

THE TOWN OF MILTON

PRESS RELEASE

January 14, 2022

For immediate release

On December 16, 2021 the Town of Milton brought an action in the Delaware Superior Court challenging the Delaware Public Service Commission's decision to approve Artesian Wastewater Management, Inc.'s ("Artesian") acquisition of Tidewater Environmental Services, Inc. ("TESI"). TESI is the Town's provider of wastewater services.

On January 12, 2022 the Town and Artesian executed a Memorandum of Understanding ("MOU"), resulting in the Town's voluntary dismissal of the Superior Court action on January 13, 2022. Action by the Town was initially taken in December as Milton opposed Artesian's Application on the grounds that the sale of TESI to Artesian would not be in the public interest because it was unclear if certain contractual obligations of TESI would be honored under Artesian's ownership. The MOU secures for the Town that billing rates will continue to be billed on a quarterly volumetric basis rather than Artesian's standard flat rate for a period of at least seven years. The MOU also provides that Artesian will dismantle the existing wastewater treatment plant and, critically, prohibits Artesian from ever using the existing effluent pipe to discharge treated wastewater into the Broadkill River. For a \$100,000 credit toward a debt owed the Town by TESI, Artesian will convey approximately 5 acres of land on Sam Lucas Road to the Town. The Town plans to relocate its public works facilities to the Sam Lucas Road location and when it does, the MOU requires Artesian to provide sewer service to the site at no cost or fee to the Town. Artesian will also extend the Town's water utility by installing a water main that will serve phase 4 of the Cannery Village subdivision. In return, the Town has agreed to be served by Artesian's Sussex Regional Water Recharge Facility (SRRF), which is expected to result in lower rates for users in contrast to the former plan to build a separate wastewater treatment plant, the cost of which would have been predominately borne by the residents of Milton through drastically increased rates. Milton Mayor Theodore "Ted" Kanakos explained "this is a good day for the residents of Milton, and hopefully the start of a good relationship between the Town and Artesian. We took necessary measures to protect the Town's interests by challenging the Public Service Commission's decision and pushing back on one of the largest utility companies in the State. In the end, Artesian adjusted to meet our needs and we look forward to forging a solid partnership with Artesian moving forward."