

Building Urban Drought Resilience: California Water Service Supports Public Policy Institute of California Study

SAN JOSE, CA -- (Marketwired) -- 06/09/17 -- A new study published yesterday by the Public Policy Institute of California (PPIC), "Building Drought Resilience in California's Cities and Suburbs," recommends improvements in drought resilience that can help urban areas better prepare for future droughts. The research was supported by California Water Service (Cal Water), the largest subsidiary of California Water Service Group (NYSE: CWT), as part of its commitment to sustainability and water-use efficiency.

As the largest regulated water utility in California, Cal Water provided detailed data and insight into the utility's approach to managing the recent historic drought. Cal Water's 24 service areas, each of which had unique water-use reduction requirements set by the State Water Resources Control Board, saved 38.8 billion gallons of water over baseline water use in 2013, while State reduction mandates were in effect between June 2015 and July 2016.

In its report, the PPIC Water Policy Center recommended actions in five key areas to improve drought resilience in urban areas in preparation for future dry years:

- Coordinating water shortage contingency planning and implementation between state and local agencies, allowing for consideration of local supplies and factors through "stress tests" and ensuring transparency through permanent, monthly reporting on water use
- Fostering flexible approaches to water supply management between local and state agencies, including regional investments, water trading, and development of non-traditional supplies such as recycled water and storm water
- Improving fiscal resilience of water suppliers, including proactive drought pricing and customer communication about costs, along with addressing Proposition 218 cost-of-service issues for municipal water suppliers
- Addressing water shortages in vulnerable, rural communities by connecting these smaller systems with capable urban water systems, and in at-risk ecosystems by promoting watershed health
- Balancing long-term water-use efficiency with drought resilience by allocating water savings into a reliability reserve, updating water shortage contingency planning requirements, and incorporating service-reliability goals into long-range supply plans

"Cal Water customers did a remarkable job conserving water during the recent, historic drought, and it's imperative that we retain the excellent habits our customers and other Californians developed. At the same time, PPIC's report identifies additional measures that should be considered to ensure we are prepared for future droughts," said Ken Jenkins, Cal Water Director of Drought Management and Conservation. "We are pleased to have participated in the PPIC Water Policy Center study on the effects of the recent drought and

strategies utilized to manage it, and how we can increase urban drought resiliency for the future."

The full report can be downloaded at www.ppic.org/main/publication.asp?i=1236.

California Water Service serves about 2 million people through 482,400 service connections in California. The company has provided water service in the state since 1926. Additional information may be obtained online at www.calwater.com.