statement indicating that the Borrower received financial assistance from EPA for the Project. As provided in the sign specifications from OPA, the EPA logo is the preferred identifier for assistance agreement projects and use of the EPA seal requires prior approval from the EPA. To obtain the appropriate EPA logo or seal graphic file, the Borrower should contact the Department.

Signage costs are considered an allowable cost under this Agreement provided that the costs associated with signage are reasonable.

The Borrower agrees to notify the Department, who will notify the EPA Project Officer of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days’ notice.

Section 3.8. Engineering Services.

The Borrower has retained or employed the Consulting Engineer to provide engineering services covering planning and design, operation of the System, and the supervision and inspection of the construction of the Project. The Consulting Engineer will provide to the Department the certificate required by Section 3.4.

Section 3.9. Borrower Required to Complete Project.

Subject to the provisions of Section 9.5 hereof, if the Loan Proceeds are not sufficient to pay in full the cost of the Project, the Borrower will complete the Project at its own expense and shall not be entitled to any reimbursement therefor from the Department or the Fund or to any abatement, diminution or postponement of the Borrower’s repayments under this Agreement.

Section 3.10. Inclusion of Eligible Project Reimbursement Costs Within The Loan.

Project Costs incurred prior to the initiation of construction and after approval of the Project by the Department are eligible for reimbursement from Loan Proceeds provided that the Project continues to meet all the criteria and requirements set forth by the Department. Notwithstanding anything to the contrary herein, costs incurred and associated with the initial stages of the Project, such as planning and design, are eligible for reimbursement regardless of when such costs were incurred.

Section 3.11. Lead Service Line Replacement (“LSLR”) and Lead Removal Projects¹.

The following terms and conditions apply to loans from the Department that involve actual construction associated with lead service line replacement and lead removal. It is within the Department’s complete discretion to allow for the partial replacement of lead service lines.

(a) Stand-alone Lead Service Line Replacement. The recipient agrees to ensure that this Project funded either in whole or in part under this Loan must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

The recipient agrees the time between starting and completing full this Project for individual service lines should be as short as possible and should not exceed three months.

(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects. If the logistics involved with coordinating the Project with planned infrastructure projects dictates, then partial replacement of a service line is acceptable if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full replacement because of a customer refusal, the Borrower may conduct partial replacement in conjunction with planned infrastructure work. The Borrower is required to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full replacement. The Department will allow for partial replacement so long as the Borrower submits the required documentation as outlined hereunder.

(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement. Under emergency circumstances, the Borrower may use Loan Proceeds to pay for partial replacement if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, the Borrower must document customer refusals in a manner determined by the Department. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full replacement.

ARTICLE IV
ADDITIONAL FEDERAL REQUIREMENTS

Section 4.1. Federal Requirements.

(a) As a recipient of Fund assistance, the Borrower shall comply Federal State Revolving Loan Requirements Section 1452 of the Federal Safe Drinking Water Act, 42 U.S.C. §300j-12 et seq., as amended.

¹ **THIS SECTION 3.11 ONLY APPLIES IF PROJECT BEING FUNDED WITH LOAN PROCEEDS INVOLVES ACTUAL CONSTRUCTION ASSOCIATED WITH LEAD SERVICE LINE REPLACEMENT AND LEAD REMOVAL.**

(b) Pursuant to Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of race, color or national origin in any activity funded through this Agreement.

(c) Pursuant to the Age Discrimination Act, 42 U.S.C. § 6101 et seq., as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of age in any activity funded through this Agreement.

(d) Pursuant to Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of disability in any activity funded through this Agreement.

(e) Pursuant to Section 1452 of the Federal Safe Drinking Water Act Amendments of 1996, P.L. 104-182, and Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 et seq., as amended, as a recipient of Fund assistance, the Borrower agrees not to discriminate on the basis of sex in any activity funded through this Agreement.

(f) Pursuant to Executive Order 11246, dated September 24, 1965, as amended by Executive Order 11375, dated October 13, 1967, and as supplemented by U.S. Department of Labor regulations set forth at 41 C.F.R. Ch. 60, as a recipient of Fund assistance, the Borrower agrees to provide an equal opportunity for employment to all contracts and subcontracts awarded for the Project and funded through this Agreement.

(g) Pursuant to Executive Order 12898, dated February 11, 1994, as a recipient of Fund assistance, the Borrower agrees not to fund any action through this Agreement that will have disproportionately high and adverse effects on minority or low-income populations.

Section 4.2. Americans with Disabilities Act.

Pursuant to federal regulations promulgated under the authority of the Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., no individual with a disability shall, on the basis of the disability, be excluded from participation in this Agreement or from activities provided for under this Agreement, and the Borrower agrees to comply with the General Prohibitions Against Discrimination, 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of the Americans With Disabilities Act which are applicable to the benefits, services, programs, and activities provided by the Department as an agency of the State of Delaware through this Agreement. The State of Delaware and the Department shall be indemnified and held harmless from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the State of Delaware or the Department as a result of the Borrower's failure to comply with its obligations under the preceding provisions.

Section 4.3. Nondiscrimination; Sexual Harassment.

The Borrower shall comply, or cause its contractor or subcontractor, or other agents or representatives to comply, with the following requirements:

(a) In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under this Agreement or any Project contract, no person who is qualified and available to perform the work to which the employment relates shall be discriminated against by reason of gender, race, creed or color.

(b) No employee involved in the manufacture of supplies, the performance of work or any other activity required under this Agreement shall be discriminated against in any manner or intimidated on account of gender, race, creed, or color.

(c) A written sexual harassment policy providing that sexual harassment will not be tolerated and employees who practice it will be disciplined shall be established and maintained by the Borrower and employees shall be informed of the policy.

(d) No contractor who is qualified to perform the work relating to this Agreement shall discriminate against any other contractor by reason of gender, race, creed, or color.

(e) All necessary employment documents and records shall be provided and access shall be granted to the Department to books, records, and accounts for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If documents or records reflecting the necessary information requested are not available, such information shall be furnished on reporting forms supplied by the Department.

(f) This Nondiscrimination/Sexual Harassment Clause shall be included in any contract awarded for the Project so that such provisions will be binding upon any contractors engaged for the Project.

(g) The Department may cancel or terminate this Agreement and all money due or to become due under this Agreement may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the Department may proceed with debarment or suspension and may place the party not in compliance in the Contractor Responsibility File, a repository of information on contractors.

ARTICLE V
REPAYMENT OF LOAN; GENERAL OBLIGATION

Section 5.1. Repayment of Loan.

The Borrower shall repay the Loan pursuant to the terms of the Bond issued to the Department.

Section 5.2. General Obligation.

The Borrower's repayment obligation constitutes a general obligation of the Borrower, secured by a pledge of its full faith, revenue and credit.

Section 5.3. [RESERVED]

ARTICLE VI
PREPAYMENTS

Section 6.1. Prepayments of Loan.

At its option and upon providing prior written notice to the Department, the Borrower may prepay the Loan, in whole or in part, without penalty, at any time. Such prior written notice shall specify the date on which the Borrower will make such prepayment and whether the Loan will be prepaid in full or in part, and if in part, the principal amount to be

prepaid. Any such prepayment shall be applied against Loan principal installments then outstanding as shall be directed by the Borrower.

ARTICLE VII
OPERATION AND USE OF SYSTEM

Section 7.1. Inspection of System and Borrower's Books and Records.

The Department and its duly authorized representatives and agents shall have such reasonable rights of access to the System as may be necessary to determine whether the Borrower is in compliance with the requirements of this Agreement and shall have the right at all reasonable times and upon reasonable prior notice to the Borrower to examine and copy the books and records of the Borrower insofar as such books and records relate to the System.

The Borrower agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the Department, such as performance indicators of program deliverables and information on costs and project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of Loan Proceeds in advance of the maturity of the Bond and/or other remedial actions.

Section 7.2. Performance Certification.

The Borrower will notify the Department when the Project is completed and operation commenced on or before the date set out in Section 2.1(m).

Section 7.3. Operation, Maintenance and Use of System.

At its own cost and expense, the Borrower shall operate the System in a proper, sound and economical manner and in compliance with all legal requirements, shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

ARTICLE VIII
INSURANCE, DAMAGE AND DESTRUCTION

Section 8.1. Insurance.

Unless the Department otherwise agrees in writing, the Borrower shall maintain or cause to be maintained insurance against such risks as are customarily insured against by owners of systems similar in size and character to the System.

ARTICLE IX
SPECIAL COVENANTS

Section 9.1. Maintenance of Existence.

The Borrower shall maintain its existence as a “Person” (as defined in the Federal Safe Drinking Water Act) and, without consent of the Department, which consent shall not be unreasonably withheld, shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity. Notwithstanding the foregoing, the Borrower may consolidate or merge with or into, or sell or otherwise transfer all or substantially all of its assets to a political subdivision of The State of Delaware, and the Borrower thereafter may dissolve, if the surviving, resulting or transferee political subdivision, if other than the Borrower, assumes, in written form acceptable to the Department, all of the obligations of the Borrower contained in this Agreement, and there is furnished to the Department an Opinion of Counsel acceptable to the Department subject to customary exceptions and qualifications, to the effect that such assumption constitutes the legal, valid and binding obligations of the surviving, resulting or transferee entity in accordance with its terms.

Section 9.2. Financial Records and Statements.

The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted accounting principles, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit (such annual audit shall comply in all respects with the Federal Single Audit Act, 2 CFR 200 Subpart F) made by an independent certified public accountant within one hundred twenty (120) days after the end of each Fiscal Year. Such report shall include a certificate of the accountants to the effect that, during the course of such accountant’s regular examination of the Borrower’s financial condition, nothing came to such accountant’s attention that would constitute an Event of Default hereunder. A copy of the audited annual report shall be forwarded to the Department when completed, as outlined in Section 3.2 (f) herein.

Section 9.3. Certificate as to No Default.

The Borrower shall deliver to the Department, within one hundred twenty (120) days after the close of each Fiscal Year, a certificate signed by an Authorized Representative stating that, during such year and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes an Event of Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Borrower has taken, is taking or proposes to take to rectify it.

Section 9.4. Further Assurances.

The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights of the Department under this Agreement, or as may

be required to carry out the purpose of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect all rights of the Department under this Agreement against all claims and demands of all persons.

Section 9.5. Other Indebtedness.

In the event that the Borrower is required to borrow additional funds in order to complete the Project, the Borrower agrees to consult with the Department before borrowing any such additional funds. The Borrower agrees to pay when due all amounts required by any other bonded indebtedness and to perform all of its obligations in connection therewith.

Section 9.6. Assignment by Borrower.

The Borrower may not assign its rights under this Agreement without the prior written consent of the Department, which consent shall not be unreasonably withheld. If the Borrower desires to assign its rights under this Agreement to another "Person" (as defined in the Federal Safe Drinking Water Act), the Borrower shall give notice of such fact to the Department. If the Department consents to the proposed assignment, the Borrower may proceed with the proposed assignment, but such assignment shall not become effective until the Department is furnished: (i) an assumption agreement in form and substance satisfactory to the Department by which the assignee agrees to assume all of the Borrower's obligations under this Agreement, and (ii) an Opinion of Counsel to the assignee, subject to customary exceptions and qualifications, that the assumption agreement and this Agreement constitute legal, valid and binding obligations of the assignee enforceable against the assignee in accordance with their terms and that the assignment and assumption comply in all respects with the provisions of this Agreement. Notwithstanding the foregoing, the assignment of the rights of the Borrower under this Agreement or the assumption of the obligations thereunder by the assignee shall in no way be construed as releasing the Borrower's obligations unless specifically agreed to by the Department.

ARTICLE X
DEFAULTS AND REMEDIES

Section 10.1. Events of Default.

Each of the following events shall be an "Event of Default" hereunder:

(a) The failure to pay any payment of principal, interest and/or any administrative fee when due hereunder or under the Bond;

(b) The Borrower's failure to perform or observe any of the other covenants, agreements or conditions of this Agreement and the continuation of such failure for a period of thirty (30) days after the Department gives the Borrower written notice specifying such failure and requesting that it be cured, unless the Department shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Department will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the default is corrected;

(c) Any warranty, representation or other statement by or on behalf of Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect;

(d) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the System or any part thereof or of the income thereof, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated, discharged or stayed on appeal within ninety (90) days after the entry thereof;

(e) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the revenues of the System; or

(f) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Borrower under any federal or state bankruptcy or insolvency law now or hereinafter in effect and, if instituted against the Borrower, is not dismissed within ninety (90) days after filing.

Section 10.2. Notice of Default.

The Borrower agrees to give the Department prompt written notice if any order, decree or proceeding referred to in Section 10.1(d) through (f), inclusive, is entered or instituted against the Borrower or of the occurrence of any other event or condition which constitutes an Event of Default immediately upon becoming aware of the existence thereof.

Section 10.3. Remedies on Default.

Whenever any Event of Default referred to in Section 10.1 shall have happened and be continuing, the Department shall, in addition to any other remedies provided herein or by law, have the right, at its option without any further demand or notice, to take one or both of the following remedial steps:

(a) Discontinue advances of Loan Proceeds hereunder;

(b) Declare immediately due and payable all payments due or to become due under this Agreement or under the Bond, and upon notice to the Borrower, the same shall become immediately due and payable by the Borrower without further notice or demand; and

(c) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due under this Agreement or to enforce any other of the Department's rights under this Agreement or to enforce performance by the Borrower of its covenants, agreements or undertakings contained herein.

Section 10.4. Delay and Waiver.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under

this Agreement shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereto.

Section 10.5. Right to Cure Default.

If the Borrower shall fail to make any payment or to perform any act required by it under this Agreement, the Department without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Department and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of interest of five percent (5%) per annum until paid. The Borrower's obligation under this Section shall survive the repayment of the Bond.

ARTICLE XI
MISCELLANEOUS

Section 11.1. Successors and Assigns.

This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 11.2. Amendments.

The Department and the Borrower shall have the right to amend from time to time any of the terms and conditions of this Agreement, *provided* that all amendments shall be in writing and shall be signed by or on behalf of the Department and the Borrower.

Section 11.3. Limitation of Liability of Borrower's Officers.

No present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement.

Section 11.4. Applicable Law.

This Agreement shall be governed by the applicable laws of The State of Delaware.

Section 11.5. Severability.

If any clause, provision, or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement

or obligation shall be deemed to be the agreement or obligation of the Department and the Borrower, as the case may be, only to the extent permitted by law.

Section 11.6. Notice.

Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

Department: Delaware Department of Health and Social Services
 Division of Public Health
 Office of Drinking Water
 Jesse Cooper Building
 417 Federal Street – Room 226
 Dover, DE 19901
 Attention: DWSRF Program Director

With a copy to:

Delaware Department of Natural Resources
 & Environmental Control, on behalf of the Delaware Department of Health and Social
 Services
 Office Of the Secretary, Environmental Finance
 97 Commerce Way, Suite 106
 Dover, DE 19904
 Attention: Laura Robbins, Chief of Administration

and

Borrower: Southern Shores Water Company, L.L.C.
 c/o: Tidewater Utilities, Inc.
 1100 South Little Creek Road
 Dover, DE 19901
 Attention: Mr. Robert J. Capko, Treasurer

With a copy to:

Middlesex Water Company
 485C Route One South, Suite 400
 Iselin, NJ 08830
 Attn: Jay L. Kooper, Vice President, General Counsel & Secretary

The Department, and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinion or other communications shall be sent or persons to whose attention the same shall be directed.

Section 11.7. Headings.

The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

Section 11.8. Terms of Agreement.

This Agreement shall be effective upon its execution and delivery by the Borrower and the Department. Except as otherwise specified, the Borrower's obligations under this Agreement shall expire upon payment in full of the Bond and all other amounts payable by the Borrower under this Agreement.

Section 11.9. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

WITNESS the following signatures, all duly authorized.

FOR THE DELAWARE DRINKING WATER STATE REVOLVING FUND, ACTING BY AND THROUGH THE
DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES,
DIVISION OF PUBLIC HEALTH

By: /s/ Laura Robbins

Laura Robbins
DNREC, Chief of Administration

Delaware Department of Natural Resources and Environmental Control, on behalf
of the Delaware Department of Health and Social Services

TIDEWATER UTILITIES, INC., AS SOLE MEMBER AND GENERAL MANAGER OF SOUTHERN SHORES
WATER COMPANY, L.L.C.

By: /s/ Robert J. Capko

Name: Robert J. Capko
Title: Treasurer

(SEAL)

Attest:

By: /s/ Jay L. Kooper

Jay L. Kooper
Secretary

[SIGNATURE PAGE TO FINANCING AGREEMENT – SERIES 2025-DWSRF - LEAD SERVICE LINE SEA COLONY COMMUNITY VACUUM EXCAVATION PROJECT]

#4902-2207-9107 v22

EXHIBIT A

Project Description

The purpose of the Project is to identify and replace identified lead service lines within the Sea Colony Community. This is required by the Lead and Copper Rule Revisions from the EPA and will protect the health of the public residing within the Sea Colony Community. The Borrower owns the water system that serves the Sea Colony Community and has determined that service line field verifications using vacuum excavations in the Sea Colony Community would help eliminate more unknowns in the Bethany Bay District PWSID. The Sea Colony Community has an estimated 2202 units. This project proposes conducting service line field verifications at approximately 160 sites. LeadCAST predictive model will then be utilized to eliminate unknowns.

EXHIBIT B

Project Budget

<u>Project Budget:</u>		<u>Total Cost</u>
Engineering	\$	62,000.00
Construction		324,000.00
Contingencies		<u>32,000.00</u>
Total Budget	\$	<u>418,000.00</u>
 Source of Funds:		
DWSRF Loan		<u>\$ 418,000.00</u>

EXHIBIT C

Form of Requisition

PROJECT NAME: _____ **FUNDING RECIPIENT:** _____

E. I. # _____

UNITED STATES AND/ **STATE OF DELAWARE** REQUISITION NO: _____
DEPARTMENT OF AGRICULTURE OR **DHSS**
RURAL DEVELOPMENT DATE: _____

USDA LOAN NO. _____ STATE LOAN NO. _____

USDA GRANT NO. _____ **SEPARATELY OR** STATE GRANT NO. _____
JOINTLY FUNDED PROJECT

ACCOUNT SUMMARY AND REQUEST FOR LOAN/GRANT DISBURSEMENT

DISBURSEMENT ITEMS	AMOUNT BUDGETED	PREVIOUS DISBURSEMENTS	THIS PERIOD	TOTAL TO DATE	REMAINING FUNDS
CONSTRUCTION					
CONTRACT NAME OR #					
CONTRACT NAME OR #					
CONTRACT NAME OR #					
LAND AND R.O.W.					
LEGAL AND ADMIN					
ENGINEERING FEES					
INTEREST					
CONTINGENCIES					
INITIAL O & M					
OTHER (describe)					
DISBURSEMENT TOTALS					
SOURCES OF FUNDING					
USDA LOAN					
USDA GRANT					
STATE LOAN					
STATE GRANT					
OTHER (describe)					
OTHER (describe)					

OTHER (describe)					
SOURCE TOTALS (must equal disbursement totals above)					

See Notes on Page 2 (other side)

Page 2
 LOAN/GRANT DISBURSEMENT FORM
 Requisition No. _____

 PREPARED BY (BORROWER/GRANTEE) DATE APPROVED BY (DHSS/ODW) DATE

 APPROVED BY (ARCHITECT/ENGINEER) DATE APPROVED BY (USDA/RD) DATE

Borrower/Grantee's Certification	Consulting Engineer's Certification
<p>The undersigned certifies that (1) the amounts requested by this requisition will be applied solely and exclusively to the payment, or the reimbursement of the recipient for the payment, of Project Costs, and (2) any materials, supplies or equipment covered by this requisition are not subject to any lien or security interest or such lien or security interest will be released upon payment of this requisition.</p> <p>Recipient's Authorized Representative Name, Title (PRINTED)</p> <p>_____ Recipient's Authorized Representative Signature Date</p>	<p>The undersigned Consulting Engineer for the Recipient hereby Certifies that insofar as the amounts covered by this Requisition include payment for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished to or installed in the Project.</p> <p>Title and Company Name (PRINTED)</p> <p>_____ Consulting Engineer's Name (PRINTED)</p> <p>_____ Authorized Consulting Engineer Signature Date</p>

- ES: 1. Include copies of all invoices or other acceptable documentation to support above request. Provide one (1) set for each funding agency.
2. On jointly funded projects, disbursements will not be processed until this document is approved by authorized representatives of both the U. S. Department of Agriculture and the State of Delaware, Department of Health and Social Services.

Forms-Jointly Funded-Disbursement.doc This form provides all information required by USDA Form RD 440-11

#4902-2207-9107 v2 C-3

EXHIBIT D

Schedule of Disbursements

<u>Date</u>	<u>Amount</u>
February 2026 \$	<u>418,000</u>
Total: \$	<u>418,000</u>

EXHIBIT E

Form of Change Order

UNITED STATES AND STATE OF DELAWARE ORDER NO: _____
DEPARTMENT OF AGRICULTURE OR DHSS OR DNREC
RURAL DEVELOPMENT
DATE _____

STATE: _____
SEPARATELY OR JOINTLY FUNDED PROJECT
COUNTY: _____
CONTRACT CHANGE ORDER

CONTRACT FOR: _____

OWNER: _____

To: _____
(Contractor)

You are hereby requested to comply with the following changes from the contract plans and specifications:

Description of Changes (Supplemental Plans and Specifications Attached)	DECREASE in Contract Price	INCREASE In Contract Price
	\$	\$
TOTALS	\$	\$
NET CHANGE IN CONTRACT PRICE	\$	\$

JUSTIFICATION: Explain (Differing Site Conditions) (Errors or Omissions in Drawings or Specifications) (Changes in Regulatory Requirements) (Design Changes) (Over run or Under run in Quantities) (Factors Affecting Time of Completion) (Other: Describe below)

The original amount of the Contract: _____
_____ Dollars (\$ _____)

The amount of the Contract as adjusted by all previously approved Change Orders: _____
_____ Dollars (\$ _____)

The amount of the Contract will be (Decreased) (Increased) through this Change Order by the sum of: _____
_____ Dollars (\$ _____)

The Contract Total including this and all previous Change Orders will be: _____
_____ Dollars (\$ _____)

The Contract Period provided for completion will be (Increased) (Decreased) (Unchanged) by: _____ Calendar Days

CHANGE ORDER NO. _____

This document will become a supplement to the contract and all provisions will apply hereto.

Requested: _____
(Owner) (Date)

Recommended: _____
(Owner's Architect/Engineer) (Date)

Accepted: _____
(Contractor) (Date)

Approved by State of Delaware: _____
(Date)

Approved by U. S. Department of Agriculture: _____
(Date)

After all five (5) copies of the Change Order have been signed and dated by authorized representatives of all the applicable parties in the spaces provided above, transmit one (1) copy to each party as listed below.

- U. S. Department of Agriculture's Copy
- State of Delaware's Copy
- Contractor's Copy
- Borrower/Grantee's Copy
- Architect/Engineer's Copy

Forms- Jointly Funded-Change Order.doc This form provides all information required by USDA Form RD 1924 (Rev. 2-97)

EXHIBIT "F"

**CERTIFICATE OF THE BORROWER AND
PROJECTED DRAWDOWN SCHEDULE OF THE
PROJECT**

The undersigned, as representatives of Southern Shores Water Company, L.L.C. (the "Borrower") in connection with the issuance of its \$418,000 General Obligation Bond (Lead Service Line Sea Colony Community Vacuum Excavation Project), Series 2025-DWSRF, have reviewed the estimated drawdown schedule prepared by the Borrower, attached hereto as Exhibit D and made a part hereof.

We hereby certify as of December 31, 2025 that the estimated drawdown schedule attached hereto as Exhibit D and statements made under Section 2.1(m) "Representations by Borrower" in the foregoing Financing Agreement between the Borrower and the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health, are to the best of our knowledge true and correct as of the date hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

TIDEWATER UTILITIES, INC., AS SOLE MEMBER AND GENERAL
MANAGER OF SOUTHERN SHORES WATER COMPANY, L.L.C.

By: /s/ Robert J. Capko
Robert J. Capko
Treasurer

Attest:

By: /s/ Jay L. Kooper
Jay L. Kooper
Secretary

*[SIGNATURE PAGE TO EXHIBIT F TO FINANCING AGREEMENT - CERTIFICATE AS TO PROJECTED DRAWDOWN SCHEDULE –
SERIES 2025-DWSRF - LEAD SERVICE LINE SEA COLONY COMMUNITY VACUUM EXCAVATION PROJECT]*

#4902-2207-9107 v2 F-3

Middlesex Water Company

Subsidiaries

	<u>Jurisdiction of Organization</u>
Tidewater Utilities, Inc.	Delaware
Pinelands Water Company	New Jersey
Pinelands Wastewater Company	New Jersey
Utility Service Affiliates (Perth Amboy) Inc.	New Jersey
Utility Service Affiliates, Inc.	New Jersey
Twin Lakes Utilities, Inc.	Pennsylvania
Middlesex Water Maryland, Inc.	Maryland

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-287177) and Form S-8 (File No. 333-156269) of Middlesex Water Company of our report dated February 28, 2025, relating to the consolidated financial statements, which appears in this Form 10-K.

/s/ BAKER TILLY US, LLP

Philadelphia, Pennsylvania
February 19, 2026

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-287177) and Form S-8 (No. 333-156269) of Middlesex Water Company of our report dated February 19, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York

February 19, 2026

**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 Annual Report on Form 10-K 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 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

President and Chief Executive Officer

Date: February 19, 2026

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

I, Mohammed G. Zerhouni, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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/ Mohammed G.
Zerhouni

Mohammed G. Zerhouni
Senior Vice President, Chief Financial Officer and Treasurer

Date: February 19, 2026

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

President and Chief Executive Officer

Date: February 19, 2026

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.

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

I, Mohammed G. Zerhouni, 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/ Mohammed G. Zerhouni

Mohammed G. Zerhouni
Senior Vice President, Chief Financial Officer and Treasurer

Date: February 19, 2026

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.