

March 8, 2023

## **APPLICATION BY CORIX MULTI-UTILITY SERVICES INC. FOR APPROVALS RELATING TO A BUSINESS COMBINATION**

Corix Infrastructure Inc. (“**CII**”) and SouthWest Water Company (“**SouthWest**”) announced that they entered into a definitive agreement under which select businesses of CII, including its water business, will combine with the businesses of SouthWest in a merger of equals. The combined company will have more than 1,300 employees serving more than 1.3 million people across 20 U.S. states and two Canadian provinces. The increased scale and enhanced financial foundation of the combined company will facilitate long-term investments required to continue to grow and provide services, including water, in these communities.

Corix Multi-Utility Services Inc. (“**CMUS**”) is an indirect, wholly-owned subsidiary of CII. CMUS is a water utility under the *Water Utility Act* and it owns and operates the following water utility systems in British Columbia:

- a) Canadian Lakeview Estates Water;
- b) Cultus Lake Water;
- c) Okanagan Landing Utilities;
- d) Panorama Mountain Village Water;
- e) Tobiano Water; and
- f) Columbia Ridge Water Utility.

CII intends to perform an internal restructuring before the business combination occurs. This internal restructuring contemplates, among other things, the issuance of new shares by CMUS and the winding-up of an entity into CMUS for the purpose of extinguishing intercompany balances. These are steps that require the Comptroller of Water Rights’ approval. Please note that this internal restructuring will not have any impact on customers.

Once the restructuring is complete, CII will combine its water utility business with SouthWest’s water utility business, resulting in CII and an affiliate of CII and an affiliate of SouthWest each owning 50% of the combined company. This results in an affiliate of SouthWest acquiring indirect control of more than 20% of the voting shares of CMUS.

CMUS’s application to the Comptroller of Water Rights is for approval for CMUS to issue additional shares to Corix Utilities Inc., for CMUS to assume intercompany balances, and for an affiliate of SouthWest to acquire 50% ownership of the combined company.

Any person wishing further information in connection with this application should write to [regulatoryaffairs.canada@corix.com](mailto:regulatoryaffairs.canada@corix.com). A copy of this application is available on request by emailing [regulatoryaffairs.canada@corix.com](mailto:regulatoryaffairs.canada@corix.com).

See below for more information, including important timelines and where to direct questions, comments, and other feedback regarding CMUS’ application.

## FREQUENTLY ASKED QUESTIONS

### **1 Where can I find CMUS's application and related information?**

The application is available by request at [regulatoryaffairs.canada@corix.com](mailto:regulatoryaffairs.canada@corix.com). Information can also be found online at <https://www.corix.com/news/detail/2022/08/29/corix-and-southwest-water-to-combine-water-and-wastewater-assets-in-merger-of-equals>.

### **2 How can I participate in the Comptroller's regulatory review of the application?**

Questions, comments, and other feedback regarding the application should be directed to [regulatoryaffairs.canada@corix.com](mailto:regulatoryaffairs.canada@corix.com) with copies forwarded to Chris McMillan, Secretary to the Comptroller of Water Rights, PO Box 9340 STN PROV GOVT, Victoria, BC V8W 9M1, or by email [Chris.Mcmillan@gov.bc.ca](mailto:Chris.Mcmillan@gov.bc.ca) on or before April 10, 2023.

### **3 How will the business combination impact my water utility bills?**

The business combination will have no immediate impact on the rates paid by customers of the water utilities.

### **4 How will the business combination impact my water quality and water utility service?**

The business combination will not change the conduct of the water utility business, nor will the level of customer service change. In addition, the business combination does not contemplate any change in the day-to-day operations of the water utilities. The water utilities will continue to be operated in the same way and no equipment is being modified or changed that is not within the normal course of business.

### **5 Will the water utilities continue to be regulated following the business combination?**

The water utilities will continue to be regulated by the Comptroller of Water Rights following the business combination.

### **6 Why are the two companies merging? What are the benefits of the merger?**

Both CII and SouthWest are strong companies – financially, technically, operationally, and managerially – that share consistent missions and values. At the same time, CII and SouthWest are geographically diverse. The proposed transaction will allow the combined company's approximately 1,300 employees to provide quality water and other services to its customers across 20 U.S. states and 2 Canadian provinces, building a larger platform to facilitate needed investments in the communities served by the CII and SouthWest operating companies, while continuing to add scale and grow in the future. The combined company's investments, together with the leveraging of best practices and operating expertise of both companies, will support the safe, reliable and sustainable delivery of critical water resources and services, and will enhance the customer experience. The combined company, in short, will have the scale to enhance the ability of the operating utilities to make important infrastructure investments that provide long-term benefits for the communities they serve.