

July 31, 2013



# **California Water Service Group Chief Executive Officer Peter C. Nelson to Retire and Serve as Board Chairman; Martin A. Kropelnicki Named New Chief Executive Officer and Elected to Board**

SAN JOSE, CA -- (Marketwired) -- 07/31/13 -- California Water Service Group (NYSE: CWT) announced today that effective September 1, 2013, Chairman and Chief Executive Officer Peter C. Nelson will retire as an employee of the company and begin serving as non-executive Chairman of the Board. President and Chief Operating Officer Martin (Marty) A. Kropelnicki will become President, Chief Executive Officer, and a member of the Board of Directors.

"Pete has done an extraordinary job leading our company for more than 17 years. With his transition to non-executive Chairman of the Board, the company and water industry will continue to benefit from his expertise and experience," said lead director Richard P. Magnuson.

"Marty's promotion to CEO is a result of the company's ongoing succession planning process. His impressive performance, both as Chief Financial Officer and as President and Chief Operating Officer, gives the board great confidence in his ability to lead the company," Magnuson said.

Nelson, 65, was elected President & Chief Executive Officer of California Water Service Group in 1996 and has served as Chief Executive Officer and Chairman of the Board since May of 2012. Under his leadership, the company expanded into three new states, more than tripled its utility plant to \$1.45 billion, achieved consistently high service marks from customers, and made continuous improvement part of daily operations. Additionally, the company was named one of the top 95 workplaces in the San Francisco Bay Area each of the last two years.

"I have truly enjoyed my career at Cal Water, and I look forward to my new role as non-executive Chairman of the Board of Directors, a group of remarkable professionals I admire and respect. This great company always maintains its focus on providing high-quality water and excellent service. And, it is in good hands. Marty has all that it takes to be outstanding in his new role," Nelson said.

Kropelnicki, 47, joined California Water Service Group as Vice President, Chief Financial Officer and Treasurer in March of 2006, and was named President and Chief Operating Officer in October of 2012. The 2009 Bay Area CFO of the Year has over 25 years of experience, including 15 years as CFO at publicly listed companies, and has held executive- and management-level positions at PowerLight Corporation, Hall Kinion & Associates,

Deloitte & Touche Consulting Group, and Pacific Gas & Electric Company. Kropelnicki holds a Bachelor of Arts Degree and Master of Arts Degree in Business Economics from San Jose State University, which named him Graduate of the Decade in 2002. He was also named Alumni of the Year in 2005 and 2010 by the university's Department of Economics.

California Water Service Group is the parent company of California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, Hawaii Water Service Company, Inc., CWS Utility Services, and HWS Utility Services. Together these companies provide regulated and non-regulated water service to approximately 2 million people in more than 100 California, Washington, New Mexico, and Hawaii communities. Group's common stock trades on the New York Stock Exchange under the symbol "CWT."

Additional information is available at our web site at [www.calwatergroup.com](http://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 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: governmental and regulatory commissions' decisions; changes in regulatory commissions' policies and procedures; the timeliness of regulatory commissions' actions concerning rate relief; new legislation; electric power interruptions; increases in suppliers' prices and the availability of supplies including water and power; fluctuations in interest rates; changes in environmental compliance and water quality requirements; acquisitions and our ability to successfully integrate acquired companies; the ability to successfully implement business plans; changes in customer water use patterns; the impact of weather on water sales and operating results; access to sufficient capital on satisfactory terms; civil disturbances or terrorist threats or acts, or apprehension about the possible future occurrences of acts of this type; the involvement of the United States in war or other hostilities; restrictive covenants in or changes to the credit ratings on our current or future debt that could increase our financing costs or affect our ability to borrow, make payments on debt or pay dividends; 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.*