

February 2, 2015



California Water Service Company Secures \$136,000 Grant to Help Maintain Water Supply in Lucerne

Grant Enables Company to Make Improvements Without Impacting Customer Bills

LUCERNE, CA -- (Marketwired) -- 02/02/15 -- California Water Service Company (Cal Water), the largest subsidiary of California Water Service Group (NYSE: CWT), announced today that the company has secured a \$136,000 grant from the State Water Resources Control Board's Division of Drinking Water to perform a two-phase improvement project on its intake pump in Clear Lake, the sole water source for Cal Water's Lucerne area customers. The grant, which will allow Cal Water to draw water from lower water levels and maintain an uninterrupted water supply for customers, will also enable the company to complete the project without impacting Lucerne customers' water rates.

Due to the drought, the lake's water levels were threatening to drop too low to be pumped by existing equipment. As a short-term solution, Cal Water crews extended the depth of the pump by two feet. The extension enables the company to continue drawing water as the lake level declines further.

For the second phase, Cal Water is designing a long-term solution that includes a floating intake pump structure that is responsive to rising and falling lake levels to draw water from the lake. The floating structure can also allow water to be drawn from different levels in the lake, which could require less treatment in the water treatment plant and be more cost-effective in the long run.

"We have been closely monitoring the water level in Clear Lake, and given the severity and duration of the drought, our customers' water supply would be affected in another dry year. We are also very sensitive to rate increases and understand the potential rate impact improvements like this could have on our small customer base," said Martin A. Kropelnicki, Cal Water President and CEO. "I am very pleased that our team consisting of local employees, engineers, and water quality professionals were able to secure grant funding to enable us to make the necessary improvements to help ensure a reliable supply of water to our customers without a financial impact to them."

California Water Service Group is the parent company of California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, Hawaii Water Service Company, Inc., CWS Utility Services, and HWS Utility Services. Together, these companies provide regulated and non-regulated water service to approximately 2 million people in more than 100 California, Washington, New Mexico, and Hawaii communities. Group's common stock trades on the New York Stock Exchange under the symbol "CWT."

Additional information is available at our web site at www.calwatergroup.com.