

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended **June 30, 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 One South, Iselin, New Jersey 08830**  
(Address of principal executive offices, including zip code)

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

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

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

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

Yes  No

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

Yes  No

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

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

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

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

Yes  No

The number of shares outstanding of each of the registrant's classes of common stock, as July 29, 2025: Common Stock, No Par Value: 18,016,640 shares outstanding.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating Revenues	\$ 49,323	\$ 49,146	\$ 93,624	\$ 89,670
Operating Expenses:				
Operations and Maintenance	23,066	21,825	44,175	42,290
Depreciation	6,703	6,305	13,230	11,701
Other Taxes	5,642	5,701	10,750	10,499
Total Operating Expenses	35,411	33,831	68,155	64,490
Operating Income	13,912	15,315	25,469	25,180
Other Income (Expense):				
Allowance for Funds Used During Construction	413	257	786	433
Other Income (Expense), net	1,485	2,399	2,910	7,588
Total Other Income, net	1,898	2,656	3,696	8,021
Interest Charges	3,623	4,041	6,336	7,310
Income before Income Taxes	12,187	13,930	22,829	25,891
Income Taxes	1,409	3,384	2,571	4,663
Net Income	10,778	10,546	20,258	21,228
Preferred Stock Dividend Requirements	19	30	41	60
Earnings Applicable to Common Stock	\$ 10,759	\$ 10,516	\$ 20,217	\$ 21,168
Earnings per share of Common Stock:				
Basic	\$ 0.60	\$ 0.59	\$ 1.13	\$ 1.19
Diluted	\$ 0.60	\$ 0.59	\$ 1.13	\$ 1.18
Average Number of Common Shares Outstanding :				
Basic	17,962	17,829	17,926	17,824
Diluted	17,993	17,944	17,957	17,939

See Notes to Condensed Consolidated Financial Statements.

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

<b>ASSETS</b>		<b>June 30,</b>	<b>December 31,</b>
		<b>2025</b>	<b>2024</b>
<b>UTILITY PLANT:</b>	Water Production	\$ 323,691	\$ 314,924
	Transmission and Distribution	890,445	855,497
	General	106,949	105,167
	Construction Work in Progress	43,615	34,209
	<b>TOTAL</b>	<b>1,364,700</b>	<b>1,309,797</b>
	Less Accumulated Depreciation	264,521	254,425
	<b>UTILITY PLANT - NET</b>	<b>1,100,179</b>	<b>1,055,372</b>
<b>CURRENT ASSETS:</b>	Cash and Cash Equivalents	2,560	4,226
	Accounts Receivable, net of allowance for credit losses of \$2,101 and \$2,695 in 2025 and 2024, respectively	20,888	18,842
	Unbilled Revenues	13,101	10,764
	Materials and Supplies (at average cost)	6,923	6,719
	Prepayments	6,038	2,422
	<b>TOTAL CURRENT ASSETS</b>	<b>49,510</b>	<b>42,973</b>
<b>OTHER ASSETS:</b>	Operating Lease Right of Use Asset	2,268	2,567
	Restricted Cash	1,675	—
	Regulatory Assets	105,448	101,783
	Non-utility Assets - Net	12,061	11,760
	Employee Benefit Plans	39,274	36,856
	Other	5,475	3,863
	<b>TOTAL OTHER ASSETS</b>	<b>166,201</b>	<b>156,829</b>
	<b>TOTAL ASSETS</b>	<b>\$ 1,315,890</b>	<b>\$ 1,255,174</b>
<b>CAPITALIZATION AND LIABILITIES</b>			
<b>CAPITALIZATION:</b>	Common Stock, No Par Value, authorized 40,000, issued 18,016 and 17,887 in 2025 and 2024, respectively	\$ 252,688	\$ 248,202
	Retained Earnings	205,095	197,061
	<b>TOTAL COMMON EQUITY</b>	<b>457,783</b>	<b>445,263</b>
	Preferred Stock, No Par Value; authorized 120; issued 13	1,352	1,635
	Long-term Debt	351,084	352,822
	<b>TOTAL CAPITALIZATION</b>	<b>810,219</b>	<b>799,720</b>
<b>CURRENT LIABILITIES:</b>	Current Portion of Long-term Debt	7,633	7,711
	Notes Payable	55,200	23,000
	Accounts Payable	30,779	28,050
	Accrued Taxes	15,371	11,976
	Accrued Interest	3,070	2,916
	Unearned Revenues and Advanced Service Fees	1,841	1,476
	Other	7,588	7,759
	<b>TOTAL CURRENT LIABILITIES</b>	<b>121,482</b>	<b>82,888</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)</b>			
<b>OTHER LIABILITIES:</b>	Advances for Construction	23,447	22,629
	Lease Obligations	2,116	2,432
	Accumulated Deferred Income Taxes	107,321	101,235
	Regulatory Liabilities	63,836	64,557
	Other	286	344
	<b>TOTAL OTHER LIABILITIES</b>	<b>197,006</b>	<b>191,197</b>
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>		<b>187,183</b>	<b>181,369</b>
	<b>TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ 1,315,890</b>	<b>\$ 1,255,174</b>

See Notes to Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30,	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 20,258	\$ 21,228
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	15,457	13,008
Provision for Deferred Income Taxes and Investment Tax Credits	(3,084)	1,722
Equity Portion of Allowance for Funds Used During Construction (AFUDC)	(468)	(253)
Cash Surrender Value of Life Insurance	(149)	(199)
Stock Compensation Expense	958	1,072
Changes in Assets and Liabilities:		
Accounts Receivable	(2,046)	(2,001)
Unbilled Revenues	(2,337)	(3,233)
Materials & Supplies	(204)	495
Prepayments	(3,616)	(2,092)
Accounts Payable	8,326	(2,396)
Accrued Taxes	3,395	3,706
Accrued Interest	154	114
Employee Benefit Plans	(2,699)	(4,457)
Unearned Revenue & Advanced Service Fees	365	299
Recovered Costs-Environmental Litigation Settlement	—	(8,003)
Other Assets and Liabilities	(2,224)	(1,131)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>32,086</b>	<b>17,879</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Utility Plant Expenditures, Including AFUDC-Debt of \$318 in 2025 and \$180 in 2024	(50,635)	(28,737)
Acquisition of Water Systems	(4,607)	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(55,242)</b>	<b>(28,737)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Redemption of Long-term Debt	(2,707)	(2,493)
Proceeds from Issuance of Long-term Debt	886	561
Net Short-term Bank Borrowings	32,200	29,500
Deferred Debt Issuance Expense	—	(41)
Payment of Grantee Withholding Taxes in Exchange for Restricted Stock	(379)	(1,328)
Proceeds from Issuance of Common Stock	4,054	505
Common Stock Issuance Expense	(431)	—
Payment of Common Dividends	(12,182)	(11,531)
Payment of Preferred Dividends	(41)	(60)
Construction Advances and Contributions-Net	1,765	1,380
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>23,165</b>	<b>16,493</b>
<b>NET CHANGES IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>9</b>	<b>5,635</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD</b>	<b>4,226</b>	<b>2,390</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD</b>	<b>\$ 4,235</b>	<b>\$ 8,025</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:</b>		
Utility Plant received as Construction Advances and Contributions	\$ 4,865	\$ 4,461
Accrued Payables for Utility Plant	\$ 2,918	\$ 4,520
Conversion of Preferred Stock into Common Stock	\$ 283	\$ —
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:</b>		
Cash Paid During the Period for:		
Interest	\$ 6,363	\$ 7,417
Interest Capitalized	\$ 318	\$ 180
Income Taxes	\$ 610	\$ 752

See Notes to Condensed Consolidated Financial Statements.

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

	June 30, 2025	December 31, 2024
Common Stock, No Par Value	\$ 252,688	\$ 248,202
Retained Earnings	205,095	197,061
<b>TOTAL COMMON EQUITY</b>	<b>\$ 457,783</b>	<b>\$ 445,263</b>
<b>Cumulative Preferred Stock, No Par Value:</b>		
Convertible:		
\$7.00 Series	\$ 273	\$ 556
Nonredeemable:		
\$7.00 Series	79	79
\$4.75 Series	1,000	1,000
<b>TOTAL PREFERRED STOCK</b>	<b>\$ 1,352</b>	<b>\$ 1,635</b>
<b>Long-term Debt:</b>		
First Mortgage Bonds, 0.00%-5.50%, due 2026-2059	\$ 273,856	\$ 274,602
Amortizing Secured Notes, 3.94%-7.05%, due 2028-2046	65,431	66,889
State Revolving Trust Notes, 0.00%-4.03%, due 2026-2044	18,277	17,895
<b>SUBTOTAL LONG-TERM DEBT</b>	<b>357,564</b>	<b>359,386</b>
Add: Premium on Issuance of Long-term Debt	6,244	6,339
Less: Unamortized Debt Expense	(5,091)	(5,192)
Less: Current Portion of Long-term Debt	(7,633)	(7,711)
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 351,084</b>	<b>\$ 352,822</b>

See Notes to Condensed Consolidated Financial Statements.

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

	Common Stock Shares	Common Stock Amount	Retained Earnings	Total
Balance at January 1, 2024	17,821	\$ 246,764	\$ 176,227	\$ 422,991
Net Income	—	—	10,682	10,682
Dividend Reinvestment & Common Stock Purchase Plan	5	252	—	252
Restricted Stock Award - Net - Employees	(12)	(465)	—	(465)
Cash Dividends on Common Stock (\$0.3250 per share)	—	—	(5,738)	(5,738)
Cash Dividends on Preferred Stock	—	—	(30)	(30)
Balance at March 31, 2024	17,814	\$ 246,551	\$ 181,141	\$ 427,692
Net Income	—	—	10,546	10,546
Dividend Reinvestment & Common Stock Purchase Plan	5	253	—	253
Restricted Stock Award - Net - Employees	3	(187)	—	(187)
Restricted Stock Award - Board of Directors	7	397	—	397
Cash Dividends on Common Stock (\$0.3250 per share)	—	—	(5,793)	(5,793)
Cash Dividends on Preferred Stock	—	—	(30)	(30)
Balance at June 30, 2024	17,829	\$ 247,014	\$ 185,864	\$ 432,878
Balance at January 1, 2025	17,887	\$ 248,202	\$ 197,061	\$ 445,263
Net Income	—	—	9,479	9,479
Dividend Reinvestment & Common Stock Purchase Plan	4	221	—	221
Restricted Stock Award - Net - Employees	1	167	—	167
Conversion of \$7 Preferred Stock to Common Stock	2	21	—	21
Cash Dividends on Common Stock (\$0.3400 per share)	—	—	(6,081)	(6,081)
Cash Dividends on Preferred Stock	—	—	(22)	(22)
Balance at March 31, 2025	17,894	\$ 248,611	\$ 200,437	\$ 449,048
Net Income	—	—	10,778	10,778
Dividend Reinvestment & Common Stock Purchase Plan	4	229	—	229
Restricted Stock Award - Net - Employees	18	47	—	47
Restricted Stock Award - Board of Directors	6	366	—	366
Conversion of \$7 Preferred Stock to Common Stock	30	262	—	262
At-The-Market Program Common Stock Issuance	64	3,604	—	3,604
Common Stock Issuance Expense	—	(431)	—	(431)
Cash Dividends on Common Stock (\$0.3400 per share)	—	—	(6,101)	(6,101)
Cash Dividends on Preferred Stock	—	—	(19)	(19)
Balance at June 30, 2025	18,016	\$ 252,688	\$ 205,095	\$ 457,783

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The consolidated notes within the 2024 Annual Report on Form 10-K (the 2024 Form 10-K) are applicable to these financial statements and, in the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary (including normal recurring accruals) to fairly state the Company's financial position as of June 30, 2025, the results of operations for the three and six month periods ended June 30, 2025 and 2024 and cash flows for the six month periods ended June 30, 2025 and 2024. Information included in the Condensed Consolidated Balance Sheet as of December 31, 2024, has been derived from the Company's December 31, 2024 audited financial statements included in the 2024 Form 10-K.

*Recent Developments*

**Tidewater Acquisition of the Water Utility Assets of the Town of Ocean View, Delaware** - In April 2025, Tidewater completed the acquisition of the water utility assets of the Town of Ocean View, Delaware (Ocean View) for approximately \$4.6 million. Ocean View serves approximately 900 customers in Sussex County, Delaware, who have been receiving water supply from Tidewater since the system was constructed in 2008. The pro forma effect of this acquisition is not material to the Company's consolidated results of operations.

**United States Environmental Protection Agency (USEPA) Issues Final Perfluoroalkyl Substances (PFAS) Regulations** - In April 2024, the USEPA finalized drinking water regulations for PFAS, establishing maximum contaminant levels (MCLs) for three PFAS compounds (Regulated PFAS) that are lower than the current New Jersey Department of Environmental Protection MCLs adhered to by the Company. Under the new USEPA regulations effective April 2024, water systems must monitor for Regulated PFAS and have three years to complete initial monitoring (by April 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of Regulated PFAS in their drinking water beginning in 2027. Water systems have five years (by April 2029) to implement solutions that reduce Regulated PFAS if monitoring shows that drinking water levels exceed these MCLs. The USEPA has announced its plans to issue a proposed rule in Fall 2025 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 performing preliminary engineering studies to ensure that effective PFAS treatment approaches are implemented.

The recently issued accounting standards that have not yet been adopted by the Company as of June 30, 2025 are as follows:

Standard	Description	Date of Adoption	Application	Effect on the Condensed Consolidated Financial Statements
Accounting Standards Update (“ASU”) 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 ended December 31, 2027. Early adoption is permitted.	Prospective, with retrospective application also permitted.	The Company is currently evaluating the requirements of ASU 2024-03.
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. Early adoption is permitted.	Prospective, with retrospective application also permitted.	The Company is currently evaluating the requirements of ASU 2023-09.

**Note 2 – Rate and Regulatory Matters**

**Middlesex** – In May 2025, Middlesex and its Pinelands wholly owned subsidiaries filed a joint petition with the New Jersey Board of Public Utilities (NJBPU) seeking permission for consolidation between the three entities by a corporate reorganization intended to combine the joint petitioning entities into Middlesex. The combination is expected to provide efficiency and benefits to our customers in various areas.

In June 2025, Middlesex and Pinelands filed a joint petition with the NJBPU to request an increase in annual base revenues by approximately \$24.9 million or 19.3%. The request will allow Middlesex and Pinelands recovery of prudently-incurred investments made to meet water and wastewater quality and environmental regulations and to continue to provide safe and reliable water and wastewater service to its customers. Under New Jersey statute, the NJBPU must render a decision within nine months of filing a base rate change petition. If a decision is not rendered within nine months, Middlesex can implement interim rates up to the full amount of the requested increase.

In July 2025, Middlesex and Pinelands submitted a joint petition with the NJBPU seeking approval of a Resiliency and Environmental System Improvement Charge (RESIC) Foundational Filing 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 \$3.8 million or 2.5% of total annual revenues included in their June 2025 base rate increase request.

In July 2025, Middlesex and Pinelands Water filed a joint petition with the NJBPU seeking approval of a Distribution System Improvement Charge (DSIC) Foundational Filing to recover 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 \$7.6 million or 5% of total annual revenues included in their June 2025 base rate increase request.

In May 2025, the NJBPU approved a Middlesex DSIC rate, effective June 1, 2025, that is expected to result in \$1.1 million of annual revenues starting June 2025, which is in addition to the existing \$1.1 million of annual revenues from previous DSIC filings. Middlesex expects to file for an additional DISC rate increase in October 2025.

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 non-affiliated water utility regulated by the NJBPU. 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 once those increased costs are included in base rates. The new PWAC rate became effective March 1, 2025.

The NJBPU-approved Middlesex Lead Service Line Replacement (LSLR) Plan continues and Middlesex is currently recovering costs of \$0.6 million for replacing customer-owned lead service lines incurred between July 2024 through December 2024, which will be recovered from March 2025 through August 2025. Costs of \$0.3 million incurred between January 2025 through June 2025 are expected to be recovered between September 2025 and February 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** – In July 2025, the Delaware Public Service Commission (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 53.50%. In addition, Tidewater will refund 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 \$0.6 million of interest.

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 June 30, 2025, Tidewater has spent \$1.8 million to identify and inventory lead service lines.

**Southern Shores** – 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 when there are unanticipated capital expenditures or regulatory related changes in operating expenses exceed certain thresholds. In 2024, capital expenditures did exceed the established threshold. In addition, rates are increased annually by the lesser of the regional Consumer Price Index or 3%. Effective January 1, 2025, Southern Shores rates were increased \$0.1 million or 6.51%.

### **Note 3 – Capitalization**

**Common Stock** – During the six months ended June 30, 2025 and 2024, there were 8,130 common shares (approximately \$0.4 million) and 9,683 common shares (approximately \$0.5 million) respectively, issued under the Middlesex Water Company Investment Plan.

Middlesex has received approval from the NJBPU to issue and sell up to 1.0 million shares of its common stock, without par value, through December 31, 2025.

On May 12, 2025, Middlesex entered into an At -the-Market (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. Since the inception of the Equity Sales Agreement through June 30, 2025, the Company has issued and sold 63,955 shares of common stock at a weighted average price of \$57.23 for a total net proceeds of \$3.6 million and has \$106.3 million of aggregate gross sales price of shares remaining to issue under the Equity Sales Agreement as of June 30, 2025.

In May 2025, Middlesex filed a petition with the NJBPU seeking approval to issue and sell up to 2.5 million shares of its common stock during the period January 2026 through December 2028, in one or more offerings through a traditional underwritten public offering and/or an ATM offering, in order to fund portions of its capital program and other funding requirements. The NJBPU is expected to render its decision on this petition in the third quarter of 2025.

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

Middlesex has received approval from the NJBPU to borrow up to \$300.0 million from the New Jersey SRF Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed through December 31, 2025.

In May 2025, Middlesex filed a petition with the NJBPU 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 State Revolving Fund Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed in order to fund portions of its capital program and other funding requirements. The NJBPU is expected to render its decision on this petition in the third quarter of 2025.

In September 2024, Tidewater closed on a \$2.2 million Delaware SRF loan with a 0.0% interest rate with maturity dates 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 \$1.7 million as of June 30, 2025 and expects that the requisitions will continue through the fourth quarter of 2025.

In May 2024, Tidewater closed on four Delaware SRF loans totaling \$5.6 million, all at interest rates of 2.0% with maturity dates in 2044. These loans are for the construction, relocation, improvement, and/or interconnection of transmission mains and construction of a water treatment facility. Tidewater has drawn down \$0.9 million on these loans as of June 30, 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 prior year 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 \$4.9 million through June 30, 2025 and expects that the requisitions will continue through the fourth quarter of 2025.

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

	(Thousands of Dollars)			
	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FMBs	\$ 128,857	\$ 127,236	\$ 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 rates and due dates on these series of long-term debt, please refer to those series noted as “Amortizing Secured Notes” and “State Revolving Trust Notes” on the Condensed Consolidated Statements of Capital Stock and Long-Term Debt. The carrying amount of these instruments was \$228.7 million and \$229.8 million at June 30, 2025 and December 31, 2024, respectively. Advances for construction have carrying amounts of \$23.4 million and \$22.6 million at June 30, 2025 and December 31, 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.

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

**Note 4 – Earnings Per Share**

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

	(In Thousands Except per Share Amounts)			
	Three Months Ended June 30,			
	2025		2024	
<b>Basic:</b>	Income	Shares	Income	Shares
Net Income	\$ 10,778	17,962	\$ 10,546	17,829
Preferred Dividend	(19)		(30)	
Earnings Applicable to Common Stock	\$ 10,759	17,962	\$ 10,516	17,829
<b>Basic EPS</b>	\$ 0.60		\$ 0.59	
<b>Diluted:</b>				
Earnings Applicable to Common Stock	\$ 10,759	17,962	\$ 10,516	17,829
\$7.00 Series Preferred Dividend	7	31	17	115
Adjusted Earnings Applicable to Common Stock	\$ 10,766	17,993	\$ 10,533	17,944
<b>Diluted EPS</b>	\$ 0.60		\$ 0.59	

	(In Thousands Except per Share Amounts)			
	Six Months Ended June 30,			
	2025		2024	
<b>Basic:</b>	Income	Shares	Income	Shares
Net Income	\$ 20,258	17,926	\$ 21,228	17,824
Preferred Dividend	(41)		(60)	
Earnings Applicable to Common Stock	\$ 20,217	17,926	\$ 21,168	17,824
<b>Basic EPS</b>	\$ 1.13		\$ 1.19	
<b>Diluted:</b>				
Earnings Applicable to Common Stock	\$ 20,217	17,926	\$ 21,168	17,824
\$7.00 Series Preferred Dividend	18	31	34	115
Adjusted Earnings Applicable to Common Stock	\$ 20,235	17,957	\$ 21,202	17,939
<b>Diluted EPS</b>	\$ 1.13		\$ 1.18	

## Note 5 – 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 of the 2024 Form 10-K. 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)			
	Three Months Ended		Six Month Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<b>Operation by Segments</b>				
Revenues:				
Regulated	\$ 46,267	\$ 45,966	\$ 87,763	\$ 83,431
Non – Regulated	3,251	3,410	6,204	6,614
Inter-segment Elimination	(195)	(230)	(343)	(375)
Consolidated Revenues	\$ 49,323	\$ 49,146	\$ 93,624	\$ 89,670
Operating Expenses				
Purchased Water:				
Regulated	\$ 2,078	\$ 1,967	\$ 3,985	\$ 3,753
Non – Regulated	—	—	—	—
Inter-segment Elimination	(74)	(114)	(103)	(141)
Consolidated Purchased Water	\$ 2,004	\$ 1,853	\$ 3,882	\$ 3,612
Other Operations and Maintenance Expenses:				
Regulated	\$ 19,152	\$ 17,923	\$ 36,646	\$ 34,645
Non – Regulated	2,031	2,165	3,887	4,267
Inter-segment Elimination	(121)	(116)	(240)	(234)
Consolidated Other Operations and Maintenance Expenses	\$ 21,062	\$ 19,972	\$ 40,293	\$ 38,678
Other Taxes:				
Regulated	\$ 5,576	\$ 5,640	\$ 10,626	\$ 10,383
Non – Regulated	66	61	124	116
Consolidated Other Taxes	\$ 5,642	\$ 5,701	\$ 10,750	\$ 10,499
Depreciation:				
Regulated	\$ 6,638	\$ 6,239	\$ 13,102	\$ 11,568
Non – Regulated	65	66	128	133
Consolidated Depreciation	\$ 6,703	\$ 6,305	\$ 13,230	\$ 11,701
Operating Income:				
Regulated	\$ 12,943	\$ 14,314	\$ 23,644	\$ 23,315
Non – Regulated	969	1,001	1,825	1,865
Consolidated Operating Income	\$ 13,912	\$ 15,315	\$ 25,469	\$ 25,180
Other Income:				
Regulated	\$ 2,019	\$ 2,653	\$ 3,921	\$ 8,008
Non – Regulated	38	50	93	109
Inter-segment Elimination	(159)	(47)	(318)	(96)
Consolidated Other Income, Net	\$ 1,898	\$ 2,656	\$ 3,696	\$ 8,021

	(In Thousands)			
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<b>Operation by Segments (continued)</b>				
Interest Charges:				
Regulated	\$ 3,782	\$ 4,087	\$ 6,654	\$ 7,406
Non – Regulated	—	—	—	—
Inter-segment Elimination	(159)	(46)	(318)	(96)
Consolidated Interest Charges	\$ 3,623	\$ 4,041	\$ 6,336	\$ 7,310
Income Taxes:				
Regulated	\$ 1,088	\$ 3,053	\$ 1,960	\$ 4,040
Non – Regulated	\$ 321	\$ 331	\$ 611	\$ 623
Consolidated Income Taxes	\$ 1,409	\$ 3,384	\$ 2,571	\$ 4,663
Net Income:				
Regulated	\$ 10,092	\$ 9,826	\$ 18,951	\$ 19,877
Non – Regulated	\$ 686	\$ 720	\$ 1,307	\$ 1,351
Consolidated Net Income	\$ 10,778	\$ 10,546	\$ 20,258	\$ 21,228
Capital Expenditures:				
Regulated	\$ 31,696	\$ 14,325	\$ 50,549	\$ 28,701
Non – Regulated	28	23	86	36
Total Capital Expenditures	\$ 31,724	\$ 14,348	\$ 50,635	\$ 28,737

	(Thousands of Dollars)	
	As of	As of
	June 30, 2025	December 31, 2024
Assets:		
Regulated	1,330,351	\$ 1,264,472
Non – Regulated	9,563	7,671
Inter-segment Elimination	(24,024)	(16,969)
Consolidated Assets	\$ 1,315,890	\$ 1,255,174

#### Note 6 – Short-term Borrowings

The Company maintains lines of credit aggregating \$140.0 million.

	(Millions)				Credit Type	Renewal Date
	As of June 30, 2025					
	Outstanding	Available	Maximum			
Bank of America	\$ —	\$ 60.0	\$ 60.0		Uncommitted	January 23, 2026
PNC Bank	44.6	\$ 23.4	68.0		Committed	January 31, 2027
CoBank, ACB	10.6	1.4	12.0		Committed	May 20, 2026
	\$ 55.2	\$ 84.8	\$ 140.0			

In July 2025, Tidewater increased its line of credit with CoBank, ACB (CoBank) to \$20.0 million and extended the renewal date to May 20, 2028.

The maturity dates for the Notes Payable as of June 30, 2025 are extendable at the discretion of the Company.

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.

The weighted average interest rate on the outstanding borrowings at June 30, 2025 under these credit lines is 5.51%.

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

	(In Thousands)				
	Three Months Ended June 30,		Six Months Ended June 30,		
	2025	2024	2025	2024	2024
Average Daily Amounts Outstanding	\$ 47,018	\$ 62,934	\$ 38,304	\$ 56,463	\$ 56,463
Weighted Average Interest Rates	5.43%	6.43%	5.43%	6.42%	6.42%

#### Note 7 – Commitments and Contingent Liabilities

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

Middlesex also has an agreement with a non-affiliated NJBPU-regulated water utility for the purchase of treated water. This agreement, which expires February 27, 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 in Delaware to purchase treated water of up to 75.0 million gallons annually.

Purchased water costs are shown below:

	(In Thousands)				
	Three Months Ended June 30,		Six Months Ended June 30,		
	2025	2024	2025	2024	2024
Treated	\$ 1,107	\$ 992	\$ 2,098	\$ 1,901	\$ 1,901
Untreated	897	861	1,784	1,711	1,711
<b>Total Costs</b>	<b>\$ 2,004</b>	<b>\$ 1,853</b>	<b>\$ 3,882</b>	<b>\$ 3,612</b>	<b>\$ 3,612</b>

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

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

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

Given the impacts of accounting for regulated operations, and the resulting recognition of expense at the amounts recovered in customer rates, expenditures for operating leases are consistent with lease expense and were \$0.2 million for each of the three months ended June 30, 2025 and 2024, respectively, and \$0.4 million for each of the six months ended June 30, 2025 and 2024, respectively.

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

	(In Millions)	
	As of	
	June 30, 2025	December 31, 2024
ROU Asset at Lease Inception	\$ 7.3	\$ 7.3
Accumulated Amortization	(5.0)	(4.7)
ROU Asset	\$ 2.3	\$ 2.6

The Company's future minimum operating lease commitments as of June 30, 2025 are as follows:

		(In Millions)
	2025	\$ 0.3
	2026	0.9
	2027	0.9
	2028	0.9
	2029	0.9
	Total Lease Payments	\$ 3.9
	Imputed Interest	(1.2)
	Present Value of Lease Payments	2.7
	Less Current Portion*	(0.6)
	Non-Current Lease Liability	\$ 2.1

\*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 total obligate it to expend an estimated \$18.2 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 any current or future loss contingencies.

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

## Note 8 – Employee Benefit Plans

**Pension Benefits** – The Company’s 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. For each of the three-month periods ended June 30, 2025 and 2024, the Company did not make cash contributions to the Pension Plan. The Company expects to make cash contributions of approximately \$0.9 million over the remainder of the current year.

**Other 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. For each of the three-month periods ended June 30, 2025 and 2024, the Company did not make cash contributions to its Other Benefits Plan. The Company expects to make additional Other Benefits Plan cash contributions of \$1.0 million over the remainder of the current year.

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

	(In Thousands)			
	Pension Benefits		Other Benefits	
	Three Months Ended June 30,			
	2025	2024	2025	2024
Service Cost	\$ 242	\$ 318	\$ 85	\$ 80
Interest Cost	1,159	1,070	430	328
Expected Return on Assets	(1,687)	(1,580)	(928)	(846)
Amortization of Unrecognized Losses (Gains)	12	38	(153)	(275)
Net Periodic Benefit*	\$ (274)	\$ (154)	\$ (566)	\$ (713)

	(In Thousands)			
	Pension Benefits		Other Benefits	
	Six Months Ended June 30,			
	2025	2024	2025	2024
Service Cost	\$ 483	\$ 635	\$ 170	\$ 160
Interest Cost	2,318	2,140	860	657
Expected Return on Assets	(3,374)	(3,161)	(1,856)	(1,692)
Amortization of Unrecognized Losses (Gains)	25	76	(307)	(549)
Net Periodic Benefit*	\$ (548)	\$ (310)	\$ (1,133)	\$ (1,424)

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

## Note 9 – Revenue Recognition from Contracts with Customers

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

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

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

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

	(In Thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Regulated Tariff Sales</b>				
Residential	\$ 26,248	\$ 24,736	\$ 49,362	\$ 45,066
Commercial	7,463	8,584	14,048	14,559
Industrial	3,404	3,639	6,403	6,773
Fire Protection	3,998	3,656	7,720	6,948
Wholesale	5,047	5,208	10,061	9,880
<b>Non-Regulated Contract Operations</b>	3,131	3,293	5,964	6,381
<b>Total Revenue from Contracts with Customers</b>	\$ 49,291	\$ 49,116	\$ 93,558	\$ 89,607
Other Regulated Revenues	107	143	169	205
Other Non-Regulated Revenues	120	117	240	233
Inter-segment Elimination	(195)	(230)	(343)	(375)
<b>Total Revenue</b>	\$ 49,323	\$ 49,146	\$ 93,624	\$ 89,670

#### Note 10 – Income Taxes

The Company's effective tax rate was 11.6% and 11.3% for the three and six months ended June 30, 2025, respectively, compared to 24.3% and 18.0% for the same periods in 2024. We evaluate and update our annual effective income tax rate on a quarterly basis based on current and forecasted operating results and tax laws. Income Taxes for the three months ended June 30, 2025 decreased by \$2.0 million from the same period in 2024, primarily due to lower pre-tax income and higher income tax benefits associated with increased repair expenditures on tangible property in the Middlesex System. Income Taxes for the six months ended June 30, 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 offset by the 2024 recovery of income taxes on the taxable portion of the proceeds from a litigation agreement.

The statutory Federal tax rate is 21.0% for the three and six months ended June 30, 2025 and 2024. For states with a corporate net income tax, the state corporate net income tax rates range from 8.7% 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.

On July 4, 2025, the U.S. government enacted the One Big Beautiful Bill Act, which includes several changes to U.S. federal income tax law, including the temporary and permanent extension, of expiring provisions of the Tax Cuts and Jobs Act of 2017. The Company is assessing these impacts on its consolidated financial statements.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements of Middlesex Water Company (Middlesex or the Company) included elsewhere herein and with the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

### Forward-Looking Statements

Certain statements contained in this periodic report and in the documents incorporated by reference constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. 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. 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;
- changes in federal and state regulations;
- 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, including recently announced tariffs;
- increases in competition for growth in non-franchised markets to be potentially served by the Company;
- ability of the Company to adequately control selected operating expenses which are necessary to maintain safe and proper utility services, and which may be beyond the Company’s control;
- availability of adequate supplies of quality water;
- actions taken by government regulators, including decisions on rate increase requests;
- new or modified water quality standards and compliance with related legal and regulatory requirements;
- weather variations, including climate variability, and other natural phenomena impacting utility operations;
- financial and operating risks associated with acquisitions and/or privatizations;
- acts of war or terrorism;
- cyber-attacks;
- changes in the pace of new housing development;
- availability and cost of capital resources;
- timely availability of materials and supplies for operations and critical infrastructure projects;
- effectiveness of internal control over financial reporting; and
- other factors discussed elsewhere in this report.

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

For an additional discussion of factors that may affect the Company's business and results of operations, see Item 1A. - Risk Factors in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

## Overview

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

Our principal New Jersey water utility system (the Middlesex System) provides water services to approximately 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 64,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Tidewater's subsidiary, White Marsh, services approximately 3,300 households in Kent and Sussex Counties through various operations and maintenance contracts.

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

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

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

## Recent Developments

**Tidewater Acquisition of the Water Utility Assets of the Town of Ocean View, Delaware** - In April 2025, Tidewater completed the acquisition of the water utility assets of the Town of Ocean View, Delaware (Ocean View) for approximately \$4.6 million. Ocean View serves approximately 900 customers in Sussex County, Delaware, who have been receiving water supply from Tidewater since the system was constructed in 2008.

**Rates and Regulatory Activity** – In July 2025, Tidewater received a Delaware Public Service Commission (DEPSC) order approving the settlement agreement in our general base rate application between Tidewater, DEPSC Staff and the Delaware Division of the Public Advocate. In addition, in June 2025, Middlesex and Pinelands filed a Joint Application for general base rate increase. See Note 2, *Rate and Regulatory Matters* for more details about our rates and regulatory activity in Delaware and New Jersey.

**United States Environmental Protection Agency (USEPA) Issues Final Perfluoroalkyl Substances (PFAS) Regulations** - In April 2024, the USEPA finalized drinking water regulations for PFAS, establishing maximum contaminant levels (MCLs) for three PFAS compounds (Regulated PFAS) that are lower than the current New Jersey Department of Environmental Protection MCLs adhered to by the Company. Under the new USEPA regulations, effective April 2024, water systems must monitor for Regulated PFAS and have three years to complete initial monitoring (by April 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of Regulated PFAS in their drinking water beginning in 2027. Water systems have five years (by April 2029) to implement solutions that reduce Regulated PFAS if monitoring shows that drinking water levels exceed these MCLs. The USEPA has announced its plans to issue a proposed rule in Fall 2025 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, and continues, implementing its strategy to meet these lower MCLs for Regulated PFAS and is currently performing preliminary engineering studies to ensure that effective PFAS treatment approaches are implemented.

**Capital Construction Program** - The Company's multi-year capital construction program encompasses numerous projects designed to upgrade and replace utility infrastructure as well as enhance the integrity and reliability of assets to maintain and improve service for the current and future generations of water and wastewater

customers. The Company plans to invest approximately \$93 million in 2025 in connection with this plan for projects that include, but are not limited to:

- Replacement of 19,550 linear feet of cast iron main in Woodbridge Township in our Middlesex System;
- Construction of new elevated water tanks in Delaware; and
- Various water main replacements and improvements.

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

## Outlook

Our ability to increase operating income and net income is based significantly on four factors: weather, adequate and timely rate relief, effective cost management and customer growth. Weather patterns which can result in lower customer demand for water may occur at any time. As operating costs are anticipated to increase in 2025 in a variety of categories, we continue to implement plans to further streamline operations and further reduce and mitigate increases in operating costs. 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 rate increase requests.

Our investments in system infrastructure continue to grow significantly and our operating costs are anticipated to increase in 2025 and 2026 in a variety of categories. These factors, among others, required a base rate increase request by Middlesex and Pinelands in June 2025.

Overall, organic residential customer growth continues in our Tidewater system (approximately 3.5% in 2024). However, current and evolving economic market conditions may challenge that 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.

### Operating Results by Segment

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

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

### Results of Operations – Three Months Ended June 30, 2025

	(In Thousands)					
	2025			2024		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Operating Revenues	\$ 46,192	\$ 3,131	\$ 49,323	\$ 45,853	\$ 3,293	\$ 49,146
Operations and Maintenance Expense	21,035	2,031	23,066	19,660	2,165	21,825
Depreciation	6,638	65	6,703	6,239	66	6,305
Other Taxes	5,576	66	5,642	5,640	61	5,701
<b>Operating Income</b>	<b>\$ 12,943</b>	<b>\$ 969</b>	<b>\$ 13,912</b>	<b>\$ 14,314</b>	<b>\$ 1,001</b>	<b>\$ 15,315</b>
Other Income, net	1,860	38	1,898	2,606	50	2,656
Interest Charges	3,623	—	3,623	4,041	—	4,041
Income Taxes	1,088	321	1,409	3,053	331	3,384
<b>Net Income</b>	<b>\$ 10,092</b>	<b>\$ 686</b>	<b>\$ 10,778</b>	<b>\$ 9,826</b>	<b>\$ 720</b>	<b>\$ 10,546</b>

### *Operating Revenues*

Operating revenues for the three months ended June 30, 2025 increased \$0.2 million from the same period in 2024 due to the following factors:

- Middlesex System revenues decreased \$0.3 million due to lower customer consumption driven by unfavorable weather partially offset by increased DSIC and Lead Service Line (LSL) Recovery rate increases (see Note 2, *Rate and Regulatory Matters*);
- Tidewater System revenues increased \$0.6 million due to customer growth and an interim rate increase effective November 1, 2024 partially offset by lower customer consumption driven by unfavorable weather;
- Non-regulated revenues decreased \$0.2 million, primarily due to lower supplemental contract services; and
- All other revenue categories increased \$0.1 million.

### *Operations and Maintenance Expense*

Operations and Maintenance Expense for the three months ended June 30, 2025 increased \$1.2 million from the same period in 2024 due to higher production costs from lower weather-driven water quality, increased weather-driven main break repair costs and higher labor cost due to wage and employee headcount increases partially offset by higher capitalizable costs.

### *Depreciation*

Depreciation expense for the three months ended June 30, 2025 increased \$0.4 million from the same period in 2024 due to higher average utility plant in service during the quarter.

### *Other Taxes*

Other Taxes for the three months ended June 30, 2025 decreased \$0.1 million from the same period in 2024 primarily due to lower gross receipts taxes on lower revenue in our Middlesex system.

### *Other Income, net*

Other Income, net for the three months ended June 30, 2025 decreased \$0.8 million from the same period in 2024 due to lower actuarially-determined retirement benefit plans non-service benefit partially offset by higher Allowance for Funds Used During Construction from increased capital expenditures.

### *Interest Charges*

Interest Charges for the three months ended June 30, 2025 decreased \$0.4 million from the same period in 2024 due to lower average debt outstanding and lower average interest rates.

### *Income Taxes*

Income Taxes for the three months ended June 30, 2025 decreased by \$2.0 million from the same period in 2024, primarily due to lower pre-tax income and higher income tax benefits associated with increased repair expenditures on tangible property in the Middlesex System.

## Results of Operations – Six Months Ended June 30, 2025

(In Thousands)  
Six Months Ended June 30,

	2025			2024		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Operating Revenues	\$ 87,660	\$ 5,964	\$ 93,624	\$ 83,289	\$ 6,381	\$ 89,670
Operations and Maintenance Expense	40,288	3,887	44,175	38,023	4,267	42,290
Depreciation	13,102	128	13,230	11,568	133	11,701
Other Taxes	10,626	124	10,750	10,383	116	10,499
<b>Operating Income</b>	<b>23,644</b>	<b>1,825</b>	<b>25,469</b>	<b>23,315</b>	<b>1,865</b>	<b>25,180</b>
Other Income, net	3,603	93	3,696	7,912	109	8,021
Interest Charges	6,336	—	6,336	7,310	—	7,310
Income Taxes Expense (Benefit)	1,960	611	2,571	4,040	623	4,663
<b>Net Income</b>	<b>\$ 18,951</b>	<b>\$ 1,307</b>	<b>\$ 20,258</b>	<b>\$ 19,877</b>	<b>\$ 1,351</b>	<b>\$ 21,228</b>

### Operating Revenues

Operating revenues for the six months ended June 30, 2025 increased \$4.0 million from the same period in 2024 due to the following factors:

- Middlesex System revenues increased \$3.1 million due to the base rate increase effective March 1, 2024 and increased DSIC and LSL Recovery rate increases (see Note 2, *Rate and Regulatory Matters*) partially offset by less customer consumption driven by unfavorable weather;
- Tidewater System revenues increased \$1.2 million due to customer growth and an interim rate increase effective November 1, 2024 partially offset by lower customer consumption driven by unfavorable weather; and
- Non-regulated revenues decreased \$0.4 million, primarily due to lower supplemental contract services; and
- All other revenue categories increased \$0.1 million.

### Operations and Maintenance Expense

Operations and Maintenance Expense for the six months ended June 30, 2025 increased \$1.9 million from the same period in 2024 due to 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, partially offset by higher capitalizable costs.

### Depreciation

Depreciation expense for the six months ended June 30, 2025 increased \$1.5 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 six months ended June 30, 2025 increased \$0.3 million from the same period in 2024 primarily due to higher gross receipts taxes on higher revenue in our Middlesex system.

### *Other Income, net*

Other Income, net for the six months ended June 30, 2025 decreased \$4.3 million from the same period in 2024 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 six months ended June 30, 2025 decreased \$1.0 million from the same period in 2024 due to lower average debt outstanding and lower average interest rates.

### *Income Taxes*

Income Taxes for the six months ended June 30, 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 offset by the 2024 recovery of income taxes on the taxable portion of the proceeds from a litigation agreement. The conclusion of Middlesex's 2023 base rate increase request allowed Middlesex to recover costs, including income taxes, from the proceeds from a litigation agreement related to the PFAS treatment upgrades at Middlesex's Park Avenue Plant.

## **Liquidity and Capital Resources**

### *Operating Cash Flows*

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

For the six months ended June 30, 2025, cash flows from operating activities increased \$14.2 million to \$32.1 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 and timing of vendor payments.

### *Investing Cash Flows*

For the six months ended June 30, 2025, cash flows used in investing activities increased \$26.5 million to \$55.2 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*" below.

### *Financing Cash Flows*

For the six months ended June 30, 2025, cash flows from financing activities increased \$6.7 million to \$23.2 million. The increase in cash flows provided by financing activities is due to higher borrowings under the Company's lines of credit and higher proceeds from the issuance of common stock under Middlesex's new At -the-Market equity offering program (for further information on Middlesex's At -the-Market equity offering program, see below under *Capital Expenditures and Commitments*).

### *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 and, when market conditions are favorable, proceeds from sales to the public of our common stock. 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.

Middlesex has received approval from the New Jersey Board of Public Utilities (NJBPU) to borrow up to \$300.0 million from the New Jersey SRF Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed through December 31, 2025.

In May 2025, Middlesex filed a petition with the NJBPU 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 State Revolving Fund Program, the New Jersey Economic Development Authority, private placement and other financial institutions as needed in order to fund portions of its capital program and other funding requirements. The NJBPU is expected to render its decision on this petition in the third quarter of 2025.

The Company expects to issue debt securities in a series of one or more transaction offerings over a multi-year period to help fund Middlesex's multi-year capital construction program.

In September 2024, Tidewater closed on a \$2.2 million Delaware SRF loan with a 0.0% interest rate with maturity dates 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 \$1.7 million as of June 30, 2025 and expects that the requisitions will continue through the fourth quarter of 2025.

In May 2024, Tidewater closed on four Delaware SRF loans totaling \$5.6 million, all at interest rates of 2.0% with maturity dates in 2044. These loans are for the construction, relocation, improvement, and/or interconnection of transmission mains and construction of a water treatment facility. Tidewater has drawn down \$0.9 million on these loans as of June 30, 2025. Each project has its own construction timetable with the last spending set to occur in 2027.

Tidewater also has two active construction projects funded by prior year 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 \$4.9 million through June 30, 2025 and expects that the requisitions will continue through the fourth quarter of 2025.

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

On May 12, 2025, Middlesex entered into an At -the-Market (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. Since the inception of the Equity Sales Agreement through June 30, 2025, the Company has issued and sold 63,955 shares of common stock at a weighted average price of \$57.23 for a total net proceeds of \$3.6 million and has \$106.3 million of aggregate gross sales price of shares remaining to issue under the Equity Sales Agreement as of June 30, 2025.

In May 2025, Middlesex filed a petition with the NJBPU seeking approval to issue and sell up to 2.5 million shares of its common stock during the period January 2026 through December 2028, in one or more offerings through a traditional underwritten public offering and/or an ATM offering, in order to fund portions of its capital program and other funding requirements. The NJBPU is expected to render its decision on this petition in the third quarter of 2025.

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

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

We are exposed to market risk associated with changes in interest rates and commodity prices. The Company is subject to the risk of fluctuating interest rates in the normal course of business. Our policy is to manage interest rates through the use of fixed rate long-term debt and, to a lesser extent, short-term debt. The Company's interest rate risk related to existing fixed rate, long-term debt is not material due to the term of the majority of our First Mortgage Bonds, which have final maturity dates ranging from 2026 to 2059. Over the next twelve months, approximately \$7.6 million of the current portion of existing long-term debt instruments will mature. Applying a hypothetical change in the rate of interest charged by 10% on those borrowings would not have a material effect on our earnings. 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 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 customers' 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 asset values 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 4. Controls and Procedures**

##### *Disclosure Controls and Procedures*

As required by Rule 13a-15 under the Securities and Exchange Act of 1934 (the Exchange Act), an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures was conducted by the Company's Chief Executive Officer along with the Company's Chief Financial Officer. Based upon that evaluation, the Company's Chief Executive Officer and the Company's Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this Report. There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The following information updates and amends the information provided in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 in Part I, Item 3—Legal Proceedings. Capitalized terms used but not otherwise defined herein have the meanings set forth in the Company's Form 10-K.

*Vera et al. v. Middlesex Water Company and Lonsk et al. v. Middlesex Water Company and 3M Company* – In 2021, the Company was served with two PFOA-related class action lawsuits seeking restitution for medical, water filter replacement and other claimed related costs. On August 30, 2024, the parties to the *Vera et al. v. Middlesex Water Company (Vera)* and *Lonsk et al. v. Middlesex Water Company (Lonsk)* litigations entered into a signed Settlement Term Sheet in a step towards resolution of both matters. On March 24, 2025, the parties to *Vera* and *Lonsk* entered into a signed Class Action Settlement Agreement that was subsequently filed with the Superior Court of New Jersey, Law Division (Middlesex County) on April 16, 2025 together with a Motion For Preliminary Approval of the Class Action Settlement Agreement. On May 13, 2025, the Court issued an Order Granting Preliminary Approval of the Class Action Settlement Agreement. A final “fairness” hearing of the Agreement will be held on October 3, 2025 and it is expected that the Court will issue an Order Granting Final Approval of the Class Action Settlement Agreement shortly after this final hearing date. The Company does not believe that the now-executed and filed Class Settlement Agreement has any material financial or operational impact to Middlesex.

### Item 1A. Risk Factors

The information about risk factors does not differ materially from those set forth in Part I, Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

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

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

- (a) None.
- (b) None.
- (c) *Insider Trading Arrangements and Policies* - During the three months ended June 30, 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.

**Item 6. Exhibits**

- 10.17(e) [Seventh Amendment to Promissory Note and Supplement, dated as of July 24, 2025, between Tidewater Utilities, Inc. and CoBank, ACB.](#)
- 10.25 [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.](#)
- 10.61 [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 1.1 of the Company's Current Report on Form 8-K dated May 12, 2025.](#)
- 31.1 [Section 302 Certification by Nadine Leslie pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.](#)
- 31.2 [Section 302 Certification by Mohammed G. Zerhouni pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.](#)
- 32.1 [Section 906 Certification by Nadine Leslie pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Section 906 Certification by Mohammed G. Zerhouni pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS XBRL Instance Document
- 101.SCH XBRL Schema Document
- 101.CAL XBRL Calculation Linkbase Document
- 101.LAB XBRL Labels Linkbase Document
- 101.PRE XBRL Presentation Linkbase Document
- 101.DEF XBRL Definition Linkbase Document
- 104 Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

## SIGNATURES

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

MIDDLESEX WATER COMPANY

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

(Principal Financial Officer)

Date: July 31, 2025

**SEVENTH AMENDMENT TO  
PROMISSORY NOTE AND SUPPLEMENT  
(Revolving Term Loan)**

**THIS SEVENTH AMENDMENT TO PROMISSORY NOTE AND SUPPLEMENT** (this "Amendment"), is entered into as of July 24, 2025, between **TIDEWATER UTILITIES, INC.**, a Delaware corporation (the "Company"), and **CoBANK, ACB**, a federally chartered instrumentality of the United States ("CoBank").

**BACKGROUND**

The Company and CoBank are parties to a Promissory Note and Supplement (Revolving Term Loan Supplement) dated as of March 19, 2009, and number RX0024T6, as amended by a First Amendment to Promissory Note and Supplement dated as of August 31, 2011, a Second Amendment to Promissory Note and Supplement dated as of October 15, 2014, a Third Amendment to Promissory Note and Supplement dated as of March 7, 2017, a Fourth Amendment to Promissory Note and Supplement dated as of August 19, 2020, an Omnibus Amendment to Promissory Notes and Supplements dated as of December 6, 2022, and a Sixth Amendment to Promissory Note and Supplement dated as of May 11, 2023 (collectively, the "Supplement"). The parties now desire to amend the Supplement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**SECTION 1. Defined Terms.** All capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Supplement or in the "MLA" (as defined in the Supplement).

**SECTION 2. Amendments.**

(A) Section 1 of the Supplement is hereby amended and restated to read as follows:

**SECTION 1. The Commitment.** On the terms and conditions set forth in the MLA and this Promissory Note and Supplement, CoBank agrees to make loans (each a "Loan") to the Company during the period set forth below in an aggregate principal amount not to exceed \$20,000,000 at any one time outstanding (the "Commitment"). Within the limits and during the term of the Commitment, the Company may borrow, prepay and reborrow.

(B) Section 3 of the Supplement is hereby amended and restated to read as follows:

**SECTION 3. Term.** The term of the Commitment shall be from the date hereof, up to and including May 20, 2028, or such later date as CoBank may, in its sole discretion, authorize in writing.

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**SECTION 3. Representations and Warranties.** To induce CoBank to enter into this Amendment, the Company represents and warrants that: (A) except for such as have been obtained, are in full force and effect, and are not subject to appeal, no consent, permission, authorization, order or license of any governmental authority or of any party to any agreement to which the Company is a party or by which it or any of its property may be bound or affected, is necessary in connection with the execution, delivery, performance or enforcement of this Amendment; (B) the Company is in compliance with all of the terms of the Loan Documents, and no Default or Event of Default exists; and (C) this Amendment has been duly authorized, executed and delivered by the Company, and creates legal, valid, and binding obligations of the Company which are enforceable in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally. Without limiting (B) above, the Company represents and warrants that it is in compliance with all notice provisions of the Loan Documents, including, without limitation, the requirement to notify CoBank of the commencement of material litigation and of certain environmental matters.

**SECTION 4. Confirmation.** Except as amended by this Amendment, the Supplement shall remain in full force and effect as written.

**SECTION 5. Counterparts and Electronic Delivery.** This Amendment may be executed in counterparts (and by different parties in different counterparts), each of which shall constitute an original, and all of which when taken together shall constitute a single agreement. In addition, this Amendment may be delivered by electronic means.

*Signature page on next page*

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized officers as of the date shown above.

**CoBANK, ACB**

**TIDEWATER UTILITIES, INC.**

By: /s/ Fidel Escalante  
Name: \_\_\_\_\_  
Title: Fidel Escalante  
Assistant Corporate Secretary

By: /s/ Robert J. Capko  
Name: \_\_\_\_\_  
Title: Robert J. Capko  
Treasurer

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

I, Nadine Leslie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Middlesex Water Company (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any changes in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Nadine Leslie

Nadine Leslie

President and Chief Executive Officer

Date: July 31, 2025

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**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 quarterly report on Form 10-Q of Middlesex Water Company (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any changes in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Mohammed G. Zerhouni

Mohammed G. Zerhouni

Senior Vice President, Chief Financial Officer and Treasurer

Date: July 31, 2025

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**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: July 31, 2025

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.

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**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: July 31, 2025

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.

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