

NOTICE TO THE PUBLIC OF A JOINT PETITION BY

BEDFORD REGIONAL WATER AUTHORITY AND

MONTVALE WATER INCORPORATED

**FOR APPROVAL OF A TRANSFER OF UTILITY ASSETS
PURSUANT TO CHAPTER 5 OF TITLE 56
OF THE CODE OF VIRGINIA
CASE NO. PUR-2025-00231**

On December 30, 2025, pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"), Bedford Regional Water Authority ("BRWA" or the "Authority") and Montvale Water Incorporated ("Montvale") (collectively, the "Petitioners") completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission") requesting authorization for Montvale to transfer to BRWA utility assets located in Bedford County, Virginia ("Proposed Transfer"), which are used to provide water treatment and distribution service to a residential community in Montvale, Virginia.

In support of the Petition, the Petitioners state that the Authority proposes to acquire Montvale's water system, PWSID 5019675 (the "System"), which generally includes a water supply from two wells, a well house with chemical feed systems, a 500,000-gallon, bolted steel ground storage tank, water mains, service lines, meter boxes, meters, and appurtenances. The Authority would operate the System as part of its system. The Authority asserts it has already installed water meters for measuring customers' usage after the acquisition. The Authority seeks to integrate the Montvale customers into its rate structure for other Authority customers in Bedford.

According to the Petition, the principals of Montvale wish to exit and retire from the water utility business. Petitioners represent that Montvale's existence as a corporate entity terminated in 2013, for failure to file Annual Reports with the Commission. Montvale represents continued operation as a noncompliant entity.

Petitioners assert that Code § 13.1-752 (C) applies, and Montvale's property and assets have passed automatically to its directors as trustees in liquidation. Petitioners also assert that Code § 13.1-752 (C) further requires that the trustees proceed to: (i) collect the assets of the corporation; (ii) sell, convey, and dispose of those of its properties that are not to be distributed in kind to its shareholders; (iii) pay, satisfy, and discharge its liabilities and obligations; and (iv) do all other acts required to liquidate its business and affairs.

Based on their understanding of the foregoing, the Petitioners state they have entered into an Agreement for the sale of the System, which would assure the continuation and improvement of service to Montvale's customers. Petitioners further assert that BRWA is the only entity in the area capable and willing to take on this task. Petitioners aver that being part of the Authority's system would increase reliability and service to Montvale's customers and would permit Montvale to wind up its affairs as required by the Code and withdraw from the water utility business in Virginia. According to Petitioners, the Proposed Transfer would also extend the benefits of BRWA's expertise and economies of scale to Montvale customers and would restore reliable service as intended by the original design of the System. Per Petitioners, Montvale owns, maintains, and operates the System, which currently serves approximately 285 residential customers, all of whom would be transferred to and join BRWA's customers, which number approximately 16,000 as of November 2025.

Petitioners aver that, as a courtesy to Montvale's customers, the Authority has been providing maintenance to the System as needed. Petitioners propose that BRWA would fully and formally operate the System as soon as the Proposed Transfer is completed and would thenceforth serve the customers on the System, with Montvale no longer providing any regulated water utility services in Virginia.

According to Petitioners, BRWA would acquire the assets for a base purchase price in an amount equal to Montvale's debt obligation to the United States Department of Agriculture ("USDA") under a loan from USDA to Montvale, which would be paid off at closing. Petitioners note that the debt payoff calculation provided by USDA, based on a December 5 pay-off date, was Four Hundred Ninety-Five Thousand One Hundred Forty-Three and 40/100 Dollars (\$495,143.40), and that the actual, final, base purchase price would be determined based upon an updated payoff quote to be provided by USDA, and paid in full as of the closing date.

Finally, Petitioners submit that no rate changes are proposed as part of the Proposed Transfer. Petitioners propose that after Commission approval of the Proposed Transfer and after closing, customers would be charged the rates as are duly advertised and adopted by the board of directors following a public hearing. Subject to all satisfactory regulatory approvals for closing the transaction and metering the system, BRWA intends to initially bill the Montvale customers using its existing, standard County residential metered rates. After gaining at least one year of billing history experience, Petitioners propose that the board of directors would determine the adequacy of the standard County rate to cover the operational expenses for the Montvale service area.

Additional details are set forth in the Petition and supporting exhibits. Interested persons are encouraged to review these documents.

TAKE NOTICE that the Commission may adopt rates, findings and recommendations that differ from those appearing in the Petition and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed Petitioners to provide notice to the public and provided interested persons an opportunity to comment on the Petition.

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of pleadings, unless they contain confidential information, and required electronic service on parties to this proceeding.

An electronic copy of the Petition may be obtained by submitting a written request to counsel for BRWA: John K. Byrum, Jr. and W. Watts Burks IV, Woods Rogers Vandeventer Black PLC, 10 S. Jefferson Street, Suite 1800, Roanoke, Virginia 24015, john.byrum@woodsrogers.com or watts.burks@woodsrogers.com; or the contact for Montvale: Robert L. Karnes, 11421 W. Lynchburg Salem Turnpike, Montvale, Virginia 24122, montvalewater@gmail.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/case-information.

On or before March 31, 2026, any interested person may submit comments on the Petition by following the instructions on the Commission's website: scc.virginia.gov/case-information/submit-public-comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2025-00231.

On or before March 31, 2026, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to 5 VAC 5-20-80 B, Participation as a respondent, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 et seq. ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, Counsel, of the Rules of Practice. All filings shall refer to Case No. PUR-2025-00231.

On or before March 31, 2026, any interested person or entity may file with the Clerk of the Commission at scc.virginia.gov/clk/efiling a request that the Commission convene a hearing on the Petition. Those unable, as a practical matter, to file the hearing request electronically may file such hearing request by U.S. mail to the Clerk of the Commission at the address listed above. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2025-00231.

A copy of any notices of participation and requests for hearing shall be served electronically on counsel for Petitioners, Commission Staff, and any respondents.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Comment, all filings shall comply fully with the requirements of 5 VAC 5-20-150, Copies and format, of the Rules of Practice.

The Petition and other documents filed in this case, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed on the Commission's website at: scc.virginia.gov/case-information.