

PRESS RELEASE

For Immediate Release

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Town of Milton Chooses Tidewater to Privatize Wastewater

Milton, DE - November 15, 2006 - Mayor Don Post and the Milton Town Council held a special meeting at the Mariner Middle School Monday night to make a decision on privatizing the Town's future wastewater needs and selected Tidewater Utilities, Inc. to be their selected utility company.

The Town's previous plan to borrow up to \$20 million to construct their own wastewater treatment facility was cancelled. This action was followed by a unanimous vote to privatize wastewater in the Town. The final vote came at Monday's night meeting from the Council majority, to select Tidewater to privatize their wastewater needs and begin negotiations to provide these services for the Town.

The Town of Milton will work in a public/private partnership with Tidewater to manage the projected wastewater demands from homes and businesses. This includes those planning to be annexed and the surrounding growth zone. Mayor Don Post said, "The Town has labored for years with the problem of providing affordable wastewater services to all property owners who want to live in or near Milton. By reaching this agreement with Tidewater, we can control our growth plans, protect our existing tax payers, serve the needs of proposed developments and businesses, and eliminate the need to borrow the money. We are convinced that we have made the right choice by selecting Tidewater. Their expertise, professionalism, reputation, ethics and community commitment were all factors in our selection," added Mayor Post.

Tidewater's proposal will enable the Town to bring its existing treatment plant into compliance while also building a new upgraded facility in a new location in town that can either discharge to the stream at highly treated levels or to nearby lands. Tidewater proposes to use its own investment and developer impact fees to finance their facility. Once approved by the Public Service Commission, the facility will serve the town and surrounding areas.

Mr. Gerard L. Esposito, President of Tidewater Utilities, Inc. said, "We are honored to have been selected by the Town of Milton. Our technical approach in Milton was different and unique to the Town's circumstances but our strategy is simple, it includes among other things, a

strong emphasis on community involvement. We look forward to working with the Town for many years to come.” This is the third Town in Sussex County in the past eight months to select Tidewater to provide these kinds of services.

Tidewater, established forty-two years ago, provides service to retail water and wastewater customers, south of the C&D Canal. Presently, the Company provides these services to over 32,000 businesses and homes in Delaware. Through its affiliated companies, Tidewater serves a wide range of water and wastewater services including consulting, contract operations, and maintenance and bulk water supply. Tidewater is a subsidiary of Middlesex Water Company (NASDAQ:MSEX). Visit our website at www.tuiwater.com. The Town of Milton website is www.ci.milton.de.us/gov.

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