

California Water
Service Group

2023 Summary
Annual Report

Best and Brightest



Contents

02

Best and Brightest

34

Business at a Glance

36

Letter to Stockholders

40

CWT 20-Year Total Return on Investment

42

Eight-Year Financial Review

44

Board of Directors

46

Corporate Officers

48

Corporate Information

California Water Service Group (NYSE: CWT) is the third-largest publicly traded water utility in the United States, providing high-quality water and wastewater services to more than two million people through four regulated subsidiaries: California Water Service (Cal Water), Hawaii Water Service (Hawaii Water), New Mexico Water Service (New Mexico Water), and Washington Water Service (Washington Water). A fifth subsidiary, Texas Water Service, invests in water and wastewater infrastructure in Texas.

We are committed to improving the quality of life for our customers, communities, employees, and stockholders. We do this by living our core values and delivering on our promise to provide quality, service, and value.

The best and the brightest. We hate to sound cliché, but the phrase perfectly describes the team of amazing individuals who work together to enhance the quality of life for those we serve.

The exceptional environmental enthusiasts who lead our efforts to mitigate and adapt to climate change and champion the conservation of earth's most precious natural resource.

The elite engineers, scientists, and experts who build and operate water-system infrastructure in order to provide the safe, clean water that our customers need to flourish.

And the compassionate and committed customer-service professionals and emergency responders who are there to meet our customers' needs — on a daily basis and in times of crisis.

Individually, our people are very special. But together, they absolutely shine.

Protecting Our Colorful Planet

Our planet is a wonder, with her big blue oceans, deep green forests, and majestic purple mountains. She is the source of the precious natural resource we treat and deliver to our customers and communities, and we are committed to protecting her so she will continue to sustain us.

290+

Number of EV charging stations that we plan to construct to maintain our electric fleet in California, based on an infrastructure needs assessment completed in 2023.

95M

Estimated number of gallons of water saved by customers in 2023 as a result of our water conservation programs. This amount of water could meet the needs of about 800 families of four.

63%

Our science-aligned Scope 1 and Scope 2 greenhouse gas emissions reduction target, which we plan to achieve by 2035.

“

We are working methodically to electrify our fleet in a way that enables us to reduce our carbon footprint but doesn't compromise our ability to get equipment where it needs to be to serve customers, or unduly impact customers' rates. I expect some of the challenges will be addressed as technology and charging infrastructure advances.”

— Carl Chan, Manager, Fleet, Facilities, and Equipment

Making Progress on Our ESG Journey

We made significant progress on the ESG front in 2023. In April, we completed our first Greenhouse Gas (GHG) Protocol-aligned inventory for Scope 1 and 2 GHG emissions, a foundational step in setting reduction targets for our operational emissions.

After extensive forecasting and planning, we announced in March of 2024 our commitment to reducing absolute Scope 1 and 2 GHG emissions 63% by 2035 from a 2021 base year. Our Scope 1 and 2 target is science-aligned and supports the goal of limiting global temperature increases to 1.5 degrees Celsius above pre-industrial levels.

We continue to build out our Scope 3 GHG emissions inventory, and we are working on a supplier engagement strategy to support our business partners' efforts to reduce their carbon footprints.

MINIMIZING OUR IMPACT ON THE ENVIRONMENT

Concurrent with our target-setting effort, we completed a renewable power purchasing strategy, which included an assessment of our facilities for suitability for potential onsite solar projects. We considered various factors, including location, energy demand, and land availability. Two sites met our criteria, and for those, we are conducting cost/benefit analyses and initiating the procurement process. We also made progress on our fleet sustainability strategy and completed an energy audit at all California office facilities in 2023.

Sustainability Star

Lara Agnew

ESG Manager

Lara got to know the company when she was tapped as a consultant to enhance our ESG reporting. She liked our strong values and role as a provider of an essential natural resource, and she eventually joined our team. Today, she's playing a key role in building and maturing our ESG program. It was a logical progression for the environmental engineer; years earlier, after living at a national park for three weeks to restore trails as part of a community service project, Lara knew she wanted to pursue a career advocating for sustainability and environmental stewardship. An adventurer who loves spending time in nature, Lara has climbed Mt. Whitney, biked from San Francisco to Los Angeles, walked the El Camino de Santiago in Spain, and backpacked the West Highland Way in Scotland. "It's been rewarding to build our ESG program in such close partnership with leadership and other smart people across the company," she says.





Anthony Meyer

Conservation Coordinator

From choirboy to music producer to ... water conservation coordinator? Anthony took an unlikely path to his career in water conservation. After years playing music in church with his choir director mom, Anthony headed to Los Angeles, where he enjoyed a successful career in music. But alas, all that glitters isn't gold, and he eventually headed back home and took a job with Cal Water. After enjoying a water-use efficiency class in college, Anthony became certified as a Water-Use Efficiency Practitioner. Today, he educates the public on the importance of water conservation and helps customers use water more efficiently. His favorite program is our Lawn to Garden program, which at times has him collaborating with hundreds of customers on their projects. "It's great seeing customers' pride in the outcome and their gratitude for our support. Many send me pictures of themselves in their new gardens, and that always puts a smile on my face," he says.

Garden
Guru

Saving Water to Save the Planet

Water conservation leadership is a key part of our environmental stewardship, and in 2023, we invested more than \$4.4 million in water conservation programs and rebates that are expected to save about 95 million gallons per year. In 2023, we:

- Distributed 698 conservation kits, which include shut-off hose nozzles, showerheads, and toilet leak-detection tablets.
- Provided rebates for and/or installed 34,196 high-efficiency sprinkler nozzles, 1,661 smart irrigation controllers, and 1,171 high-efficiency indoor devices, including clothes washers, urinals, and toilets.
- Offered rebates for the replacement of 577,651 square feet of turf with water-efficient landscaping and conversion of 403,800 square feet of spray irrigation to drip irrigation.
- Provided rebates for 191 Flume water monitoring devices, which provide flow data, leak detection notification, and appliance-specific insights into water use.

Another interesting way we promote water conservation is by providing Direct Recirculating Apparatus Firefighting Training Sustainability (DRAFTS) units to local firefighting agencies for use in training and fire engine pump testing. The units capture and recirculate water that would otherwise be wasted. In 2023, we contributed our fifth DRAFTS unit, this one to the Stockton Fire Department.

Adapting to Climate Change

When it comes to climate change adaptation, water supply resilience is one of our highest priorities. Our operations and investments are informed by robust short-, medium-, and long-term water supply plans that consider climate change impacts, including longer and more severe periods of drought and impacts on surface water quality.

In addition to pumping groundwater responsibly and monitoring the quality of surface water supplies, we are focused on diversification of our sources, including recycled water. In 2023, we completed three Recycled Water Feasibility Studies, and we are evaluating recycled water project partnerships in Northern and Central California. We have also requested approval from the California Public Utilities Commission to conduct a brackish desalination pilot project in our Bayshore District.

Wildfires pose another climate change-related risk. Our Wildfire Taskforce helps us prepare for wildfires by managing vegetation around our facilities, upgrading our water systems to enhance circulation and increase flow, and providing backup power generation to keep water flowing during interruptions in electricity service.

Power Player

Gurkiran Kaur

*Capital Delivery Electrical
Engineering Manager*

It takes electricity to get water from the source to the tap, and Gurkiran leads the team responsible for getting power where it needs to be. She has played a key role in preparing our operations for wildfires and power outages by installing generators and transfer switches strategically throughout our service areas. She says she wishes every engineer had the chance to work for a water utility, because here, you don't just see your designs on paper. Here, "you see the projects come to life, and the impact they have on customers' lives." But it took a lot for Gurkiran to get where she is today. After earning her bachelor's degree, she had to convince her very traditional family that she should be allowed to pursue her master's degree rather than be married in India. She was determined, and eventually traveled to the United States, where she had no friends or family, to build a very successful career and life of her own.



Fostering Vibrant Communities

We live, work, and raise families in our communities, and we are passionately committed to enhancing the quality of life for those we serve. Of course, we make the greatest impact by providing clean, reliable, affordable water service. But we also contribute time and resources to our communities to make other good things happen.

\$1,560,000

Amount contributed to charities in 2023.

\$2M+

Total amount we helped customers receive in 2023 from the state and federal Low-Income Household Water Assistance Program (LIHWAP).

\$4.3M

Grants we received in 2023 to connect disadvantaged communities to our systems.



I spent the early part of my career as a Peace Corps volunteer bringing drinking water to disadvantaged communities abroad, but it's surprising that similar conditions exist right here in California. It breaks my heart to know that some of our neighboring communities don't have access to reliable, safe drinking water when we could extend a pipe and serve them. I'm proud that Cal Water has partnered with grant-funding agencies like the Department of Water Resources and the State Water Resources Control Board to be part of the solution."

— Erin McCauley, Director, Capital Planning and Budgeting, who has gone above and beyond to pursue grant dollars

Helping Customers in Need

These are challenging economic times, and now more than ever, it's important that we help customers who are having difficulty affording their monthly water bills.

In 2023, we introduced PromisePay, an interactive customer platform that allows customers to make their own flexible, interest-free payment arrangements. Unlike our existing interest-free payment plans, PromisePay is a digital platform that offers convenient features such as bill pay text reminders.

We also attended community events to encourage qualified customers to sign up for our Customer Assistance Program (CAP), a discount program for low-income families. At the end of 2023, 24% of our customers were benefiting from our CAP.

CUTTING THROUGH RED TAPE

Another source of help for our customers: a Low-Income Household Water Assistance Program (LIHWAP). The problem? The funding was only available for a limited time, and it was extremely difficult to navigate the application process. So, we worked to educate customers on the program and help them take advantage of it. Our efforts were a resounding success: In 2023, we helped customers receive more than \$2 million from the state and federal LIHWAP.

Bureaucracy Buster

Renee Burton

Regional Customer Service Manager

Renee supports our regional customer service centers and manages corporate projects that benefit customers and customer service teams across the company. Most recently, she played an important role in helping low-income customers access funds through the Low Income Household Water Assistance Program (LIHWAP). Throughout the year, she was a steady presence at after-hours and weekend events, helping customers wade through the cumbersome application process. Renee says she didn't mind giving up free time that she would have spent exploring nature or visiting kitschy California tourist traps, two of her favorite past-times. "I love helping customers and being involved in the community, and I work with amazing people," she says.





Gary Witcher

Manager of Water
Treatment Operations

When Gary took his first water treatment class, he knew he'd found his calling. Proud of his role in delivering high-quality water, Gary says, "I don't know of a profession that's more noble and beneficial to society than providing safe, clean water." But Gary's nobility goes beyond his work at Cal Water; he also runs the non-profit dog rescue, Home Is Where the Hounds Are. He and his animal-loving wife are currently caring for more than 20 dogs, most of whom have had a really rough start — including one who was thrown out of a speeding car. The most rewarding part for him is knowing "that each of these really good dogs is having a much better life than they would have otherwise. We're turning very sad stories into happy endings."

Pup (& H₂O) Protector

Volunteering During the Season of Service

Volunteering in our communities is nothing new, but in 2023, we took it up a notch with our Season of Service, a three-month effort that involved nearly half of our employees in volunteer projects. Our goal was to offer every employee the opportunity to band together with other employees throughout the Company to do something meaningful to help others.

At regional events, employees were on site at local charities, sorting nearly 40,000 pounds of groceries at Second Harvest Food Bank of Silicon Valley, cleaning and decorating for the kids at the Boys and Girls Club of the North Valley, rejuvenating the Dominguez Rancho Adobe's rose garden, and packing 4,000 pounds of food for the Visalia Emergency Aid Food Pantry and Family Assistance Center.

In addition to the above organizations, through the inaugural program, employees helped:

- Centro Maravilla Center
- Tri-Valley Haven
- Lutheran Services of Southern California
- United Way of San Joaquin
- Project Helping
- Happy Hope Foundation

For those who were unable to attend the regional events, there were workplace-based opportunities to make care packages for the homeless, hospitalized veterans, needy children, and shelter animals.

Giving Back to the Community

Another important component of our community service is the financial support we give to organizations that share our commitment to making a difference. In 2023, we contributed more than \$1.5 million to charitable organizations, including those helping the homeless, disabled veterans, children, and shelter animals.

SUPPORTING OUR FIREFIGHTERS

One of our signature philanthropic efforts is our Firefighter Grant Program, which provides life-saving equipment and training to fire agencies in our service areas. In 2023, we provided grants for:

- Ballistic personal protective equipment and related supplies for the Chico Fire Department.
- Hoses, including those used to fight fires in high-rise buildings, for the Colma Fire Protection District.
- Special cameras to see victims and escape routes in low- to zero-visibility conditions for the Livermore-Pleasanton and Oroville Fire Departments.
- Tactical helmets for the Monterey County Regional Fire Protection District.
- Watertight batteries to power the Jaws of Life for the Visalia Fire Department.
- Firefighting hose nozzles for the Woodside Fire Protection District.

Friend to Firefighters

William (Nate) Torsch

Operations Manager

Over the years, Nate has prioritized forging partnerships with the fire agencies in his service areas. And not just because he's a local kid who grew up with many of the men and women who now serve as first responders. He does it because these are mutually beneficial relationships. Nate allows local fire agencies to train on our property, and instead of being wasted, the water they practice with goes into our treatment plant settling ponds and eventually back into our reservoir. At the same time, when Nate is having difficulty getting approvals on water infrastructure projects that are needed to increase water available for firefighting, the fire agencies step in. "These men and women put their lives on the line to protect others, and it's good to be able to back them up and help meet their needs," he says. "It's a way to give back behind the scenes."



Operating Brilliantly

What does it mean to operate brilliantly? It means being a beacon to the community when disaster strikes. It means building water infrastructure that will be sound for decades to come. It means meeting some of the most stringent water quality standards in the world. Basically, it means doing what it takes to provide a safe, reliable water supply.

48

Number of Operations Rapid Response Team members deployed to emergencies and natural disasters in 2023.

9 and 12

Number of graduates from and current participants in our Operations Leadership Pathway program, respectively. Through the program, participants learn and demonstrate water operations expertise, leadership skills, and business acumen as they are promoted from hourly to management positions.

542,636

Quantity of water quality tests our water quality team conducted in 2023 to confirm that our water met or surpassed state and federal water quality standards set to protect public health.

“

Having roots in a community where potable water was scarce, I truly appreciate the value of investments in infrastructure. It's those investments in water infrastructure that enable us to deliver a reliable supply of safe, clean water to the tap.”

— Carmelo Sorce, Chief Engineer & Director, Capital Delivery

Responding to the Maui Fire

On August 8, 2023, the unimaginable happened in paradise when deadly wildfires broke out on Maui. Four separate fires raged in the upcountry, central, and west parts of the island, eventually ravaging nearly 7,000 acres and taking more than 100 lives.

The tragedy began with high winds and power outages. As reports of fire spread, cell service became unreliable and was eventually lost altogether. At 1:30 a.m. on August 9, our team evacuated our Ka'anapali field office as it got the heartbreaking news that historic Lahaina Town was completely destroyed.

Throughout the crisis, our employees stepped up, even though some had lost homes and others had lost loved ones. They focused on maintaining communications and securing fuel for power generators to keep water flowing to our customers. By August 13, our CEO and VP of Operations were on island to provide support.

Thanks to the team's heroic efforts, we were the only water utility on the west side of the island to provide safe, clean water throughout the emergency. Beyond serving our customers, we set up water supply stations for people outside of our service areas and provided water for firefighting.

Hawaiian Hero

John (Kani) Kadowaki

Operations Manager

Kani led the team that responded so valiantly to a crisis that he describes simply as "chaos." His account of the events of those first few days is harrowing. He spent the first night with his family in his work truck, getting a scant amount of sleep. In the days following, the company secured lodging for them, but the family had no clothes or power. Through it all, Kani worked tirelessly to keep the team focused on the highest priority: keeping generators fueled up and safe water flowing to customers. Asked how he managed to stay calm in the chaos, Kani says he works better, and concentrates harder, in stressful situations. He credits this trait to challenging hobbies like surfing, boating, and sailing across some of the roughest channels in the world, which have trained him to pay attention to detail and respond to changing environments while focusing his energy and resources on the things that are within his control.





Careful Collector

Candi Shelton

Water Quality Sampling Specialist II

Candi was tapped to collect all of the samples in our Washington service areas for PFAS testing. Although she was honored to be selected for the task, she says it was nerve-racking at times, “because there could be no errors — it had to be done right.” In all, she filled 4,075 bottles for testing from 450 water sources. It was no picnic, either; some of the sources are not accessible by vehicle, so she had to hike to them to collect the samples. And despite doing the work through both rainy and hot weather, she had to forgo wearing rain gear and sunscreen (and even mascara!) to prevent potential contamination. Candi wouldn’t have imagined herself working for a water company for a living. “But, man, do I love my job though! I’m so happy my career path has led me here,” she says. “This work is really important, because customers rely on me to make sure samples are collected properly. I love that I get to do a good thing for the community.”

Providing High-Quality Water

Protecting customer health and safety is our absolute highest priority, and our team of water quality experts executes a rigorous treatment and testing program designed to help us meet or surpass all state and federal water quality standards.

STAYING AHEAD OF EVOLVING REGULATION

The Environmental Protection Agency hasn’t yet set federal Maximum Contaminant Levels (MCL) for per- and polyfluoroalkyl substances (PFAS), a group of chemicals used to make products that resist heat, oil, stains, grease, and water. In advance of having formal limits, we have tested extensively for PFAS before being required to do so.

In cases where we have detected PFAS above the “action level” in Washington or the “response level” in California, we have either taken the source of supply offline, installed treatment to remove PFAS, or made operational changes to lower PFAS levels.

After the PFAS MCLs are set, we expect to have three years to come into compliance with the new regulation at an estimated cost of \$215 million. In the meantime, we are actively pursuing litigation to recover treatment costs from responsible parties.

Investing in Water Infrastructure

We invest diligently in our infrastructure in order to deliver a safe, reliable water supply to our customers, and in 2023, we invested a record \$383.7 million. With careful planning and disciplined execution, we completed a range of replacement and improvement projects in 2023, including:

- 26 water quality treatment plants
- 16 panel boards and generators
- 91 storage tanks and tank-related projects

In addition to responsibly increasing our groundwater pumping capacity in certain basins to lessen our dependence on more expensive supplies from outside of our service areas, we made strides on the physical security front, strengthening our defenses to keep our assets safe and functional.

REPLACING WATER MAINS

Although it seems less exciting than bigger, flashier projects, our water main replacement program is an important part of our infrastructure investment program. That's because mains are the backbone of our water systems, delivering high-quality water to customers and firefighters. The timely replacement of pipelines is essential to reducing water system leakage and preventing catastrophic failures that impact service to customers. In 2023, we replaced 159,822 feet of water mains.

Main Man

Rodrigo Zavala

Manager, Regional Main Replacement Program

Rod is a journalism major whose favorite novel is *The Great Gatsby*. So how did this bookish, skateboarding father of two end up being a professional project manager who drives progress on water main replacements in the Bay Area? He came to Cal Water as a temporary employee while looking for a place to start his “real career,” and 16 years later, he is a certified water professional whose expert communication skills — and penchant for organization — bring outside contractors, engineers, and operations teams together to complete water main replacement projects that improve water system reliability and fire flows. Mainly, Rod says, he has “a bird’s eye view of the whole process” and keeps “momentum going.” It requires keeping everyone in lockstep and rolling up his sleeves to fill in when reinforcement is needed. The key to his success, it seems, is his attitude: “It’s all about collaboration. I genuinely value the skills of the people around me.”



Delivering Dazzling Service

At the end of the day, our customers are our WHY. Some of us have the pleasure of interacting with our customers directly, while others work behind the scenes. Whatever our roles, we take pride in our shared mission: providing a safe, reliable water supply and excellent service, 24 hours per day, seven days per week.

441,928

Number of customer calls we fielded in 2023.

39

Percentage of Customer Service Representatives who have earned Customer Service Certification, which requires coursework and proficiency in subjects ranging from business writing to water quality.

9/10

Average “brand satisfaction” score received from customers who responded to our post-service surveys in 2023. Customer Service received a score of 9.1 out of 10.

“

One thing that makes us different from many businesses is that our customers rely on us to be available 24 hours per day, seven days per week. We have to be ready to meet our customers’ needs, whether we are responding to routine calls, after-hours emergencies, or even natural disasters. But it’s in times of emergency that we really shine. And that’s one of the most rewarding parts of my job — being able to help customers when they need it most.”

— Henry Wind, Director, Field Operations

Listening to Customers

We appreciate customers who take time out of their busy schedules to let us know how we're doing, but we don't sit around waiting to hear from them. We engage with our customers through annual surveys and occasional focus groups, because we know that seeking this feedback is critical to providing excellent service.

USING TECHNOLOGY TO HEAR HOW WE'RE DOING

In 2023, we began using a new survey platform that invites customers to rate the service they've just received from us, and our customer service team received an average score of 9.1 out of 10 from more than 10,000 respondents.

The tool enables customer service professionals to see in real time how they are doing and compare their scores with others on the team. It asks the customers how they feel about the company, their service experience, and the customer service professional who helped them. The customers can even leave open-ended comments.

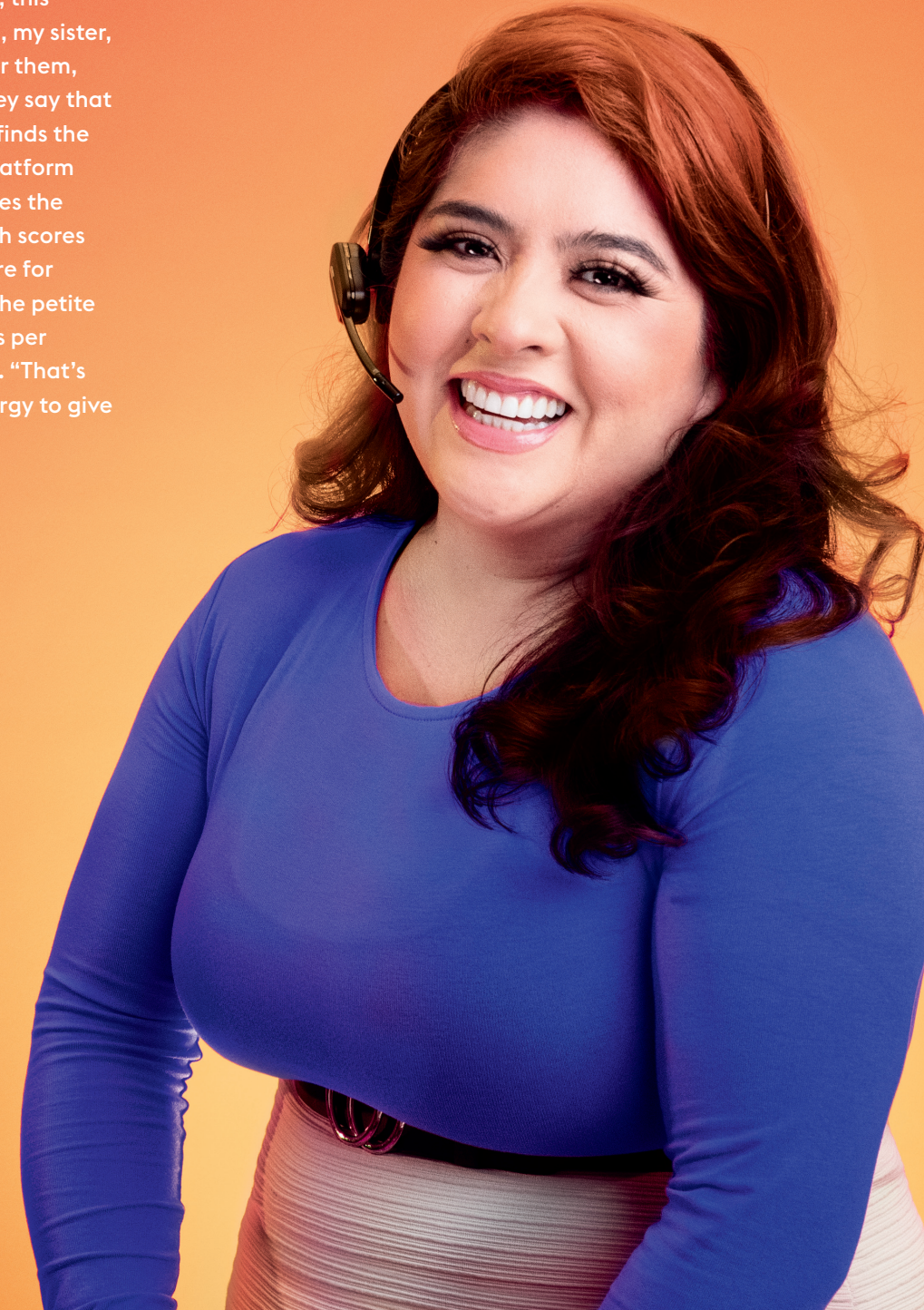
"What a fabulous customer service representative! Competent, professional, and so sweet. She made my moving week a lot less stressful." — *Southern California customer*

Natalie Gomez

Customer Service Professional

As a working mom of busy 11- and 13-year-old boys, Natalie knows that life can be a struggle, and she keeps this in mind when talking to customers. "I try to put myself in my customers' shoes. I'm very family-oriented, so when I'm helping a customer, I think to myself, this customer could be my mom, my dad, my sister, or my brother. I do whatever I can for them, and it just makes me proud when they say that I made their day," she says. Natalie finds the new post-service customer survey platform extremely useful, and she appreciates the incentive it provides to get top-notch scores from customers. Maybe it's this desire for continuous improvement that gets the petite fashionista up at 4:30 a.m. five days per week to lift weights at her local gym. "That's the 'me time' I need to have the energy to give to others."

Personable
Pro





Estevan Hernandez

Construction Foreman

In his 34 years at Cal Water, Estevan has built a reputation for being a go-to guy in emergencies. It's his affinity for helping others in times of trouble that make him a perfect person to lead an Operations Rapid Response Team (ORRT). As part of the ORRT program, we seek to think ahead, stage equipment and resources strategically, and train operations teams to go wherever they are needed to respond to emergencies. Estevan himself has responded to wildfires, severe storms, and flooding as an ORRT leader. Asked how he feels about the Company, Estevan says, "It's enabled me to put my kids through college and take care of my family, and it's never put me in harm's way." His predecessors taught him what he refers to as "the Cal Water Way," which has been a part of his and his family's lives for decades. He says, "It is a big deal to go in and tell a customer that Cal Water will take care of it — we'll make it right."

Rapid Responder

Providing 24/7 Reliability and 'Round-the-Clock Emergency Response

So much of what we do — from strategic investment in water system infrastructure to rigorous water quality monitoring to regular maintenance — we do in order to provide a safe, reliable water supply, 24 hours per day, seven days per week. But what happens when a customer needs us after we've gone home to our families? We show up.

"Last night, Lee Miller came out to assist with a busted pipe. I was very impressed . . . I tried to stay out of his way, [but] my 8-year-old son was alongside to help dig. You have an excellent employee here. I am very thankful for your availability as well!"
— *Washington customer*

In each of our service areas, our employees serve in after-hours on-call capacities, keeping their phones at their sides and their teams at the ready. In the event of a large-scale emergency, we activate our Operations Rapid Response Teams, specially trained operators who have their bags packed and are ready to be deployed wherever they're needed at a moment's notice.

Tracking Key Performance Metrics

For the first time in 2023, all employees were invited to participate in a program that rewards performance against key metrics that are foundational to the Company's success. Called the "At-Risk Pay Plan" because rewards are only granted to the extent that targets are achieved, the program measures performance related to water quality, customer service, infrastructure investment, emergency preparedness and safety, and earnings per share.

CUSTOMER SERVICE METRICS

In addition to seeking customer feedback through annual surveys, focus groups, and our new real-time customer rating platform, we monitor key satisfaction indicators on a regular basis, including whether we:

- Answer 80% of customer phone calls within 20 seconds.
- Arrive at 95% of our at-home appointments within the designated two-hour window.
- Satisfy 99% of customers on the first call.
- Achieve 97% billing accuracy.
- Post 99% of payments correctly.
- Have fewer than one-tenth of one percent of our customers file informal complaints with our regulators.

Metrics Master

Nishaik Tillman

Customer Relations Manager

Nishaik is responsible for ensuring that customer service representatives throughout the company are equipped to provide excellent customer service, so she makes training a priority. She views herself as their advocate, and she is dedicated to getting them the information and resources they need to be successful. She's the perfect person for the job, having started her career as a customer service representative. In her role, she reviews customer service performance metrics regularly, because doing so is "key to identifying areas that need improvement and staying on track." But she's no taskmaster. A self-proclaimed hugger, Nishaik does her work with warmth and positivity. "We might hear a lot of negative, but there are a lot of good people in the world. And our people are some of the best," she says.



Business at a Glance

Our mission:

to be the leading provider of sustainable water and waste-water services.

Our purpose:

to enhance the quality of life for our customers, communities, employees, and stockholders.

Our operating imperatives:

affordable and excellent service, sustainability and community impact, public health and safety, enhanced stockholder value, and employees as best advocates.

1,266

Employees

1926

Company founded

2M+

Population served

Number of customers per state



497,687

California



38,006

Washington



11,355

New Mexico



6,541

Hawaii



2,754

Texas

556K+

Service connections

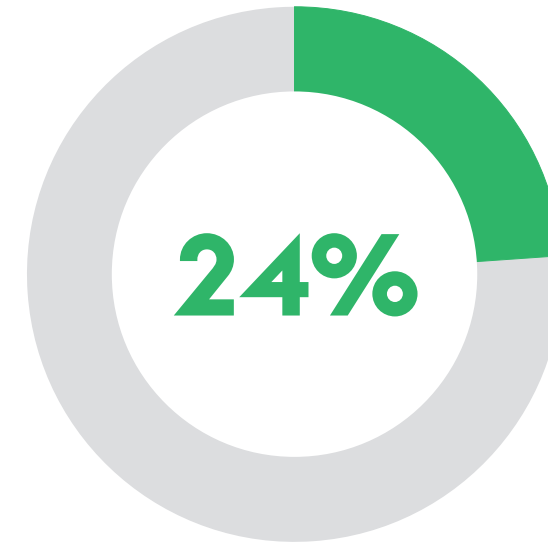


93B+

Gallons of drinking water delivered

680M+

Gallons of waste-water processed



Of customers participate in low-income assistance programs

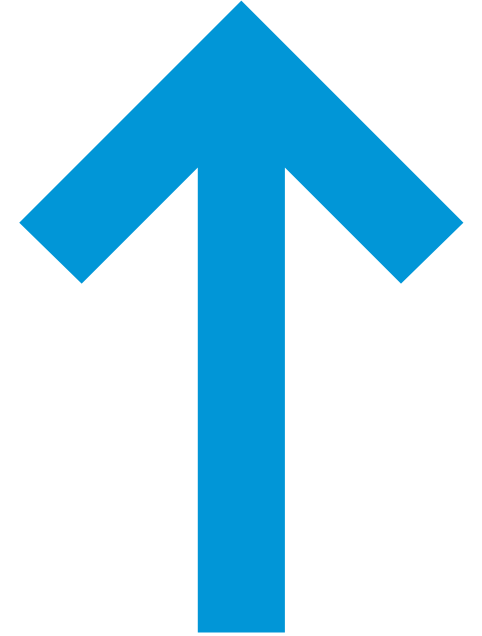
\$795M

Operating revenue



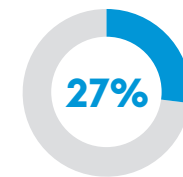
63% Reduction

In Scope 1 & 2 greenhouse gas emissions by 2035 from base year 2021



56 Years

The annual dividend has increased



Of total spend to diverse businesses

\$1.5M+

Contributed to charitable organizations

Consecutive annual dividends paid since

1948

To Our Stockholders

From the Chairman and CEO

Sometimes the numbers don't tell the whole story. Clearly, our financial performance in 2023 was impacted by the lack of a timely decision from the California Public Utilities Commission on our 2021 General Rate Case, which precluded us from recovering significant costs we incurred providing a safe, reliable water supply to our customers.

Nevertheless, our team stayed focused on our mission and achieved excellent results:

- We invested \$383.7 million in water system infrastructure, including water supply- and water quality-related projects that are needed to provide safe, reliable water service.
- We conducted 542,636 water quality tests and met all applicable state and federal standards set to protect public health and safety.
- We established a multifunctional team to prepare and execute a robust program to meet new PFAS standards and revised lead and copper rule requirements while keeping customer affordability front and center.

- We hosted nearly 20 emergency response events with more than 90 local and state agencies to collaborate and rehearse our emergency response plans.
- We began serving 2,056 new customers through acquisitions of Bethel Green Acres Water Association, Skylonda Mutual Water Company, Monterey Water Company, City of Willows, and Stroh's Water Company. We also added 1,800 equivalent dwelling units of wastewater customers through the acquisition of HOH Utilities, LLC.
- We invested more than \$4.4 million in programs that will help customers save an estimated 95 million gallons of water per year.
- We contributed more than \$1.5 million to charitable organizations in our service areas.
- We increased our dividend for the 56th consecutive year. We've paid a dividend every year since 1948.

MOVING FORWARD WITH INFRASTRUCTURE IMPROVEMENT PLANS

On March 7, 2024, the California Public Utilities Commission adopted a decision on our 2021 General Rate Case and Infrastructure Improvement Plan. The decision authorizes us to invest \$1.2 billion in water system infrastructure projects over four years, \$160 million of which will be subject to the Commission's advice letter process. It also increases adopted revenues by up to \$103.1 million, plus an inflation factor yet to be determined, over three years, retroactive to January 1, 2023. Finally, the decision approves our progressive rate design, which provides revenue stability while benefiting low-income and low-water-using customers by significantly lowering the cost of the first units of water consumed and allowing for more of our fixed costs to be recovered in the service charge. Perhaps the best news of all is that the Commissioners publicly expressed a commitment to improving the timeliness of their decision-making going forward.

We are now working diligently on our 2024 General Rate Case and Infrastructure Investment Plan, which we expect to file on July 1. We also plan to file for updated rates in Kaanapali, Waikoloa, and parts of New Mexico in 2024.

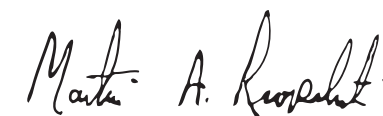
MAKING PROGRESS ON ESG

In March, we announced our commitment to reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 63% by 2035 from a base year of 2021. Our climate change adaptation and mitigation efforts continue to progress, with the 2023 completion of wildfire hardening and water supply projects, a power purchasing strategy, a fleet electrification infrastructure assessment, and a facilities energy efficiency audit. Details on our progress on all of our material ESG topics will be provided in our 2023 ESG Report, which will be published in May 2024.

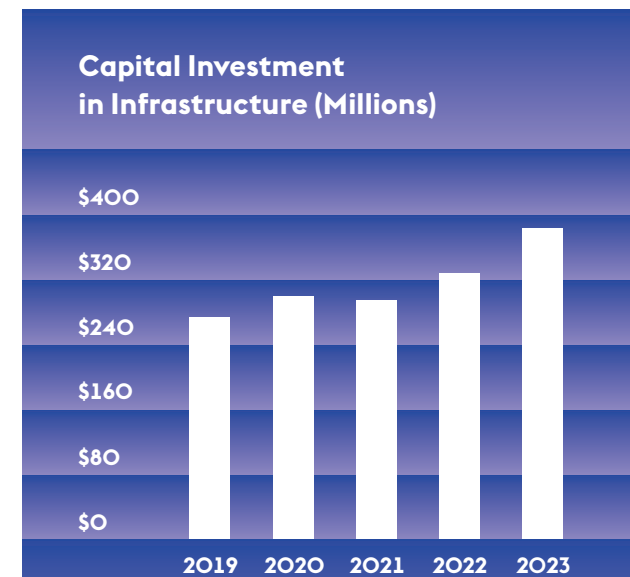
PROVIDING EXCELLENT SERVICE AND SAFE, RELIABLE WATER SERVICE

We also continued to excel at customer service. In April 2023, we were ranked number one in customer satisfaction among large water utilities in the west region by J.D. Power. The recognition is a reflection of the work of many, including our water quality professionals, water system operators, customer service professionals, and other team members who are dedicated to meeting our customers' needs, day and night.

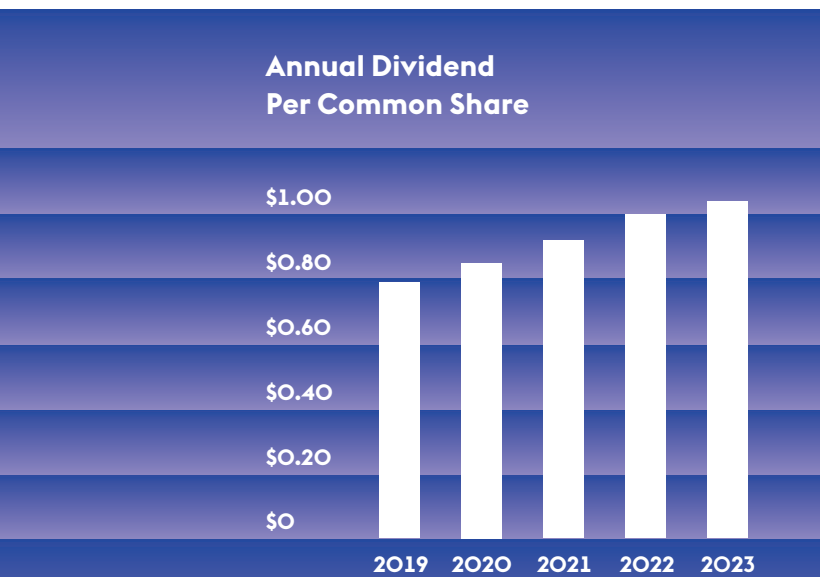
It truly is the work of our best and brightest that makes our company special. Thank you for being a part of our mission.



Martin A. Kropelnicki,
Chairman, President & Chief Executive Officer



\$1.6 billion
invested
over 5 years



From the Lead Independent Director

As Lead Independent Director, I have the honor and the pleasure of working alongside your Board of Directors and management team, both of whom I would consider to be among the “Best and the Brightest.” Together, we bring diverse expertise and perspectives to bear to create long-term, sustainable value for our stockholders and other critical stakeholders by executing our strategy, minimizing risk, and fulfilling our purpose as a leading provider of water and wastewater utility services.


It is the board’s responsibility to provide independent, insightful leadership, both at the board and committee levels. Governed by rigorous Corporate Governance Guidelines, we fulfill our responsibility to provide oversight and require accountability for compliance and adherence to the highest ethical standards.

As a board, we have a deep understanding of the business and its inherent risks. I believe our commitment is reflected in the fact that most, if not all, of our directors choose to attend meetings of our Audit; Finance and Capital Investment; Enterprise Risk Management, Safety, and Security; Nominating

and Corporate Governance; and Organization and Compensation Committees, whether they are members or not. The expertise and knowledge of each director provides immeasurable value.

I would like to take this opportunity to thank and recognize the many contributions of Terry P. Bayer, our esteemed colleague who left the board in 2023 for medical reasons. I would also like to welcome to the board Charles R. Patton, former Executive Vice President, External Affairs, at American Electric Power Company, Inc., and Jeffrey Kightlinger, who retired as the longest-serving Chief Executive Officer of the Metropolitan Water District of Southern California, the largest municipal water supplier in the nation.

I look forward to continuing our important work. Thank you for your investment in our Company and your continued confidence in our bright future.



Scott Morris,
Lead Independent Director

Financial Highlights*

Dollars in thousands, except per common share data

YEAR ENDED DECEMBER 31	2023	2022	2021	2020	2019
Market price at year end	\$51.87	\$60.64	\$71.86	\$54.03	\$51.56
Book value per share	\$24.72	\$23.70	\$21.72	\$18.08	\$15.84
Earnings per share (diluted)	\$0.91	\$1.77	\$1.96	\$1.97	\$1.31
Dividend per share	\$1.04	\$1.00	\$0.92	\$0.85	\$0.79
Operating revenue	\$794,632	\$846,431	\$790,909	\$794,307	\$714,557
Net income attributable to California Water Service Group	\$51,911	\$96,011	\$101,125	\$96,831	\$63,116

*Certain numbers reflect prior period adjustments. See Form 10-K for details.

Our Radiant Retirees

As we celebrate our team of Best and Brightest, we pause to recognize and thank employees who retired in 2023 with 25 years of service or more. We wish you health and happiness as you enter the next vibrant chapter in your lives.

James Fonseca
Certified Pump Operator
46 years of service

Greg Safian
Superintendent
43 years of service

Mary Scoffone-O'Dea
P-4 Water Quality Senior Chemist
40 years of service

Jeffrey Martin
Foreman, Pump & Control Valve
36 years of service

Martin Gonzalez
Superintendent
36 years of service

Clifford Wade
Small Systems Operator
33 years of service

Douglas Camy
Foreman, Construction & Operations
32 years of service

Michael Utz
Assistant District Manager
25 years of service

Our Shiny Awards

Our greatest reward is fulfilling our mission, but we want to highlight some of the recognition we received in 2023. Hats off to our employees; these awards wouldn't be possible without the dedication and hard work of people throughout our organization.



Great Place To Work
Aug 2023–2024



J.D. Power Highest in Customer Satisfaction 2023

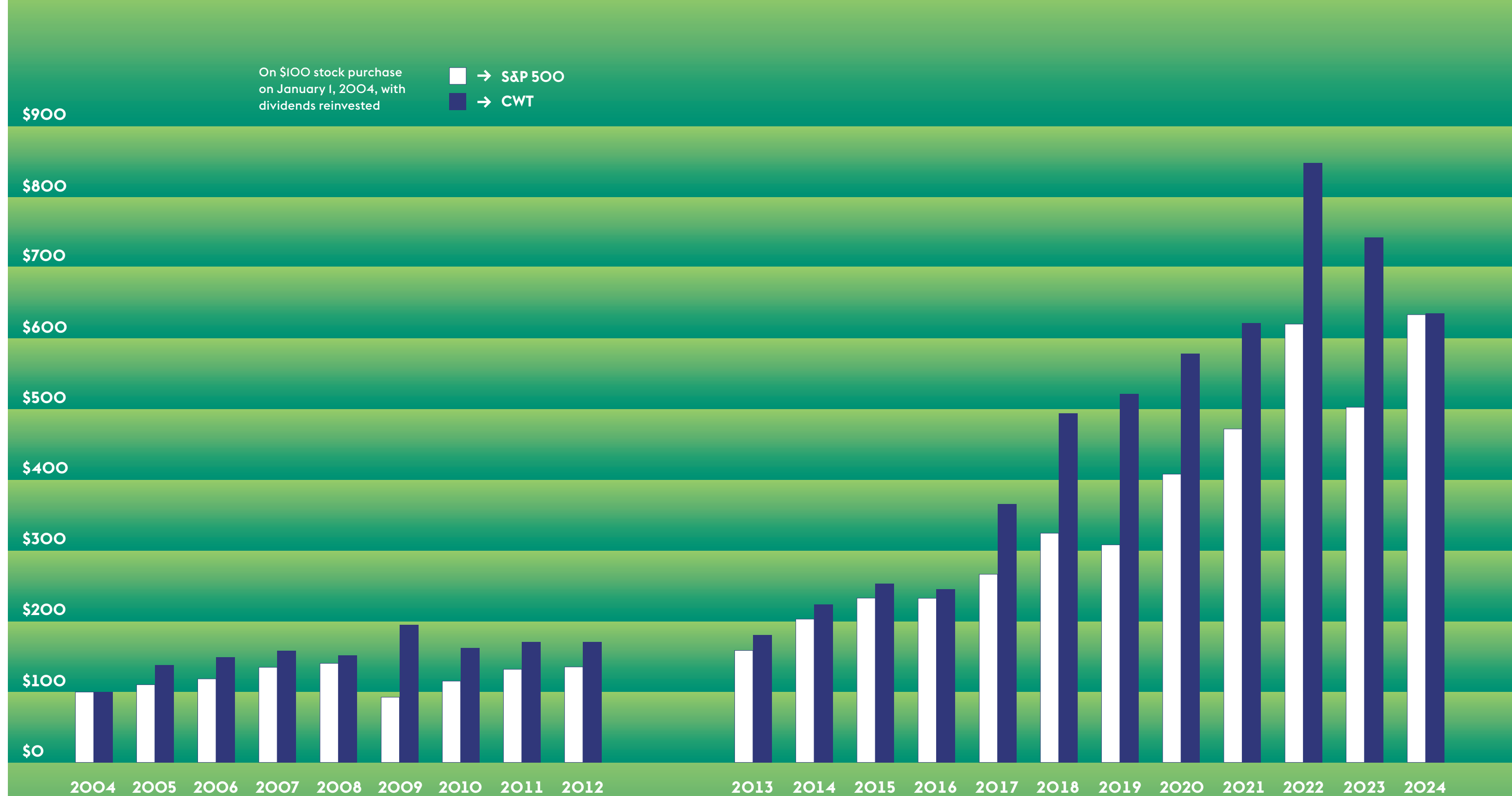


EPA WaterSense 2023 Excellence Award



America's Most Responsible & World's Most Trustworthy Companies by Newsweek, 2023

CWT 20-Year Total Return on Investment



Eight-Year Financial Review

	2023	2022	2021	2020	2019	2018	2017	2016
SUMMARY OF OPERATIONS								
Operating revenue	\$794,632	\$846,431	\$790,909	\$794,307	\$714,557	\$698,196	\$676,113	\$609,370
Operating expenses	\$717,497	\$718,771	\$664,139	\$657,641	\$615,145	\$587,656	\$569,030	\$526,734
Interest expense, other income and expenses, net	\$25,759	\$32,397	\$25,791	\$39,835	\$36,296	\$44,956	\$34,143	\$33,961
Net income	\$51,911	\$96,011	\$101,125	\$96,831	\$63,116	\$65,584	\$72,940	\$48,675
COMMON SHARE DATA								
Earnings per share (diluted)	\$0.91	\$1.77	\$1.96	\$1.97	\$1.31	\$1.36	\$1.52	\$1.01
Dividend declared	\$1.04	\$1.00	\$0.920	\$0.850	\$0.790	\$0.750	\$0.720	\$0.690
Dividend payout ratio	114%	57%	47%	43%	60%	55%	47%	68%
Book value	\$24.72	\$23.70	\$21.72	\$18.08	\$15.84	\$15.19	\$14.56	\$13.75
Market price at year end	\$51.87	\$60.64	\$71.86	\$54.03	\$51.56	\$47.66	\$45.35	\$33.90
Common shares outstanding at year end (in thousands)	57,724	55,598	53,716	50,334	48,532	48,065	48,012	47,965
Return on average common stockholders' equity	3.8%	7.7%	9.7%	11.5%	8.4%	9.2%	10.7%	7.5%
Long-term debt interest coverage	2.02	3.31	3.52	3.87	3.10	3.57	4.58	3.45
BALANCE SHEET DATA								
Net utility plant	\$3,773,255	\$3,472,931	\$2,846,862	\$2,650,558	\$2,406,370	\$2,232,723	\$2,047,965	\$1,859,277
Total assets	\$4,595,533	\$4,264,813	\$3,623,271	\$3,394,248	\$3,111,308	\$2,837,704	\$2,744,710	\$2,411,745
Long-term debt, including current portion	\$1,053,440	\$1,055,797	\$1,060,986	\$786,227	\$808,622	\$814,938	\$531,713	\$557,953
Capitalization ratios:								
Common stockholders' equity	57.6%	55.6%	52.5%	53.7%	49.4%	47.3%	56.8%	54.2%
Long-term debt	42.4%	44.4%	47.5%	46.3%	50.6%	52.7%	43.2%	45.8%
OTHER DATA								
Water production (in million gallons)	103,484	106,945	110,519	110,742	104,735	107,589	104,986	99,096
Customers at year end, including Hawthorne and Commerce	556,400	553,000	547,600	543,000	520,600	517,500	514,300	511,500
New customers added	3,400	5,400	4,600	22,400	3,100	3,200	2,800	2,500
Operating revenue per customer	\$1,428	\$1,531	\$1,444	\$1,463	\$1,373	\$1,349	\$1,315	\$1,191
Utility plant per customer	\$8,852	\$8,203	\$7,665	\$7,165	\$6,820	\$6,240	\$5,775	\$5,312
Employees at year end	1,266	1,225	1,182	1,192	1,207	1,184	1,176	1,163

*Certain numbers reflect prior period adjustments. See Form IO-K for details.

Board of Directors



Jeffrey Kightlinger

Principal and Owner of Acequia Consulting, LLC, and Former Chief Executive Officer, The Metropolitan Water District of Southern California

Director since 2023.



Martin A. Kropelnicki

Chairman, President, and Chief Executive Officer of California Water Service Group

Director since 2013.



Thomas M. Krummel, M.D.

Emile Homan and Chair Emeritus, Department of Surgery, Stanford University School of Medicine

Director since 2010. Organization and Compensation Committee; Nominating/Corporate Governance Committee.



Gregory E. Aliff

Former Vice Chairman and Senior Partner of U.S. Energy & Resources, Deloitte LLP

Director since 2015. Audit Committee, Chair; Finance and Capital Investment Committee; Enterprise Risk Management; Safety and Security Committee.



Shelly M. Esque

Former Vice President and Global Director of Corporate Affairs, Intel Corporation

Director since 2018. Enterprise Risk Management, Safety, and Security Committee; Nominating/Corporate Governance Committee.



Carol M. Pottenger

Principal and Owner of CMP Global, LLC, and Retired U.S. Navy Vice Admiral

Director since 2017. Enterprise Risk Management, Safety, and Security Committee; Finance and Capital Investment Committee; Nominating/Corporate Governance Committee.



Yvonne A. Maldonado, M.D.

Senior Associate Dean, Faculty Development and Diversity, Professor of Global Health and Infectious Diseases, Departments of Pediatrics and Epidemiology and Population Health, Stanford University

Director since 2021. Enterprise Risk Management, Safety, and Security Committee; Nominating/Corporate Governance Committee.



Lester A. Snow

Former Director of the California Department of Water Resources

Director since 2011. Enterprise Risk Management, Safety, and Security Committee, Chair; Finance and Capital Investment Committee; Organization and Compensation Committee.



Scott L. Morris

Chairman, Avista Corporation

Director since 2019. Lead Independent Director; Nominating/Corporate Governance Committee, Chair; Audit Committee; Organization and Compensation Committee.



Patricia K. Wagner

Former Group President, U.S. Utilities, Sempra Energy

Director since 2019. Finance and Capital Investment Committee, Chair; Audit Committee.



Charles R. Patton

Former Executive Vice President, External Affairs, American Electric Power Company, Inc.

Director since 2023. Audit Committee.

Corporate Officers



Shawn C. Bunting
Vice President,
General Counsel



Shannon C. Dean
Vice President, Customer
Service and Chief
Citizenship Officer



Greg A. Milleman
Vice President, Rates
and Regulatory Affairs



Michelle R. Mortensen
Vice President, Corporate
Secretary & Chief of Staff



Daryl L. Osby
Vice President, Safety,
Security, and Emergency
Preparedness



David B. Healey
Interim Vice President,
Chief Financial Officer
and Treasurer



Sophie M. James
Chief Water
Quality Officer



Kenneth G. Jenkins
Chief Water Resource
Sustainability Officer



Elissa Y. Ouyang
Vice President, Facilities,
Fleet, and Procurement



Shilen M. Patel
Chief Corporate
Development Officer



Todd K. Peters
Chief Engineering Officer



Martin A. Kropelnicki
Chairman, President, and
Chief Executive Officer



Michael B. Luu
Senior Vice President,
Corporate Services and
Chief Risk Officer



Michael S. Mares
Vice President, Operations



Thomas A. Scanlon
Corporate Controller
and Principal Accounting
Officer



Justin B. Skarb
Vice President,
Government and
Community Affairs



Ronald D. Webb
Vice President,
Chief Human Resource
Officer

As of December 31, 2023

ANNUAL MEETING

The Annual Meeting of Stockholders will be held online on Wednesday, May 29, 2024, at 9:30 a.m. PT. Details of the business to be transacted during the meeting will be contained in the proxy material, which will be mailed to stockholders on or about April 17, 2024.

COMPUTERSHARE INVESTOR SERVICES

462 South 4th Street, Suite 1600
Louisville, Kentucky 40202

BOND REGISTRAR

U.S. Bank Trust, N.A.
One California Street
San Francisco, California 94111
415.273.4580

EXECUTIVE OFFICE AND STOCKHOLDER INFORMATION

California Water Service Group
Attn: Stockholder Relations
1720 North First Street
San Jose, California 95112
408.367.8200 or
800.750.8200
www.calwatergroup.com

ANTICIPATED DIVIDEND DATES FOR 2024

QUARTER	DECLARATION	RECORD DATE	PAYMENT DATE
First	January 25	February 12	February 23
Second	April 24	May 6	May 17
Third	July 31	August 12	August 23
Fourth	October 30	November 12	November 22

TO TRANSFER STOCK

A change of ownership of shares (such as when stock is sold or gifted or when owners are deleted from or added to stock certificates) requires a transfer of stock. To transfer stock, the owner must complete the assignment on the back of the certificate and sign it exactly as his or her name appears on the front. This signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in approved signature medallion programs) pursuant to SEC Rule 17Ad-15. A notary's acknowledgment is not acceptable. This certificate should then be sent to Computershare Investor Services (Computershare) by registered or certified mail with complete transfer instructions. Alternatively, the Direct Registration System can be utilized, which allows electronic share transactions between your broker or dealer and Computershare.

ANNUAL REPORT FOR 2023 ON FORM 10-K

A copy of the Company's annual report for 2023 filed with the Securities and Exchange Commission (SEC) on Form 10-K is available and can be obtained by any stockholder at no charge upon written request to the Company. The Company's filings with the SEC can be viewed via the link to the SEC's EDGAR system on the Company's website.

Challenging times come and challenging times go, but our team's commitment to providing essential water and wastewater services never wavers.





CALIFORNIA
WATER SERVICE GROUP
INVESTING FOR LIFE [®]



1720 North First Street, San Jose, California 95112-4508

Phone: 408.367.8200 | www.calwatergroup.com | NYSE: CWT