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California Water Service Secures Grant Funding for Water Supply Reliability Projects in Smaller, Water-Stressed Service Areas

Three Grants Will Support Affordability for Affected Customers

SAN JOSE, Calif., May 26, 2022 (GLOBE NEWSWIRE)—As part of the utility's efforts to support customers in its smaller, water-stressed, and disadvantaged or higher-cost service areas during the drought, California Water Service (Cal Water) has secured nearly \$2.4 million in grants from the State Department of Water Resources (DWR) to complete three important water supply reliability projects. Through DWR's Small Community Drought Relief Program, Cal Water will be able to construct facilities in its Kernville, Coast Springs, and Tulco water systems to maintain safe, reliable water service while minimizing any impact to customers' water bills.

Cal Water's Tulco system, part of the utility's Visalia District, serves 180 residential service connections in Tulare County. The system is currently 100-percent dependent on the pumping capacity of a single well to meet customer demand. With groundwater levels declining, the Tulco system will receive \$894,000 to construct a 122,400-gallon, above-ground water storage tank and two booster pumps to add a combined pumping capacity of 1,000 gallons per minute, increase the system's reliability, and improve fire protection.

The Kernville system, part of Cal Water's Kern River Valley District, will receive \$1.45 million to construct a new raw water intake facility at the Kern River in order to reliably provide surface water to the Kernville Surface Water Treatment Plant. The intake is the primary source of supply for the Kernville system and a major source for the district's neighboring Arden and Mountain Shadows systems. Combined, these systems serve 2,050 customer connections. The existing intake system is operating significantly below full capacity due to declining water levels in the Kern River. The project, which will replace the existing intake, will include an in-channel concrete intake structure, a self-cleaning cone screen, and two submersible, vertical turbine pumps in the river.

Cal Water's Coast Springs system, which serves Dillon Beach in its Redwood Valley District, includes 253 connections and relies on hauled water supplies to meet peak demand. The system is receiving \$19,500 to complete a filter installation project that will add two membrane filters to the existing water treatment plant, increase reliability, and reduce the dependency on hauling in water. This will also enable Cal Water to bring a 225,000-gallon finished water storage tank back online to help enhance emergency supplies.

"Not only is Cal Water committed to providing a reliable supply of safe, clean water to our communities, we are dedicated to keeping customers' water bills affordable," said Marty Kropelnicki, Cal Water President and CEO. "The grants provided by DWR will enable us to construct these important water supply reliability projects with minimal impact to customers'

rates, while ensuring residents have the water they need, both during this drought and for decades to come."

About Cal Water

California Water Service serves about 2 million people through 494,500 service connections in California. The utility has provided water service in the state since 1926. Additional information may be obtained online at www.calwater.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 will, 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: 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 our GRC and 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.