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California Water Service Group Subsidiaries Preparing for Compliance with Potential PFAS Drinking Water Regulation

SAN JOSE, Calif., March 14, 2023 (GLOBE NEWSWIRE) -- With the release of a proposed national primary drinking water regulation by the U.S. Environmental Protection Agency (EPA) for certain per- and polyfluoroalkyl substances (PFAS) today, California Water Service Group's (Group, NYSE: CWT) subsidiaries are assessing the impact of the potential regulation on their water systems in California, Hawaii, New Mexico, and Washington. Group's subsidiaries are reviewing the proposed regulation and intend to examine treatment needs in their systems; the subsidiaries are committed to complying with any eventual final regulation.

EPA's proposed regulation calls for a maximum contaminant level (MCL) for two PFAS—PFOS and PFOA—of 4 parts per trillion (ppt) each. Four additional PFAS—PFNA, PFHxS, PFBS, and GenX—would have a combined hazard index limit of 1.0; the hazard index calculation would determine if the levels of these PFAS as a mixture pose a potential risk.

Group's largest subsidiary, California Water Service (Cal Water), has tested its active water sources and has protocols to comply with current state notification and response levels for certain PFAS. In the small number of cases where detections were above the response level—the level at which public health experts have recommended water suppliers take action—Cal Water took the affected sources out of service until treatment was or is installed. Additionally, Group has been developing PFAS testing plans for its other subsidiaries.

"Protecting our customers' health and safety is our top priority," said Martin A. Kropelnicki, President and Chief Executive Officer. "Not only have we followed existing guidelines from California regulators, we've gone above and beyond by testing active sources across the state and proactively developing testing plans for the other states in which we operate. Although not required, we believed it was the right thing to do."

"When the final regulation is set for these PFAS, we will both confirm our water systems are in compliance and continue to seek ways to minimize treatment cost impacts to our customers," Kropelnicki added.

Cal Water has filed a lawsuit to hold PFAS manufacturers responsible and avoid, to the extent possible, customers ultimately from having to bear the costs of treatment. The company plans to also seek grants where available to further offset costs.

According to Group, properly addressing PFAS issues requires a comprehensive approach. Group has urged EPA to establish a consistent, science-based PFAS standard, and has strongly supported state legislation that would prohibit the sale and use of certain PFAS-

containing products; require the certification of accurate testing methods; and establish a publicly accessible database that includes PFAS sources entering water supplies.

The proposed regulation now undergoes a 60-day public comment period, after which EPA will either modify the proposed regulation and recirculate it for additional comment or continue the adoption process. If adopted as is, water providers would need to comply with the final regulation within three years of the date of adoption.

PFAS are manmade compounds that have been used to make carpets, clothing, fabrics for furniture, paper packaging for food, and other materials—such as cookware—that are resistant to water, grease, or stains. They are also used for firefighting at airfields, which is one way they found their way into the groundwater in some areas.

About California Water Service Group

California Water Service Group is the largest regulated water utility in the western United States. It provides high-quality, reliable water and/or wastewater services to more than 2 million people in California, Hawaii, New Mexico, Washington, and Texas through its regulated subsidiaries, California Water Service, Hawaii Water Service, New Mexico Water Service, and Washington Water Service, and its utility holding company, Texas Water Service.

What sets Group apart is its commitment to enhancing the quality of life for its customers, communities, employees, and stockholders. Guided daily by their promise to provide quality, service, and value, Group's 1,100+ employees lead the way in working to protect the planet, care for people, and operate with the utmost integrity. Integral to Group's strategy is investing responsibly in water and wastewater infrastructure, sustainability initiatives, and community well-being. The company has been named one of "America's Most Responsible Companies" by *Newsweek* and a Great Place to Work®. More information is available at www.calwatergroup.com.

This news release contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 ("Act"). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the Act. Forward-looking statements are based on currently available information, expectations, estimates, assumptions and projections, and management's judgment about the Company, the water utility industry and general economic conditions. Such words as would, seek, expects, intends, plans, believes, estimates, assumes, anticipates, projects, predicts, forecasts or variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not guarantees of future performance. They are subject to uncertainty and changes in circumstances. Actual results may vary materially from what is contained in a forward-looking statement. Factors that may cause a result different than expected or anticipated include, but are not limited to: changes in the final EPA regulations for PFAS compounds from the proposed regulations; natural disasters, public health crises, pandemics, epidemics or outbreaks of a contagious disease, such as the outbreak of coronavirus (or COVID-19); governmental and regulatory commissions' decisions, including decisions on proper disposition of property; consequences of eminent domain actions relating to our water systems; changes in regulatory commissions' policies and procedures; the timeliness of regulatory commissions' actions concerning rate relief and other actions; changes in water quality standards; changes in environmental compliance and water quality requirements; electric power interruptions; housing and customer growth trends; the impact of opposition to rate increases; our ability to recover costs; availability of water supplies;

issues with the implementation, maintenance or security of our information technology systems; civil disturbances or terrorist threats or acts; the adequacy of our efforts to mitigate physical and cyber security risks and threats; the ability of our enterprise risk management processes to identify or address risks adequately; labor relations matters as we negotiate with unions; changes in customer water use patterns and the effects of conservation; the impact of weather, climate, natural disasters, and diseases on water quality, water availability, water sales and operating results, and the adequacy of our emergency preparedness; and, other risks and unforeseen events. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph, as well as the annual 10-K, Quarterly 10-Q, and other reports filed from time-to-time with the Securities and Exchange Commission (SEC). The Company assumes no obligation to provide public updates of forward-looking statements.