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Cal Water Files Updated Water Shortage Contingency Plan, Expands Conservation Program to Support Customers Amid Current Drought

SAN JOSE, Calif., June 15, 2021 (GLOBE NEWSWIRE)—As part of its drought management and response plan, California Water Service (Cal Water) filed its updated Water Shortage Contingency Plan (Schedule 14.1) with the California Public Utilities Commission yesterday and announced an expanded conservation program to help customers reduce their water use.

Cal Water is currently in Stage 1 of Schedule 14.1, which includes penalties for violating prohibited uses of water established during the last historic drought. The prohibited uses of water include:

- Applying water to outdoor landscapes that causes runoff onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures
- Using a hose to wash motor vehicles unless the hose is fitted with a shutoff nozzle or device that causes it to cease dispensing water immediately when not in use
- Applying water to driveways and sidewalks
- Using water in a fountain or other decorative water feature, except where the water is part of a recirculating system
- Applying water to outdoor landscapes during and within 48 hours after measurable rainfall
- Using potable water to irrigate outside of new construction without drip or microspray systems
- Irrigating outdoors between 8 a.m. and 6 p.m., unless local ordinances state otherwise
- Not repairing leaks within five days of notification

Restaurants may also only serve water upon request, and hotels and motels must offer the option to opt out of daily linen and towel washing services.

While the first violation will typically result in a warning, subsequent violations may carry monetary penalties or restriction of service. Cal Water does not currently plan to implement water budgets in 2021 as part of its drought response, but will continue to monitor local conditions to determine if further steps are needed.

Additionally, Cal Water has doubled rebate amounts offered for large high-efficiency devices such as toilets, urinals, and clothes washers. Full rebate details and qualifying products are listed on the utility's web site. Cal Water also offers:

- Free conservation kits with high-efficiency plumbing retrofit devices for residential customers
- Rebates for outdoor irrigation devices

- Educational resources
- A Smart Landscape Tuneup Program that includes an irrigation system evaluation along with installation of approved efficient devices and repair of most irrigation system leaks at no cost

Cal Water expects to launch a drip system conversion rebate and relaunch its turf replacement program, created during the previous drought, later this summer.

"Our customers answered the call to conserve water during the last drought, and we look forward to working with them to reduce their water use again this year," said Martin A. Kropelnicki, President and CEO. "We hope that we will be able to achieve necessary water savings through voluntary conservation efforts; we will continue to monitor conditions in each of our service areas to determine if additional actions are required."

California Water Service serves about 2 million people through 492,600 service connections in California. The utility has provided water service in the state since 1926. Additional information may be obtained online at 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: 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.