

CALIFORNIA WATER SERVICE GROUP

NOTICE OF 2001 ANNUAL MEETING AND PROXY STATEMENT

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CORPORATE PROFILE

California Water Service Group provides high-quality water utility services to 2 million people through four subsidiaries: California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, and CWS Utility Services. The three water service companies are regulated by state public utilities commissions; CWS Utility Services provides non-regulated contract services, including meter reading, billing, and full-system operations.

[CALIFORNIA WATER SERVICE GROUP LOGO APPEARS HERE] CALIFORNIA WATER SERVICE GROUP
California Water Service Company, New Mexico Water Service Company, Washington Water Service Company and CWS Utility Services
1720 North First Street, San Jose, CA 95112-4598
(408) 367-8200

March 16, 2001

DEAR FELLOW STOCKHOLDER:

You are cordially invited to attend our Annual Meeting of Stockholders at 10:00 A.M. on Wednesday, April 18, 2001 at the executive offices of California Water Service Group, 1720 North First Street, San Jose, California. At the Annual Meeting, we will review our 2000 performance and answer your questions.

With this letter, we are including the notice for the Annual Meeting, the proxy statement, the proxy card and the 2000 Annual Report. This year we've again made arrangements for you to vote over the Internet or by telephone, as well as by the traditional proxy card. See the proxy card for instructions on these methods of voting.

When you review this proxy statement, you may wish to keep two factors in mind. First, you will be deciding who will serve as the Group's directors until the next Annual Meeting. The directors also will serve on the boards of two of the Group's subsidiaries, California Water Service Company and CWS Utility Services. Second, you will be deciding on the ratification of the appointment of independent auditors.

Whether or not you plan on attending the Annual Meeting on April 18, I hope you will vote as soon as possible. Your vote is important.

Thank you for your ongoing support of and continued interest in California Water Service Group.

Sincerely,

/s/ ROBERT W. FOY

ROBERT W. FOY
CHAIRMAN OF THE BOARD

<CAPTION>
 2001 ANNUAL MEETING OF STOCKHOLDERS
 NOTICE OF ANNUAL MEETING AND PROXY STATEMENT
 TABLE OF CONTENTS

<S>	<C>
Notice of Annual Meeting	3
Questions and answers about the Proxy Materials and the Annual Meeting	4
WHAT AM I VOTING ON?	4
WHO MAY ATTEND THE ANNUAL MEETING?	4
WHO IS ENTITLED TO VOTE?	4
HOW MANY VOTES DO I GET?	4
WHAT IS "CUMULATIVE VOTING" AND HOW DOES IT WORK?	4
HOW ARE THE DIRECTORS ELECTED?	4
WHO ARE THE BOARD'S NOMINEES?	4
WHAT IS THE REQUIRED VOTE FOR THE SECOND PROPOSAL TO PASS?	4
HOW DO I VOTE?	4
WHAT IF I CHANGE MY MIND AFTER I RETURN MY PROXY?	5
WILL MY SHARES BE VOTED IF I DO NOT RETURN MY PROXY?	5
WHAT HAPPENS IF MY SHARES ARE HELD BY MY STOCKBROKER?	5
WHAT HAPPENS IF I ABSTAIN FROM VOTING ON A PROPOSAL?	5
WHO WILL COUNT THE VOTE?	5
WHAT DOES IT MEAN IF I GET MORE THAN ONE PROXY CARD?	6
WHAT CONSTITUTES A QUORUM?	6
WHAT PERCENTAGE OF STOCK DO THE DIRECTORS AND EXECUTIVE OFFICERS OWN?	6
WHO ARE THE LARGEST STOCKHOLDERS?	6
WHAT IS THE DEADLINE FOR SUBMITTING STOCKHOLDER PROPOSALS FOR THE GROUP'S PROXY MATERIALS FOR NEXT YEAR'S ANNUAL MEETING?	6
HOW CAN A STOCKHOLDER PROPOSE A NOMINEE FOR THE BOARD?	6
HOW CAN A STOCKHOLDER PROPOSE BUSINESS AT A STOCKHOLDER'S MEETING?	7
CAN I MAKE COMMENTS AND/OR ASK QUESTIONS DURING THE ANNUAL MEETING?	7
Board Structure	8
Director Compensation Arrangements	9
Proposals of the Board to be Voted on	10
Proposal No. 1--Election of Directors	10
Proposal No. 2--Ratification of Selection of KPMG LLP as Auditors for 2001	12
Stock Ownership of Management and Certain Beneficial Owners	13
Ownership of Directors and Executive Officers	13
Ownership of Largest Principal Stockholders	14
Section 16(a) Beneficial Ownership Reporting Compliance	14
Executive Compensation	15
Summary Compensation Table	15
Severance Agreements	15
Option/SAR Grants in 2000	16
Aggregated Option/SAR Exercises in 2000 and 2000 Fiscal Year-End Option/SAR Values	17
Pension Plans	17
Report of the Compensation Committee of the Board of Directors on Executive Compensation	18
Audit Committee	20
Report of the Audit Committee	20
Auditors' Fees and Services	20
Audit Committee Charter	20
Performance Graph	21
Other Matters	22
Appendix A	23
Audit Committee Charter	23
For directions to the Annual Meeting, please refer to the map on the inside back cover.	
</TABLE>	

2 California Water Service Group

CALIFORNIA WATER SERVICE GROUP
 1720 North First Street
 San Jose, CA 95112-4598
 (408) 367-8200

Notice of Annual Meeting of Stockholders

TIME 10:00 A.M. on Wednesday, April 18, 2001

PLACE Executive Offices of California Water Service Group,
 1720 North First Street, San Jose, California

ITEMS OF BUSINESS (1) To elect directors
 (2) To ratify the appointment of independent auditors
 (3) To consider such other business as may properly
 come before the meeting

RECORD DATE You are entitled to vote if you were a stockholder at the close of business on Thursday, February 22, 2001.

VOTING By Proxy Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. You may submit your proxy (1) over the Internet, (2) by telephone, or (3) by mail. For specific instructions, please refer to the Questions and Answers beginning on page 4 of this proxy statement and the instructions on the proxy card.

By Order of the Board of Directors

PAUL G. EKSTROM
CORPORATE SECRETARY

This notice of meeting and proxy statement and accompanying proxy card are being distributed beginning on or about March 16, 2001.

California Water Service Group 3

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

WHAT AM I VOTING ON?

- o Election of nine directors to serve until the 2002 Annual Meeting.
- o Ratification of the Board's selection of KPMG LLP as the Group's independent auditors for 2001.

Those elected to serve as the Group's directors also will serve as the directors of California Water Service Company and CWS Utility Services, two of the Group's operating subsidiaries.

WHO MAY ATTEND THE ANNUAL MEETING?

All Group stockholders may attend.

WHO IS ENTITLED TO VOTE?

Stockholders of record at the close of business on February 22, 2001 (the "Record Date"), or those with a valid proxy from a brokerage firm or another similar organization which held shares on the Record Date.

HOW MANY VOTES DO I GET?

Each share of common stock is entitled to one vote. Each share of preferred stock is entitled to 16 votes. You may also use "cumulative voting" in the election of directors.

WHAT IS "CUMULATIVE VOTING" AND HOW DOES IT WORK?

Stockholders or persons holding a valid proxy may "cumulate" their votes for the election of directors. That is, they may give one candidate nine votes for each common share owned (instead of casting one vote for each of the nine candidates, they may cast all nine votes for a single candidate) or they may distribute their votes on the same principle among as many candidates as they desire. Because each preferred share is entitled to 16 votes, preferred stockholders may cumulate 144 votes (16 x 9) for each share owned. If you do not indicate otherwise, the proxies may use their discretion to cumulate votes.

HOW ARE THE DIRECTORS ELECTED?

The nine nominees receiving the highest number of votes are elected to the Board. Common and preferred shares vote together on directors.

WHO ARE THE BOARD'S NOMINEES?

The nominees are Douglas M. Brown, Robert W. Foy, Edward D. Harris, Jr., M.D., Robert K. Jaedicke, Richard P. Magnuson, Linda R. Meier, Peter C. Nelson, Langdon W. Owen, and George A. Vera. All the nominees except Mr. Brown are current Board members. See pages 10 and 11 for biographical information, including the nominees' current directorships in other publicly held companies.

WHAT IS THE REQUIRED VOTE FOR THE SECOND PROPOSAL TO PASS?

In order for the Board's selection of KPMG LLP as auditors to be ratified, the proposal must receive the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting.

HOW DO I VOTE?

You may vote by mail.

You do this by signing the proxy card and mailing it in the enclosed, prepaid and addressed envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

You may vote by telephone.

You do this by following the "Vote by Telephone" instructions on the proxy card. If you vote by telephone, you do not have to mail in your proxy card. Stockholders who do not have touch-tone phones will not be able to vote by telephone.

4 California Water Service Group

YOU MAY VOTE ON THE INTERNET.

You do this by following the "Vote by Internet" instructions on the proxy card. If you vote on the Internet, you do not have to mail in your proxy card.

YOU MAY VOTE IN PERSON AT THE MEETING.

We will pass out written ballots to anyone who wants to vote at the meeting. If you hold your shares in street name, you must request a legal proxy from your stockbroker in order to vote at the meeting.

If you return a signed card but do not provide voting instructions, your shares will be voted:

- o for the nine named director nominees
- o for the approval of the selection of auditors

We have been advised by counsel that these telephone and Internet voting procedures comply with Delaware law.

WHAT IF I CHANGE MY MIND AFTER I RETURN MY PROXY?

You may revoke your proxy any time before the polls close at the meeting. You may do this by:

- o signing another proxy with a later date,
- o voting by telephone or on the Internet (your latest telephone or Internet proxy is counted),
- o voting again at the meeting, or
- o notifying the Corporate Secretary, in writing, that you wish to revoke your previous proxy. We must receive your notice prior to the vote at the Annual Meeting.

WILL MY SHARES BE VOTED IF I DO NOT RETURN MY PROXY?

If you are a stockholder of record (that is, you hold your shares in your own name) your shares will not be voted unless you attend the meeting and vote in person. Different rules apply if your broker holds your shares for you.

WHAT HAPPENS IF MY SHARES ARE HELD BY MY STOCKBROKER?

Your broker, under certain circumstances, may vote your shares.

Brokers will write to you asking how you want your shares voted. However, if you do not respond, brokers have authority under exchange regulations to vote your unvoted shares on certain "routine" matters, including election of directors and approval of auditors. If you wish to change voting instructions you give to your broker, you must ask your broker how to do so.

If you do not give your broker voting instructions, the broker may either:

- o proceed to vote your shares on routine matters and refrain from voting on non-routine matters, or
- o leave your shares entirely unvoted.

Shares which your broker does not vote ("broker non-votes") will count towards the quorum only. We encourage you to provide your voting instructions to your broker. This ensures that your shares will be voted at the meeting.

YOU MAY HAVE GRANTED TO YOUR STOCKBROKER DISCRETIONARY VOTING AUTHORITY OVER YOUR ACCOUNT. If so, your stockbroker may be able to vote your shares even on non-routine matters, depending on the terms of the agreement you have with your stockbroker.

WHAT HAPPENS IF I ABSTAIN FROM VOTING ON A PROPOSAL?

If you abstain from voting on a proposal (whether by proxy or in person at the Annual Meeting), your shares will be counted in determining whether we have a quorum but the abstention will have the same effect as a vote against a proposal.

WHO WILL COUNT THE VOTE?

Representatives of EquiServe, our transfer agent, will serve as the inspector of elections and count the votes.

California Water Service Group 5

WHAT DOES IT MEAN IF I GET MORE THAN ONE PROXY CARD?

It means that you have multiple accounts at the transfer agent and/or with stockbrokers. Please sign and return all proxy cards to ensure that all your shares are voted.

WHAT CONSTITUTES A QUORUM?

A majority of the outstanding shares--present at the Annual Meeting or represented by persons holding valid proxies--constitutes a quorum. If you submit a valid proxy card, your shares will be part of the quorum.

Without a quorum, no business may be transacted at the Annual Meeting. However, whether or not a quorum exists, a majority of the voting power of those present at the Annual Meeting may adjourn the Annual Meeting to another date, time and place.

At the Record Date, there were approximately 11,000 stockholders of record. There were 15,145,866 shares of our common stock outstanding and entitled to vote at the Annual Meeting and 139,000 shares of our preferred stock outstanding and entitled to vote at the Annual Meeting.

WHAT PERCENTAGE OF STOCK DO THE DIRECTORS AND EXECUTIVE OFFICERS OWN?

Together, they own less than one percent of our common and preferred stock. See page 13 for more details.

WHO ARE THE LARGEST STOCKHOLDERS?

As of January 1, 2001, the largest principal stockholders were:

- o SJW Corp. (1,099,952 shares of common stock, representing 7.3% of our common stock);
- o Employees Savings Plan of California Water Service Group, a Group-sponsored 401(k) plan (628,016 shares of common stock, representing 4.1%); and
- o GE Financial Corporation (36,610 shares of Series C preferred stock, representing 26.3%).

See page 14 for more details.

WHAT IS THE DEADLINE FOR SUBMITTING STOCKHOLDER PROPOSALS FOR THE GROUP'S PROXY MATERIALS FOR NEXT YEAR'S ANNUAL MEETING?

Any proposals which stockholders intend to present at the 2002 Annual Meeting of stockholders must be received by the Corporate Secretary of the Group by November 16, 2001 in order to be considered for inclusion in the Group's 2002 proxy materials. A proposal and any supporting statement together may not exceed 500 words. Please submit the proposal to Paul G. Ekstrom, Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, California 95112-4598.

HOW CAN A STOCKHOLDER PROPOSE A NOMINEE FOR THE BOARD?

Any stockholder of record who is entitled to vote at a stockholders meeting may propose a nominee for the Board. The bylaws contain the requirements for doing so. Contact the Corporate Secretary to request a copy of the full bylaw requirements. Briefly, a stockholder must give timely prior notice to the Group. The notice must be received by the Corporate Secretary at the Group's principal place of business by the 150th day before the first anniversary of the prior year's annual meeting. If we move the date of the meeting by more than thirty days before or more than sixty days after the date of the previous meeting, notice is due by the 150th day before the annual meeting or the 10th day after we publicly announce the holding of the meeting.

If the Board calls a special meeting to elect directors, stockholder notice is due by the 150th day prior to that meeting or the 10th day after we publicly announce the holding of the special meeting and identify the Board's director nominees. The bylaws do not affect the rights of preferred holders to nominate directors where they are otherwise entitled to do so.

The bylaws specify what the notice must contain. The notice deadline for the 2002 Annual Meeting is November 19, 2001.

Any stockholder of record who is entitled to vote at a stockholders meeting may propose business for the meeting. Just as with nominations, the bylaws contain the requirements. Contact the Secretary of the Group and request a copy of the full bylaw requirements. The stockholder must give timely prior notice to the Group. The deadlines are the same as for stockholder nominations discussed above.

The bylaws specify what the notice must contain. Stockholders must comply with all requirements of the securities laws regarding proposals. The bylaws do not affect any stockholder right to request inclusion of proposals in the Group's proxy statement under the rules of the Securities and Exchange Commission.

Because of the 150-day notice requirement discussed above, stockholders who have not given prior notice may not raise a proposal (or a nomination) at this year's meeting.

CAN I MAKE COMMENTS AND/OR ASK QUESTIONS DURING THE ANNUAL MEETING?

Yes, most certainly. Stockholders wishing to address the meeting are welcome to do so by adhering to the following guidelines:

1. Stockholders may address the meeting when recognized by the Chairman or President and Chief Executive Officer.
2. Each stockholder, when recognized, should stand and identify himself or herself.
3. Stockholder remarks must be limited to matters before the meeting and may not exceed 2 minutes in duration per speaker.

California Water Service Group 7

BOARD STRUCTURE

This section briefly describes the functions of the principal committees of the Board.

AUDIT: Reviews the Group's auditing, accounting, financial reporting and internal audit functions. Also recommends the selection of independent auditors to the Board. All members are non-employee directors and are independent as defined in the listing standards of the New York Stock Exchange.

COMPENSATION: Reviews the Group's executive compensation and employee benefit plans and programs, including their establishment, modification and administration. All members are non-employee directors.

EXECUTIVE: Has limited powers to act on behalf of the Board whenever it is not in session. This Committee meets only as needed.

During 2000, there were 11 regular meetings and one special meeting of the Board, two meetings of the Compensation Committee, four meetings of the Audit Committee and no meetings of the Executive Committee. Each of the director-nominees who served on the Board of California Water Service Group in 2000 attended at least 89% of all Board and applicable committee meetings. Collectively, they attended an average of 95% of all of the Board and applicable committee meetings.

DIRECTOR COMPENSATION ARRANGEMENTS

The following table provides information on the Group's compensation and reimbursement practices during fiscal year 2000 for non-employee directors, as well as the range of compensation paid to non-employee directors who served the entire 2000 fiscal year. Directors who are employed by the Group receive no compensation for their Board activities except a fee for attending each Board meeting. Directors receive no additional compensation for serving on the Boards of the Group's subsidiaries.

DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR 2000

Annual Director Retainer	\$16,000
Board and Committee Meeting Attendance Fees	\$1,040 and \$950
Range of Committee Meeting Attendance Fees Paid to Directors	\$1,900 - \$9,500
Committee Meeting Attendance Fees for Committee Chairs	\$1,900

COMPENSATION. In 2000, Directors Harris, Jaedicke, Magnuson, Meier, and Vera received an annual retainer of \$16,000. Director Owen, elected to the Board in April 2000, received an annual retainer of \$10,667. Effective January 1, 2001, non-employee directors are paid an annual retainer of \$18,000.

DEFERRED COMPENSATION PLAN. Effective January 1, 2001, the Group established the California Water Service Group Director, Officer and Manager Deferred Compensation Plan, an unfunded deferred compensation program for non-employee directors, executive officers and managers. This plan succeeded the California Water Service Group Directors Deferred Compensation Plan, which originally became effective in January 1998. Under the new plan, as under the predecessor plan, non-employee directors may defer up to 100% of their annual retainer with a minimum annual contribution of \$5,000. The plan also allows non-employee directors to defer 100% of their meeting and committee meeting fees. Directors who are also executive officers may defer 100% of their meeting fees and up to 50% of their annual salary with a minimum annual contribution of \$5,000. Other executive officers and managers, who elect to participate in the plan, may defer up to 50% of their annual salary with a minimum contribution of \$5,000. Amounts deferred are fully vested and recorded by Group as general liabilities and the value of deferrals fluctuate according to one of several investment indices selected by the participant. Funds are distributed from this plan when the participant ceases to be a director (unless the participant is an employee, in which case we make a distribution when employment terminates). Distributions also are available upon a showing of hardship. Amounts remaining undistributed at death are distributed to the participant's designated beneficiary or beneficiaries. Group is under no obligation to make any investment or otherwise fund the plan. Participants are general, unsecured creditors of the Group.

RETIREMENT PLAN. Effective January 1, 1998, we established a directors' retirement plan to succeed the retirement plan of California Water Service Company. This plan operates in the same manner as the prior plan. Any director who retires after serving on the Board for a total of five or more years (including service on the California Water Service Company Board before January 1, 1998) will receive a benefit equal to the annual retainer paid to our non-employee directors at the time of the director's retirement. This benefit will be paid annually for the number of years the director served on the Board, up to a maximum of 10 years.

PROPOSALS OF THE BOARD

There are nine nominees for election to our Board this year. All of the nominees have served as directors since the last Annual Meeting, except for Douglas M. Brown, who is a new nominee and will stand for election as a director by our stockholders for the first time at this year's Annual Meeting. Information regarding the business experience of each nominee is provided below. All directors are elected annually to serve until the next Annual Meeting and until their respective successors are elected.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE FOLLOWING NOMINEES.

VOTE REQUIRED

The nine persons receiving the highest number of votes represented by outstanding shares present or represented by proxy and entitled to vote will be elected. Except as otherwise indicated, each director has served for at least five years in the positions stated below.

DOUGLAS M. BROWN
NEW NOMINEE FOR 2001
age 63

Mr. Brown, a resident of the state of New Mexico, is president and chief executive officer of Tuition Plan Consortium. He is also chairman of Talbot Financial Services. From 1990 to 1999, he was president and chief executive officer of Talbot Financial Services.

ROBERT W. FOY (2)
DIRECTOR SINCE 1977
age 64

Mr. Foy is chairman of the board of California Water Service Group and its subsidiaries. He was formerly president and chief executive officer of Pacific Storage Company, a diversified transportation and warehousing Group serving Stockton, Modesto, Sacramento, San Jose, Vallejo, Marysville and Merced, California. He has served as chairman of California Water Service Group since January 1, 1996.

EDWARD D. HARRIS, JR., M.D. (2), (4)
DIRECTOR SINCE 1993
age 63

Dr. Harris is the George DeForest Barnett professor of medicine at Stanford University Medical Center, where he is the director of the Center for Musculoskeletal Diseases and the medical director of the International Medicine Service. He is a director of the Genentech Research and Educational Foundation. He is also the executive secretary of Alpha Omega Alpha, the National Medical Honor Society and the governor of the American College of Physicians/American Society of Internal Medicine--Northern California Chapter.

ROBERT K. JAEDICKE (2), (3), (4), (5)
DIRECTOR SINCE 1974
age 72

Professor Jaedicke is professor emeritus of accounting and was dean at the Stanford University Graduate School of Business. Professor Jaedicke also is a director of Boise Cascade Corporation and Enron Corporation.

[PICTURES OF DIRECTORS APPEAR HERE IN ORDER OF
DOUGLAS M. BROWN, ROBERT W. FOY, EDWARD D. HARRIS, JR., M.D.,
ROBERT K. JAEDICKE, AND RICHARD P. MAGNUSON]

10 California Water Service Group

RICHARD P. MAGNUSON (3), (4)
DIRECTOR SINCE 1996
age 45

Mr. Magnuson is a private venture capitalist. From 1984 to 1996, he was a general partner of Menlo Ventures, a venture capital firm. He also is a director of several privately held companies.

LINDA R. MEIER (3), (4), (6)
DIRECTOR SINCE 1994
age 60

Ms. Meier is a director of Greater Bay Bancorp, the Peninsula Community

Foundation and the National Advisory Board of the Haas Public Service Center. She is also a member of the Board of Trustees of the California Academy of Sciences, the former chair of the Stanford University Hospital Board of Directors (1992-1997) and a former trustee of Stanford University (1984-1994).

PETER C. NELSON (2)
DIRECTOR SINCE 1996
age 53

Mr. Nelson is president and chief executive officer of California Water Service Group and its subsidiaries. Before joining California Water Service Group in 1996, he was vice president, division operations (1994-1995) and region vice president (1989-1994) of Pacific Gas & Electric Company.

LANGDON W. OWEN (3)
DIRECTOR SINCE 2000
age 70

Mr. Owen is president of Don Owen & Associates, an assessment engineering and special tax consulting firm. He is also a director of the Metropolitan Water District of Southern California.

GEORGE A. VERA (3)
DIRECTOR SINCE 1998
age 57

Mr. Vera is chief financial officer (previously, the director of finance and administration) of the David and Lucile Packard Foundation. Until 1997, he was an audit partner at Arthur Andersen, LLP.

[FN]

(1) No nominee has any family relationship with any other nominee or with any executive officer of the Group. "Director since" date refers to the year the nominee first was elected or appointed to the Board of California Water Service Group or California Water Service Company, as appropriate.

(2) Member of Executive Committee

(3) Member of Audit Committee

(4) Member of Compensation Committee

(5) Chair of the Audit Committee

(6) Chair of the Compensation Committee

</FN>

[PICTURES OF DIRECTORS APPEAR HERE IN ORDER OF
LINDA R. MEIER, PETER C. NELSON, LANGDON W. OWEN, AND GEORGE A. VERA]

California Water Service Group 11

PROPOSAL NO. 2 - RATIFICATION OF SELECTION OF KPMG LLP AS AUDITORS FOR 2001

VOTE REQUIRED

In order for the ratification of independent auditors to be approved, it must receive the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting.

Stockholders will vote on the ratification of KPMG LLP, certified public accountants, to audit our books, records and accounts for the year ending December 31, 2001. KPMG has acted as independent auditors for California Water Service Company and Group since 1939. Following the recommendation of the Audit Committee, the Board recommends a vote FOR the adoption of this proposal. Representatives of KPMG LLP will be present at the meeting to answer appropriate questions and will have an opportunity to make a statement if they desire to do so. If the stockholders do not ratify this appointment, the Board will reconsider the selection of the auditors.

THE BOARD URGES YOU TO VOTE FOR THIS PROPOSAL.

STOCK OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS
(COMMON AND PREFERRED STOCK OWNERSHIP AS OF JANUARY 1, 2001) (1)

Name	Shares Owned
Gerald F. Feeney EXECUTIVE OFFICER	10,277 (2)
Francis S. Ferraro EXECUTIVE OFFICER	834 (5)
Robert W. Foy DIRECTOR AND EXECUTIVE OFFICER	7,165 (3)
Edward D. Harris, Jr., M.D. DIRECTOR	1,396
Robert K. Jaedicke DIRECTOR	2,184
Richard P. Magnuson DIRECTOR	15,497
Linda R. Meier DIRECTOR	3,000
Peter C. Nelson DIRECTOR AND EXECUTIVE OFFICER	4,504 (4)
Langdon W. Owen DIRECTOR	14,921
Raymond H. Taylor EXECUTIVE OFFICER	3,807 (5)
George A. Vera DIRECTOR	685
Douglas M. Brown NOMINEE	3,000 (6)
All directors and executive officers as a group (7)	77,389

[FN]

(1) No director, nominee or executive officer owns any shares of Series C preferred stock. All directors and executive officers have sole voting and investment power over their shares (or share such powers with their spouses). To the knowledge of the Group, as of January 1, 2001, all directors and executive officers together beneficially owned an aggregate of less than 1% of the Group's outstanding common shares.

(2) Includes 4,371 shares held in the Employees Savings Plan.

(3) Includes 1,198 shares held in the Employees Savings Plan.

(4) Includes 1,204 shares held in the Employees Savings Plan.

(5) Held in the Employees Savings Plan.

(6) Includes 1,000 shares in a trust for which Mr. Brown is the trustee and has voting and investment power. Mr. Brown disclaims beneficial ownership of these shares.

(7) Includes 21,471 shares held in the Employees Savings Plan for the benefit of executive officers.

</FN>

OWNERSHIP OF LARGEST PRINCIPAL STOCKHOLDERS

The following table shows the largest principal holders of the Group's voting securities as of January 1, 2001:

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Class Percent of Class	Beneficial Owner	Number of Shares	
<S>	<C>	<C>	<C>
Common 7.3%	SJW Corp. (1) 374 W. Santa Clara Street San Jose, CA 95196	1,099,952	
Common 4.1%	California Water Service Group Employees Savings Plan (a 401(k) plan) 1720 N. First Street San Jose, CA 95112	628,016	
Series C Preferred 26.3%	GE Financial Corporation (2) 3003 Summer Street Stanford, CT 06905	36,610	

<FN>

(1) SJW Corp. has sole voting and investment power over these shares.

(2) GE Financial Corp. has sole voting and investment power over these shares.

</FN>

</TABLE>

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, certain officers, and holders of more than 10% of our common stock to file with the Securities and Exchange Commission reports regarding their ownership of our securities. Based solely on its review of the copies of forms furnished to the Group, or written representations that no annual forms (SEC Form 5) were required, the Group believes that during 2000, all officers, directors and 10-percent stockholders of the Group complied with the requirements for reporting stock ownership.

14 California Water Service Group

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE The following table discloses the compensation of the president and chief executive officer and our four other most highly paid executive officers for the three years ended December 31, 2000.

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Name and Principal Position	Year	Salary(1)	Other Annual Compensation	Compensation	
				Securities Underlying Options/SAR's	All Other Compensation
<S>	<C>	<C>	<C>	<C>	<C>
Peter C. Nelson \$5,586(3) PRESIDENT AND CHIEF 5,336(4)	2000	\$412,409	\$11,440(2)	12,500	
EXECUTIVE OFFICER 5,336(4)	1999	383,469	11,900(2)		
	1998	348,334	11,050(2)		
Robert W. Foy 5,586(3) CHAIRMAN OF THE BOARD 5,336(4)	2000	261,706	12,480(2)	8,000	
	1999	246,309	11,900(2)		
	1998	205,264	36,050(5)		
Gerald F. Feeney 5,586(3) VICE PRESIDENT, 5,336(4) CHIEF FINANCIAL OFFICER AND 5,336(4) TREASURER	2000	204,974	--	3,000	
	1999	191,338	--		
	1998	172,183	--		
Francis S. Ferraro 5,586(3) VICE PRESIDENT, 5,336(4) REGULATORY MATTERS 5,336(4)	2000	191,700	--	3,000	
	1999	176,604	--		
	1998	160,242	--		
Raymond H. Taylor 5,586(3) VICE PRESIDENT, 5,336(4) OPERATIONS 5,336(4)	2000	169,394	--	3,000	
	1999	163,265	--		
	1998	157,101	--		

<FN>
Footnotes to Summary Compensation Table

(1) Includes salary, amounts deferred under the Employees Savings Plan and compensation associated with the non-business use of a Company automobile except for Mr. Nelson, who does not have a Company automobile. The value of automobile use amounted to \$12,038, \$5,270, \$6,954 and \$1,546 for Messrs. Foy, Feeney, Ferraro and Taylor, respectively.

(2) Director meeting fees.

(3) Includes Employees Savings Plan contributions of \$5,250 and annual life insurance premiums of \$336.

(4) Includes Employees Savings Plan contributions of \$5,000 and annual life insurance premiums of \$336.

(5) Includes annual consulting fee of \$25,000 and director fees of \$11,050.

</FN>
</TABLE>

SEVERANCE AGREEMENTS In 1998, we entered into executive severance plan agreements with all officers. These agreements provide officers with severance payments of approximately three times their annual salary if we merge with another company or effect another transaction by which another company acquires control of us and as a result, within 24 months, these officers lose their

executive positions. This severance amount would be paid in three equal annual payments, beginning with the month following termination. The agreements provide uniform payment levels for all officers.

California Water Service Group 15

OPTION/SAR GRANTS IN 2000 (1) The following table shows individual grants of stock options during 2000 to the president and chief executive officer and our four other most highly paid executive officers.

<TABLE>
<CAPTION>

Individual Grants					
Name	Number of Securities Underlying Options/SARs Granted	Percentage of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price	Expiration Date	Grant Date Present Value (\$) (2)
<S>	<C>	<C>	<C>	<C>	<C>
Peter C. Nelson PRESIDENT AND CHIEF EXECUTIVE OFFICER	12,500	23.36%	\$23.0625	6/28/10	\$46,750
Robert W. Foy CHAIRMAN OF THE BOARD	8,000	14.95%	\$23.0625	6/28/10	\$29,920
Gerald F. Feeney VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND TREASURER	3,000	5.60%	\$23.0625	6/28/10	\$11,220
Francis S. Ferraro VICE PRESIDENT, REGULATORY MATTERS	3,000	5.60%	\$23.0625	6/28/10	\$11,220
Raymond H. Taylor VICE PRESIDENT, OPERATIONS	3,000	5.60%	\$23.0625	6/28/10	\$11,220

<FN>
(1) The term "SAR" or "STOCK APPRECIATION RIGHT" refers to an award which is payable in cash or stock without payment of an exercise price. The Group does not currently grant SAR's. On June 28, 2000, the Group awarded grants of 53,500 option shares at an exercise price of \$23,0625. All options granted were for a term of ten years and will vest 25% per year during the first four years. In addition, the Group awarded grants of 58,000 option shares on January 2, 2001, as disclosed below in the Report of the Compensation Committee.

(2) The grant date present value shown is estimated using the Black-Scholes option pricing model, a method of approximating the present value of options exercisable at a fixed price at the end of a fixed period. It relies on certain assumptions as of the date of grant of the options, such as interest rates, dividend yield, time to exercise, and stock price sensitivity (volatility). Each of these factors could change over the life of the options and affect the estimated value. The actual value of the options when exercised may be a lesser or greater amount, depending on the price of the stock at the date of exercise; it is also possible that the options will expire unexercised and produce no cash value to the optionee.

The present value of the options was based on the following assumptions:

- o risk-free interest rates of 4.9%
 - o expected dividend yield of 4.3%
 - o holding period of 5.0 years
 - o stock price volatility of 22.0%
 - o that all options ultimately will be exercised
- No adjustment has been made for non-transferability or risk of forfeiture associated with the options.

</FN>
</TABLE>

16 California Water Service Group

AGGREGATED OPTION/SAR EXERCISES IN 2000 AND 2000 FISCAL YEAR-END OPTION/SAR VALUES The following table shows 2000 fiscal year-end value of unexercised options held by the president and chief executive officer and our four other most highly paid executive officers. There were no option exercises by such persons during 2000.

<TABLE>
<CAPTION>

Name	Number of Securities Underlying Unexercised Options/SARs at December 31, 2000 Exercisable/Unexercisable	Value of Unexercised In-the-Money Options/SARs at December 31, 2000 Exercisable/Unexercisable (1)
<S>	<C>	<C>
Peter C. Nelson PRESIDENT AND CHIEF EXECUTIVE OFFICER	0 / 12,500	\$0 / \$49,219
Robert W. Foy CHAIRMAN OF THE BOARD	0 / 8,000	\$0 / \$31,500
Gerald F. Feeney VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND TREASURER	0 / 3,000	\$0 / \$11,813
Francis S. Ferraro VICE PRESIDENT, REGULATORY MATTERS	0 / 3,000	\$0 / \$11,813
Raymond H. Taylor VICE PRESIDENT, OPERATIONS	0 / 3,000	\$0 / \$11,813

<FN>
(1) Based on the year-end closing price of \$27.00 of the Group's common stock on the New York Stock Exchange on December 29, 2000. The ultimate value of the option will depend on the future market price of Group common stock.

</FN>
</TABLE>

PENSION PLANS The table(+) that follows shows the estimated annual benefits we must pay upon retirement to our executive officers under the Group's Pension and Supplemental Executive Retirement plans.

<TABLE>
<CAPTION>

Three Highest Consecutive Years Average Compensation(*)	15 Years	20 Years	25 Years	30 Years
<S>	<C>	<C>	<C>	<C>
150,000	45,000	60,000	67,500	75,000
200,000	60,000	80,000	90,000	100,000
250,000	75,000	100,000	112,500	125,000
300,000	90,000	120,000	135,000	150,000
350,000	105,000	140,000	157,500	175,000

400,000	120,000	160,000	180,000	200,000
450,000	135,000	180,000	202,500	225,000
500,000	150,000	200,000	225,000	250,000

<FN>

(+) The pension table above shows estimated annual retirement benefits, payable as a straight life annuity, assuming retirement at age 60, using the normal form of benefit under the above plans. The benefits listed are not subject to any deduction for Social Security or other offset amounts.

(*) Compensation includes salary plus all other compensation. The number of years of credited service at January 1, 2001 for officers named in the Compensation table is as follows: Mr. Nelson, 15, Mr. Foy, 15, Mr. Feeney, 24, Mr. Ferraro, 11, and Mr. Taylor, 18.

</FN>

</TABLE>

California Water Service Group 17

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION

WHAT IS THIS REPORT?

The Securities and Exchange Commission requires that public companies disclose the policies that the Group uses to establish executive officer compensation. This report explains the criteria that the Group used to determine the compensation of all of its officers in 2000.

WHAT ARE THE COMPENSATION COMMITTEE'S RESPONSIBILITIES?

The Committee is responsible for establishing and implementing policies and programs to compensate Group executives. Each November, the Committee reviews and recommends compensation levels for all executive officers for the 12-month period beginning January 1. The Committee submits its recommendations to the entire Board for approval. In 2000, the Board adopted the Committee's recommendations without modification.

WHAT IS OUR COMPENSATION PHILOSOPHY?

The primary objectives of our executive compensation program are:

- 1) To attract, retain and motivate talented and experienced executives,
- 2) To reward excellent job performance and contributions to the Group's future success, and
- 3) To provide fair and reasonable compensation.

The Compensation Committee believes that compensating executives on this basis leads to excellent executive performance, which benefits stockholders and ratepayers alike. When making its recommendations, the Committee takes into account that the California Public Utilities Commission (CPUC) reviews the compensation decisions of the Group's officers for reasonableness. Furthermore, as a regulated utility, the Group's financial performance is to a large extent dependent upon CPUC ratemaking decisions and other factors beyond management's control, such as weather. Therefore, the Committee's decisions largely are determined by factors other than the Group's most recent financial performance.

WHO SERVES ON THE COMPENSATION COMMITTEE?

The Compensation Committee is composed of Ms. Meier, Dr. Harris, Mr. Jaedicke, and Mr. Magnuson.

HOW IS EXECUTIVE COMPENSATION DETERMINED?

When examining the annual compensation of individual executives, the Committee considers the officer's duties, performance and contribution to the Group's current and future success. The Committee also considers the officer's experience, tenure, value to the Group, prior salary adjustments and the inflation rate.

In order to set salaries for the Group's officers at competitive and reasonable levels, the Committee annually reviews the compensation of officers of other major water companies. The Committee factors into its analysis the Group's comparatively low number of officers and its limited methods of compensation.

MR. NELSON'S COMPENSATION. In November 1999, the Committee reviewed the compensation for Peter C. Nelson, president and chief executive officer. The Committee determined Mr. Nelson's 2000 compensation using the same factors that it used to set the compensation of the other Group executives.

DO EXECUTIVE OFFICERS OF CALIFORNIA WATER SERVICE GROUP RECEIVE ADDITIONAL COMPENSATION FOR SERVING AS EXECUTIVE OFFICERS OF CALIFORNIA WATER SERVICE

COMPANY, CWS UTILITY SERVICES, NEW MEXICO WATER SERVICE COMPANY AND WASHINGTON WATER SERVICE COMPANY?

No. Group officers do not receive additional compensation for serving as officers of the Group's subsidiaries.

DOES THE GROUP HAVE A LONG TERM INCENTIVE PLAN?

Yes. Stockholders of Group approved a Long Term Incentive Plan at the April 19, 2000 Annual Meeting. The plan allows the Group to offer competitive compensation, thus assisting in recruiting and retaining top-performing individuals. The plan also aligns the interests of stockholders and participants. Finally, the plan provides the potential to link benefits to the Group's achievement of stockholder, customer or other performance goals, which gives participants an incentive to achieve these goals.

18 California Water Service Group

WHAT AWARDS WERE GRANTED UNDER THE LONG TERM INCENTIVE PLAN FOR 2000?

The plan provides for three different types of awards: non-qualified stock options, dividend units, and performance shares. In 2000, non-qualified options were awarded. Non-qualified stock options are options to purchase a certain number of shares of the Group's common stock. The options will have an exercise price not lower than the closing price of the Group's common stock on the New York Stock Exchange on the date of the grant. Options are granted for a term of not more than 10 years and become exercisable in yearly increments as determined by the Compensation Committee.

WHAT WAS THE NUMBER OF OPTION GRANTS AWARDED IN 2000?

On June 28, 2000, the Group awarded option grants covering 53,500 shares at an exercise price of \$23.0625. All options granted were for a term of ten years and will vest 25% per year during the first four years. The option grants awarded for 2000 are the following:

Mr. Nelson	12,500
Mr. Foy	8,000
Mr. Feeney	3,000
Mr. Ferraro	3,000
Mr. Taylor	3,000
All executive officers as a group (13 in number)	53,500

In addition, on January 2, 2001, the Group awarded option grants covering 58,000 shares at an exercise price of \$25.94. All options granted were for a term of ten years and will vest 25% per year during the first four years. The option grants awarded for 2001 are the following:

Mr. Nelson	15,000
Mr. Foy	10,000
Mr. Feeney	3,000
Mr. Ferraro	3,000
Mr. Taylor	3,000
All executive officers as a group (13 in number)	58,000

WHO DETERMINES THE AMOUNT AND TYPE OF AWARD GRANTED?

In 2000, the Chief Executive Officer recommended the stock option award level for each participant. The Compensation Committee determined stock option awards for the Chairman of the Board and the Chief Executive Officer. All stock option awards, including the terms and conditions, were approved by the Compensation Committee.

DOES THE GROUP HAVE AN EXECUTIVE SEVERANCE PLAN?

Yes. Effective December 16, 1998, the Board of Directors adopted an Executive Severance Plan for the benefit of the officers of Group and its subsidiaries. The Board adopted the plan to provide security for the officers in the event of a change in control of Group. See page 15 for more detailed information.

HOW HAVE WE RESPONDED TO IRS LIMITS ON DEDUCTIBILITY OF COMPENSATION?

The Committee has reviewed the Group's compensation structure in light of Section 162(m) of the Internal Revenue Code, which limits the amount of compensation that the Group may deduct in determining its taxable income for any year to \$1,000,000 for any of its five most highly compensated executive officers. In 2000, no executive officer's compensation exceeded the limitation set by Section 162(m).

COMPENSATION COMMITTEE

Linda R. Meier, Committee Chair
Edward D. Harris, Jr., M.D.
Robert K. Jaedicke
Richard P. Magnuson

California Water Service Group 19

AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

The Audit Committee consists of five non-management Board members. The Committee met four times during 2000.

In connection with the December 31, 2000 financial statements, the Audit Committee:

- (1) reviewed and discussed the audited financial statements with management;
- (2) discussed with KPMG LLP, the independent auditors, the matters required by Statement on Auditing Standards No. 61, "Communication with Audit Committees;" and
- (3) received and discussed with the auditor matters required by the Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees."

Based upon these reviews and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission.

AUDIT COMMITTEE

Robert K. Jaedicke, Committee Chair
Richard P. Magnuson
Linda R. Meier
Langdon W. Owen
George A. Vera

AUDITORS' FEES AND SERVICES

During 2000, KPMG LLP's fees for services are listed below:

Audit Fees	\$178,000 =====
Financial Information Systems Design and Implementation Fees	\$ 0
All Other Fees	
Internal Audit Services	\$106,000
Merger-Related Services	\$ 98,000
Other	\$ 45,000 -----
Total	\$249,000 =====

The Audit Committee did consider the compatibility of non-audit services provided by the auditors with maintaining the auditors' independence, and determined that the auditors' independence relative to financial audits was not jeopardized by the non-audit services. The auditors did not employ leased personnel in connection with their audit work.

AUDIT COMMITTEE CHARTER

The Board has adopted a charter for the Audit Committee, which is included in Appendix A to this proxy statement.

PERFORMANCE GRAPH

The graph below shows a five-year comparison of cumulative total returns for the Company, the S&P 500 Index and the Edward Jones Water Utility Average of 12 Companies.

[PERFORMANCE GRAPH APPEARS HERE]

PERFORMANCE GRAPH DATA

<TABLE>
<CAPTION>

	1995	1996	1997	1998	1999	
2000	----	----	----	----	----	--
--						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
California Water Service Group	100	136	200	221	222	207
S&P 500 Index	100	123	164	211	255	232
Edward Jones Water Utility Average	100	121	166	208	206	260

<FN>
PAST STOCK PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.
</FN>
</TABLE>

California Water Service Group 21

OTHER MATTERS

ADJOURNMENT. Notice of adjournment need not be given if the date, time and place thereof are announced at the Annual Meeting at which the adjournment is taken. However, if the adjournment is for more than 45 days, or if a new record date is fixed for the adjourned Annual Meeting, a notice of the adjourned Annual Meeting will be given to each stockholder entitled to vote at the Annual Meeting. At adjourned Annual Meetings, any business may be transacted which might have been transacted at the original Annual Meeting.

COST OF PROXY SOLICITATION. The Group will bear the entire cost of preparing, assembling, printing and mailing this proxy statement, the proxies and any additional materials which may be furnished by the Board to stockholders. The solicitation of proxies will be made by the use of the U.S. postal service and also may be made by telephone, or personally, by directors, officers and regular employees of the Group, who will receive no extra compensation for such services. Morrow & Co. was hired to assist in the distribution of proxy materials and solicitation of votes for \$6,000, plus out-of-pocket expenses. The Group will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.

OTHER MATTERS. The Board is not aware of any matters to come before the Annual Meeting other than the proposals for the election of directors and the ratification of the selection of independent auditors. If any other matters should be brought before the Meeting or any adjournment thereof, upon which a vote properly may be taken, the proxy holders will vote in their discretion unless otherwise provided in the proxies. The Report of the Compensation Committee, the Report of the Audit Committee, the Performance Graph, the Audit Committee Charter contained in Appendix A to this proxy statement and the statement of independence of Audit Committee members referred to under "Board Structure-Audit" are not to be considered as incorporated by reference into any other filings which the Group makes with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. These portions of this proxy statement are not a part of any of those filings unless otherwise stated in those filings.

APPENDIX A
AUDIT COMMITTEE CHARTER

The Board of Directors of California Water Service Group ("Group") has established an audit committee with authority, duties and responsibilities as described below. The committee will function as the audit committee for Group and its consolidated subsidiaries. On an annual basis, the audit committee will review the adequacy of its charter and propose changes as necessary to the full Board. The charter will be printed in Group's proxy statement at least once every three years.

MEMBERSHIP

The Committee will be appointed annually by the full Board. It shall be composed of at least three directors, each independent of management and free of any relationships that would interfere with the exercise of the member's independence or judgment.

Committee members will have a basic understanding of finance and accounting and be able to read and understand financial statements. At least one member shall have accounting and financial expertise.

One of the members shall be appointed committee chairman by the Chairman of the Board of Directors.

PURPOSE

The committee shall assist the Board in fulfilling its fiduciary responsibilities to the stockholders, the public and various reporting agencies primarily in financial areas relating to Group's accounting policies, auditing and financial reporting practices. The responsibility shall extend to the separate financial and benefit plan audits. It should endeavor to assure the independence of Group's outside auditor, the integrity of management and the adequacy of disclosures to stockholders, reporting agencies and the public.

The outside auditor is accountable to the audit committee and the Board as representatives of the stockholders. The Board has the authority and responsibility to select, evaluate and, if appropriate, recommend replacement of the outside auditor to the stockholders.

The audit committee should provide a vehicle for communication among the Directors, the outside auditor, the internal audit staff, and financial management in order to provide an exchange of views and information and to keep the committee informed of any unresolved issues.

AUTHORITY

The Board of Directors has granted the audit committee authority to investigate any financial activity of Group and all employees are directed to cooperate as requested by the committee members.

MINUTES

Minutes of each meeting will be prepared and distributed to committee members and to Directors who are not members of the committee. The minutes will be included with the general minutes of regular meetings of the Directors of the Group.

MEETINGS AND REPORTS

The committee will convene at least four times annually. It will review quarterly and annual financial statements and related press releases prior to their public issuance. At its fall and January meetings, agenda items specified in this charter will be covered. Additional committee meetings may be held as deemed necessary.

In addition to the committee members, the outside auditor, the chief financial officer, controller and senior management normally will attend these meetings. The internal auditor will attend at least the fall meeting.

Following each audit committee meeting, the committee chairman will report to the full Board as to the matters covered at the audit committee meeting.

Annually the committee will prepare a report to the stockholders as required by the Securities and Exchange Commission. The report will be printed in the annual proxy statement.

California Water Service Group 23

FALL MEETING

Matters to be covered will include the following:

1. Review with the outside auditor the scope of the current year's audit.
2. Review with the outside auditor their audits of employee benefit plans completed during the year.
3. Review financial accounting and regulatory agency developments to

- determine possible effects on financial statements.
4. Review any significant changes in accounting principles, policies and practices.
 5. Receive and review reports from the internal auditor on results of examinations in the districts and general office.
 6. Review the internal auditor's proposed audit plan and budget for the coming year and coordination with the outside auditors.
 7. Meet privately with the outside auditor to ascertain that the audit scope is without limitations imposed by management and to discuss other matters the auditor believes should be brought to the attention of the Committee.
 8. Meet separately with management to discuss the quality of service and performance of the outside auditor in order to be in a position to consider their reappointment for the succeeding year.

JANUARY MEETING

In late January after the conclusion of the independent audit and before financial results are presented to the Board and released to the public, the committee will meet to consider the following matters:

1. Review the annual financial statements and related footnotes to be included in Group's annual report to stockholders and the Form 10-K filing with the Securities and Exchange Commission. Also review the draft news release announcing fourth quarter and annual financial results.
2. Discuss with the auditor certain matters required to be communicated to the audit committee in accordance with Statement on Auditing Standards No. 61 and related amendments. These matters include the auditor's judgment about the quality and appropriateness of Group's accounting principles as applied to financial reporting.
3. Review and discuss any significant adjustments proposed by the outside auditor or any deficiencies noted by them in Group's internal accounting controls.
4. Review and discuss the results of the audit and the disposition of any changes in accounting policies or procedures that were recommended in the prior audit.
5. Receive a written report from the outside auditor delineating all relationships, including audit and non-audit services, between the auditor and Group during the past year. Evaluate the auditor's qualifications regarding independence in light of the professional services provided by the auditor.
6. Review the proposed scope of the annual audit for the new year and the fee proposed to be charged as negotiated by management in order to be in a position to recommend the reappointment of the outside auditor to the Board for approval by the stockholders. In the event the decision is against reappointment, further committee meetings would be in order to select a replacement auditor.
7. Review officers' expense accounts submitted during the prior year.
8. Meet separately with the outside auditor to inquire as to limitations imposed by management on the scope of the audit. The Committee will receive an assessment of the effectiveness of Group's internal controls, and receive and discuss other information the auditor believes should be brought to the attention of the Committee.
9. Meet with management to discuss the quality of work performed by the outside auditor in order to assist in the committee's recommendation to the full Board in considering the auditor's reappointment for the new year.

FINANCIAL STATEMENT RESPONSIBILITY

While the audit committee has responsibilities as set forth in its charter, it is not the committee's duty to plan or conduct audits, nor to determine the completeness and accuracy of Group's financial statements. The outside auditor is responsible for planning and conducting the audits of the financial statements. Management is responsible for the completeness and accuracy of the financial statements.

24 California Water Service Group

[TWO GRAPHIC MAPS OF OFFICE LOCATION APPEARS HERE]

CALIFORNIA WATER SERVICE GROUP
California Water Service Company, New Mexico Water Service Company,
Washinton Water Service Company and CWS Utility Services
1720 North First Street
San Jose, CA 95112-4598

[LOGOS OF WATER SERVICE GROUPs APPEAR HERE IN ORDER OF CALIFORNIA WATER SERVICE GROUP, CALIFORNIA WATER SERVICE COMPANY, NEW MEXICO WATER SERVICE COMPANY, WASHINGTON WATER SERVICE COMPANY, AND CWS UTILITY SERVICES]

CALIFORNIA WATER SERVICE GROUP
1720 North First Street
San Jose, California 95112-4598
408. 367.8200
www.calwater.com

1780-PS-01

<TABLE>
<CAPTION>

<S>

VOTE BY TELEPHONE

It's fast, convenient, and immediate!
Call Toll-Free on a Touch-Tone Phone
1-877-PRX-VOTE (1-877-779-8683).

Follow these four easy steps:

1. Read the accompanying Proxy Statement and Proxy Card.
2. Call the toll-free number 1-877-PRX-VOTE (1-877-779-8683).
3. Enter your 14-digit Control Number located on your Proxy Card above your name.
4. Follow the recorded instructions.

Your vote is important!
Call 1-877-PRX-VOTE

We have been advised by counsel that these telephone and Internet voting procedures comply with Delaware law.

DO NOT RETURN YOUR PROXY CARD IF YOU ARE VOTING BY TELEPHONE OR INTERNET

<C>

VOTE BY INTERNET

It's fast, convenient, and your vote is immediately confirmed and posted.

Follow these four easy steps:

1. Read the accompanying Proxy Statement Proxy Card.
2. Go to the Website <http://www.eproxyvote.com/cwt>
3. Enter your 14-digit Control Number located on your Proxy Card above your name.
4. Follow the instructions provided.

Your vote is important!
Go to <http://www.eproxyvote.com/cwt>

ZCWS9A

DETACH HERE

[X] Please mark
votes as in
this example.

If not otherwise directed, this proxy will be voted FOR the election of directors and FOR ratification of the appointment of KPMG LLP as independent auditors and in the discretion of the proxy holders on any other matters properly raised at the meeting. The Company knows of no other matter to be raised at the meeting other than as

set forth in the Company's proxy statement.

The Board of Directors Recommends Voting FOR Proposals 1 and 2.

1. Election of Directors

Nominees: (01) Douglas M. Brown, (02) Robert W. Foy, (03) Edward D. Harris, Jr., M.D., (04) Robert K. Jaedicke, (05) Richard P. Magnuson, (06) Linda R. Meier, (07) Peter C. Nelson, (08) Langdon W. Owen, and (09) George A. Vera

AGAINST	ABSTAIN		FOR	WITHHELD	2. Proposal to ratify the appointment of KPMG LLP, as the independent auditors of the Group.	FOR
[]	[]		[]	[]		[]
		[]	ALL NOMINEES	[]		
				FROM ALL NOMINEES		

[] _____
FOR ALL NOMINEES EXCEPT AS NOTED ABOVE

Mark here for address change and note at left

[]

If signing
guardian or
If signing
In the case
persons,
shares under a
none of the
proxy.

NOTE: Please sign exactly as name appears hereon.
as attorney, executor, administrator, trustee,
the like, please give your full title as such.
for a corporation, please give your title.
of shares standing in the name of two or more
Delaware law permits the voting of such
proxy signed by any one of such persons if
others is present in person or represented by

Please date, sign and return promptly.

Signature: _____ Date: _____ Signature: _____ Date: _____

PROXY

CALIFORNIA WATER SERVICE GROUP

PROXY SOLICITED BY THE BOARD OF DIRECTORS

PETER C. NELSON and PAUL G. EKSTROM, and each of them, with full power of substitution, are hereby authorized to vote, as designated on the reverse side, all the shares of California Water Service Group common stock and preferred stock of the undersigned at the Annual Meeting of Stockholders of California Water Service Group to be held at 1720 N. First Street, San Jose, California on Wednesday, April 18, 2001 at 10:00 A.M., or at any adjournment thereof. By my signature on the reverse side of this proxy, I acknowledge that I have received a copy of the notice of meeting and proxy statement relating to this meeting and of the Group's Annual Report to Stockholders for 2000.

PLEASE DATE, SIGN, AND MAIL AS SOON AS POSSIBLE IN THE ENCLOSED ENVELOPE.

Unless otherwise specified below this proxy authorizes the proxies to cumulate all votes that the undersigned is entitled to cast at the Annual Meeting for, and to allocate such votes among, one or more of the nominees listed on the reverse side as the proxies determine in their discretion. To specify a different method of cumulative voting, write "Cumulate For" and the number of shares and the name(s) of the nominee(s) in the space provided below.

(Continued and to be signed on reverse side)

</TABLE>