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California Water Service Group Utilities Complete Acquisition of Keauhou Wastewater System in Hawaii, Receive CPUC Approval to Acquire King's Mountain Water System in California

SAN JOSE, Calif., Dec. 19, 2022 (GLOBE NEWSWIRE) -- Hawaii Water Service (Hawaii Water), a subsidiary of California Water Service Group (Group) (NYSE: CWT), has completed the purchase of Keauhou Community Services, Inc.'s (KCSI) wastewater system assets following approval by the Hawaii Public Utilities Commission earlier this fall. Additionally, Group subsidiary California Water Service (Cal Water) received approval from the California Public Utilities Commission (CPUC) to acquire the water system assets of King's Mountain Park Mutual Water Company (King's Mountain).

Hawaii Water has been providing wastewater utility service to KCSI's customers through an operation and maintenance contract since 2018. In addition to Kahaluu Beach Park and the Keauhou Bay Facility, KCSI serves about 1,500 residential, hotel, and commercial customer-equivalent units in Keauhou on the Big Island. KCSI also provides recycled water to Kona Country Club for golf course irrigation. Hawaii Water will continue to invest in local wastewater system infrastructure to help keep service reliable for the community and help protect the environment.

"We appreciate KCSI's cooperation over the past several years and the trust its team has had in Hawaii Water to provide quality, service, and value to its customers," said Martin A. Kropelnicki, Group President and CEO. "We look forward to serving Keauhou residents, businesses, and visitors for generations to come."

The King's Mountain system, which is adjacent to Cal Water's Bear Gulch District, currently serves 23 residential connections near Skyline Boulevard in the Bay Area. Because residents must voluntarily maintain system operations, the State Water Resources Control Board's Division of Drinking Water has supported the transfer of the smaller utility to Cal Water. Cal Water and King's Mountain first signed their purchase agreement in July 2022, and the transfer remains subject to satisfaction of customary closing conditions.

"Likewise, we appreciate the CPUC's review of our application to acquire the King's Mountain water system, which enables us to move one step closer to providing an ongoing, reliable supply of safe, clean water to its residents," Kropelnicki said.

About California Water Service Group

California Water Service Group (NYSE: CWT) 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 protecting the planet, caring for people, and operating 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, 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: ability to integrate and operate the Keauhou system in an effective and accretive manner; ability to close the acquisition of King's Mountain, integrate the businesses, and operate the King's Mountain system in an effective and accretive manner; 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.

