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California Water Service Receives CPUC Approval to Acquire Skylonda Mutual Water Company

SAN JOSE, Calif., June 02, 2022 (GLOBE NEWSWIRE) -- California Water Service (Cal Water), the largest subsidiary of California Water Service Group (NYSE: CWT), received approval this week by the California Public Utilities Commission (CPUC) to acquire the water system assets of Skylonda Mutual Water Company. The purchase is subject to customary remaining closing conditions and expected to close later this year.

Cal Water plans to provide water utility service to Skylonda's 176 customer connections through its Bear Gulch District, which is adjacent to the Skylonda system. The Bear Gulch District currently serves about 60,900 people through 19,000 service connections in Portola Valley, Woodside, Atherton, and portions of Menlo Park, Redwood City, and San Mateo County.

After the acquisition is completed, Cal Water intends to invest in Skylonda's water system infrastructure so that it remains safe and reliable for customers' and firefighters' everyday and emergency needs. Additionally, with Skylonda situated between Cal Water's Skyline system and the main portion of its Bear Gulch District, Cal Water will be able to interconnect the three areas to enhance water supply reliability to the entire district.

"We appreciate the CPUC staff's diligence in reviewing this transaction, and we look forward to both working with Skylonda Mutual Water Company to complete the acquisition and providing quality, service, and value to Skylonda customers, both now and for decades to come," said Marty Kropelnicki, Cal Water President and CEO.

California Water Service serves about 2 million people through 494,500 customer connections in California. The utility has provided water service in the state since 1926. For more information, visit 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: ability to close the acquisition of Skylonda Mutual Water

Company, integrate the business, and operate the Skylonda system in an effective and accretive manner; natural disasters, public health crises, pandemics, epidemics or outbreaks of a contagious disease, such as the outbreak of coronavirus (or COVID-19), governmental and regulatory commissions' decisions, including decisions on 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.