
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **February 27, 2025**

CALIFORNIA WATER SERVICE GROUP

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13883
(Commission file number)

77-0448994
(I.R.S. Employer
Identification Number)

1720 North First Street
San Jose, California
(Address of principal executive offices)

95112
(Zip Code)

(408) 367-8200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, par value \$0.01	CWT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined by Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On February 27, 2025, California Water Service Group (the “Company”) issued a press release (a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference) announcing its financial results for the 2024 fourth quarter and year ended December 31, 2024.

As announced, the Company will host a conference call on Thursday, February 27, 2025, at 11:00 am EDT to discuss financial results and management’s business outlook. The financial results announcement contains information about how to access the conference call and webcast. A slide presentation, which includes supplemental information relating to the Company, will be used by management during the conference call. A copy of the slide presentation is attached hereto as Exhibit 99.2 and is incorporated by reference herein. The Exhibits will be posted on the Company’s website at www.calwatergroup.com under the “Investor Relations” tab.

The information furnished pursuant to Item 2.02 of this Current Report shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

We hereby furnish the following exhibits, which shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, with this report:

Exhibit No.	Description
99.1	Press Release issued February 27, 2025
99.2	Slide presentation relating to conference call
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CALIFORNIA WATER SERVICE GROUP

Date: February 27, 2025

By: /s/ James P. Lynch

Name: James P. Lynch

Title: Senior Vice President, Chief Financial Officer and Treasurer



California Water Service Group Reports Fourth Quarter and Full Year 2024 Results

SAN JOSE, Calif., February 27, 2025 (GLOBE NEWSWIRE) -- California Water Service Group (Group or Company, NYSE: CWT), a leading publicly traded water utility serving California, Hawaii, New Mexico, Washington, and Texas, today reported financial results for the fourth quarter and full year of 2024.

Highlights included:

- 2024 operating revenue of \$1.037 billion, compared to \$794.6 million in 2023
- Diluted earnings per share of \$3.25 in 2024, compared to \$0.91 in 2023
- Record capital investment of \$471.0 million in water system infrastructure
- Authorization from the California Public Utilities Commission (CPUC) to postpone the 2025 Cost of Capital Application to May 1, 2026, maintaining the current 10.27% return on equity plus or minus any changes from the Water Cost of Capital Mechanism (WCCM)
- Timely progress on California 2024 General Rate Case and Infrastructure Improvement Plan (GRC) filing
 - Scoping Memo and Ruling issued in November 2024
 - Subsequent to year end, public participation hearings conducted and California Public Advocate's (CalPA) report received
- Declaration of the 320th consecutive quarterly dividend in the amount of \$0.30 per share, plus special dividend of \$0.04 per share

“Our strong operational and financial performance in 2024 demonstrates our team’s exceptional execution of our business strategy. A key milestone was filing our 2024 California GRC, which includes investments to provide a safe and sustainable water supply to our customers. As we enter 2025, we’re focused on working together with the CPUC to advance this rate case to a timely decision,” said Chairman and CEO Martin A. Kropelnicki.

Q4 2024 Financial Results

- Net income attributable to Group was \$19.7 million, or \$0.33 diluted earnings per share, in Q4 2024, compared to net income of \$30.1 million, or \$0.52 diluted earnings per share, in Q4 2023.
 - Operating revenue was \$222.2 million, compared to \$214.5 million in Q4 2023, an increase of \$7.7 million.
 - Increased rates added \$24.2 million in revenue.
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- Monterey-style Water Revenue Adjustment Mechanism (MWRAM) revenue increased \$5.5 million due to lower higher-tier water sales.
- Revenue increases were partially offset by lower unbilled revenue totaling \$8.1 million due to reduced December water usage.
- Deferred Water Revenue Adjustment Mechanism balances totaling \$19.4 million recognized in Q4 2023 did not recur in 2024.
- Operating expenses were \$189.9 million in Q4 2024, compared to \$179.3 million in Q4 2023, an increase of \$10.6 million.
 - Water production costs increased by \$3.4 million to \$73.7 million, primarily due to an increase in wholesale rates and higher consumption.
 - Income tax benefit decreased \$10.1 million to \$3.8 million, primarily due to timing of annual Tax Cuts and Jobs Act tax benefit recognition.
- Net interest expense increased by \$2.6 million to \$14.9 million in Q4 2024 due to higher borrowings, partially offset by lower interest rates.

Full Year 2024 Financial Results

- Net income attributable to Group was \$190.8 million, or \$3.25 diluted earnings per share, in 2024, compared to \$51.9 million, or \$0.91 diluted earnings per share, in 2023.
- Operating revenue was \$1.037 billion in 2024, compared to \$794.6 million in 2023, an increase of \$242.4 million.
 - A cumulative adjustment for the impacts of the 2021 California GRC decision, including 2023 and 2024 interim rate relief and the MWRAM, added \$123.9 million in revenue.
 - An additional net increase of \$122.1 million was due primarily to higher rates and increased consumption.
- Operating expenses were \$811.8 million in 2024, compared to \$717.5 million in 2023.
 - Water production costs increased by \$22.2 million, mostly due to an increase in wholesale water rates and higher consumption.
 - Depreciation and amortization increased \$10.7 million due to new utility plant placed in service.
 - Income taxes increased \$51.1 million, primarily due to the increase in pre-tax income.

Impact of 2023 Interim Rates on 2024 Results

As a result of the Q1 2024 adoption of the 2021 California GRC decision, interim rate relief related to 2023 totaling \$87.5 million of revenue and \$64.0 million of net income was included in 2024 operating results. This included \$20.2 million of revenue and \$13.6 million of net income that was attributable to the three months ending Dec. 31, 2023.

Liquidity, Financing, and Capital Investment

In 2024, Group increased its cash position to \$95.7 million from \$85.0 million in 2023, of which \$45.6 million was restricted, and had additional short-term borrowing capacity of \$395 million, subject to meeting the borrowing conditions on its Group and Group subsidiary California Water Service (Cal Water) lines of credit.

On Aug. 2, 2024, the CPUC approved an application for Cal Water to issue up to \$1.3 billion in new debt and equity securities.

On Oct. 22, 2024, Cal Water issued \$125.0 million in aggregate principal amount of its 5.22% First Mortgage Bonds (Bonds) due Oct. 22, 2054. The Bonds include terms and conditions similar to Cal Water's existing First Mortgage Bond indebtedness.

Group capital investments during the 12-month period ended Dec. 31, 2024, increased to a record total of \$471.0 million, up 23% over the same period last year.

California Regulatory Activity

2024 General Rate Case and Infrastructure Improvement Plan

On July 8, 2024, Cal Water submitted a GRC that included infrastructure improvement plans for 2025-2027. Cal Water proposes to invest more than \$1.6 billion in its districts from 2025-2027 in order to support its ability to provide a reliable supply of high-quality water and enhance sustainability. In its application, Cal Water proposes to adjust rates to increase total revenue by \$140.6 million, or 17.1%, in 2026; \$74.2 million, or 7.7%, in 2027; and \$83.6 million, or 8.1%, in 2028. Importantly, the application also proposes a Low-Use Water Equity Program that would decouple revenue from water sales to assist low-water-using, lower-income customers.

The triennial filing, which began in July 2024, is an approximately 18-month review process leading to a final CPUC decision.

The GRC is progressing on time, with the assigned commissioner issuing a Scoping Memo and Ruling in Nov. 2024 and subsequently completing public participation hearings for customers. In addition, in Jan. 2025, Cal Water received a report from CalPA providing comments on our filing. Cal Water has 60 days to provide a response to the CalPA report. Given the progress made in the proceeding and recent decisions issued by the CPUC for other water utilities, the Company is optimistic a final decision can be reached as scheduled.

Cost of Capital

The CPUC has authorized Cal Water to maintain its current cost of capital structure through Dec. 31, 2026. Cal Water's current cost of capital includes:

- 10.27% return on equity (ROE)
- 4.23% average cost of debt
- 53.40% common equity and 46.60% long-term debt capital structure
- 7.46% overall authorized rate of return

The CPUC's decision postpones Cal Water's next Cost of Capital application from May 1, 2025, to May 1, 2026. Additionally, the CPUC reauthorized the WCCM, which may trigger an ROE adjustment based on changes in the Moody's Utilities Bond Index. The next WCCM calculation will be performed as of Sept. 30, 2025, and the adjustment that results from the calculation, if any, would take effect Jan. 1, 2026.

Emergency Response Actions

Group maintained its emergency response leadership throughout 2024, regularly conducting Community Emergency Operations Response training for its employees, first responders, and organizations across its service areas.

Notable exercises included subsidiary Hawaii Water Service's July 2024 drills in Maui and on the Big Island, which brought together employees, emergency responders, regulatory agencies, state officials, utilities, contractors, and community partners.

None of Cal Water's service areas were directly impacted by the Southern California wildfires in early 2025; however, in response, the Company has made contributions to the American Red Cross, World Central Kitchen, California Fire Foundation, Pasadena Humane, and SPCA LA. Group remains committed to supporting both its affected employees and the impacted communities during this challenging time.

Group's proactive emergency preparedness focuses on wildfire risk mitigation through strategic vegetation management, infrastructure upgrades, crew positioning, and backup power systems. It has invested nearly \$55 million over the past five years in pumps, pipelines and emergency generators to mitigate wildfire risk, and has made contributions of nearly \$1 million to support local fire agencies across its service areas.

For additional details, please see Form 10-K which will be available at <https://www.calwatergroup.com/investors/financials-filings-reports/sec-filings>

Quarterly Earnings Teleconference

All stockholders and interested investors are invited to attend the conference call on Thursday, Feb. 27, 2025 at 8 a.m. PT (11 a.m. ET) by dialing 1-800-715-9871 or 1-646-307-1963 and keying in ID# 5777452. Alternatively, the live audio webcast may be accessed at <https://edge.media-server.com/mmc/p/cbxzkhb6>. Please join at least 15 minutes in advance to ensure a timely connection to the call. A replay of the call will be available from 2 p.m. ET on Thursday, Feb. 27, 2025, through Monday, Mar. 31, 2025, at 1-800-770-2030 or 1-609-800-9909 using ID# 5777452, or at the webcast above. The call will be hosted by Chairman and Chief Executive Officer Martin A. Kropelnicki; Senior Vice President, Chief Financial Officer and Treasurer James P. Lynch; and Vice President, Rates and Regulatory Affairs, Greg A. Milleman. Prior to the call, the Company will furnish a slide presentation on its website.

About California Water Service Group

California Water Service Group is the parent company of regulated utilities California Water Service, Hawaii Water Service, New Mexico Water Service, and Washington Water Service, as well as Texas Water Service, a utility holding company. Together, these companies provide regulated and non-regulated water and wastewater service to more than 2.1 million people in California, Hawaii, New Mexico, Washington, and Texas. California Water Service Group's common stock trades on the New York Stock Exchange under the symbol "CWT." Additional information is available online at www.calwatergroup.com.

This news release contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the PSLRA. Forward-looking statements in this news release are based on currently available information, expectations, estimates, assumptions and projections, and our management's beliefs, assumptions, judgments and expectations about us, the water utility industry and general economic conditions. These statements are not statements of historical fact. When used in our documents, statements that are not historical in nature, including words like will, would, expects, intends, plans, believes, may, could, estimates, assumes, anticipates, projects, progress, predicts, hopes, targets, forecasts, should, seeks or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this news release include, but are not limited to, statements describing Group's expected financial performance, Group's plans and proposals pursuant to and timing of the 2024 California GRC; and authorized cost of capital and potential adjustments to same. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks. Consequently, actual results may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results to be different than those expected or anticipated include, but are not limited to: our ability to invest or apply the proceeds from the issuance of common stock in an accretive manner; 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, including with respect to our ability to proposed fully decoupled WRAMs; the outcome and timeliness of the CPUC's 2024 California GRC; increased risk of inverse condemnation losses as a result of climate change and drought; our ability to renew leases to operate water systems owned by others on beneficial terms; changes in California State Water Resources Control Board water quality standards; changes in environmental compliance and water quality requirements; electric power interruptions, especially as a result of public safety power shutoff programs; housing and customer growth; 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 the unions; changes in customer water use patterns and the effects of conservation, including as a result of drought conditions; our ability to complete, in a timely manner or at all, successfully integrate and achieve anticipated benefits from announced acquisitions; the impact of weather, climate change, natural disasters, and actual or threatened public health emergencies, including disease outbreaks, on our operations, water quality, water availability, water sales and operating results and the adequacy of our emergency preparedness; 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; risks associated with expanding our business and operations geographically; the impact of stagnating or worsening business and economic conditions, including inflationary pressures, general economic slowdown or a recession, increasing interest rates, instability of certain financial institutions, changes in monetary policy, adverse capital markets activity or macroeconomic conditions as a result of geopolitical conflicts, and the prospect of a shutdown of the U.S. federal government; the impact of market conditions and volatility on unrealized gains or losses on our non-qualified benefit plan investments and our operating results; the impact of weather and timing of meter reads on our accrued unbilled revenue; the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements and our ability to comply with PFAS regulations; and other risks and unforeseen events described in our Securities and Exchange Commission ("SEC") filings. In light of these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this news release. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph, as well as the Annual Report on Form 10-K, Quarterly 10-Q, and other reports filed from time-to-time with the SEC. We are not under any obligation, and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact James P. Lynch (408) 367-8200 (analysts)
Shannon Dean (408) 367-8243 (media)

CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited

(In thousands, except per share data)	December 31, 2024	December 31, 2023
ASSETS		
Utility plant:		
Utility plant	\$ 5,400,489	\$ 4,925,483
Less accumulated depreciation and amortization	(1,241,785)	(1,152,228)
Net utility plant	<u>4,158,704</u>	<u>3,773,255</u>
Current assets:		
Cash and cash equivalents	50,121	39,591
Restricted cash	45,566	45,375
Receivables:		
Customers, net	58,585	59,349
Regulatory balancing accounts	55,917	64,240
Other, net	33,976	16,431
Accrued and unbilled revenue, net	39,718	36,999
Materials and supplies	20,511	16,170
Taxes, prepaid expenses, and other assets	19,742	18,130
Total current assets	<u>324,136</u>	<u>296,285</u>
Other assets:		
Regulatory assets	357,406	257,621
Goodwill	37,063	37,039
Other assets	302,974	231,333
Total other assets	<u>697,443</u>	<u>525,993</u>
TOTAL ASSETS	<u>\$ 5,180,283</u>	<u>\$ 4,595,533</u>
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, \$0.01 par value; 136,000 shares authorized, 59,484 and 57,724 outstanding in 2024 and 2023, respectively	\$ 595	\$ 577
Additional paid-in capital	966,975	876,583
Retained earnings	674,918	549,573
Accumulated other comprehensive loss	(7,217)	—
Noncontrolling interests	3,015	3,579
Total equity	<u>1,638,286</u>	<u>1,430,312</u>
Long-term debt, net	<u>1,104,571</u>	<u>1,052,768</u>
Total capitalization	<u>2,742,857</u>	<u>2,483,080</u>
Current liabilities:		
Current maturities of long-term debt, net	72,422	672
Short-term borrowings	205,000	180,000
Accounts payable	167,533	157,305
Regulatory balancing accounts	22,648	21,540
Accrued other taxes	6,084	4,591
Accrued interest	8,406	6,625
Accrued expenses and other liabilities	56,271	59,606
Total current liabilities	<u>538,364</u>	<u>430,339</u>
Deferred income taxes	411,083	352,762
Regulatory liabilities	814,551	683,717
Pension	81,665	82,920
Advances for construction	202,614	199,448
Contributions in aid of construction	294,970	286,491
Other	94,179	76,776
Commitments and contingencies		
TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ 5,180,283</u>	<u>\$ 4,595,533</u>

CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Operating revenue	\$ 222,195	\$ 214,512	\$ 1,036,806	\$ 794,632
Operating expenses:				
Operations:				
Water production costs	73,728	70,290	310,648	288,512
Administrative and general	36,424	37,058	139,515	142,235
Other operations	32,288	37,723	118,457	112,481
Maintenance	8,689	7,912	34,753	31,975
Depreciation and amortization	33,014	31,576	131,901	121,212
Income tax (benefit) expense	(3,772)	(13,823)	35,938	(15,189)
Property and other taxes	9,578	8,540	40,540	36,271
Total operating expenses	<u>189,949</u>	<u>179,276</u>	<u>811,752</u>	<u>717,497</u>
Net operating income	<u>32,246</u>	<u>35,236</u>	<u>225,054</u>	<u>77,135</u>
Other income and expenses:				
Non-regulated revenue	5,884	4,866	20,628	18,509
Non-regulated expenses	(7,188)	(583)	(14,201)	(11,807)
Other components of net periodic benefit credit	3,741	5,462	15,803	20,215
Allowance for equity funds used during construction	1,650	1,405	6,902	5,551
Income tax expense on other income and expenses	(1,985)	(4,106)	(6,551)	(8,408)
Net other income	<u>2,102</u>	<u>7,044</u>	<u>22,581</u>	<u>24,060</u>
Interest expense:				
Interest expense	15,674	13,018	60,698	52,809
Allowance for borrowed funds used during construction	(790)	(676)	(3,148)	(2,990)
Net interest expense	<u>14,884</u>	<u>12,342</u>	<u>57,550</u>	<u>49,819</u>
Net income	<u>19,464</u>	<u>29,938</u>	<u>190,085</u>	<u>51,376</u>
Net loss attributable to noncontrolling interests	<u>(195)</u>	<u>(190)</u>	<u>(722)</u>	<u>(535)</u>
Net income attributable to California Water Service Group	<u>\$ 19,659</u>	<u>\$ 30,128</u>	<u>\$ 190,807</u>	<u>\$ 51,911</u>
Earnings per share of common stock:				
Basic	<u>\$ 0.33</u>	<u>\$ 0.52</u>	<u>\$ 3.26</u>	<u>\$ 0.91</u>
Diluted	<u>\$ 0.33</u>	<u>\$ 0.52</u>	<u>\$ 3.25</u>	<u>\$ 0.91</u>
Weighted average shares outstanding:				
Basic	<u>59,477</u>	<u>57,715</u>	<u>58,612</u>	<u>56,952</u>
Diluted	<u>59,535</u>	<u>57,756</u>	<u>58,647</u>	<u>56,983</u>
Dividends per share of common stock	<u>\$ 0.28</u>	<u>\$ 0.26</u>	<u>\$ 1.12</u>	<u>\$ 1.04</u>



Fourth Quarter and Full Year 2024 Earnings Presentation

February 27, 2025



Today's Speakers



Marty Kropelnicki

Chairman & CEO



James Lynch

Sr. Vice President, CFO & Treasurer



Greg Milleman

Vice President, Rates &
Regulatory Affairs



Forward-Looking Statements and Other Important Information

This presentation contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 (PSLRA). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the PSLRA. Forward-looking statements in this presentation are based on currently available information, expectations, estimates, assumptions and projections, and our management's beliefs, assumptions, judgments and expectations about us, the water utility industry and general economic conditions. These statements are not statements of historical fact. When used in our documents, statements that are not historical in nature, including words like will, would, expects, intends, plans, believes, may, could, estimates, assumes, anticipates, projects, progress, predicts, hopes, targets, forecasts, should, seeks, commits, on schedule, indicative or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this presentation include, but are not limited to, statements describing our expectations regarding potential increases in revenue, dividends, capital investments or expenditures, depreciation, regulated rate base growth, sufficiency of cash to support capital investment and growth and authorized cost of capital and potential adjustments to the same, our plans and proposals pursuant to and timing of the 2024 California General Rate Case and our plans or strategy regarding capital allocation, balance sheet management and the year ahead. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable but are subject to uncertainty and risks. Actual results may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results to be different than those expected or anticipated include, but are not limited to: our ability to integrate business acquisitions and operate them in an effective and accretive manner; governmental and regulatory commissions' decisions; consequences of eminent domain actions relating to our water systems; changes in regulatory commissions' policies and procedures; the outcome and 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; 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; changes in customer water use patterns and the effects of conservation; the impact of weather, climate change, natural disasters, and actual or threatened public health emergencies; 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; the impact of market conditions and volatility on unrealized gains or losses on our operating results; risks associated with expanding our business and operations geographically; and other risks and unforeseen events described in our Annual Report on Form 10-K and other reports filed from time to time with the SEC. In light of these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation. We are not under any obligation, and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this presentation constitutes an offer to sell, or a solicitation of an offer to buy, any securities or should be treated or relied upon as a recommendation or advice. A credit rating is not a recommendation to buy, sell or hold any securities, may be changed at any time by the applicable ratings agency and should be evaluated independently of any other information.



Recent Highlights

1

Strong 2024 results with and without the 2023 interim rate relief impacts from 2021 General Rate Case (GRC) decision

2

Invested record level of capital investments totaling \$471 million

3

Authorization from the CPUC granting a one-year extension in our Cost of Capital Application to May 1, 2026

4

Ongoing and proactive emergency preparedness and response; not impacted by 2025 LA wildfires

5

Progress on the 2024 California GRC filing; Remains on schedule



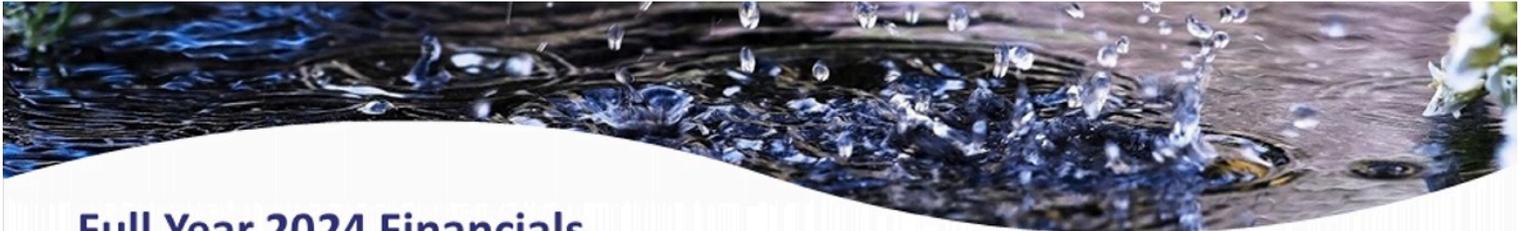
Fourth Quarter 2024 Financials

<i>(in millions except EPS amounts and percentages)</i>	Q4 2024	Q4 2023	\$ Variance	% Change
Operating Revenue	\$222.2	\$214.5	↑ \$7.7	↑ 3.6%
Operating Expenses	\$189.9	\$179.3	↑ \$10.6	↑ 5.9%
Net Interest Expense	\$14.9	\$12.3	↑ \$2.6	↑ 20.6%
Net Income Attributable to CWT	\$19.7	\$30.1	↓ \$10.5	↓ 34.7%
Diluted Earnings per Share	\$0.33	\$0.52	↓ \$0.19	↓ 36.5%

Note: Due to adoption of the 2021 CA GRC, Q1 2024 revenue and net income included interim rate relief totaling \$87.5M and \$64.0M, respectively, attributable to 2023. This included \$20.2M revenue and \$13.6M net income, respectively, attributable to Q4 2023.

Diluted EPS Bridge Q4 2023 to Q4 2024





Full Year 2024 Financials

<i>(in millions except EPS amounts and percentages)</i>	2024	2023	\$ Variance	% Change
Operating Revenue	\$1,036.8	\$794.6	↑ \$242.2	↑ 30.5%
Operating Expenses	\$811.8	\$717.5	↑ \$94.3	↑ 13.1%
Net Interest Expense	\$57.6	\$49.8	↑ \$7.7	↑ 15.5%
Net Income Attributable to CWT	\$190.8	\$51.9	↑ \$138.9	↑ 267.6%
Diluted Earnings per Share	\$3.25	\$0.91	↑ \$2.34	↑ 257.1%

Note: Due to adoption of the 2021 CA GRC, Q1 2024 revenue and net income included interim rate relief totaling \$87.5M and \$64.0M, respectively, attributable to 2023.

Diluted EPS Bridge 2023 to 2024



Capital Investment & Depreciation

Growth in capital investment outpaces depreciation

2015-2024 TOTAL
CapEx
3x
DEPRECIATION

CapEx 2025-2027*
>4x
 Depreciation



*Estimates for 2025-2027 are based on amounts requested in the 2024 California GRC application plus estimated capital expenditures in other states; these capital expenditures are subject to review and approval by the CPUC and other regulators.

Note: Estimates for 2025-2027 exclude an anticipated \$226.0M (before recovery offsets) of estimated PFAS-related capital investments that will be incurred over multiple years.

Regulated Rate Base Growth

Estimated to achieve over \$3.3 billion by 2027



*2025-2027 rate base estimates include amounts requested in the 2024 California GRC plus estimated rate base in other states; these values are not yet adopted and are subject to review and approval by the CPUC and other regulators.

Note: Amounts presented for 2025-2027 exclude an anticipated \$226.0M (before recovery offsets) in PFAS treatment capital investments that will be incurred over multiple years.

Capital Allocation | Balance Sheet

Continue to maintain financial discipline with strong balance sheet, while allocating capital in efficient manner



Cal Water received authorization from the CPUC in August 2024 to issue up to **\$1.3 billion** in future debt and equity securities



Group maintained at-the-market stock issuance program; used opportunistically to raise **\$86.5M** during 2024 to support capital growth and business investments



CPUC approved postponement of Cal Water Cost of Capital application to May 2026; authorized capital structure of **53.4%** equity and **46.6%** debt supports future growth



Group announced an **\$0.08** increase in annual dividend; declared 320th consecutive quarterly dividend of **\$0.30** per share and a one-time special dividend of **\$0.04** per share

Statistics as of December 31, 2024



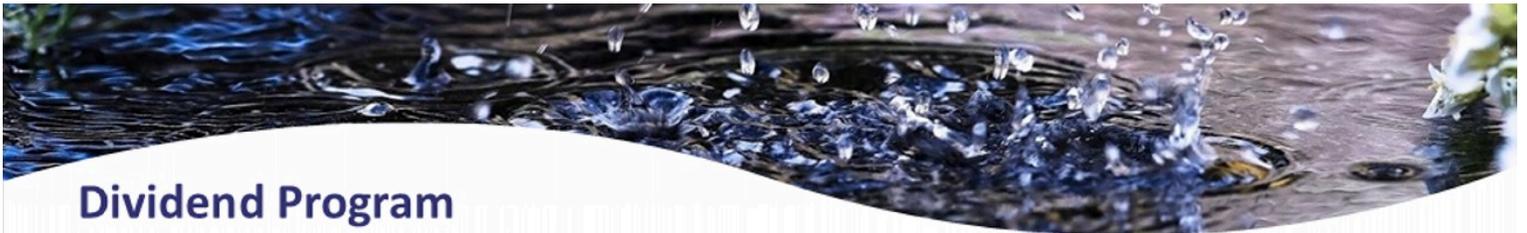
Liquidity Profile

Group maintains strong liquidity profile to execute capital plan and strategic M&A investments

(in millions)



- Expect to have adequate cash to support capital investment and growth
- Credit facilities of **\$600M** can be expanded up to **\$800M**; facilities mature in March 2028
- Global credit rating **A+/stable** affirmed at S&P Global
- Cal Water First Mortgage Bonds rated **AA-**



Dividend Program

Strong history of returning cash to shareholders

320th Consecutive Quarterly Dividend in Amount of **\$0.30**

58th Annual Increase Expected to Yield Annual Dividend of **\$1.20**

\$0.04 One-Time Special Dividend Brings Anticipated Dividend to **\$1.24**

10.71% Annual Increase (Reflects One-Time Special Dividend)

7.7% Five-Year Dividend CAGR



*Anticipated annual dividend includes one-time special dividend



2024 California General Rate Case

\$1.6B

Investment proposed for Cal Water districts from 2025-27

LUWEP

Application proposes Low-Use Water Equity Program that would decouple revenue from water sales to enhance affordability

18 (anticipated)

Month-long process begun for triennial filing with CPUC

Key updates since filing:

- Assigned CPUC Commissioner issued Scoping Memo and Ruling in November 2024
- Public participation hearings held for all service areas, with Cal Water receiving strong support
- Company received California Public Advocates report in late January 2025 and is preparing rebuttal in accordance with Scoping Memo and Ruling

Requests rate adjustments necessary to generate total revenue increases of:

- **\$140.6M**, or 17.1%, for 2026
- **\$74.2M**, or 7.7%, for 2027
- **\$83.6M**, or 8.1%, for 2028



Cost of Capital & Other Regulatory Updates

Cost of Capital

- CPUC granted Cal Water request to postpone Cost of Capital Application to May 1, 2026, effectively maintaining Cal Water's current capital structure through Dec. 31, 2026, including 10.27% return on equity
- The CPUC also reauthorized the Water Cost of Capital Mechanism (WCCM). The WCCM automatically adjusts the rate of return when the Moody's Utilities Bond Index fluctuates between Cost of Capital applications
- The ROE will remain 10.27% through Dec. 31, 2026, unless the WCCM is triggered when next measured on Sept. 30, 2025. If a change in the ROE is required, it would become effective on Jan. 1, 2026

Other States

- Group has initiated a more proactive approach in pursuing rate adjustments in other states
- This will enable us to recover on our capital investments in a more timely manner
- This approach should benefit customers by providing for smaller, incremental adjustments rather than large increases on a less frequent basis



Emergency Preparedness & Response Leadership



Dedicated Training

Regular Community Emergency Operations Response training across service areas, including notable Hawaii Water drills (July 2024) with multi-agency participation



Proactive Wildfire Mitigation

Comprehensive approach including vegetation management, infrastructure upgrades, crew positioning, and backup power systems



Investment in Safety

Nearly \$1M of stockholder funds contributed over last five years to support local fire agencies across service areas; including \$175,000 in 2024



Community Support

\$100,000 contributed to multiple organizations to support Southern California wildfire relief efforts



The Year Ahead



Conclusion

