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Cal Water President & CEO Testifies Before House Energy and Commerce Subcommittee on Environment; Provides Recommendations on Tackling Nation's Drinking Water Infrastructure Challenges

SAN JOSE, CA -- (Marketwired) -- 03/17/17 -- Martin A. Kropelnicki, President & Chief Executive Officer of California Water Service Group (NYSE: CWT) (Cal Water), testified yesterday on behalf of the National Association of Water Companies (NAWC) before the Subcommittee on Environment of the U.S. House of Representatives Committee on Energy and Commerce at its hearing on "Reinvestment and Rehabilitation of Our Nation's Safe Drinking Water Delivery Systems." Kropelnicki currently serves as President of NAWC, which represents private water utilities across the country.

In his testimony, Kropelnicki provided recommendations on tackling the nation's drinking water infrastructure challenges, including holding failing water systems accountable and encouraging them to pursue partnerships or consolidation with able owners or operators; using federal funding for water projects to incentivize water suppliers to implement the Environmental Protection Agency's principles of effective utility management; and providing additional incentives for private utilities to leverage their decades of experience solving complex water challenges and bringing new water infrastructure projects online faster and cheaper, such as providing utilities safe harbor protections when they assume responsibility of turning around failing water systems.

Elaborating on private water utilities' expertise, Kropelnicki explained that NAWC's six largest member companies are investing nearly \$2.7 billion annually in maintaining and upgrading their water systems. Cal Water alone is budgeting to invest about \$1 billion in its water systems over the next five years. This is significant given that the current total federal appropriation for the State Revolving Fund program is about \$2 billion annually, according to Kropelnicki.

"The private water utility sector stands able, ready, and willing to partner with local and state governments, as well as the federal government, to help meet the challenges our nation's water infrastructure will face in the coming years and decades," Kropelnicki said. "Quite simply, private water companies, like Cal Water, have the financial, managerial, and technical expertise to help ensure that all Americans have safe, reliable, and high-quality water utility service."

The full hearing, in which Kropelnicki testified with Rudolph Chow, on behalf of the American Municipal Water Association; Greg DiLoreto, of the American Society of Civil Engineers; John Donahue, on behalf of the American Water Works Association; Randy Ellingboe, on behalf of the Association of State Drinking Water Administrators; and Erik Olson, of the

Natural Resources Defense Council, can be viewed at <http://bit.ly/2mMIArK>. Kropelnicki's written testimony to the Subcommittee can be read at <http://bit.ly/2nvJUzd>.

California Water Service Group is the parent company of California Water Service, Washington Water Service, New Mexico Water Service, Hawaii Water Service, CWS Utility Services, and HWS Utility Services. The subsidiaries provide regulated and non-regulated water service to nearly 2 million people in 100 communities. California Water Service 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. The Company's common stock trades on the New York Stock Exchange under the symbol "CWT." Additional information about the company is available online at www.calwatergroup.com.