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Cal Water Committed to Conservation, Working Together With State Water Board on Alternate Compliance for Water Use Reductions in High-Impact Economic Area

SAN JOSE, CA -- (Marketwired) -- 09/23/15 -- California Water Service (Cal Water), the largest subsidiary of California Water Service Group (NYSE: CWT), announced today that the company has reached an agreement for its Dominguez water system to meet state-mandated water use reductions with the State Water Resources Control Board (Board). The Board has issued an alternate compliance order for Cal Water to meet the state's requirements in light of major industrial customers' "process water" requirements that prevent the utility from meeting the mandatory reduction target of 16 percent in its Dominguez system.

Residential customers in Cal Water's Dominguez system reduced their water use by 23 percent in June and 20 percent in July 2015, compared to June and July of 2013; however, non-residential customers' water use accounts for about 70 percent of the total water use in the system. A significant portion of the non-residential use is considered process water, or water needed to manufacture a product, by industrial customers.

Cal Water had been working with the Board since mandatory water use reductions became effective in June to address process water concerns in the company's Dominguez system.

"We are pleased that, after months of thorough and thoughtful dialogue, the Board agrees that an alternate means of compliance for our Dominguez system is necessary to prevent a significant and negative impact to the economy, both local and nationwide, due to our industrial customers' process water needs," said Martin A. Kropelnicki, Cal Water President and CEO. "Our residential customers in Dominguez continue to exceed the state's water use reduction requirements, and we are glad the Board recognizes their efforts. We remain steadfast in our commitment to water conservation and will continue to aggressively work to reduce water use locally among our non-residential customers in other ways."

As part of the alternate compliance agreement, Cal Water will complete multiple water use efficiency evaluations for its commercial, industrial, and institutional (CII) customers this fall, enhance its outreach plan targeted to the company's CII sector, and allocate resources to implement a more comprehensive CII program.

Additionally, the company continues to expand its robust water conservation program. In June 2015, Cal Water implemented a turf replacement rebate program for all customers. This program is expected to save 24 gallons of water each year per square foot of turf replaced in the Dominguez system. Earlier this month, Cal Water also rolled out a residential high-efficiency toilet delivery program, which is projected to save up to 8,768 gallons of water per toilet, per year for single-family residential Dominguez customers and up to 11,782

gallons per toilet, per year for multi-family residential Dominguez customers. The company is currently working to offer water use efficiency evaluations for its CII customers.

Cal Water also offers a range of rebates on high-efficiency toilets, clothes washers, irrigation controllers, and other devices for both residential and non-residential customers; conservation kits with high-efficiency plumbing retrofit devices at no charge for residential customers; residential water use efficiency evaluations; and other conservation programs. In 2014, Cal Water customers saved 163 million gallons of water directly through our conservation programs.

Cal Water serves about 2 million people through 478,000 service connections in California. The company has provided water service in the state since 1926. Additional information may be obtained online at www.calwater.com.