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California Water Service Eases Water-Use Reduction Requirements for Service Areas

Utility Sets Conservation Targets Until State Updates Conservation Standards in 2017

SAN JOSE, CA -- (Marketwired) -- 06/23/16 -- California Water Service (Cal Water), the largest subsidiary of California Water Service Group (NYSE: CWT), today announced interim water-use reduction requirements for all of its service areas, effective until the State Water Resources Control Board (State Board) issues its framework for permanent conservation standards in early 2017. This follows a recent decision by the State Board to allow water suppliers to set their own short-term reduction requirements based upon local water supply conditions.

Customers' conservation targets will continue to be based on 2013 use, except for unique situations; however, the company will suspend surcharges for all customers, at least temporarily. In most communities, Cal Water asks customers to achieve a water-use reduction of at least 10%.

"Although most of our communities have adequate short-term water supplies, much of the state continues to experience severe drought. It is critical that our customers continue their excellent conservation efforts in order to ensure that we have enough water to meet long-term needs," said Ken Jenkins, Director of Drought Management and Conservation.

Six Cal Water districts will have targets other than 10%. East Los Angeles, whose State-mandated water-use reduction requirement had been 8%, and King City, which previously had a 9% reduction requirement, will both see targets unchanged. Bakersfield will similarly have a 9% target. In the company's Los Altos District, which has aligned with its wholesale water supplier and other suppliers regionally, customers' targets will be 20% less than 2013 use. And, in the Central Valley districts of Selma and Visalia, Cal Water is also setting a reduction target of 20%.

These changes must be approved by both the State Board and the California Public Utilities Commission before they become effective on August 1, 2016.

Prohibited uses of water, water waste violations, and most irrigation schedules will remain effective. Customers can visit www.calwater.com/drought for more details. Cal Water will also notify customers by mail of these changes to its drought response program.

Cal Water serves about 2 million people through 480,300 service connections in California. The company, which has provided water service in the state since 1926, was ranked "Highest in Customer Satisfaction Among Water Utilities in the West" in 2016 by J.D. Power in its inaugural Water Utility Residential Customer Satisfaction Study. Additional information may be obtained online at www.calwater.com.