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California Water Service Signs Agreement to Acquire Gunner Ranch West Wastewater System

SAN JOSE, Calif., Oct. 29, 2020 (GLOBE NEWSWIRE) -- California Water Service (Cal Water), the largest subsidiary of California Water Service Group (NYSE: CWT), today announced that it has entered into an agreement to acquire the wastewater system assets of Gunner Ranch Inc., which currently serves a large section of southern Madera County including Valley Children's Hospital. At buildout, the new Gunner Ranch West wastewater system will also serve a new development area including a planned 2,840 residential units, along with 2 million square feet of commercial and other medical facilities. The purchase is subject to customary closing conditions, and the transaction is expected to close by early 2021.

Subject to the fulfillment of conditions to closing of the agreement, Cal Water expects to provide wastewater service to Valley Children's Hospital beginning in 2021 and the Gunner Ranch West new development service area once the California Public Utilities Commission has approved Cal Water's request to serve the area.

"We are pleased to expand our footprint in the growing Madera County region and appreciate Gunner Ranch Inc.'s confidence in our expertise," said Marty Kropelnicki, Cal Water President and CEO. "We also look forward to providing the safe, reliable wastewater service our community members need for their everyday and emergency needs."

California Water Service serves approximately 2 million people through 489,600 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 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 complete the acquisition and ability to operate the Gunner Ranch wastewater system in an accretive manner; natural disasters, public health crises, pandemics, epidemics or outbreaks of a contagious disease, such as the recent outbreak of coronavirus (or COVID-19), governmental and regulatory commissions' decisions, including decisions 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.