



# **PUBLIC PRIVATE EDUCATION FACILITIES AND INFRASTRUCTURE ACT OF 2022 UNSOLICITED PROPOSAL**

**TO ACQUIRE THE WATER & WASTEWATER UTILITY ASSETS OF  
TAZEWELL COUNTY PUBLIC SERVICE AUTHORITY**



**VIRGINIA  
AMERICAN WATER**

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Virginia American Water respectfully submits one (1) original copy of our unsolicited Public Private Education Facilities and Infrastructure Act of 2022 (“PPEA”) proposal (the “Unsolicited Proposal”) for

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

the purchase of Tazewell County Public Service Authority (the “Tazewell County PSA” or the “PSA”) water and wastewater utility assets. Electronic copies (pdfs) of the documents will be emailed as well.

Virginia-American Water Company (“Virginia American Water”), a Virginia corporation and wholly owned subsidiary of American Water Works Company, Inc. (“American Water”), is the largest water and wastewater service provider in the state, and we take pride in providing solutions for communities to address their water and wastewater challenges. We are confident a partnership between Tazewell County PSA and Virginia American Water will provide direct benefits to the PSA’s water and wastewater customers and employees, and Tazewell County.

This Unsolicited Proposal sets forth indicative terms and conditions that, once finalized and incorporated into the terms of a comprehensive agreement, would provide for the purchase of all the Utility Assets by Virginia American Water. The term “Utility Assets” includes but is not limited to real and personal property; utility infrastructure; equipment and related rights, including assignment of any inter-municipal agreements or other agreements, which are used by Tazewell County PSA to serve the needs of its water and wastewater customers. Following the purchase of the Utility Assets (the “Acquisition”), Virginia American Water would own and operate the Utility Assets to provide safe, clean and reliable water and wastewater services to customers as efficiently and cost-effectively as reasonably possible. The Utility Assets would not include the PSA’s cash on their books at Closing or the accounts receivable related to water and wastewater billings accrued prior to the Closing of the Acquisition (“Closing”).

This Unsolicited Proposal is submitted based on the information to which Virginia American Water has access. New or additional information may impact this Unsolicited Proposal. Should this Unsolicited Proposal be selected by Tazewell County PSA for further negotiation and preparation of a comprehensive agreement, all conditions to Closing in such comprehensive agreement would have to be satisfied or waived before the Acquisition is completed.

The terms of the Acquisition, when incorporated into a comprehensive agreement, will be subject to the approval of Virginia American Water’s Board of Directors, an affirmative vote from Tazewell County Public Service Authority’s Board of Directors, an order issued by the Virginia State Corporation Commission approving the Acquisition, and all other required approvals and consents including all required governmental and regulatory approvals.

The many benefits Tazewell County will see from the sale of the Public Service Authority’s water and wastewater assets to Virginia American Water, upon execution of a definitive asset purchase agreement and obtaining the appropriate Virginia State Corporate Commission approvals, include:

- **CASH PAYMENT UPON CLOSING** –Virginia American Water will value the PSA’s Utility Assets in accordance with Virginia’s Fair Market Value statute (H.B. 835), passed in 2020. The statute allows a government-owned utility to receive the maximum purchase price for its system assets based upon market conditions. Virginia American Water’s cash purchase offer will be sufficient to pay off all the PSA’s water and wastewater utility debt. Proceeds from the sale are

unrestricted and could be used to fund other important community needs. In addition to the cash offer, other financial gains Tazewell County would receive include:

- An immediate increase in Tazewell County's net position by eliminating ongoing financial and liability responsibilities associated with ownership of the water and wastewater assets.
  - A new property tax revenue stream paid by Virginia American Water.
- **ONGOING CAPITAL INVESTMENTS** – Our team of engineers and scientists will develop a capital plan for the water and wastewater utility assets, including immediate and long-term investment needs to address capital requirements. In addition, the Virginia American Water team would work with local employees and Tazewell County officials to calibrate investment planning, including, but not limited to, coordinating pipeline replacement projects, lead service line replacements, street paving plans and other areas of investment.
  - **WATER QUALITY EXPERTISE** – We never forget at the end of every water pipeline there's a customer, family, business and friend looking to have safe, reliable service. Virginia American Water has a team of experts committed to maintaining state and federal water quality standards.
  - **ENVIRONMENTAL STEWARDSHIP** – We are committed to protecting the environment and identifying ways to use our most precious resource wisely. As we work to provide water and wastewater services to our customers, we also work to prevent pollution, promote sustainability, and enhance the natural environment.
  - **LOCAL OPERATIONAL RESPONSIBILITY RELIEF** – Relief from day-to-day operations will allow Tazewell County to focus on other priorities.
  - **LONG-TERM RATE STABILITY AND ECONOMIES OF SCALE** – Operational efficiency optimization, prudent investment planning and preventive maintenance comes with being part of Virginia American Water's utility service. In addition, third-party regulatory oversight from Virginia's State Corporate Commission supports transparency with Virginia American Water's customers and ensures rate stability through a responsible rate change review and approval process.
  - **PARTNERSHIP FOR LONG-TERM GROWTH & ECONOMIC DEVELOPMENT** – We value our relationship with our supplier base and recognize that many of these businesses are also our customers. American Water's inclusive supplier engagement program partners with local businesses to deliver essential services. Additionally, Virginia American Water supports the communities it serves through sponsorships and grants that support local initiatives.
  - **FINANCIAL ASSISTANCE** – Customers whose annual income is at or below 150 percent of the Federal Poverty guidelines are eligible for bill-pay assistance through Virginia American Water's H2O Help to Others Program™, administered by Dollar Energy Fund.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

We are committed to helping the communities we serve be more vibrant places to live, work and play. We are confident that a relationship between Tazewell County and Virginia American Water would provide a foundation of future economic growth for the County. We look forward to discussing the details of this unsolicited bid in greater depth with Tazewell County PSA and thank you for your consideration.

THIS UNSOLICITED PROPOSAL DOES NOT CREATE ANY LEGALLY BINDING EFFECT ON VIRGINIA AMERICAN WATER OR ANY PERSON, AND VIRGINIA AMERICAN WATER MAKES NO PROMISE, EXPRESS OR IMPLIED, REGARDING WHETHER IT WILL ENTER INTO A COMPREHENSIVE AGREEMENT WITH TAZEWell COUNTY PUBLIC SERVICE AUTHORITY. VIRGINIA AMERICAN WATER WILL ONLY BE BOUND BY THE TERMS OF ANY COMPREHENSIVE AGREEMENT OR INTERIM AGREEMENT(S) INTO WHICH IT ENTERS WITH TAZEWell COUNTY PUBLIC SERVICE AUTHORITY.

### 1) QUALIFICATIONS AND EXPERIENCE

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- i. Identify the legal structure of the firm or consortium of firms making the Proposal.

Virginia American Water is a Virginia corporation and wholly owned subsidiary of American Water. Pursuant to this Unsolicited Proposal, the legal entity acquiring the water and wastewater assets of the Tazewell County Public Service Authority (the “Utility Assets”) will be Virginia American Water.

Virginia American Water is the largest regulated water and wastewater utility in the state. We currently provide services to approximately 360,000 people in 42 communities throughout Virginia. More than 120 highly skilled professionals carry out our foremost responsibility of providing safe, clean, reliable and affordable water and wastewater services to our customers. We have been providing services to communities in Virginia for more than 175 years and our headquarters is located in the City of Alexandria.

A map of our current Virginia-based service territory is provided in Appendix A.

As a business, Virginia American Water brings solutions to communities that are facing a variety of challenges, invests capital, leverages scale and efficiencies, and brings value to communities it serves.

Virginia American Water has been providing water service to:

- City of Alexandria since 1850
- City of Hopewell and portions of Prince George County since the 1930s
- Dale City since 1966
- Areas in and around the Northern Neck since 2000
- Town of Waverly since 2022
- Town of Cape Charles since 2024

And providing wastewater service to:

- Dale City (Prince William County) since 2013
- Town of Cape Charles since 2024

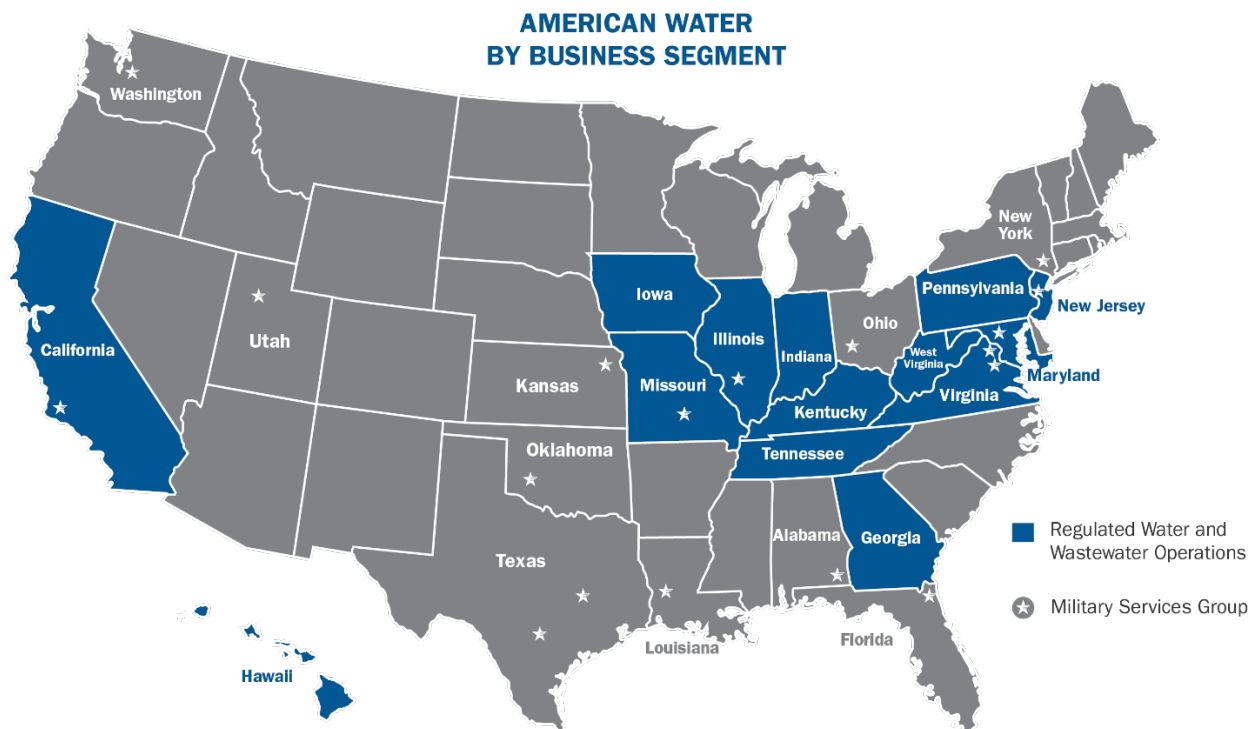
# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

Virginia American Water is licensed, bonded and insured in Virginia. Virginia American Water utilizes its depth and breadth of experience to innovate, upgrade and serve customer needs and to continue to provide safe, clean, reliable and affordable water and wastewater services to its customers.

- ii. Identify the organizational structure for the project, the management approach and how each partner and major subcontractor in the structure fits into the overall team.

Our parent company, American Water (NYSE: AWK), is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886, American Water provides safe, clean, reliable and affordable drinking water and wastewater services to more than 14 million people with regulated operations in 14 states and on 18 military installations. American Water's 6,700 talented professionals leverage their significant expertise and American Water's national size and scale to achieve excellent outcomes for the benefit of customers, employees, investors and other stakeholders.



Our primary operating assets include approximately:

- 80 surface water treatment plants
- 520 groundwater treatment plants
- 190 wastewater treatment plants
- 54,500 miles of transmission, distribution and collection mains and pipes
- 1,200 groundwater wells
- 1,800 water and wastewater pumping stations

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

- 1,100 treated water storage facilities
- 75 dams

In addition to its own financial resources, Virginia American Water has access to capital through American Water, with a market capitalization of approximately \$29 billion, total assets of \$32.8 billion, and annual revenues of \$4.7 billion as reported in its [2024 10-K filing](#).

Additional information about Virginia American Water and American Water can be found at [www.amwater.com](http://www.amwater.com).

- iii. Describe the experience of the firm or consortium of firms making the proposal and the key principals involved in the proposed project, including experience with projects of comparable size and complexity. Describe the length of time in business, business experience, public sector experience, and other engagements of the firm or consortium of firms. Include the identity of any firms that will provide design, construction and completion guarantees and warranties, and a description of such guarantees and warranties.

Virginia American Water will provide professional capital management as it relates to the Utility Assets. Virginia American Water will utilize its years of experience in coordinating capital planning following Closing. We emphasize planning, prioritizing and delivering capital improvement projects that provide customers with safe and reliable water and wastewater services while maintaining affordable rates for customers.

Virginia American Water and its predecessors have been serving customers in the Commonwealth of Virginia since 1850. Virginia American's largest water system serves approximately 147,000 people through 26,500 customer connections in the City of Alexandria. Virginia American's Hopewell water and wastewater systems serve approximately 30,300 people through 9,500 customer connections. Virginia American's Prince William water and wastewater systems are located in Prince William County and serve approximately 65,000 people through approximately 20,000 customer connections.

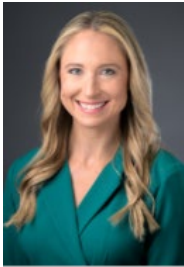
Virginia American Water employs approximately 120 water and wastewater professionals, including non-union and union represented employees, and leverages the technical expertise and resources provided by American Water. We work as a team, sharing learning opportunities and best practices as we strive to provide the best possible service for our customers.

### KEY FUNCTIONAL STRUCTURE

The Project Team will be led by Laura Runkle, President of Virginia American Water, and Charles Piekanski, Vice President of operations for Virginia American Water.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



### LAURA RUNKLE, PRESIDENT

Prior to being named President of Virginia American Water and Maryland American Water in January of 2025, Laura Runkle was Vice President of Operations for Iowa American Water, another American Water subsidiary. Runkle joined American Water in 2010 and has held multiple positions of increased responsibility in West Virginia, Pennsylvania, Iowa, Maryland and Virginia. She earned a Bachelor of Arts in Public Relations from West Virginia Wesleyan College.



### CHARLIE PIEKANSKI, VICE PRESIDENT OF OPERATIONS

Charlie Piekanski joined Virginia American Water in 2020 as Senior Manager Operations. Charlie was promoted to Vice President of Operations in 2023. Charlie has over 30 years of operational experience in the water and wastewater industry. He has held leadership roles in Pennsylvania American Water and Virginia American Water, both of which are subsidiaries of American Water. He currently holds PA Class A, E Subclass 1-13 Water, PA Class A, E Subclass 1-4 Wastewater, VA Class 1 Water, and VA Class 1 Wastewater licenses. Charlie earned an associate's degree from Keystone College.

### ANNA KAZASI, PE, ENV SP, CDT, DIRECTOR OF ENGINEERING



Anna Kazasi joined American Water in 2020, as a Senior Project Engineer. Prior to joining Virginia American Water, Anna worked at consulting engineering firms in the United States and abroad. She holds a Bachelor of Science in Chemical Engineering and master's degrees in environmental protection and sustainable development and environmental engineering. Anna leads Virginia American Water's engineering team and would be responsible for overseeing capital investments for the Tazewell County

PSA system.



### JACE HARPER, FINANCE DIRECTOR

Jace Harper joined American Water as a Senior Financial Analyst in 2020 serving West Virginia American Water. He was later promoted to Finance Manager for West Virginia American Water before joining Virginia American Water in late 2024. He earned his bachelor's degree in business administration with a major in accounting from West Virginia University. Jace would be responsible for preparing both short- and long-term budgets, reviewing financial statements, seeking opportunities for cost efficiencies, supporting upper management's financial decisions and ensuring funding is available

for needed capital investments for the Tazewell County PSA system.



### MARYBETH LEONGINI, EXTERNAL AFFAIRS SENIOR MANAGER

Marybeth leads Virginia American Water's External Communications Department. Marybeth joined Virginia American Water in 2020, from her most recent role as Vice President of Communications for the National Association of Water Companies. A longtime resident of Alexandria, Marybeth earned a bachelor's degree from Belmont Abbey College in Belmont, N.C. and a master's degree from the University of South

Carolina. Marybeth would support community outreach and education efforts for the Tazewell County PSA transaction.

### SUBCONTRACTORS

Once the Utility Assets are transferred, Virginia American Water would be responsible for maintaining, operating, and improving the Utility Assets. In addition to local expertise provided for the day-to-day operations of the Utility Assets, Virginia American Water is supported by industry-recognized experts under the umbrella of American Water subsidiaries. To the extent the improvements, repairs or upgrades to the Utility Assets require the expertise of firms other than Virginia American Water, Virginia American Water will rely on well-established subcontractors with strong reputations in the community and such subcontractors will be solely responsible to Virginia American Water with respect to any work they perform to improve, repair or upgrade Utility Assets.

### CAPITAL IMPROVEMENT EXPERIENCE

American Water's centralized Planning and Engineering Division lays the foundation for capital expenditures for regulated subsidiaries including Virginia American Water. Our team of engineers conduct infrastructure evaluations, select treatment processes, and establish critical design criteria for water and wastewater treatments systems to improve operations and prioritize capital improvements.

In 2024, Virginia American Water invested more than \$42 million in water and wastewater system improvements. Since 2015, Virginia American Water has invested nearly \$367 million in water and wastewater infrastructure upgrades, including the replacement of aging water mains.

The information below lists several notable projects that demonstrate the types of investments we have undertaken in Virginia communities:

#### Membrane Liner #1 Replacement – Wastewater - Cape Charles

**Challenge:** Virginia American Water's engineering team identified an issue at the Cape Charles wastewater facility involving the liner in the membrane tank. The existing liner showed visible peeling which posed a risk to the structural integrity of the tank.

**Solution:** Virginia American Water replaced the liner and reconditioned the concrete basins of the membrane tank.

**Benefit:** The solution improved the structural integrity and operational life of the membrane tank.

#### Control Panel Replacement – Wastewater - Cape Charles

**Challenge:** One of the original control panels presented a safety hazard and contributed to operational instability in the wastewater pumps. The three-phase pumps were being powered via a roto-phase converter due to the building being supplied with single-phase electrical service.

**Solution:** The existing control panel was replaced with a modern unit custom-built to interface with the original Smith & Loveless pumps, which remained in fair condition. Variable frequency drives (VFDs) were installed to eliminate the need for the roto-phase converter.

**Benefit:** The solution improved operational efficiency and eliminated safety hazards associated with the panel. VFDs enabled efficient conversion from single-phase to three-phase power, improved pump control, and provided soft-start capability.

### Washington Ave Generator Replacement – Wastewater - Cape Charles

**Challenge:** Failed generator and transfer switch.

**Solution:** Replaced generator and switch gear with new updated version.

**Benefit:** A high-reliability generator was installed to supply power to the station during electrical outages.

### Mason Ave Lift Station Rehab (In Progress) – Wastewater - Cape Charles

**Challenge:** The Mason Avenue lift station was significantly outdated and experienced multiple operational challenges at the time Virginia American Water acquired it. The wet well pumps were non-functional, and the lift station was operating with a temporary bypass configuration.

**Solution:** Virginia American Water is actively replacing collection mains, upgrading pumps, and integrating data-monitoring solutions such as meters, transducers, and updated float systems. Additional capital improvements include enhancements to the bypass system and the installation of isolation valves.

**Benefit:** Investments will enhance the station's capacity to manage high flow volumes and equip operators with real-time performance monitoring tools designed to improve efficiency and reduce service interruptions.

### Filter Media Exchange – Water - Cape Charles

**Challenge:** The filtration system was experiencing reduced filter run times, leading to inadequate filtration performance.

**Solution:** Replaced filter media and rebuilt interior components of the filter vessels to restore effective filtration performance.

**Benefit:** Investments to the filtration system resulted in improved run times, efficient backwash cycles, and adequate filtration.

### Domestic Storage Tank Upgrade – Water - Hopewell

**Challenge:** The domestic treatment train at the Hopewell water treatment plant had a permitted production capacity of 18 MGD. Per Virginia Department of Health's regulatory requirements, 9 MG of total finished water storage is recommended for an operational capacity of 18 MGD. The existing storage capacity did not meet the state's requirements.

**Solution:** Virginia American Water invested \$11 million to construct a new 2.5MG composite elevated tank on the site for the domestic side of the system.

**Benefit:** The new 2.5MG of elevated storage provides adequate storage, per Virginia Department of Health's regulatory requirements, and peak hour demand equalization and fire flow. The additional storage also increased response time for emergencies and planned work.

### Water Main Replacements – Water - Alexandria

**Challenge:** Hydraulic modeling indicated there were isolated areas throughout the distribution system where available fire flows were less than 500GPM and/or less than 50% of the Insurance Services Office's recommended fire flow. Multiple areas in the distribution system were vulnerable to service disruptions; these areas only had a single main supplying a large demand or areas that lacked isolation valves.

**Solution:** Virginia American Water invested approximately \$47 million since 2017 to upsize the mains in some areas to increase locally available fire flow and improve network service reliability, install new isolation valves, loop distribution mains, and replace aging pipes.

**Benefit:** These investments increased fire flow, reduced the length of depressurized pipes and the number of customers out of service due to a single main break, and provided system resilience in maintaining uninterrupted service to customers.

### Jasper Lane Water Main Replacement – Water - Waverly

**Challenge:** Customers raised water quality and pressure concerns along Jasper Lane in Waverly.

**Solution:** Virginia American Water invested \$1.5M to upgrade 5,000 ft of 4-inch main to 8-inch main along Jasper Lane.

**Benefit:** Residents experienced enhanced water pressure, improved water quality and service reliability, and increased fire hydrant flow capacity.

### Well #3 Mechanical Building & Hydropneumatic Tank Replacement – Water - South Hill Banks

**Challenge:** South Hill Banks Well #3 had not consistently been in service since 2017 due to issues with the buried hydropneumatic tank. The treatment building did not meet industry’s design and safety standards and had to be demolished because the tank was attached to it. The output from this well station was required to meet water demands and Virginia Department of Health’s requirements.

**Solution:** Virginia American Water invested \$800,000 to construct a new pump station and install a new hydropneumatic tank.

**Benefit:** Replacement of the tank allowed the well to be restored to service and give the system sufficient reliable capacity to meet maximum demand.

## INDUSTRY LEADER

American Water is a leader in the water and wastewater utility industry. We continuously look for opportunities to enhance and optimize our operational practices, supporting technologies, employee trainings and company-wide resources.

## WATER QUALITY AND ENVIRONMENTAL COMPLIANCE

Virginia American Water routinely meets or surpasses water quality standards set by the United States Environmental Protection Agency, which are enforced by Virginia Department of Health and the Virginia Department of Environmental Quality. Virginia American Water has not received a drinking water or wastewater Notice of Violation from the aforementioned agencies in the past 15 years.

Virginia American Water conducts more than 15,000 tests annually to provide our customers high-quality, reliable water and wastewater services. The majority of compliance testing is completed at American Water’s central laboratory in Belleville, Illinois, which conducts sophisticated drinking water testing and analysis.

Virginia American Water has developed a positive working relationship with the Virginia Department of Health Office of Drinking Water and Department of Environmental Quality staff. We worked with

the Virginia Department of Health to establish financial assistance through the Water Supply Assistance Grant program to replace lead service lines throughout the state.

In 2025, Virginia American Water's Prince William wastewater team received the Virginia Water Environment Association's Collection Systems of the Year Award for Small Utilities at the annual Water JAM 2025 Conference.

American Water was named as one of Baron's 100 Most Sustainable Companies in 2024.

### INFRASTRUCTURE INVESTMENT

American Water is one of the fastest growing utilities in the country. We expect to invest \$40 to \$42 billion in infrastructure repairs and replacement, system resiliency and regulated acquisitions from 2025-2034. We are prepared to address critical issues facing the industry such as treating forever chemicals, removing lead service lines, aging infrastructure and resiliency investment needs, climate variability impacts and cyber-threats.

Our nation's water and wastewater infrastructure support public health and safety, environmental protection and community growth. This is why Virginia American Water continuously invests in water and wastewater treatment plant upgrades, water main and sanitary sewer main replacements, fire hydrant and valve installations, security and safety improvements and more.

### NATIONAL SCALE

In 2004, American Water formed a central Supply Chain group to take advantage of economies of scale and skills by implementing strategic sourcing and other total cost reduction processes. Since that time, we have realized measurable benefits from leveraging our total purchasing spend across the American Water footprint. Our size and strategic focus on supplier management allows us to purchase materials such as meters, pipes, valves, and hydrants at an average savings of 25%-40% below current market pricing.

In 2023, American Water's Supply Chain achieved \$1.6 billion in total production. This spending resulted in over 8,400 jobs supported, \$621 million wages supported and \$190.6 million in taxes generated.

### ACQUISITION EXPERIENCE

Virginia American Water is supported by American Water's team of business development professionals who are well versed with acquiring and integrating water and wastewater systems. In 2024 alone, American Water closed 13 water and wastewater transactions totaling \$417 million and resulting in over 69,500 new customer connections.

In April 2024, Virginia American Water acquired the drinking water and wastewater assets of the Town of Cape Charles, expanding its service territory by approximately 1,400 new water and wastewater customers. This follows the company's 2022 acquisition of the drinking water assets of the Town of Waverly, further strengthening its commitment to providing reliable water services across Virginia.

A copy of the Cape Charles, Virginia case study is provided in Appendix B. A copy of the Waverly, Virginia case study is provided in Appendix C.

### SAFETY AND TRAINING

At American Water, safety is not just a key strategic priority, it is a core value. We do not compromise safety for speed, convenience, or profit. We take responsibility for the safety and wellbeing of our customers and employees very seriously. In support of this, we have put enhanced programs in place, embedding safety measures into all areas of our business and engraining strong safety principles into the American Water way of working. We track both leading and lagging indicators of safety. We continuously evaluate our safety programs and performance, improving our processes and procedures to reduce exposures that could lead to injury or illness.

Virginia American Water's Peter Kulcsar was selected as the 2024 Utility Employee of the Year by Alexandria Chamber of Commerce (Chamber ALX). The recognition is part of the Community Champions Honor initiative that Chamber ALX launched earlier this year to celebrate Alexandria's extraordinary workforce.

In 2023, Virginia American Water's Prince William District was awarded the American Water Works, Wendell R. LaDue National Safety Award, for completing 33 years without an Occupational Safety and Health Administration recordable injury. Virginia American Water is the first private utility company to win the award in the state of Virginia. Virginia American Water is also routinely recognized within American Water for our dedication to safety.

Virginia American Water has not had an OSHA violation in more than five years.

### CUSTOMER SERVICE

Customer service is at the heart of what we do, and Virginia American Water seeks to continuously provide the best experience for our customers. Our employees work hard every day to improve upon our customers' experience. These metrics are tracked monthly and distributed to employees whose performance is measured by the satisfaction of our customers.

We support our customers with over 450 remote and geographically diverse customer service employees located in Illinois, Indiana, Iowa, Kentucky, Missouri, New Jersey, Pennsylvania, Tennessee, Virginia, West Virginia, and Florida. The geographic spread of our team provides resiliency and allows us to proactively address weather related emergencies.

### RESEARCH & DEVELOPMENT

We maintain an industry-leading research and development program that is designed to enhance our services, help confirm compliance and shape a more sustainable future. As part of our R&D and innovation efforts we are working with research institutions and partners to develop and pilot new technological advances.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

We collaborate on a significant number of our research projects with many stakeholders, including governmental entities, consultants, universities, other utilities and research agencies. We also participate and collaborate with numerous state and local organizations through our state-regulated entities.

### CYBER SECURITY

American Water recognizes the essentiality of our water and wastewater services and acknowledges the severity of cyber threats. Our cybersecurity program is consistent with industry best practices, including the National Institute of Standards and Technology Cybersecurity Framework and the American Water Works Association Process Control System Security Guidance for the Water Sector.

American Water is the first U.S. water and wastewater company and the third utility to earn the Support Anti-Terrorism by Fostering Effective Technologies Act designation. It serves as one of the highest levels of accreditation offered by the Department of Homeland Security that promotes the development and deployment of effective anti-terrorism products, systems and services.

- iv. Provide the names, addresses, and telephone numbers within the firm or consortium of firms who may be contacted for further information.

#### Laura Runkle

President

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#### Robert Passmore

Vice President & General Counsel (VA, WV, MD)

American Water

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

1600 Pennsylvania Ave  
Charleston, WV 25302  
P: 304-340-2007

[robert.passmore@amwater.com](mailto:robert.passmore@amwater.com)

- v. Provide a current or most recently audited financial statement of the firm or firms and each partner with an equity interest of twenty percent or greater.

A copy of Virginia American Water's most recent audited financial statement is provided in Appendix D.

A copy of American Waters's most recent annual report can be found by accessing the link below:  
<https://ir.amwater.com/site/Financial-Reports/annual-reports-proxy-statements>

- vi. Identify any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to The Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§2.2-3100 et seq.) of Title 2.2. For purposes of this requirement the proposer shall presume that the Tazewell County Board of Supervisors members would be included in the approval process.

To the best of our information and belief, no member of American Water or Virginia American Water's team would be disqualified from participation in the Acquisition pursuant to the Virginia State and Local Government Conflict of Interest Act.

## 2. PROJECT CHARACTERISTICS

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- i. Provide a description of the project, including conceptual design. Describe the proposed project in sufficient detail so that the type and intent of the project, the location, and the communities that may be affected are clearly identified.

Virginia American Water is knowledgeable of the obligations inherent to owning and operating community water and wastewater systems (e.g. environmental, compliance, capital planning, maintenance, operations, employees, customers, community, municipal, regulatory), including those with inter-municipal agreements with entities that provide both the source and treatment for potable

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

water. Virginia American Water understands that it would, following Closing, own and operate the water and wastewater assets currently owned by the PSA and provide safe and reliable water and wastewater services to customers served by the Utility Assets.

Virginia American Water will develop a transition plan specific and assemble a project team with a broad range of technical and operational expertise. Our project team will schedule periodic meetings with Tazewell County officials to discuss the operations and conditions of the Utility Assets. Virginia American Water believes in a public-private partnership approach to facility management, maintenance and capital planning, and is committed to keeping Tazewell County and its residents informed of the growth, maintenance, operations and planned capital investments to the Utility Assets.

Key transition activities:

- Public Communication and Education - We will assist in developing communication channels with the PSA and the public about the change in ownership of the Utility Assets. In addition, we will establish a schedule for key community activities including the facilitation of community education meetings.
- Regulatory Approvals - Soon after the successful negotiation, Virginia American Water will file acquisition documents with specific regulating bodies including the Virginia State Corporation Commission, whose approval is required for Virginia American Water to complete the Acquisition.
- Detailed Asset Listing - As part of the agreement, Virginia American Water will work with Tazewell County PSA to develop a detailed asset listing including mapping of existing water utility system and related assets.
- Customer Records Transfer - We will work with the PSA to effectively transition customer billing and meter reading records along with billing and usage history.

As part of the Acquisition, Virginia American Water would establish an operating district office within Tazewell County. Tazewell County PSA employees would be eligible to apply, and be considered for employment with Virginia American Water, subject to American Water's standard hiring protocols.

After Closing, our engineering team would conduct a comprehensive planning study for short and long-term infrastructure investments including meter replacement, collection and distribution lines upgrades, and security improvements.

### ii. Identify and fully describe any work to be performed by the PSA.

Virginia American Water does not anticipate that Tazewell County PSA will be expected to perform any work in connection with the Utility Assets after Closing other than transitional tasks and post-Closing obligations agreed upon in the Asset Purchase Agreement.

- iii. Include a list of all federal, state, and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.

As part of the Acquisition, Virginia American Water and the PSA will be responsible for applying for and obtaining all necessary permits and approvals for transfer of the Utility Assets at Closing. Virginia American Water will, at its expense, fully cooperate with and assist the PSA in preparing all necessary application(s) as required to be obtained by the PSA. Moreover, any and all filing fees, permits fees or transfer fees, in respect of such filings, including those fees implemented by any regulatory agency or recorder of deeds, shall be paid by Virginia American Water.

The following is a list of anticipated federal, state and local permits and approvals required for the Acquisition and a projected schedule for obtaining such permits and approvals, in each case upon submission of the completed application to such agency:

- Virginia Department of Environmental Quality - estimated schedule is 30 days following submission of the completed application;
- Virginia Department of Health - estimated schedule is 30 days following submission of the completed application;
- Virginia Resources Authority - estimated schedule is 30 days following submission of the completed application;
- Virginia Department of Transfer Permit - estimated schedule for utility lines and bonding is 30 days following submission of the completed application;
- Virginia State Corporation Commission - while there is no definitive timeframe for approval of the Acquisition, estimated schedule is 6-8 months following submission of the completed application;
- Tazewell County PSA Board of Directors - estimated schedule to be developed in further consultation with Tazewell County PSA; and
- Any necessary permits and approvals that the parties deem necessary during the course of due diligence.

- iv. Identify any anticipated adverse social, economic, and environmental impacts of the project. Specify the strategies or actions to mitigate such impacts of the project.

Virginia American Water does not anticipate any adverse impacts as a result of the transfer of the Utility Assets to Virginia American Water.

- v. Identify the projected positive social, economic and environmental impacts of the project.

Virginia American Water believes that the proposed Acquisition provides economic and environmental improvements for Tazewell County and its residents and related stakeholders. Furthermore, the transfer of the Utility Assets will result in the monetization of these assets for the benefit of Tazewell County to pay off utility debt and utilize net proceeds for other needs within the County.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

Future compliance and capital needs of the Utility Assets, following Closing, will transfer to Virginia American Water and benefit from Virginia American Water's ability to access capital for improvements, upgrades, and/or replacements. Virginia American Water will provide safe and reliable water and wastewater services to its customers served by the Utility Assets following Closing and well into the future.

- vi. Identify the proposed schedule for the work on the project, including the estimated time for completion.

Subject to obtaining all required regulatory approvals and satisfaction of the terms set forth in the comprehensive agreement between Virginia American Water and Tazewell County PSA, we anticipate that the date of Closing for the Acquisition would occur within one month or such other reasonable amount of time following satisfaction of all conditions and/or contingencies set forth in the comprehensive agreement, including the receipt of any and all approvals. Virginia American Water will be responsible for its own legal fees and other expenses incurred in connection with the Acquisition.

- vii. Propose allocation of risk and liability for work completed beyond the agreement's completion date, and assurances for timely completion of the project.

Virginia American Water will work to complete the Acquisition at the earliest possible time in accordance with the PSA's PPEA process. The Acquisition is not subject to Virginia American Water obtaining financing; we have the funding sources to close and will close when all regulatory approvals are obtained and the terms of such approvals are satisfactory to Virginia American Water and provided that all conditions within the comprehensive agreement have been satisfied or waived by Virginia American Water, as the case may be.

- viii. State assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on the PSA's use of the project.

Virginia American Water, effective at Closing, will take full responsibility for the ownership, maintenance, system upgrades and operation of the Utility Assets, including customer billing and collection. However, except as explicitly provided in the terms of a comprehensive agreement, neither American Water nor Virginia American Water will assume nor be liable for any liabilities or obligations of Tazewell County PSA of any nature (including any obligations related to the Utility Assets or operation and ownership of the water and wastewater systems prior to Closing), whether expressed or implied, fixed or contingent, known or unknown at the time of the Closing, and all of Tazewell County PSA's liabilities and obligations, whether incurred in connection with the operation of the water and wastewater systems, ownership of the Utility Assets or otherwise, shall remain the sole responsibility of, and shall be retained, paid, performed and discharged solely by Tazewell County PSA.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

Without limiting the generality of the foregoing, and except as explicitly provided in the terms of the comprehensive agreement to be negotiated, the PSA shall be and shall remain liable for all obligations and liabilities relating to (i) employees of Tazewell County PSA (including those who worked on the Utility Assets) and any employee benefits related to Tazewell County PSA's employees (including any pension benefits), (ii) all taxes on the business of the PSA, if applicable (iii) accounts payable of the PSA, and (iv) failure to comply with any environmental laws or any permits for the Utility Assets or operation of the Utility Assets on or before the date of the Closing.

Except as explicitly provided in the terms of the comprehensive agreement, following the Closing, Virginia American Water shall assume only those contractual liabilities arising after the date of the Closing under the contracts assigned by Tazewell County PSA to Virginia American Water under the terms of the comprehensive agreement (specifically excluding any liability under such contracts arising out of or relating to a breach or other circumstances that occurred on or prior to the date of Closing).

- ix. Provide information relative to phased or partial openings of the proposed project prior to completion of the entire work.

The Utility Assets will be acquired at one time. No phasing is planned as part of the Acquisition. Deploying capital after Closing will be phased in and based on compliance related issues that arise as well as the urgency of repairs and upgrades.

- x. J. List any other assumptions relied on for the project to be successful.

None have been identified at this time.

- xi. List any contingencies that must occur for the project to be successful.

Should this Unsolicited Proposal be selected by Tazewell County PSA for further negotiation and preparation of a comprehensive agreement, all conditions to Closing in such comprehensive agreement would have to be satisfied or waived before the Acquisition is completed.

The terms of the Acquisition, when incorporated into a comprehensive agreement, will be subject to the approval of Virginia American Water's Board of Directors, an affirmative vote from the members of Tazewell County Public Service Authority Board of Directors, an order issued by the Virginia State Corporation Commission approving the Acquisition, and all other required approvals and consents including all required governmental and regulatory approvals.

### 3. PROJECT FINANCING

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- i. Provide a preliminary estimate and describe the estimating methodology of the cost of the work by phase, segment, or both.

The Utility Asset's purchase price will be developed in accordance with Virginia's Fair Market Value law, H.B. 835, and agreed upon by Virginia American Water and Tazewell County PSA. H.B. 835 was passed in 2020 and allows government-owned utilities to receive a fair return, in alignment with market conditions, for the sale of their public utility assets. The valuation of a municipal system, per H.B. 835, is determined by the average of three appraisals from three independent, qualified and impartial utility valuation experts.

A comprehensive agreement between the Tazewell County PSA and Virginia American Water would contain the final, negotiated purchase price and would be subject to Virginia State Corporation Commission approval.

- ii. Submit a plan for the development, financing, and operation of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds including any anticipated debt service costs. The operational plan should include appropriate staffing levels and associated costs. Include supporting due diligence studies, analyses or reports.

As mentioned herein, the purchase price for the Utility Assets will be all cash at Closing, less adjustments assumed by Virginia American Water, if appropriate, at Virginia American Water's option. Following Closing, as funds are needed for capital improvements, Virginia American Water has the option to fund those costs from internal sources, access capital markets and/or seek loans.

Virginia American Water and American Water carry strong corporate credit ratings and have access to the following sources of capital funding:

- American Water carries a credit rating of "Baa1" from Moody's Investors Services and an "A" rating from Standard & Poor's Rating Services.
- Virginia American Water has sufficient liquidity through a line of credit with American Water. American Water has access to a \$2.75 billion revolving credit facility.
- American Water accesses the debt capital markets, including the commercial paper market, primarily through American Water Capital Corp., a wholly owned subsidiary of American Water. American Water has a \$2.6 billion commercial paper program and regularly accesses the debt capital markets, most recently raising \$1.7 billion of senior unsecured notes in 2025, \$1.4 billion of senior unsecured notes in 2024, \$1,035 million of

exchangeable senior notes in 2023, \$800 million of senior unsecured notes in 2022 and \$1.1 billion of senior unsecured notes in 2021.

- American Water accessed the equity capital markets in 2023, completing an underwritten public offering of an aggregate of 12,650,000 shares of parent company common stock raising \$1,688 million of net proceeds.

- iii. Include a list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all significant fees associated with financing given the recommended financing approach. In addition, complete disclosure of interest rate assumptions should be included. Any ongoing operational fees, if applicable, should also be disclosed as well as any assumptions with regard to increases in such fees.

Virginia American Water has the financial capabilities to finance the Acquisition and subsequent infrastructure investments required for the Utility Assets to remain in compliance with federal and state regulations. There are not any ongoing fees or financial contributions required from the PSA or Tazewell County after Closing.

Please see Virginia American Water's Response to Question 3.i.

- iv. Identify the proposed risk factors and methods for dealing with these factors.

Please see Virginia American Water's Response to Question 3.i.

- v. Identify any local, state or federal resources that the proposer contemplates requesting for the project. Describe the total commitment, if any, expected from governmental sources and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of the PSA's credit or revenue.

Virginia American Water does not require any local, state or federal financial resources to complete the Acquisition and operate the Utility Assets after Closing.

- vi. Identify the amounts and the terms and conditions for any revenue sources.

Virginia American Water does not require any local, state or federal financial resources to complete the Acquisition or operate and maintain the Utility Assets after Closing.

- vii. Identify any aspect of the project that could disqualify the project from eligibility for tax-exempt financing.

Virginia American Water has not historically relied on tax-exempt financing for its projects.

#### 4. PROJECT BENEFIT AND COMPATIBILITY

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- i. Identify who will benefit from the project, how they will benefit, and how the project will benefit the overall community, region, or state.

A relationship with Virginia American Water would benefit the PSA, its water customers and employees, and Tazewell County's overarching community. We are committed to our customers, employees and the communities we serve.

#### COMMUNITY

Virginia American Water takes an active role in the communities we serve by supporting environmental and educational initiatives related to environmental stewardship and watershed protection. Our community involvement draws on the unique talents of our employees and our business resources. We partner with local governments, community organizations, and schools to help educate our customers on the important environmental stewardship and watershed protection roles we can all play.

#### AMERICAN WATER CHARITABLE FOUNDATION

Through the American Water Charitable Foundation, Virginia American Water and American Water support employees in their own charitable endeavors, provide support for targeted disaster relief efforts, and provide funding for higher-level initiatives related to clean water, conservation, education, and sustainability. Since 2012, the American Water Charitable Foundation has invested more than \$20 million in grant funding and matching gifts that are important to our employees and the communities we serve. Each year, we continue to expand and strengthen our community partnerships, furthering our charitable purpose in communities served by American Water.

In 2024, the American Water Charitable Foundation contributed over \$278,200 to 105 local non-profit organizations located within Virginia including Friends of the Occoquan, James River Association and Maymont Foundation.

A copy of Virginia American Water's 2024 Community Impact Report is provided in Appendix E.

#### FIRST RESPONDER GRANT PROGRAM

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

This program provides grants of up to \$1,000 each to volunteer firefighter and emergency responder organizations in our service areas for the purchase of protective gear, lifesaving equipment, tools, training, and related activities/materials.

In 2024, Virginia American Water awarded nine First Responder Grants to local response groups to purchase equipment for brush firefighting, new helmets to replace existing PPE, structural firefighting gloves and equipment for a new rescue engine.

### COMMUNITY SERVICE & VOLUNTEER EFFORTS

We value community service and encourage our employees to be equally invested in the communities we serve through various charitable endeavors and volunteer activities. Each year, Virginia American Water employees participate in a Month of Service with American Water employees across the nation – helping neighbors, participating in different community volunteer projects and providing hours of service to local community-based organizations in need of assistance.

In 2024, Virginia American Water employees volunteered more than 650 hours in the community and supported events including community clean-ups and toy and school supply drives.

### NEW REVENUES

As part of the Acquisition, any real property associated with the Utility Assets would be transferred to and owned by Virginia American Water. Those properties would become subject to Virginia real property tax and would provide a new property tax revenue stream for Tazewell County.

### CUSTOMERS

Our customers are our number one priority and they are at the center of everything we do. The company's goal is to make it easier for customers to contact us in a manner they prefer. We offer customers the ability to manage their account(s) online, speak to a live customer care agent, or utilize our voice-activated phone system. We also provide the flexibility of multiple payment options and paperless communication. Virginia American Water wants our customers to enjoy doing business with us.

### AFFORDABILITY – HELP TO OTHERS PROGRAM

Sometimes customers face circumstances that stretch their financial resources. Virginia American Water is here to assist. We are proud to offer financial assistance to our customers in need through bill paying assistance and other programs, as well as budget billing and payment arrangements.

Since 2010, we have assisted customers experiencing financial hardship keep their water and/or wastewater services flowing through Virginia American Water's H2O Help to Others Program™. This program provides eligible customers with emergency grants of up to \$500 for customers who are behind on paying their water bills. We offer service charge discounts to qualifying customers whose annual income is at or below 150 percent of the Federal Poverty guidelines.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

In 2024, 22 grants total were provided to Virginia households in need. As part of our commitment to supporting our customers, Virginia American Water contributed over \$13,000 to support our customer assistance program.

A copy of Virginia American Water's financial assistance programs is provided in Appendix F.

### RATE STABILITY

Virginia American Water is regulated by the Virginia State Corporation Commission which ensures that Virginia American Water provides safe and reliable utility service at a reasonable cost to consumers. Our customers' rates are set by the Virginia State Corporation Commission through a transparent ratemaking process that allows for community involvement.

### INFRASTRUCTURE INVESTMENT

Virginia American Water is prepared to address critical issues facing Tazewell County PSA's water and wastewater system like removing lead service lines, replacing aging infrastructure, addressing resiliency investment needs and proactively planning for climate variability impacts.

In 2024, Virginia American Water invested more than \$42 million across the state to upgrade our assets.

### EMPLOYEES

Our employees are our greatest asset and our comprehensive benefits package is one important way we show how much we care. We're sensitive to the impact that a change in system ownership has on employees and work hard to make the transition a smooth and positive experience. We offer a variety of medical, prescription, dental and vision coverage options as well as generous vacation, sick and personal holiday time, incentive pay, a wellness program with incentive payments and other benefits to support our employees and their wellbeing.

We are proud that American Water was named on Forbes America's Best Employers for Company Culture 2025 list and was ranked No. 1 in Utilities Industry on Forbes American's Best Large Employers 2024 list.

### NEW EMPLOYEES

Virginia American Water proposes to hire the PSA's current utility employees to operate and maintain the Utility Assets after Closing. These employees will be part of Virginia American Water's Tazewell Operation Center, located within Tazewell County. Virginia American Water will set its own terms and conditions of employment but shall make available to Tazewell County PSA employees hired by Virginia American Water comparable benefits consistent with Virginia American Water's existing compensation and benefits strategy.

These employees will have the full support of Virginia American Water's other operating districts in cases of emergency, as well as the resources available to Virginia American Water through American Water.

### EMPLOYEE TRAINING

We support our water and wastewater operators in obtaining and maintaining licenses. Virginia American Water uses a mix of in-house and external training to help keep our operators in compliance with state regulations and industry practice. Our operations team and water quality staff also provide ongoing mentoring and guidance to operators and our statewide network allows for ease of information sharing and advice. Our employees receive at least 25 hours of training annually and have access to a suite of programs and services to support continuous learning.

### CAREER DEVELOPMENT & TUITION REIMBURSEMENT

We encourage employees to meet regularly with their managers to best prepare them for growth opportunities within the company. In addition, we utilize cutting-edge technology and tools, provide job-specific training, offer a tuition reimbursement program, and have a robust catalog of instructor-led and e-learning training opportunities.

American Water offers a Tuition Reimbursement Program to employees. The program encourages and supports employees who enroll in college, university and technical school courses to gain specific knowledge or obtain an associate, bachelor's, master's, doctoral or technical degree. The program is intended to enhance employees' professional development and their skills and knowledge related to the water utility industry.

- ii. Identify any anticipated public support or opposition as well as any anticipated government support or opposition, for the project.

Virginia American Water and American Water are not presently aware of any opposition to the Acquisition and anticipate public and governmental support in recognition of the benefits that the sale will bring to the PSA's water and wastewater customers, employees and Tazewell County. Our team will develop and implement a comprehensive public relations strategy, in concurrence with the Tazewell County PSA, to educate stakeholders and constituents and to build and maintain support for the sale of the Utility Assets.

- iii. Explain the strategy and plans that will be carried out to involve and inform the general public, business community, and governmental agencies in areas affected by the project.

Our approach to communications and community outreach will focus on community involvement and education geared towards building and maintaining support and enthusiasm for the sale of the PSA's Utility Assets.

Should Tazewell County PSA select Virginia American Water, our project team will make the appropriate announcements, coordinated with public relations personnel from Tazewell County PSA,

regarding the scope and intended benefits of the Acquisition. Virginia American Water will provide a comprehensive and coordinated public information campaign that will reach the full range of stakeholders, including the general public, elected officials, public agencies and those employees and individuals who may be affected by the Acquisition.

Our plan includes, but is not limited to, community meetings, news media and social media outreach, a dedicated Tazewell County PSA Acquisition web page on [www.virginiaamwater.com](http://www.virginiaamwater.com), fliers, educational bill inserts, and meetings with local leaders to provide updates on the Acquisition.

- iv. Describe the anticipated significant benefits to the community, region or state, including anticipated benefits to the economic condition of Tazewell County and whether the project is critical to attracting or maintaining competitive industries and businesses to the PSA or the surrounding region.

Safe, clean, reliable and affordable water and wastewater service is the backbone of every community, thereby providing a strong foundation for sustainable community growth. In addition to providing these critical services to the community, where possible, Virginia American Water uses local businesses and vendors to provide tools, equipment, and skilled labor, further increasing the likelihood of attracting and maintaining local business.

We value our relationship with our supplier base and we realize many of these businesses are our customers. Supplier engagement is the gateway to building economic prosperity in the communities we serve. In 2023, American Water's Supply Chain achieved \$1.6 billion in total production. This spending resulted in over 8,400 jobs supported, \$621 million wages supported and \$190.6 million in taxes generated.

- v. Describe compatibility with the local comprehensive plan, local infrastructure development plans, the capital improvements budget, or other government spending plan.

The sale of the Utility Assets is directly aligned with the PSA's goals to provide clean, safe water for all residents as outlined in the PSA's mission statement. Virginia American Water has the financial and technical capabilities to manage, maintain, and invest in Tazewell County PSA's water and wastewater systems without placing a disproportionate financial burden on customers.

The Acquisition will benefit Tazewell County PSA by eliminating the PSA's water and wastewater utility debt, providing unrestricted proceeds to fund community projects and priorities, and serve as an ongoing source of property tax revenue.

- vi. Provide a statement setting forth participation efforts that are intended to be undertaken in connection with this project with regard to the following types of businesses: (1) Minority owned businesses, (2) woman-owned businesses; and (3) small businesses.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority

American Water views supplier diversity as a valuable component to our company and the communities we serve. Supplier diversity is a business imperative that provides a competitive advantage in all aspects of our business operations. As national members of the National Minority Supplier Development Council, Women Business Enterprise National Council, National Veteran Supplier Development Council, National Gay Lesbian Chamber of Commerce, and many local and regional advocacy organizations American Water takes its responsibility seriously. We partner with these organizations in our outreach strategy to ensure we identify certified and qualified diverse businesses across the spectrum of what we buy while also engaging with local small businesses to diversity our supply chain.

American Water's Supplier Diversity Program works to engage diverse suppliers to support our business. In 2023, American Water contracted a total of \$868.1 million for products and services from small and diverse businesses:

- Women-Owned Businesses - \$347.4 million
- Small Businesses - \$331.2 million
- Minority-Owned Business - \$79.4 million

## Appendix A Virginia American Water Service Territory Map

### VIRGINIA OPERATIONS



## Appendix B

### Virginia American Water 2024 Cape Charles Acquisition Case Study



**PROUD TO BE YOUR  
WATER & WASTEWATER  
SERVICE PROVIDER**

April 2025

It's been a year since we completed the acquisition of the Town of Cape Charles' water and wastewater systems, and what a year it has been! Here's a quick recap of what we've accomplished.

Our focus is to provide you with safe, reliable water and wastewater service, and we have the people—including eight employees we welcomed to our family from the Town of Cape Charles—and technologies to get the job done right. We want to share highlights of what we've been doing in Cape Charles with our valued customers.

#### OUR COMMITMENT TO INVESTING IN YOUR COMMUNITY

We are in the process of completing a comprehensive planning study of the drinking water and wastewater systems. In total, we plan to invest more than \$10 million in Cape Charles' water and wastewater systems by 2032. These investments are part of our statewide initiative to accelerate replacing aging infrastructure and increase system reliability and resiliency in the communities we serve. Last year alone, we invested over \$1.9 million in Cape Charles.

Here are highlights of the projects completed:

##### Key water system improvements

- Replaced over 800 water meters
- Installed new SCADA technology that allows our team to monitor plant operations and control them from a centralized location and view what is happening in the distribution system
- Enhanced water quality by replacing the treatment plant's filter media
- Improved system resiliency by installing new or replacing existing generators
- Completed plant upgrades to improve employee safety and security

##### Key wastewater system improvements

- Installed sewer meters to measure sewage flows to collect data
- Completed smoke testing of sewer laterals to identify leaks or breaks in sewer lines
- Inspected sewer laterals using CCTV camera technology to identify tree roots or debris that have entered the pipes as well as inflow and infiltration of groundwater and stormwater
- Completed plant upgrades to improve employee safety, including lighting, HVAC and ventilation improvements



**We are excited to be your water service provider. Our customers are at the center of everything we do. We never forget that at the end of every pipe there's a family depending on us to provide this important and essential service.**

Laura Runkle, President  
Virginia American Water



#### CAPE CHARLES OPERATIONS AT A GLANCE

Providing water and wastewater service to Cape Charles since 2024.

##### System Investments

Over \$1.9 million invested to replace and upgrade water infrastructure in 2024

##### Customer Served

Approximately 1,300 residential customers and 130 commercial customers

##### Treatment Facilities

Water treatment plant: Average daily delivery of 175 thousand gallons per day

Wastewater treatment plant: On average, treats 250 thousand gallons of wastewater (750,000 gallons peak)

##### Source of Supply

Yorktown Eastover Aquifer

##### Miles of Pipe

Water: 24.3 miles  
Wastewater: 25.8 miles

##### Full-time Employees

9 water and wastewater professionals

04-2025

## Appendix C

### Virginia American Water 2022 Waverly Acquisition Case Study



### TOWN OF WAVERLY, VA

Water system sale to Virginia American Water leads to greatly improved water quality and service for residents.

#### THE ISSUE

Similar to many small towns, Waverly was challenged with water issues for decades. The water system was old and in disrepair. The public works department repaired hundreds of leaks annually and the number increased steadily each year. Plus, periodic system expansions did not include sufficient pipe “looping,” causing many dead-end lines.

In addition, due to significant amounts of natural iron and manganese in the groundwater, water at the taps was discolored. While these minerals are harmless, the appearance of the water caused concern among residents.

#### THE SOLUTION

In 2021, the Town of Waverly signed an agreement to sell its drinking water system to Virginia American Water based on the need to upgrade the system’s

infrastructure, bring experience and expertise in drinking water management, and make needed water system investments for the Town’s future. The acquisition closed in May of 2022 and included a commitment by Virginia American Water to invest more than \$4 million in system improvements.

#### THE RESULTS

**Capital Investments:** In the first three years of ownership, Virginia American Water met and surpassed its commitment having invested more than \$5.5 million in Waverly’s water system.

To address the discolored water issue the community endured for years, the company installed an ortho-polyphosphate chemical feed system at each well station to reduce iron/manganese discoloration.

*(upgrades continued on slide 2)*

### ABOUT THE WATER SYSTEM

#### About the Water System:

- Serves 1,065 customer connections
- 22 miles of water main
- 3 water wells
- 2 elevated water storage tanks

#### Investments in Waverly:

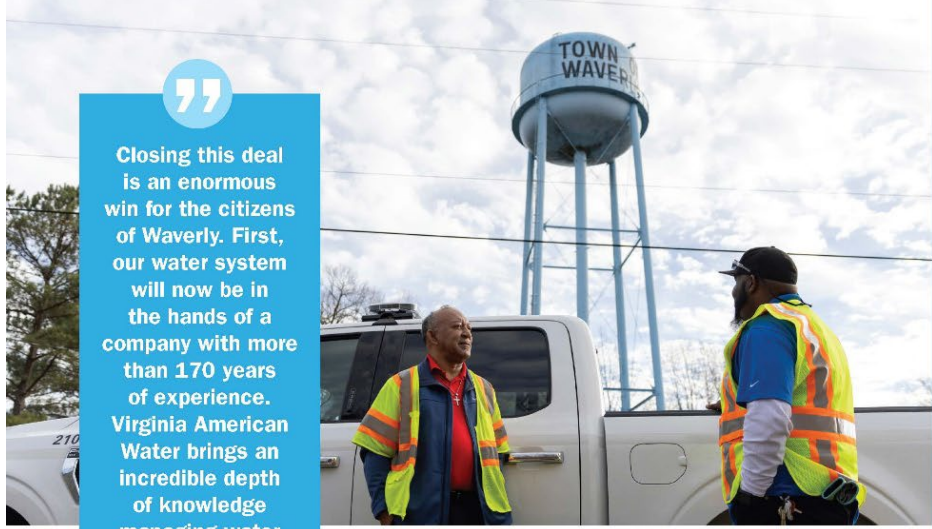
- **Completed:** >\$5.5 million
- **Planned:** \$4.5 million (2023–2024)



#### A LOOK BACK

Scan the QR code to hear what Waverly’s Mayor and Council President said about Virginia American Water’s impact on the community.





”

Closing this deal is an enormous win for the citizens of Waverly. First, our water system will now be in the hands of a company with more than 170 years of experience. Virginia American Water brings an incredible depth of knowledge managing water systems and financial resources to our little town. They are already planning upgrades and improvements that we could only dream of on our own.

**Franklin Cox**  
Council President  
Town of Waverly

In addition, the company completed several other upgrades:

- Added corrosion inhibitor in the water treatment process to reduce corrosion in pipes
- Replaced over 1,000 water meters
- Repaired over 250 system leaks
- Completed upgrades to Waverly Well #1 (replaced well piping and well pump and chemical feed system)
- Made additional upgrades to Waverly Well #3 and Well #4
- Installed new computer control (SCADA) system
- Initiated Waverly Source of Supply Study
- Replaced approximately 5,000 feet of water main along Jasper Lane
- Reduced system water loss by 20%

### ABOUT VIRGINIA AMERICAN WATER

Virginia American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 384,000 people.

Our team of professionals provides safe, affordable and reliable service to our customers to keep their lives flowing.

Learn more online at [virginiaamwater.com](http://virginiaamwater.com).

### COMMUNITY PARTNER

Our employees take an active role in the communities we serve, and we proudly support local initiatives. Here are just a few ways we serve our communities:

- **Environmental Stewardship:** Supports community-based projects that improve, restore and protect our source water and watersheds.

- **Firefighting Support Grants:** Supports volunteer fire companies in purchasing equipment and critical trainings.
- **Speakers' Bureau and Hands-on Activities:** We provide presentations on water-related topics for all ages.

We believe when we invest and volunteer at our local schools and nonprofit organizations, we are all stronger. Here are local initiatives our employees supported in Waverly:

- Annual K5 and 1-Mile Fun Run
- Oktoberfest
- Waverly Juneteenth Celebration
- Waverly Library Trunk or Treat



**Making an IMPACT in our communities!**



In 2024, Virginia American Water and the American Water Charitable Foundation contributed more than **\$302k** IN VIRGINIA

**SOLUTIONS. ONE MORE WAY WE KEEP LIFE FLOWING.**

05-2025

**Appendix D**  
Virginia American Water Financial Statement

**Virginia-American Water**

**Company**

**(A wholly-owned subsidiary**

**of**

**American Water Works Company, Inc.)**

**Financial Statements**

**As of and for the years ended December 31, 2024 and 2023**





### Report of Independent Auditors

To the Board of Directors of Virginia-American Water Company

#### *Opinion*

We have audited the accompanying financial statements of Virginia-American Water Company (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, of changes in common stockholder's equity, and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*  
April 10, 2025

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



**VIRGINIA-AMERICAN WATER COMPANY**  
**Balance Sheets**  
**For the Years Ended December 31, 2024 and 2023**  
(Dollars in thousands)

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Property, plant and equipment	\$ 667,722	\$ 611,442
Accumulated depreciation	(172,345)	(164,767)
Property, plant and equipment, net	<u>495,377</u>	<u>446,675</u>
<b>Current assets:</b>		
Cash and cash equivalents	630	480
Accounts receivable, net of allowance for uncollectible accounts of \$798 and \$419, respectively	11,950	8,048
Unbilled revenues	5,011	4,436
Notes receivable - affiliated company	4,838	—
Accounts receivable - affiliated company	7	1,232
Materials and supplies	2,236	2,662
Other	370	777
Total current assets	<u>25,042</u>	<u>17,635</u>
<b>Regulatory and other long-term assets:</b>		
Regulatory assets	4,237	3,691
Pension and postretirement benefit assets	6,724	5,797
Other	663	245
Total regulatory and other long-term assets	<u>11,624</u>	<u>9,733</u>
<b>Total assets</b>	<u><u>\$ 532,043</u></u>	<u><u>\$ 474,043</u></u>

The accompanying notes are an integral part of these Financial Statements.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



### VIRGINIA-AMERICAN WATER COMPANY

#### Balance Sheets

For the Years Ended December 31, 2024 and 2023

(Dollars in thousands)

	2024	2023
<b>Capitalization and Liabilities</b>		
<b>Capitalization:</b>		
Common stockholder's equity	\$ 208,988	\$ 173,504
Long-term debt, excluding current portion	193,241	153,451
<b>Total capitalization</b>	<b>402,229</b>	<b>326,955</b>
<b>Current liabilities:</b>		
Notes payable - affiliated company	—	14,437
Current portion long-term debt	—	16,000
Accounts payable	5,750	3,802
Accounts payable - affiliated company	3,654	277
Accrued liabilities	6,332	6,132
Accrued taxes	3,236	2,686
Accrued interest	1,905	1,403
Refunds due to customers	1,298	778
Interim rates reserve	3,671	—
Other	5,465	4,612
<b>Total current liabilities</b>	<b>31,311</b>	<b>50,127</b>
<b>Regulatory and other long-term liabilities:</b>		
Advances for construction	2,950	2,844
Deferred income taxes and investment tax credits	37,795	35,027
Regulatory liabilities	13,561	16,421
Other	1,772	1,183
<b>Total regulatory and other long-term liabilities</b>	<b>56,078</b>	<b>55,475</b>
<b>Contributions in aid of construction</b>	<b>42,425</b>	<b>41,486</b>
<b>Commitments and contingencies (see Note 14)</b>		
<b>Total capitalization and liabilities</b>	<b>\$ 532,043</b>	<b>\$ 474,043</b>

The accompanying notes are an integral part of these Financial Statements.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



**VIRGINIA-AMERICAN WATER COMPANY**  
**Statements of Income**  
**For the Years Ended December 31, 2024 and 2023**  
(Dollars in thousands)

	<b>2024</b>	<b>2023</b>
<b>Operating revenues</b>	<u>\$ 105,369</u>	<u>\$ 89,908</u>
<b>Operating expenses (income):</b>		
Operation and maintenance	53,994	49,413
Depreciation and amortization	15,032	13,941
General taxes	6,899	5,745
Total operating expenses, net	<u>75,925</u>	<u>69,099</u>
<b>Operating income</b>	<u>29,444</u>	<u>20,809</u>
<b>Other income (expenses):</b>		
Interest, net	(8,304)	(7,837)
Non-operating benefit costs, net	530	(39)
Other, net	(15)	(30)
Total other expenses	<u>(7,789)</u>	<u>(7,906)</u>
<b>Income before income tax expense</b>	<u>21,655</u>	<u>12,903</u>
<b>Provision for income tax expense</b>	<u>3,871</u>	<u>2,123</u>
<b>Net income</b>	<u>\$ 17,784</u>	<u>\$ 10,780</u>

The accompanying notes are an integral part of these Financial Statements.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



### VIRGINIA-AMERICAN WATER COMPANY

#### Statements of Cash Flows

#### For the Years Ended December 31, 2024 and 2023

(Dollars in thousands)

	2024	2023
<b>Cash flows from operating activities</b>		
Net income	\$ 17,784	\$ 10,780
Adjustments to reconcile to net cash flows provided by operating activities:		
Depreciation and amortization	15,032	13,941
Amortization of debt expense	168	143
Deferred income taxes and amortization of deferred investment tax credits	2,500	3,848
Provision for losses on accounts receivable	781	346
Gain on asset dispositions and acquisitions		
Pension and non-pension postretirement benefits	(65)	(224)
Other, net	951	1,271
Changes in assets and liabilities:		
Accounts receivable and unbilled revenues	(5,258)	(1,439)
Accounts receivable and payable - affiliated company, net	4,603	(7,075)
Pension and non-pension postretirement benefit contributions	(862)	(745)
Accounts payable and accrued liabilities	2,925	(2,530)
Accrued interest	502	9
Accrued taxes	550	290
Interim rates reserve	3,671	(2,600)
Other assets and liabilities, net	1,191	716
Net cash provided by operating activities	<u>44,473</u>	<u>16,731</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(47,944)	(58,036)
Acquisitions	(15,677)	(542)
Removal costs from property, plant and equipment retirements, net	(5,620)	(4,442)
Net cash used in investing activities	<u>(69,241)</u>	<u>(63,020)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term debt	40,000	6,000
Repayment of long-term debt	(16,000)	—
Notes payable and receivable- affiliated company, net	(19,275)	(362)
Debt issuance costs	(406)	(112)
Advances and contributions, net of refunds of \$68 and \$132 in 2024 and 2023, respectively	2,899	2,474
Capital contributions by stockholder	28,000	45,360
Dividends paid	(10,300)	(7,113)
Net cash provided by financing activities	<u>24,918</u>	<u>46,247</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	150	(42)
<b>Cash and cash equivalents at beginning of year</b>	480	522
<b>Cash and cash equivalents at end of year</b>	<u>\$ 630</u>	<u>\$ 480</u>
<b>Cash paid during the year for:</b>		
Interest, net of capitalized amount	\$ 7,816	\$ 7,733
Income taxes	\$ 1,290	\$ 4,514
<b>Non-cash investing activity</b>		
Capital expenditures acquired on account but unpaid as of year end	\$ 1,793	\$ 2,597

The accompanying notes are an integral part of these Financial Statements.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



**VIRGINIA-AMERICAN WATER COMPANY**  
**Statements of Changes in Common Stockholder's Equity**  
**For the Years Ended December 31, 2024 and 2023**  
(Dollars in thousands)

	Common Stock		Paid-in Capital	Retained Earnings	Total
	Shares	Par Value			
<b>Balance as of December 31, 2022</b>	267,080	\$ 13,354	\$ 72,501	\$ 38,614	\$ 124,469
Net income	—	—	—	10,780	10,780
Capital contributions	—	—	45,368	—	45,368
Dividends declared	—	—	—	(7,113)	(7,113)
<b>Balance as of December 31, 2023</b>	267,080	\$ 13,354	\$ 117,869	\$ 42,281	\$ 173,504
Net income	—	—	—	17,784	17,784
Capital contributions	—	—	28,000	—	28,000
Dividends declared	—	—	—	(10,300)	(10,300)
<b>Balance as of December 31, 2024</b>	267,080	\$ 13,354	\$ 145,869	\$ 49,765	\$ 208,988

The accompanying notes are an integral part of these Financial Statements.

### VIRGINIA-AMERICAN WATER COMPANY

#### Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

#### Note 1: Organization and Operation

Virginia-American Water Company (the “Company”) provides water and wastewater services in the Commonwealth of Virginia. As a public utility operating in Virginia, the Company functions under rules and regulations prescribed by the Virginia State Corporation Commission (the “Commission”). The Company is a wholly-owned subsidiary of American Water Works Company, Inc. (“AWW”).

#### Note 2: Significant Accounting Policies

##### *Regulation*

The Company is subject to regulation by the Commission, the Virginia Department of Health, the Virginia Department of Environmental Quality, and the U.S. Environmental Protection Agency. As such, the Company follows authoritative accounting principles required for rate regulated utilities, which requires the effects of rate regulation to be reflected in the Company’s Financial Statements. The Commission generally authorizes revenue at levels intended to recover the estimated costs of providing service, plus a return on net investments, or rate base. The Commission may also approve accounting treatments, long-term financing programs and cost of capital, operation and maintenance (“O&M”) expenses, capital expenditures, taxes, affiliated transactions and relationships, reorganizations, mergers, and acquisitions, along with imposing certain penalties or granting certain incentives. Due to timing and other differences in the collection of a regulated utility’s revenues, these authoritative accounting principles allow a cost that would otherwise be charged as an expense by a non-regulated entity, to be deferred as a regulatory asset if it is probable that such cost is recoverable through future rates. Conversely, these principles also require the creation of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future, or amounts collected in excess of costs incurred and are refundable to customers. See Note 3—Regulatory Matters for additional information.

##### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires that management make estimates, assumptions and judgments that could affect the Company’s financial condition, results of operations and cash flows. Actual results could differ from these estimates, assumptions and judgments. The Company considers its critical accounting estimates to include (i) the application of regulatory accounting principles and the related determination and estimation of regulatory assets and liabilities, (ii) revenue recognition and the estimates used in the calculation of unbilled revenue, (iii) accounting for income taxes, (iv) benefit plan assumptions and (v) the estimates and judgments used in determining loss contingencies. The Company’s critical accounting estimates that are particularly sensitive to change in the near term are amounts reported for regulatory assets and liabilities, income taxes, benefit plan assumptions and contingency-related obligations.

##### *Property, Plant and Equipment*

Property, plant and equipment consists primarily of utility plant. Additions to utility plant and replacement of retirement units of utility plant are capitalized and include costs such as materials, direct labor, payroll taxes and benefits, indirect items such as engineering and supervision and transportation. Costs for repair, maintenance and minor replacements are charged to O&M expense as incurred.

The cost of utility plant is depreciated using the straight-line average remaining life, group method. The Company records depreciation in conformity with amounts approved by the Commission after regulatory review of the information the Company submits to support its estimates of the assets' remaining useful lives.

When units of property, plant and equipment are replaced, retired or abandoned, the carrying value is credited against the asset and charged to accumulated depreciation. To the extent the Company recovers cost of removal or other retirement costs through rates after the retirement costs are incurred, a regulatory asset is recorded. In some cases, the Company recovers retirement costs through rates during the life of the associated asset and before the costs are incurred. These amounts result in a regulatory liability being reported based on the amounts previously recovered through customer rates, until the costs to retire those assets are incurred.

The costs incurred to acquire and internally develop computer software for internal use are capitalized as a unit of property. The carrying value of these costs, net of amortization, amounted to \$4,887 and \$6,249 as of December 31, 2024 and 2023, respectively.

#### *Cash and Cash Equivalents*

Substantially all cash is invested in interest-bearing accounts. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

#### *Accounts Receivable and Unbilled Revenues*

The majority of the Company's accounts receivable is due from utility customers and represents amounts billed to the Company's customers on a monthly basis. Credit is extended based on the guidelines of the Commission and collateral is generally not required. Unbilled revenues are accrued when service has been provided but has not been billed to customers.

#### *Allowance for Uncollectible Accounts*

Allowance for uncollectible accounts are maintained for estimated probable losses resulting from the Company's inability to collect receivables from customers. Accounts that are outstanding longer than the payment terms are considered past due. A number of factors are considered in determining the allowance for uncollectible accounts, including the length of time receivables are past due, previous loss history, current economic and societal conditions and reasonable and supportable forecasts that affect the collectability of receivables from customers. The Company generally writes off accounts when they become uncollectible or are over a certain number of days outstanding.

#### *Materials and Supplies*

Materials and supplies are stated at the lower of cost or net realizable value. Cost is determined using the average cost method.

#### *Advances for Construction and Contributions in Aid of Construction*

The Company may receive advances for construction and contributions in aid of construction from customers, home builders, real estate developers and others to fund construction necessary to extend service to new areas. Advances are refundable for limited periods of time as new customers begin to receive service or other contractual obligations are fulfilled.

Advances that are no longer refundable are reclassified to contributions in aid of construction. Contributions in aid of construction are permanent collections of plant assets or cash for a particular construction project. For ratemaking purposes, the amount of such contributions generally serves as a rate base reduction since the contributions represent non-investor supplied funds.

Generally, the Company depreciates utility plant funded by contributions and amortizes its contributions in aid of construction balance as a reduction to depreciation expense, producing a result which is functionally equivalent to reducing the original cost of the utility plant for the contributions. Amortization of contributions in aid of construction was \$1,979 and \$1,894 for the years ended December 31, 2024 and 2023, respectively.

### *Revenue Recognition*

Under Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*, and all related amendments (collectively “ASC 606”), a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services. Under ASC 606, a contract’s transaction price is allocated to each distinct performance obligation. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identifies the contracts with a customer; (ii) identifies the performance obligations within the contract, including whether any performance obligations are distinct and capable of being distinct in the context of the contract; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when, or as, the Company satisfies each performance obligation.

The Company’s revenues from contracts with customers are discussed below. Customer payments for contracts are generally due within 30 days of billing and none of the contracts with customers have payment terms that exceed one year; therefore, the Company elected to apply the significant financing component practical expedient and no amount of consideration has been allocated as a financing component.

Revenue is generated primarily from water and wastewater services delivered to customers. These contracts contain a single performance obligation, the delivery of water and/or wastewater services, as the promise to transfer the individual good or service is not separately identifiable from other promises within the contracts and, therefore, is not distinct. Revenues are recognized over time, as services are provided. There are generally no significant financing components or variable consideration. Revenues include amounts billed to customers on a cycle basis and unbilled amounts calculated based on estimated usage from the date of the meter reading associated with the latest customer bill, to the end of the accounting period. The amounts that the Company has a right to invoice are determined by each customer’s actual usage, an indicator that the invoice amount corresponds directly to the value transferred to the customers.

### *Income Taxes*

AWW and its subsidiaries participate in a consolidated federal income tax return for U.S. tax purposes. Members of the consolidated group are charged with the amount of federal income tax expense determined as if they filed separate returns.

Certain income and expense items are accounted for in different time periods for financial reporting than for income tax reporting purposes. The Company provides deferred income taxes on the difference between the tax basis of assets and liabilities and the amounts at which they are carried on the Balance Sheets. These deferred income taxes are based on the enacted tax rates expected to be in effect when these temporary differences are projected to reverse. In addition, regulatory assets and liabilities are recognized for the effect on revenues expected to be realized as the tax effects of temporary differences, previously flowed through to customers, reverse.

Investment tax credits have been deferred and are being amortized to income over the average estimated service lives of the related assets.

The Company recognizes accrued interest and penalties related to tax positions as a component of income tax expense. See Note 10—Income Taxes for additional information.

### New Accounting Standards

Presented in the table below are recently issued accounting standards that have not yet been adopted by the Company as of December 31, 2024:

Standard	Description	Date of Adoption	Application	Estimated Effect on the Financial Statements
Income Taxes	The guidance in this standard requires a qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. The guidance also requires an annual disclosure of income taxes paid, net of refunds, disaggregated by federal, state and foreign taxes paid. The standard includes other disclosure requirements and eliminates certain existing disclosure requirements.	January 1, 2026	Prospective, with retrospective application also permitted	The Company is evaluating the impact on its Financial Statements and the timing of adoption.

### Reclassifications

Certain reclassifications have been made to prior periods in the Financial Statements and Notes to conform to the current presentation.

### Note 3: Regulatory Matters

#### General Rate Cases

On February 24, 2025, the Commission issued an order approving the September 19, 2024 joint “black box” settlement of the general rate case filed by the Company. The order approved the stipulated \$14,600 annualized increase in water and wastewater revenues. The original filing, made on November 1, 2023, requested a \$19,700 increase in annualized water and wastewater revenues. Interim water and wastewater rates became effective May 1, 2024, with the difference between interim and final approved rates subject to refund. The requested annualized revenue increase was driven primarily by more than \$110,000 of incremental capital investments made and to be made between May 2023 and April 2025. For purposes of the general rate case, the Company's view of its rate base is \$369,000, compared to \$275,000 in its 2023 rate case. The order also approved, solely for purposes of the Company's future filings requiring a stated cost of capital and/or capital structure (including its annual information and water and wastewater infrastructure surcharge filings), a return on equity (“ROE”) of 9.70% and a capital structure consisting of an equity component of 45.67% and a debt and other component of 54.33%, which also represents the Company's view of its ROE and capital structure in this general rate case. The ROE approved in the Company's 2023 rate case order was 9.70%, the approved equity component was 40.73% and the approved debt and other component was 59.27%.

#### Regulatory Assets

Regulatory assets represent costs that are probable of recovery from customers in future rates. Cost of removal is included in rate base and earns a return.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



Presented in the table below is the composition of regulatory assets as of December 31:

	<b>2024</b>	<b>2023</b>
Unamortized debt expense	\$ 1,684	\$ 1,447
Deferred rate case	1,077	1,000
Removal costs recovered through rates	846	—
Make whole premium	368	398
Pandemic financial impacts	91	364
Deferred purchased water	—	321
Other	171	161
<b>Total regulatory assets</b>	<b>\$ 4,237</b>	<b>\$ 3,691</b>

Unamortized debt expense is deferred and amortized, over the life of the respective issuance, to the extent it will be recovered through future service rates.

The Company defers the costs associated with the preparation, filing and litigation of each rate case, including the cost of service study.

Removal costs recovered through rates are estimated costs to retire assets at the end of their expected useful lives that are recovered through customer rates over the lives of the associated assets.

Make whole premiums on the redemption of long-term debt are deferred and amortized to the extent they will be recovered through future service rates.

Pandemic financial impacts include the COVID-19 financial impacts.

The Commission requires the Company to defer the over and under collection of purchased water costs for all districts. These costs are deferred for the current year and then on the cumulative over and under recovery of the costs an Actual Cost Adjustment is used in determining future purchase water surcharges.

Other regulatory assets include costs to inspect and paint water tanks.

### *Regulatory Liabilities*

Regulatory liabilities generally represent amounts that are probable of being credited or refunded to customers through the ratemaking process. Also, if costs expected to be incurred in the future are currently being recovered through rates, the Company records those expected future costs as regulatory liabilities.

Presented in the table below is the composition of regulatory liabilities as of December 31:

	<b>2024</b>	<b>2023</b>
Income taxes recovered through rates	\$ 12,623	\$ 13,501
Removal costs recovered through rates	—	2,323
Other	938	597
<b>Total regulatory liabilities</b>	<b>\$ 13,561</b>	<b>\$ 16,421</b>

Income taxes recovered through rates are related to excess accumulated deferred income taxes that are being amortized as a reduction to income tax expense. This regulatory liability is mainly comprised of the remeasurement of accumulated deferred income taxes resulting from the reduction in the federal corporate income tax rate from 35% to 21% which became effective January 1, 2018, as a result of the Tax Cuts and Jobs Act.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



Removal costs recovered through rates are estimated costs to retire assets at the end of their expected useful lives that are recovered through customer rates over the lives of the associated assets.

Other regulatory liabilities include deferred pension and other postretirement benefit costs and deferred over collection of purchased water costs.

### Note 4: Revenue Recognition

#### Disaggregated Revenues

Presented in the table below are operating revenues disaggregated for the year ended December 31, 2024:

	Revenues from Contracts with Customers	Other Revenues Not from Contracts with Customers (a)	Total Operating Revenues
<b>Water Services:</b>			
Residential	\$ 32,238	\$ 3,784	\$ 36,022
Commercial	27,445	3,371	30,816
Industrial	13,498	1,310	14,808
Fire service	12	—	12
Public and other	4,014	—	4,014
Sales for resale	197	—	197
<b>Total water services</b>	<b>77,404</b>	<b>8,465</b>	<b>85,869</b>
<b>Wastewater services:</b>			
Residential	10,986	1,698	12,684
Commercial	2,162	499	2,661
Public and other	249	—	249
<b>Total wastewater services</b>	<b>13,397</b>	<b>2,197</b>	<b>15,594</b>
Miscellaneous utility charges	3,406	—	3,406
Lease contract revenue	—	500	500
<b>Total operating revenues</b>	<b>\$ 94,207</b>	<b>\$ 11,162</b>	<b>\$ 105,369</b>

(a) Includes revenues associated with provisional rates, lease contracts, which are outside the scope of ASC 606, and accounted for under other existing GAAP.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



Presented in the table below are operating revenues disaggregated for the year ended December 31, 2023:

	Revenues from Contracts with Customers	Other Revenues Not from Contracts with Customers (a)	Total Operating Revenues
<b>Water Services:</b>			
Residential	\$ 30,797	\$ —	\$ 30,797
Commercial	26,793	—	26,793
Industrial	12,988	—	12,988
Fire service	43	—	43
Public and other	3,785	—	3,785
Sales for resale	178	—	178
Total water services	74,584	—	74,584
<b>Wastewater services:</b>			
Residential	9,831	—	9,831
Commercial	2,053	—	2,053
Public and other	224	—	224
Total wastewater services	12,108	—	12,108
Miscellaneous utility charges	2,783	—	2,783
Lease contract revenue	—	433	433
Total operating revenues	\$ 89,475	\$ 433	\$ 89,908

(a) Includes revenues associated with lease contracts, which are outside the scope of ASC 606, and accounted for under other existing GAAP.

### Note 5: Acquisitions

#### *Closed Acquisitions*

During 2024, the Company completed the acquisition of the water and wastewater system assets of the Town of Cape Charles for a purchase price of \$15,000, which was accounted for as a business combination. The water and wastewater system each currently serves approximately 1,400 customers.

During 2023, the Company completed the acquisition of one water system for a purchase price of \$375, which was accounted for as an asset acquisition. The water system currently serves approximately 300 customers.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



### Note 6: Property, Plant and Equipment

Presented in the table below are the major classes of utility plant by category at December 31:

	Range of Remaining Useful Life	2024	2023
Utility Plant:			
Land and other non-depreciable assets	—	\$ 5,570	\$ 3,341
Sources of supply	40 to 109 Years	19,210	17,886
Treatment and pumping	11 to 60 Years	87,011	74,301
Transmission and distribution	40 to 73 Years	223,063	209,804
Services, meters and fire hydrants	23 to 70 Years	89,750	81,616
General structures and equipment	5 to 93 Years	82,295	82,067
Wastewater	2 to 132 Years	131,268	114,786
Construction work in progress	—	29,555	27,641
Total utility plant		<u>\$ 667,722</u>	<u>\$ 611,442</u>

The provision for depreciation expressed as a percentage of the aggregate average depreciable asset balances was 2.75% and 2.79% in 2024 and 2023, respectively.

### Note 7: Long-Term Debt

Presented in the table below are the components of long-term debt as of December 31:

	Rate	Weighted Average Rate	Maturity Date	2024	2023
Mortgage bonds	6.72%-7.92%	7.05%	2028-2030	\$ 8,300	\$ 8,300
Notes payable to affiliated company	3.25%-5.90%	4.24%	2026-2054	185,601	161,601
Long-term debt				193,901	169,901
Unamortized debt discount, net				(660)	(450)
Less: current portion of long term debt				—	(16,000)
Total long-term debt				<u>\$ 193,241</u>	<u>\$ 153,451</u>

The general mortgage bonds are issued in series. No bonds senior to the general mortgage bonds may be issued so long as the general mortgage bonds are outstanding. Based on the calculation methodology specified by the debt agreements, the amount of bonds authorized is limited, as long-term debt cannot exceed 65% of total capitalization, and adjusted net income of the Company must be equal to or greater than 1.5 times the aggregate annual interest charges on all long-term debt of the Company. At December 31, 2024, long-term debt was 48% of total capitalization and net income excluding gains or losses on property sales, amortization of debt issuance costs, interest on long-term debt, and provision for income taxes was 3.78 times the aggregate annual interest charges on all long-term debt. Mortgage bonds are collateralized by utility plant.

The long-term notes payable to affiliated company are unsecured and were issued to American Water Capital Corporation (“AWCC”), a subsidiary of AWW, for the principal amount. AWCC provided the funding for these notes by issuing senior notes to institutional investors at a price equal to the principal amount.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



Presented in the table below are the issuances of long-term debt payable to AWCC in 2024:

Type	Rate	Maturity	Amount
Notes payable to affiliated company	5.15%	2034	\$ 20,000
Notes payable to affiliated company	5.45%	2054	\$ 20,000
Total			<u>\$ 40,000</u>

In March 2025, the Company issued long-term notes payable to affiliated company for \$7,500 with a fixed interest rate of 5.25% due in 2035.

Presented in the table below are the retirements and redemptions of long-term debt in 2024 through sinking fund provisions, optional redemption or payment at maturity:

Type	Rate	Maturity	Amount
Notes payable to affiliated company	3.85%	2024	16,000
Total			<u>\$ 16,000</u>

Presented in the table below are future sinking fund payments and debt maturities:

	Amount
2025	\$ —
2026	6,000
2027	—
2028	19,192
2029	—
Thereafter	168,709

### Note 8: Short-Term Debt

The Company maintained a line of credit agreement with AWCC for \$37,000 at December 31, 2024 and 2023. The Company may borrow from this line of credit agreement, which does not have an expiration date. No compensating balances are required under the agreements. Funds were primarily used for short-term operating needs. There were no outstanding borrowings at December 31, 2024 and there were \$14,437 of outstanding borrowings at December 31, 2023. The weighted average annual interest rate on these borrowings was 4.65% and 5.51% in 2024 and 2023, respectively. Short-term debt is presented as Notes payable - affiliated company on the Balance Sheets.

At December 31, 2024 and 2023, the Company had \$135 of outstanding stand-by letters of credit. If drawn, the stand-by letters of credit would reduce the available borrowings under the Company's AWCC credit line.

AWW, through AWCC, has committed to make additional financing available to the Company, as needed, to pay its obligations as they come due.

### Note 9: General Taxes

Presented in the table below are the components of general tax expense for the years ended December 31:

	2024	2023
Property	\$ 3,829	\$ 2,843
Gross receipts	2,187	2,098
Payroll	538	488
Other General	345	316
Total general taxes	<u>\$ 6,899</u>	<u>\$ 5,745</u>

### Note 10: Income Taxes

Presented in the table below are the components of income tax expense (benefit) for the years ended December 31:

	2024	2023
<b>Federal income taxes:</b>		
Current	\$ 1,371	\$ (1,725)
Deferred	2,534	3,881
Amortization of deferred investment tax credits	(34)	(33)
Provision for income taxes	<u>\$ 3,871</u>	<u>\$ 2,123</u>

The primary components of the net deferred tax liability of \$36,924 and \$34,127 as of December 31, 2024 and 2023, respectively, include basis differences in utility plant partially offset by advances and contributions. No valuation allowances were required on deferred tax assets at December 31, 2024 and 2023 as management believes it is more likely than not that deferred tax assets will be realized.

As of December 31, 2024 and 2023, the Company's reserve for uncertain tax positions is \$1,634 and \$1,019, respectively, excluding accrued interest and penalties. The Company's tax positions relate primarily to the deductions claimed for repair and maintenance costs on its utility plant. The Company expects a reduction of approximately \$378 in its unrecognized tax benefits within the next year due to the expiration of statutes of limitation, offset with current year activity. Since there are no federal nor state net operating loss carryforwards available, tax attributes are not available to reduce the liabilities for uncertain tax positions or interest accrued as presented on the Company's Financial Statements. If the Company sustains all of its positions as of December 31, 2024, there would be no impact to the Company's effective tax rate, other than reversal of interest and penalties. The Company had an immaterial amount of interest and penalties related to its tax positions as of December 31, 2024 and 2023.

The Company files income tax returns in the United States federal jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal tax examinations by tax authorities for years before 2021. The Company is not subject to state income taxes.

### **Note 11: Employee Benefit Plans**

#### *Savings Plan for Employees*

The Company maintains a 401(k) savings plan, sponsored by AWW, allowing employees to save for retirement on a tax-deferred basis. Employees can make contributions that are invested at their direction in one or more funds. The Company makes matching contributions based on a percentage of an employee's contribution, subject to certain limitations. Due to the Company's discontinuing new entrants into the defined benefit pension plan, on January 1, 2006, the Company began providing an additional 5.25% of base pay defined contribution benefit for union employees hired on or after January 1, 2001, and non-union employees hired on or after January 1, 2006. The Company expensed contributions to the plans of \$402 and \$344 for 2024 and 2023, respectively. All of the Company's contributions are invested in one or more funds at the direction of the employees.

#### *Pension Benefits*

The Company participates in a Company-funded defined benefit pension plan, sponsored by AWW, covering eligible employees. Benefits under the plan are based on an employee's years of service and compensation. The pension plan was closed for most employees hired on or after January 1, 2006. Union employees hired on or after January 1, 2001 had their accrued benefit frozen and will be able to receive this benefit as a lump sum upon termination or retirement.

The Company's pension cost is based on an allocation from AWW of the total cost related to the plan. The allocation is based upon the Company's participants' pensionable earnings as a percentage of AWW's total plan pensionable earnings. Information regarding accumulated and projected benefit obligations is not prepared at the subsidiary level. The Company was allocated a cost of \$518 and \$294 in 2024 and 2023, respectively.

AWW's funding practice is to contribute at least the greater of the minimum amount required by the Employee Retirement Income Security Act of 1974 or the normal cost. Further, AWW will consider additional contributions if needed to avoid "at risk" status and benefit restrictions under the Pension Protection Act of 2006. AWW may also consider increased contributions based on other financial requirements and the plan's funded position. The Company's pension contributions are based on an allocation from AWW of the total contributions related to the plan. Contributions are allocated to the Company from AWW based upon the Company's participants' pensionable earnings as a percentage of AWW's total plan pensionable earnings. The Company made contributions of \$818 and \$701 in 2024 and 2023, respectively. The Company expects to contribute \$818 to the AWW plan in 2025.

#### *Postretirement Benefits Other Than Pensions*

The Company participates in a Company-funded plan, sponsored by AWW, that provides varying levels of medical and life insurance to eligible retirees. The retiree welfare plans are closed for union employees hired on or after January 1, 2006, and for non-union employees hired on or after January 1, 2002.

Costs of the Company are based on an allocation from AWW of the total cost related to the plan. The allocation is based upon the Company's covered participants as a percentage of AWW's total plan covered participants. Information regarding accumulated and projected benefit obligations is not prepared at the subsidiary level.

The Company is allocated costs for all postretirement plans sponsored by AWW that provide certain life insurance and health care benefits for retired employees. The Company was allocated a benefit of \$593 and \$528 in 2024 and 2023, respectively.

Contributions of \$44 and \$44 were made in 2024 and 2023, respectively. No contribution to the plan is required in 2025.

### Note 12: Related Parties

American Water Works Service Company, Inc. (“AWWS”), a subsidiary of AWW, provides certain management and operational services to the Company (administration, accounting, communications, data processing, education and training, engineering, financial, health and safety, human resources, information systems, internal audit, legal, operations, procurement, rates, security, risk management, water quality, research and development, etc.) and other operating companies that are subsidiaries of AWW on an at-cost, not-for-profit basis in accordance with a management and service agreement.

Purchases of such services by the Company were accounted for as follows:

	2024	2023
Included in operation and maintenance expense as a charge against income	\$ 7,059	\$ 6,648
Capitalized primarily in utility plant	3,069	3,793
	<u>\$ 10,128</u>	<u>\$ 10,441</u>

The Company received cash capital contributions of \$28,000 and \$45,360 from AWW in 2024 and 2023, respectively. The Company also had no non-cash capital contributions in 2024 and received \$8 of non-cash capital contributions in 2023.

The Company maintains a line of credit through AWCC. The Company also participates in AWCC’s centralized treasury function, whereby the Company transfers its cash to AWCC and the Company’s checks are issued out of AWCC. Under this arrangement, available cash is used to pay-down the line of credit and issued checks increase the Company’s line of credit balance. The Company had outstanding receivables of \$4,838 at December 31, 2024, and had no outstanding receivables at December 31, 2023, through the line of credit. These receivables are presented as Notes receivable-affiliated company on the accompanying Balance Sheets at December 31, 2024 and 2023. Interest income on the Notes receivable-affiliated company with AWCC was \$267 for the year ended December 31, 2024. No interest income was recognized on the Notes receivable-affiliated company with AWCC for the year ended December 31, 2023.

Presented in the table below are a summary of the Company's transactions with AWCC:

	2024	2023
Fees paid to AWCC	\$ 64	\$ 64
Interest expense on short-term borrowings with AWCC	\$ 379	\$ 675
Interest expense on long-term debt with AWCC	7,206	6,253
Accrued interest expense including amounts due to AWCC	1,761	1,260

The Company pays dividends to AWW on a quarterly basis. The amount of the dividend is based on a percentage of net income adjusted for certain items. The Company paid dividends of \$10,300 and \$7,113 in 2024 and 2023, respectively.

### Note 13: Fair Value of Financial Information

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

*Current assets and current liabilities:* The carrying amounts reported on the Balance Sheets for current assets and current liabilities approximate their fair values.

# PPEA Unsolicited Proposal

## Tazewell County Public Service Authority



*Long-term debt:* The fair values of the Company's long-term debt are categorized within the fair value hierarchy based on the inputs that are used to value each instrument. The fair value of long-term debt classified as Level 1 is calculated using quoted prices in active markets. Level 2 instruments are valued using observable inputs and Level 3 instruments are valued using observable and unobservable inputs.

Presented in the table below are carrying amounts and fair values of the financial instruments:

	<b>As of December 31, 2024</b>				
	<b>Carrying Amount</b>	<b>At Fair Value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Long-term debt (including current portion)	\$ 193,241	—	\$ 144,921	\$ 9,009	\$ 153,930

	<b>As of December 31, 2023</b>				
	<b>Carrying Amount</b>	<b>At Fair Value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Long-term debt (including current portion)	\$ 169,451	—	\$ 141,787	\$ 9,271	\$ 151,058

### *Fair Value Measurements*

To increase consistency and comparability in fair value measurements, GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date. Financial assets and liabilities utilizing Level 1 inputs include active exchange-traded equity securities, exchange-based derivatives, mutual funds, and money market funds.
- Level 2 - Inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. Financial assets and liabilities utilizing Level 2 inputs include fixed income securities, non-exchange-based derivatives, commingled investment funds not subject to purchase and sale restrictions and fair-value hedges.
- Level 3 - Unobservable inputs, such as internally-developed pricing models for the asset or liability due to little or no market activity for the asset or liability. Financial assets and liabilities utilizing Level 3 inputs include infrequently-traded non-exchange-based derivatives and commingled investment funds subject to purchase and sale restrictions.

### *Recurring Fair Value Measurements*

The Company had immaterial amounts of assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2024 and 2023.

### **Note 14: Commitments and Contingencies**

Commitments have been made in connection with certain construction programs. The estimated capital expenditures required under legally binding contracts amounted to \$9,781 at December 31, 2024.

The Company entered into water service agreements ("Basic Agreements") with the Fairfax County Water Authority (the "Authority") for the purchase of water, on a wholesale basis, to supply the Company's customers in certain service territories. The Company has also entered into various supplemental agreements with the Authority, as provided under the Basic Agreements, related to additional capacity and certain capital improvements undertaken by the Authority. The Company treats these agreements as long-term, unconditional purchase commitments. The Company incurred \$20,525 and \$18,744 of purchase water costs under these agreements during 2024 and 2023, respectively. The terms of these agreements have varying expiration through 2042. The annual commitments related to these agreements are \$4,818 in 2025, \$4,818 in 2026, \$4,818 in 2027, \$4,818 in 2028, \$4,661 in 2029 and \$36,456 thereafter.

The Company is routinely involved in legal actions incident to the normal conduct of its business. At December 31, 2024, the Company has not identified any material loss contingencies that are probable or reasonably possible.

### **Note 15: Subsequent Events**

The Company performed an evaluation of subsequent events for the accompanying Financial Statements through April 10, 2025, the date this report was issued.

### Appendix E

#### Virginia American Water 2024 Community Impact Report



Making an **IMPACT** in our communities!

Combined, Virginia American Water and the American Water Charitable Foundation contributed over

# \$302k IN VIRGINIA

### EMPLOYEES ENGAGED IN OUR COMMUNITIES

**651**  
hours

Employees volunteered **more than 650 hours in the community**

Here are a few highlights: Donated to toy drives in multiple districts, participated in community clean-ups in Alexandria and Prince William, hosted a school supply drive in our Eastern District, and supported multiple community events in Waverly and Cape Charles.

### GIVING BACK

**Virginia American Water contributed \$23,900 to 11 organizations**

in our communities through grants, scholarships, general charitable contributions and programming support.



**H2O Help to Others Program:** We contributed \$13,943 to fund our customer assistance program.

Since 2010, we have been assisting customers experiencing financial hardship to help keep their water and/or wastewater services flowing.



**Public Safety & Firefighting Support**

\$9,000 to 9 fire & rescue organizations



**Community Sustainability**

\$1,000

**American Water Charitable Foundation contributed over \$278,200 to 105 organizations in Virginia<sup>1</sup>**

- **\$257,885** awarded to 27 organizations through AWCF's "Keep Communities Flowing" grant programs.
- Together, AWCF and employees donated **\$35,471** to 78 nonprofit organizations in Virginia through the foundation's employee matching gift program. This includes more than \$9,221 employees donated through United Way.

<sup>1</sup> The American Water Charitable Foundation is registered with the IRS as a 501(c)(3) private foundation. The Foundation is funded by American Water shareholders and has no impact on customer rates. For more information, visit [amwater.com/awcf](http://amwater.com/awcf).

### Appendix F

#### Financial Assistance Programs



## FINANCIAL ASSISTANCE PROGRAMS

For more than a decade, Virginia American Water has been assisting customers who qualify through its **H2O Help to Others Program™**.

If you're experiencing financial hardship, please reach out to us. We may be able to assist. Here are some of the programs we offer to help keep your life flowing:

### FINANCIAL ASSISTANCE

Since 2010, Virginia American Water has assisted customers pay their water bill through the **H2O Help to Others Program™**.

The program offers grants of up to \$500 per year for customers who qualify. Grants are funded through a corporate donation as well as customer and employee contributions.

To qualify, customers must have annual household incomes at or below 150 percent of the federal poverty guidelines (see chart) and applicants must have made a sincere effort to pay their bill. A grant from this program may not cover the recipient's entire water bill.

MONTHLY INCOME GUIDELINES	
# of People in House	Total Combined Monthly Income
1	\$1,883
2	\$2,555
3	\$3,228
4	\$3,900
5	\$4,573
6	\$5,245

Contact Dollar Energy Fund if you have more than eight members in your household.

*Para obtener información sobre nuestros programas de asistencia a los clientes en español, visite [virginiaamwater.com](http://virginiaamwater.com). Seleccione Programas de asistencia para clientes en Servicio al cliente y facturación. Virginia American Water también brinda servicios de traducción al español a través del Servicio al cliente. Llame al 1-800-452-6863.*

### LEARN MORE ONLINE

- **Virginia American Water:** Scan the QR code or visit [virginiaamwater.com](http://virginiaamwater.com). Under Customer Service & Billing, select Customer Assistance Programs.
- **Dollar Energy Fund:** [www.dollarenergy.org](http://www.dollarenergy.org)

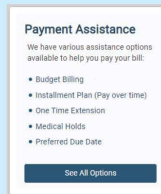


### OTHER PROGRAMS VIRGINIA AMERICAN WATER OFFERS

- **Budget Billing** helps make managing your cash flow easier by providing predictable monthly payments and avoiding unplanned seasonal spikes.
- **Installment Plans** help to extend the time you have to pay a past due balance.
- **Preferred Due Date** enables eligible customers to adjust their due date.

To see if you are eligible or to enroll in the above programs, visit MyWater at [amwater.com/mywater](http://amwater.com/mywater).

In the **Payment Assistance** box, click **See All Options**. You can also contact our Customer Service Center.



### Water Saving Tips and Tools

We offer tips and tools to help customers save water and money. Visit us online at [virginiaamwater.com](http://virginiaamwater.com). Under Water Information, select Detecting Leaks and Wise Water Use.

10-2024