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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**Current Report Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **February 25, 2026**

**CALIFORNIA WATER SERVICE GROUP**

(Exact name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-13883**  
(Commission file number)

**77-0448994**  
(I.R.S. Employer  
Identification Number)

**1720 North First Street**  
**San Jose, California**  
(Address of principal executive offices)

**95112**  
(Zip Code)

**(408) 367-8200**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ..  Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ..  Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ..  Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ..  Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, par value \$0.01	CWT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined by Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Item 2.02. Results of Operations and Financial Condition**

On February 25, 2026, California Water Service Group (the “Company”) issued a press release (a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference) announcing its financial results for the fourth quarter and year ended December 31, 2025.

As announced, the Company will host a conference call on Thursday, February 26, 2026 at 11:00 am EDT to discuss financial results and management’s business outlook. The financial results announcement contains information about how to access the conference call and webcast. A slide presentation, which includes supplemental information relating to the Company, will be used by management during the conference call. A copy of the slide presentation is attached hereto as Exhibit 99.2 and is incorporated by reference herein. The Exhibits will be posted on the Company’s website at [www.calwatergroup.com](http://www.calwatergroup.com) under the “Investor Relations” tab.

The information furnished pursuant to Item 2.02 of this Current Report shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

## **Item 7.01. Regulation FD Disclosure**

On February 25, 2026, the Company issued a press release (a copy of which is attached hereto as Exhibit 99.3 and incorporated herein by reference) announcing that has entered into a definitive agreement to purchase Nexus Water Group’s Nevada and Oregon subsidiaries.

The information furnished pursuant to Item 7.01 of this Current Report shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

## **Item 8.01. Other Events**

On February 25, 2026, the Company announced that it has entered into a definitive agreement to purchase Nexus Water Group’s Nevada and Oregon subsidiaries. The purchase price for the transaction is approximately \$218 million, subject to certain closing adjustments. The Company will fund the acquisition with working capital and existing debt and equity facilities. The Company expects to consummate the transaction by the end of 2026, subject to customary closing conditions and regulatory approvals, including approval from the applicable public utility commissions. The transaction is expected to add approximately 36,000 equivalent residential connections across water and wastewater systems in Nevada and Oregon and increase consolidated rate base by approximately \$109 million.

## **Forward-Looking Statements**

This Current Report on Form 8-K contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 (PSLRA). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the PSLRA. Forward-looking statements in this Current Report on Form 8-K are based on currently available information, expectations, estimates, assumptions and projections, and our management’s beliefs, assumptions, judgments and expectations about us, the water utility industry and general economic conditions. These statements are not statements of historical fact. When used in our documents, statements that are not historical in nature, including words like will, would, expects, intends, plans, believes, may, could, estimates, assumes, anticipates, projects, progress, predicts, hopes, targets, forecasts, should, seeks or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this Current Report on Form 8-K include, but are not limited to, statements describing the anticipated closing and timing of the Company’s acquisition of Nexus Water Group’s Nevada and Oregon subsidiaries and expected benefits resulting from the acquisition and statements regarding the anticipated receipt and timing of regulatory approvals required to complete the transaction, including approvals from applicable public utility commissions. Such approvals may be subject to conditions, requirements, or modifications that could delay, restrict, or prevent the consummation of the transaction or reduce the anticipated benefits thereof. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks. Consequently, actual results or outcomes may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results or outcomes to be different than those expected or anticipated include, but are not limited to, the Company’s ability complete the acquisition of Nexus Water Group’s Nevada and Oregon subsidiaries in line with management’s expectations, the Company’s ability to integrate and operate the acquired operations in an effective and accretive manner and those described under the section entitled “Risk Factors” and elsewhere in our most recent Annual Report on Form 10-K, our subsequent Quarterly Reports on Form 10-Q and our other Securities and Exchange Commission filings. In light of these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Current Report on Form 8-K. We are not under any obligation, and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

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**Item 9.01. Financial Statements and Exhibits.**

We hereby furnish the following exhibits, which shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, with this report:

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press Release issued February 25, 2026 regarding financial results</a>
<a href="#">99.2</a>	<a href="#">Slide presentation relating to conference call</a>
<a href="#">99.3</a>	<a href="#">Press Release issued February 25, 2026 re acquisition of Nevada and Oregon subsidiaries of Nexus Water Group</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CALIFORNIA WATER SERVICE GROUP**

Date: February 25, 2026

By: /s/ James P. Lynch

Name: James P. Lynch

Title: Senior Vice President, Chief Financial Officer and Treasurer

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### California Water Service Group Reports Solid Q4 and YE 2025 Results

**SAN JOSE, Calif.**, February 25, 2026 (GLOBE NEWSWIRE) -- California Water Service Group (Group or Company, NYSE: CWT), a leading publicly traded water utility serving California, Hawaii, New Mexico, Washington, and Texas, today reported solid Q4 and year-end 2025 results and provided an update on the Proposed Decision in its 2024 California General Rate Case (2024 CA GRC).

#### Fourth Quarter and Year-End 2025 Results in Line with Expectations; Impacted by Wet Q4 Weather

##### Q4 Financial Results

Q4 2025 net income decreased \$8.2 million, or 42%, to \$11.5 million, or \$0.19 per diluted share, compared to net income of \$19.7 million, or \$0.33 per diluted share in Q4 2024. Q4 2025 revenue decreased \$2.2 million, or less than 1.0%, to \$220.0 million, compared to revenue of \$222.2 million in Q4 2024.

- Rate changes and changes in the Monterey-Style Water Revenue Adjustment Mechanism (M-WRAM) added \$12.1 million and \$4.4 million of revenue, respectively.
- Declining customer consumption decreased revenue by \$14.6 million and accrued and unbilled revenue decreased \$5.7 million, due to extremely wet December weather in California.
- Q4 2025 operating expenses increased \$4.5 million, or 2.3%, to \$194.4 million, compared to operating expenses of \$189.9 million in Q4 2024.
  - Water production costs decreased by \$2.7 million, primarily due to lower consumption, offset by increases in wholesale water rates.
  - Other operations expenses increased \$3.8 million, primarily due to an increase in conservation expenses.
  - Depreciation and amortization increased \$3.2 million due to new capital assets placed in service.
  - Operating expense increases were partially offset by a decrease in operating income tax expense of \$3.6 million, primarily due to lower pre-tax earnings and a decrease in the effective tax rate.

##### Full Year 2025 Financial Results

- Full year 2025 net income decreased \$62.6 million, or 32.8%, to \$128.2 million, or \$2.15 per diluted share, compared to net income of \$190.8 million, or \$3.25 per diluted share in full year 2024. Full year 2025 net income increased \$1.4 million, and diluted earnings per share decreased \$0.01, when 2024 results are presented on a non-GAAP basis to remove the impact of the delayed 2021 California GRC as described below.
  - Full year 2025 operating revenue decreased \$36.7 million, or 3.5%, to \$1.0 billion, compared to full year 2024 revenue of \$1.04 billion. Compared to full year 2024 non-GAAP revenue, full year 2025 revenue increased \$50.7 million, or 5.4%.
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- Rate changes added \$69.6 million in revenue, offset by a decrease in M-WRAM revenue of \$9.0 million. M-WRAM revenue in 2024 includes \$17.4 million of interim rate relief attributable to 2023.
  - Customer consumption decreased \$12.7 million.
  - Regulatory approval of amounts in the Palos Verdes Pipeline Memorandum Account added \$3.8 million in 2025 revenue.
  - Revenue increases were offset by \$88.6 million in Interim Rates Memorandum Account (IRMA) revenue recorded in 2024, which included \$67.6 million of interim rate relief attributable to 2023.
- Full year 2025 operating expenses increased \$18.0 million, or 2.2%, to \$829.8 million, compared to full year operating expenses of \$811.8 million in 2024.
    - Water production costs increased by \$11.5 million, primarily due to increases in wholesale water rates, partially offset by a decrease in customer consumption.
    - Other operations expenses increased \$11.6 million, primarily due to an increase in labor costs and bad debt expenses. The change in bad debt expense was primarily due to the application of California state arrearage funds to eligible past-due and written-off accounts in 2024. No similar funding was available in 2025.
    - Depreciation and amortization increased \$12.5 million due to new capital assets placed in service.
    - Operating expense increases were offset by a \$24.7 million decrease in operating income tax expense due to lower pre-tax earnings in 2025 compared to 2024, as a result of recording the 2021 California GRC decision in March 2024.

#### Non-GAAP Financial Information

As a result of the delayed 2021 California GRC decision, interim rate relief related to 2023--including revenue of \$87.5 million and net income of \$64.0 million, or \$1.09 per diluted share--was recorded and finalized in 2024 after approval by the CPUC. Non-GAAP financial measures adjust for the impact of 2023 interim rate relief on 2024 results. For more information on these non-GAAP financial measures, see the reconciliation of results and related explanations under "Non-GAAP Financial Measures" below.

"Given that this is the third year of our California rate case cycle and that we had a much wetter than normal December, these results are in line with our expectations," said Chairman & Chief Executive Officer Martin A. Kropelnicki. "We also achieved a number of key milestones in 2025."

Among those milestones, the Company:

- Invested a record \$517.0 million in water system infrastructure in 2025, a 9.8% increase over water system infrastructure investments in 2024.
  - Completed rate cases in Hawaii and Washington, adding \$5.1 million in authorized revenue.
  - Announced the sale and issuance of \$170.0 million of Notes by Group and \$200.0 million of Bonds by Cal Water in private placement transactions.
  - Announced the intent to acquire the remaining membership interests of BVRT Utility Holding Company LLC and become the sole owner of its seven subsidiary water and wastewater utilities in the south Austin-San Antonio corridor.
  - Entered into an agreement to own and operate wastewater and recycled water systems serving a master-planned, mixed-use development in San Bernardino County, Calif., with 500 customer connections initially and up to 15,000 at full buildout.
  - Increased its annual dividend by 10.71%, or \$0.12, to \$1.24 per common share, including a onetime special dividend of \$0.04 per common share. This marked the Company's 58th consecutive annual dividend, bringing its five-year compound annual dividend growth rate to 7.7%.
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"I am extremely pleased with our accomplishments in 2025. I'm also cautiously optimistic given where we are in the process that we should receive a Proposed Decision on our 2024 California General Rate Case in a matter of days or weeks, not months," Kropelnicki said.

The Company believes that if the Proposed Decision were issued by March 15, there should be sufficient time for the Commission to consider the matter and adopt a final decision at its meeting on April 9.

**For additional details, please see the Form 10-K which will be available at [https:// www.calwatergroup.com/investors/financials-filings-reports/sec-filings](https://www.calwatergroup.com/investors/financials-filings-reports/sec-filings), or listen to the earnings teleconference or teleconference replay.**

#### **Quarterly Earnings Teleconference**

The quarterly teleconference will take place on February 26, 2026, at 8 a.m. PT/11 a.m. ET. To join, dial 1-800-715-9871 or 1-646-307-1963 and key in ID# 2201083, or access the live audio webcast at <https://edge.media-server.com/mmc/p/gc36wzai>. A replay of the call will be available from 2:00 p.m. ET on Thursday, February 26, 2026, through April 27, 2026, at 1-800-770-2030 or 1-609-800-9909 and key in ID# 2201083, or by accessing the webcast above. The call will be hosted by Chairman, President and Chief Executive Officer Martin A. Kropelnicki, Senior Vice President, Chief Financial Officer and Treasurer James P. Lynch, Vice President, Rates and Regulatory Affairs Officer Greg A. Milleman, and Shilen M. Patel, Chief Business Development Officer and Vice President, TWSC, Inc. Prior to the call, Group will furnish a slide presentation on its website.

#### **About California Water Service Group**

Group is the parent company of regulated utilities California Water Service, Hawaii Water Service, New Mexico Water Service, and Washington Water Service, as well as Texas Water Service, a utility holding company. Together, these companies provide regulated and non-regulated water and wastewater service to more than 2.1 million people in California, Hawaii, New Mexico, Washington and Texas. Group's common stock trades on the New York Stock Exchange under the symbol "CWT." Additional information is available online at [www.calwatergroup.com](http://www.calwatergroup.com).

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When used in our documents, statements that are not historical in nature, including words like will, would, expects, intends, plans, believes, may, could, estimates, assumes, anticipates, projects, progress, predicts, hopes, targets, forecasts, should, seeks or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this news release include, but are not limited to, statements describing Group's expected financial performance, and expectations regarding Group's plans and proposals pursuant to and expected timing and progress of the 2024 CA GRC. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks. Consequently, actual results or outcomes may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results or outcomes to be different than those expected or anticipated include, but are not limited to: the outcome and timeliness of regulatory commissions' actions concerning rate relief and other matters, including with respect to the 2024 CA GRC and GRCs of our other subsidiaries; the impact of opposition to rate increases; our ability to recover costs; federal governmental and state regulatory commissions' decisions, including decisions on proper disposition of property; changes in state regulatory commissions' policies and procedures; changes in California State Water Resources Control Board water quality standards; changes in environmental compliance and water quality requirements, such as the United States Environmental Protection Agency's finalization of a National Primary Drinking Water Regulation establishing legally enforceable maximum contaminant levels (MCL) for PFAS in drinking water in 2024 as well as legal challenges to such MCLs; the impact of weather, climate change, natural disasters, including wildfires and landslides and actual or threatened public health emergencies, including disease outbreaks, on our operations, water quality, water availability, water sales and operating results and the adequacy of our emergency preparedness; electric power interruptions, especially as a result of public safety power shutoff programs; availability of water supplies; our ability to invest or apply the proceeds from the issuance of common stock in an accretive manner; consequences of eminent domain actions relating to our water systems; increased risk of inverse condemnation losses as a result of the impact of weather, climate change and natural disasters, including wildfires and landslides; shifts in population, including housing and customer growth; issues with the implementation, maintenance or security of our information technology systems; physical and cyber security risks and threats and the adequacy of our efforts to mitigate such risks and threats; the ability of our enterprise risk management processes to identify or address risks adequately; labor relations matters as we negotiate with the unions; changes in customer water use patterns and the effects of conservation, including as a result of drought conditions; our ability to complete, in a timely manner or at all, successfully integrate and achieve anticipated benefits from announced acquisitions; restrictive covenants in or changes to the credit ratings on our current or future debt that could increase our financing costs or affect our ability to borrow, make payments on debt or pay dividends; risks associated with expanding our business and operations, including into other geographic areas; the impact of stagnating or worsening business and economic conditions, including inflationary pressures, general economic slowdown or a recession, changes in tariff policy, the interest rate environment, changes in monetary policy, adverse capital markets activity or macroeconomic conditions as a result of geopolitical conflicts and the prospect of shutdowns of the U.S. federal government; the impact of market conditions and volatility on unrealized gains or losses on our non-qualified benefit plan investments and our operating results; the impact of weather and timing of meter reads on our accrued and unbilled revenue; the impact of evolving legal and regulatory requirements, including emerging sustainability requirements; the impact of the evolving U.S. political environment and changes effected, proposed, or threatened by the U.S. federal government that has led to, in some cases, legal challenges and uncertainty around the funding, functioning and policy priorities of U.S. federal regulatory agencies and the status of current and future regulations; and other risks and unforeseen events described in our Securities and Exchange Commission ("SEC") filings. In light of these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this news release. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph, as well as the Annual Report on Form 10-K, Quarterly 10-Q and other reports filed from time-to-time with the SEC. We are not under any obligation and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. A credit rating is not a recommendation to buy, sell or hold any securities, may be changed at any time by the applicable ratings agency and should be evaluated independently of any other information.*

Contacts:  
James P. Lynch (408) 367-8200 (analysts)  
Shannon Dean (408) 367-8243 (media)

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**CALIFORNIA WATER SERVICE GROUP**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
Unaudited

(In thousands, except per share data)	December 31, 2025	December 31, 2024
<b>ASSETS</b>		
<b>Utility plant:</b>		
Utility plant	\$ 5,909,242	\$ 5,400,489
Less accumulated depreciation and amortization	(1,329,652)	(1,241,785)
Net utility plant	<u>4,579,590</u>	<u>4,158,704</u>
<b>Current assets:</b>		
Cash and cash equivalents	51,820	50,121
Restricted cash	45,553	45,566
<b>Receivables:</b>		
Customers, net	56,322	58,585
Regulatory balancing accounts	72,511	55,917
Other, net	49,004	33,976
Accrued and unbilled revenue, net	39,674	39,718
Materials and supplies	19,784	20,511
Taxes, prepaid expenses, and other assets	19,760	19,742
Total current assets	<u>354,428</u>	<u>324,136</u>
<b>Other assets:</b>		
Regulatory assets	339,865	357,406
Goodwill	37,063	37,063
Other assets	360,219	302,974
Total other assets	<u>737,147</u>	<u>697,443</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,671,165</u></b>	<b><u>\$ 5,180,283</u></b>
<b>CAPITALIZATION AND LIABILITIES</b>		
<b>Capitalization:</b>		
Common stock, \$0.01 par value; 136,000 shares authorized, 59,638 and 59,484 outstanding in 2025 and 2024, respectively	596	\$ 595
Additional paid-in capital	973,454	966,975
Retained earnings	729,276	674,918
Accumulated other comprehensive loss	(13,922)	(7,217)
Noncontrolling interests	2,571	3,015
Total equity	<u>1,691,975</u>	<u>1,638,286</u>
Long-term debt, net	1,471,968	1,104,571
Total capitalization	<u>3,163,943</u>	<u>2,742,857</u>
<b>Current liabilities:</b>		
Current maturities of long-term debt, net	2,270	72,422
Short-term borrowings	130,000	205,000
Accounts payable	175,729	167,533
Regulatory balancing accounts	25,458	22,648
Accrued other taxes	6,048	6,084
Accrued interest	12,976	8,406
Other accrued liabilities	65,683	56,271
Total current liabilities	<u>418,164</u>	<u>538,364</u>
<b>Deferred income taxes</b>	450,946	411,083
<b>Regulatory liabilities</b>	929,814	814,551
<b>Pension</b>	94,226	81,665
<b>Advances for construction</b>	210,638	202,614
<b>Contributions in aid of construction</b>	297,016	294,970
<b>Other</b>	106,418	94,179
<b>Commitments and contingencies</b>		
<b>TOTAL CAPITALIZATION AND LIABILITIES</b>	<b><u>\$ 5,671,165</u></b>	<b><u>\$ 5,180,283</u></b>

**CALIFORNIA WATER SERVICE GROUP**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

Unaudited

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
(In thousands, except per share data)				
<b>Operating revenue</b>	\$ 219,978	\$ 222,195	\$ 1,000,140	\$ 1,036,806
<b>Operating expenses:</b>				
Operations:				
Water production costs	71,040	73,728	322,237	310,648
Administrative and general	37,843	36,424	141,571	139,515
Other operations	36,120	32,288	130,106	118,457
Maintenance	9,478	8,689	36,001	34,753
Depreciation and amortization	36,262	33,014	144,365	131,901
Income tax (benefit) expense	(7,373)	(3,772)	11,216	35,938
Property and other taxes	11,008	9,578	44,275	40,540
Total operating expenses	194,378	189,949	829,771	811,752
Net operating income	25,600	32,246	170,369	225,054
<b>Other income and expenses:</b>				
Non-regulated revenue	5,435	5,884	20,776	20,628
Non-regulated expenses	(5,859)	(7,188)	(14,649)	(14,201)
Other components of net periodic benefit credit	4,293	3,741	18,230	15,803
Allowance for equity funds used during construction	1,869	1,650	7,709	6,902
Income tax expense on other income and expenses	(2,475)	(1,985)	(7,890)	(6,551)
Net other income	3,263	2,102	24,176	22,581
<b>Interest expense:</b>				
Interest expense	18,306	15,674	70,392	60,698
Allowance for borrowed funds used during construction	(923)	(790)	(3,695)	(3,148)
Net interest expense	17,383	14,884	66,697	57,550
<b>Net income</b>	11,480	19,464	127,848	190,085
<b>Net loss attributable to noncontrolling interests</b>	(2)	(195)	(363)	(722)
<b>Net income attributable to California Water Service Group</b>	11,482	\$ 19,659	\$ 128,211	\$ 190,807
<b>Earnings per share of common stock:</b>				
Basic	0.19	\$ 0.33	\$ 2.15	\$ 3.26
Diluted	0.19	\$ 0.33	\$ 2.15	\$ 3.25
<b>Weighted average shares outstanding:</b>				
Basic	59,609	59,477	59,570	58,612
Diluted	59,691	59,535	59,633	58,647
<b>Dividends per share of common stock</b>	0.30	\$ 0.28	\$ 1.24	\$ 1.12

## Non-GAAP Financial Measures

The Company's revenue, net income, and diluted earnings per share are prepared in accordance with GAAP and represent amounts reported on filings with the SEC. Adjusted revenue, net income, and diluted earnings per share are non-GAAP financial measures representing GAAP balances that, in this earnings release, are adjusted to exclude the effects of 2023 interim rate relief related to the delayed 2021 California GRC decision recorded and finalized by the Company in 2024. These non-GAAP financial measures are provided as additional information for investors and analysts to better assess the Company's 2025 financial performance as compared to 2024 without the impact of the 2023 interim rate relief on 2024 results. Management also uses these non-GAAP financial measures in evaluating the Company's performance. These non-GAAP financial measures may be different from non-GAAP financial measures used by other companies, even when the same or similarly titled terms are used to identify such measures, limiting their usefulness for comparative purposes. Further, these non-GAAP financial measures should be considered as a supplement to the financial information prepared on a GAAP basis rather than an alternative to the respective GAAP measures.

## Reconciliation of Non-GAAP Financial Measures

(in thousands, except per share amounts)	Twelve Months Ended December 31,	
	2025	2024
Reported GAAP Revenue	\$ 1,000,140	\$ 1,036,806
Adjustments:		
2023 interim rate relief related to the 2021 California General Rate Case recorded in 2024	—	(87,482)
Adjusted Revenue (non-GAAP)	<u>\$ 1,000,140</u>	<u>\$ 949,324</u>
Reported GAAP Net Income	\$ 128,211	\$ 190,807
Adjustments:		
2023 interim rate relief related to the 2021 California General Rate Case recorded in 2024	—	(63,980)
Adjusted Net Income (non-GAAP)	<u>\$ 128,211</u>	<u>\$ 126,827</u>
Reported GAAP Diluted Earnings Per Share	\$ 2.15	\$ 3.25
Adjustments:		
2023 interim rate relief related to the 2021 California General Rate Case recorded in 2024	—	(1.09)
Adjusted Diluted Earnings Per Share (non-GAAP)	<u>\$ 2.15</u>	<u>\$ 2.16</u>



# Today's Speakers



**Marty Kropelnicki**  
Chairman & CEO



**James Lynch**  
Sr. Vice President, CFO & Treasurer



**Greg Milleman**  
VP, Rates & Regulatory Affairs



**Shilen Patel**  
Chief Business Development  
Officer & VP TWSC, Inc.



# Forward-Looking Statements and Other Important Information



This presentation contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the PSLRA. Forward-looking statements in this presentation are based on currently available information, expectations, estimates, assumptions and projections, and our management's beliefs, assumptions, judgments and expectations about us, the water utility industry and general economic conditions. These statements are not statements of historical fact. When used in our documents, statements that are not historical in nature, including words like will, would, expects, intends, plans, believes, may, could, estimates, assumes, anticipates, projects, progress, predicts, hopes, targets, forecasts, should, seeks or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this presentation include, but are not limited to, statements describing expectations regarding financial performance, operating plans, capital investments and expenditures, depreciation, expectations regarding California Water Service Group's (Group or Company) plans and proposals pursuant to and progress of the California Water Service Company's (Cal Water) 2024 General Rate Case, the anticipated closing and timing of acquisitions of Nexus Water Group's Nevada and Oregon utilities, and remaining outstanding membership interests in BVRT and expected benefits resulting from the Nevada, Oregon, and BVRT acquisitions, PFAS-related investments and receipt of PFAS settlement proceeds, rate base growth, customer growth potential, compound annual growth rate and annual dividend yield. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks. Consequently, actual results or outcomes may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results or outcomes to be different than those expected or anticipated include, but are not limited to: the outcome and timeliness of regulatory commissions' actions concerning rate relief and other matters, including with respect to the 2024 CA GRC and GRC's of our other subsidiaries; the impact of opposition to rate increases; our ability to recover costs; Federal governmental and state regulatory commissions' decisions, including decisions on proper disposition of property; changes in state regulatory commissions' policies and procedures; changes in California State Water Resources Control Board water quality standards; changes in environmental compliance and water quality requirements, EPA's finalization of a National Primary Drinking Water Regulation establishing legally enforceable maximum contaminant levels (MCL) for PFAS in drinking water in 2024 as well as legal challenges to such MCLs; the impact of weather, climate change, natural disasters, including wildfires and landslides, and actual or threatened public health emergencies, including disease outbreaks, on our operations, water quality, water availability, water sales and operating results and the adequacy of our emergency preparedness; electric power interruptions, especially as a result of public safety power shutoff programs; availability of water supplies; our ability to invest or apply the proceeds from the issuance of common stock in an accretive manner; consequences of eminent domain actions relating to our water systems; increased risk of inverse condemnation losses as a result of the impact of weather, climate change, and natural disasters, including wildfires and landslides; shifts in population, including housing and customer growth; issues with the implementation, maintenance or security of our information technology systems; physical and cyber security risks and threats and the adequacy of our efforts to mitigate such risks and threats; the ability of our enterprise risk management processes to identify or address risks adequately; labor relations matters as we negotiate with the unions; changes in customer water use patterns and the effects of conservation, including as a result of drought conditions; our ability to complete, in a timely manner or at all, successfully integrate and achieve anticipated benefits from announced acquisitions; including the Nevada, Oregon, and BVRT acquisitions; restrictive covenants in or changes to the credit ratings on our current or future debt that could increase our financing costs or affect our ability to borrow, make payments on debt or pay dividends; risks associated with expanding our business and operations, including into other geographic areas; the impact of stagnating or worsening business and economic conditions, including inflationary pressures, general economic slowdown or a recession, changes in tariff policy, the interest rate environment, changes in monetary policy, adverse capital markets activity or macroeconomic conditions as a result of geopolitical conflicts, and the prospect of shutdowns of the U.S. federal government; the impact of market conditions and volatility on unrealized gains or losses on our non-qualified benefit plan investments and our operating results; the impact of weather and timing of meter reads on our accrued and unbilled revenue; the impact of evolving legal and regulatory requirements, including emerging sustainability requirements; the impact of the evolving U.S. political environment and changes effected, proposed or threatened by the U.S. federal government that has led to, in some cases, legal challenges and uncertainty around the funding, functioning and policy priorities of U.S. federal regulatory agencies and the status of current and future regulations; and other risks and unforeseen events described in our SEC filings. In light of these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph, as well as the Annual Report on Form 10-K, Quarterly 10-Q, and other reports filed from time-to-time with the SEC. We are not under any obligation, and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. A credit rating is not a recommendation to buy, sell, or hold any securities, and may be changed at any time by the applicable ratings agency and should be evaluated independently of any other information.



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CHICAGO BRIDGE & IRONWORKS  
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# Kicking Off Our Centennial Year with **Good News** on Regulatory and Business Development Fronts



Acquisition

## **Nexus Water Group**

Executed agreement to purchase Nexus Water Group's Nevada and Oregon operations adding ~36,000 equivalent residential connections.

Acquisition

## **BVRT Utilities**

Reached agreement to purchase outstanding minority interest in BVRT Utility Holdings, and become sole owner of seven Texas water and wastewater utilities in South Austin-San Antonio corridor

Regulatory

## **Rate Case Activity**

2024 California General Rate Case proceeding with expected decision early in Q2; rate cases pending in Texas and Washington



# First, Let's Wrap Up 2025

1

Q4 and full-year 2025 financial results affected by wet weather in December

2

Invested record \$517.0 million in water system infrastructure, including \$152.3 million in Q4

3

Increased annual dividend by 10.71%; paid 323rd consecutive quarterly dividend of \$0.30 per share

4

Retained ROE of 10.27% until January 2028\* - one of the highest of any regulated water utility in U.S.

5

Received approval to increase 2026 interim rates by 3% in CA and completed rate cases in HI and WA

6

Maintained S&P Global rating of A+/Stable – one of the highest of any regulated water utility in U.S.



\*The Cost of Capital decision extended by the California Public Utilities Commission (CPUC) includes a Water Cost of Capital Mechanism (WCCM). Among its features, the WCCM provides for a 50% adjustment to ROE for each 100-basis point change in the Moody's AA Utility Bond Index as measured over the 12-month period from October 1<sup>st</sup> to September 30<sup>th</sup>.

# Q4 Results Negatively Impacted by Wet Weather



## Q4 2025 vs. Q4 2024

(in millions, except EPS)



Operating Revenue



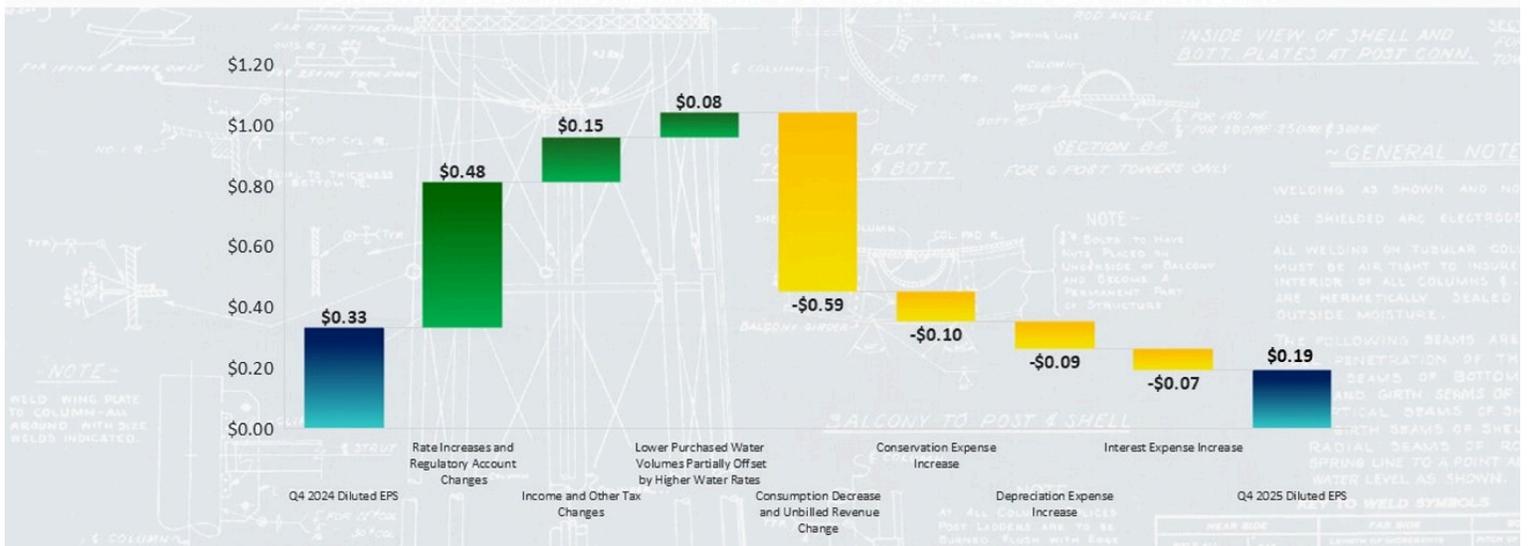
Net Income



Diluted EPS



# Diluted EPS Bridge – Q4 2024 to Q4 2025 Results

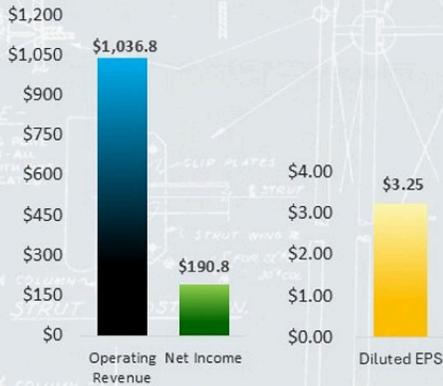


# YE 2025 Financial Results Impacted by Q4 Wet Weather, Third Year of CA Rate Case Cycle



## 2024 GAAP Results

(in millions, except EPS)



## 2025 vs. 2024 Non-GAAP\* Results

(in millions, except EPS)

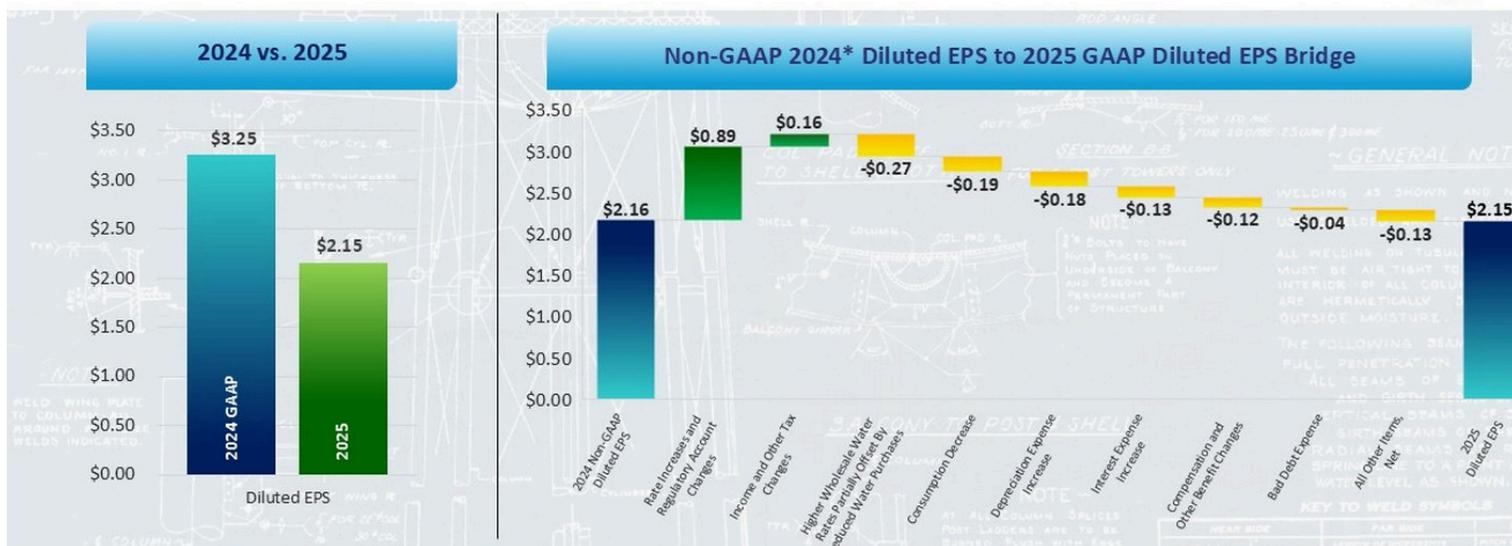


\*As a result of the delayed 2021 California GRC decision, interim rate relief related to 2023 was recorded and finalized in 2024. Non-GAAP measures adjust for the impact of 2023 interim rate relief on 2024 results. For more information, please see the reconciliation of 2024 results and related explanations in the Appendix.





# Diluted EPS Bridge 2024 to 2025 Results



\*As a result of the delayed 2021 California GRC decision, interim rate relief related to 2023 was recorded and finalized in 2024. Non-GAAP measures adjust for the impact of 2023 interim rate relief on 2024 results. For more information, please see the reconciliation of 2024 results and related explanations in the Appendix.

# Infrastructure Investment Improves Reliability and Sustainability, Powers Long-Term Earnings



## Growth in capital investment outpaces depreciation

2025-2027 TOTAL  
**CapEx**  
**4x**  
DEPRECIATION

Cap-Ex	
Q4 2025	YE 2025
<b>\$152.3M</b>	<b>\$517.0M</b>
\$36.3M	\$144.4M
Depreciation	Depreciation



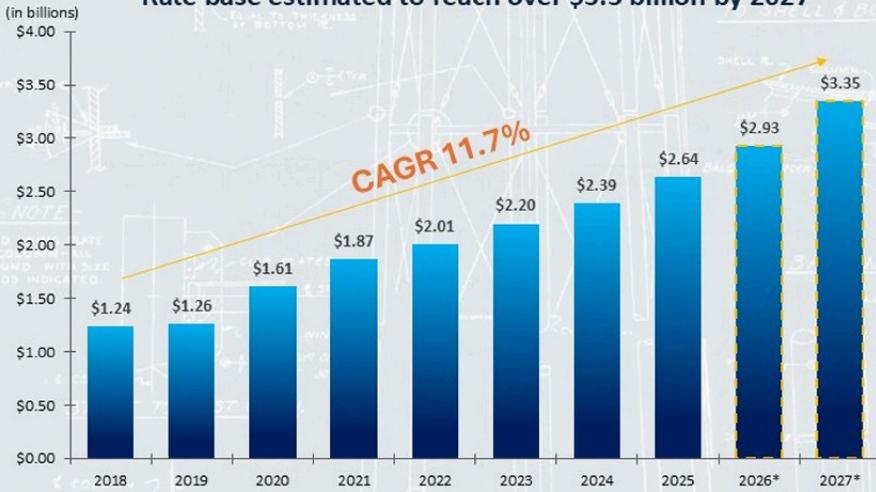
\*Estimates for 2026-2027 are based on amounts requested in the 2024 California GRC application (adjusted for 2025 actual results where applicable), plus estimated capital expenditures in our other states. These capital expenditures are subject to review and approval by the CPUC and other regulators. Note: Estimates for 2026-2027 exclude anticipated Nevada, Oregon, and PFAS-related capital investments. Remaining estimated PFAS program expenditures are \$235.3M (before potential offsets) representing \$178.3M in treatment and \$57.0M in well replacement costs. PFAS expenditures are expected to be incurred over multiple years.



# Earnings Performance Driven Capital Investment/Rate Base Growth



Rate base estimated to reach over \$3.3 billion by 2027



\*Estimates for 2026-2027 are based on amounts requested in the 2024 California GRC application (adjusted for 2025 actual results where applicable), plus estimated capital expenditures in our other states. These capital expenditures are subject to review and approval by the CPUC and other regulators. Note: Estimates for 2026-2027 exclude anticipated Nevada, Oregon, and PFAS-related capital investments. Remaining estimated PFAS program expenditures are \$235.3M (before potential offsets) representing \$178.3M in treatment and \$57.0M in well replacement costs. PFAS expenditures are expected to be incurred over multiple years.



# Additional Financial Highlights

## Liquidity

Continue to maintain strong liquidity profile to execute on capital plan

Strategic M&A investment expected to focus primarily on tuck-in acquisitions as Group progresses Nexus and BVRT acquisitions

At year-end, Company had **\$51.8M** in unrestricted cash and **\$45.6M** in restricted cash; approximately **\$470.0M** available on bank lines of credit

## Balance Sheet Strength

Credit facilities of **\$600.0M** that can be expanded up to **\$800.0M**; facilities mature in March 2028

Combination of Group notes and Cal Water bonds issued in aggregate principal amount of **\$370.0M** in October 2025

ATM program renewed in May 2025; **\$350.0M** shelf registration; **\$1.5M** program sales occurred in Q4 2025

Group and Cal Water's S&P Global credit rating **A+/stable**

## Dividend Momentum

**323<sup>th</sup>** consecutive quarterly dividend of **\$0.30** per share

**\$0.04** one-time special dividend brings 2025 dividend to **\$1.24** per share

2026 announced annual dividend indicative of **\$1.34** per share; **59<sup>th</sup>** consecutive increase; **8.1%** higher than 2025 total

**7.7%** five-year dividend CAGR (inclusive of \$0.04 special dividend)



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# Acquisition Bolsters Our Position as Leader in Western U.S., Provides Platform for Additional Growth



Acquiring Nexus Water Group's operations in **Nevada** and **Oregon** expands Cal Water's footprint into two additional Western states, increasing rate base outside of California (excluding BVRT) by approximately **40%**

**~36,000**

Total equivalent residential connections serving an estimated 115,000 people

**~\$109M**

Increased consolidated year-end 2025 rate base

**16**

Utility systems

**\$218M\***

Purchase price

\* Subject to certain closing adjustments



Closing expected by the **end of 2026**, subject to customary closing conditions and regulatory approvals; expected accretion within year of close



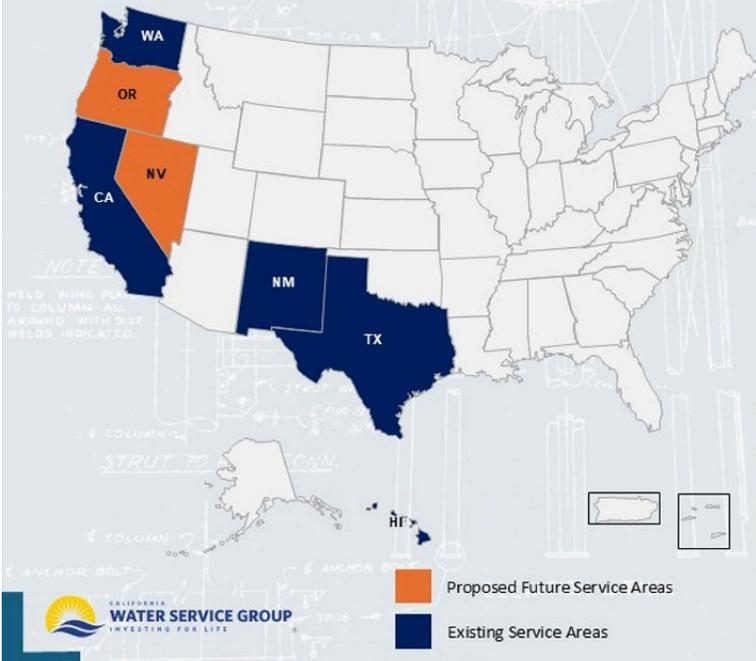
Establishes scalable regional platform with embedded **growth** opportunities



Transaction consistent with Group's disciplined **capital allocation framework** and long-term growth strategy



# Combined Company Highlights



## Nevada

- **26,466** total equivalent residential connections: 19,919 water / 6,547 wastewater
- **6** utility systems across three counties
- Largest investor-owned water/wastewater utility in Nevada
- Regulated by Public Utilities Commission of Nevada (PUCN)

## Oregon

- **9,127** total equivalent residential connections: 4,835 water / 4,292 wastewater
- **10** utility systems across three counties, regulated water and unregulated wastewater assets
- Second largest water/wastewater utility in Oregon
- Regulated by Oregon Public Utility Commission (OPUC) (regulated water operations)



# Strategic Rationale



Geographic diversification into Nevada and Oregon enhances regulatory and financial balance



Acquires rate-base-driven growth platform with customer growth and capex investment opportunities



Both states operate under hybrid ratemaking frameworks, supporting ongoing infrastructure investment



Opportunity to optimize and allocate corporate and shared service costs over larger operational base benefitting customers



Strong historical regulatory relationships supported by successful rate case outcomes



Embedded growth pipeline, both tuck-in acquisitions and customer connections



Assets and operating profile consistent with Group's operating principles and operations



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# Acquiring the remaining outstanding membership interests of BVRT in Texas



Group has entered into agreement to purchase remaining membership interests in BVRT

Would become sole owner of 7 subsidiary water and wastewater utilities in Austin-San Antonio corridor

BVRT expansion continues through system buildouts and enhancing water/wastewater infrastructure in area

Group's Texas subsidiary to file change of control application with Public Utilities Commission of Texas (PUCT) to acquire remaining outstanding BVRT membership interests

Acquisition is subject to satisfaction of customary terms and conditions in addition to PUCT and Group Board approval

**7**

BVRT-owned regulated utilities in high-growth areas

**19,000+**

Total connected & committed customers in 2025

**20,000+**

Additional likely customers in existing service areas

**100,000+**

Additional potential customers near existing service areas

## Customer Growth

■ Connected ■ Committed



# Proposed Decision on 2024 California General Rate Case Expected in Early Q2



**\$1.6B**

Investment proposed in Cal Water from 2025-2027

**18**

Month-long process for triennial rate case filing with CPUC per the rate case plan; proceeding has been extended

**LUWEP**

Application proposes Low-Use Water Equity Program that would decouple revenue from water sales to enhance affordability

## Key 2026 dates

Authorized 3.0% interim rate increase goes into effect

Comments due from parties

Extension deadline for final decision; Commissioners can vote as early as 30 days after PD and oral argument



Based on prior ALJ Ruling, 90-day deadline for ALJ to issue proposed decision (PD)

After reply comments filed, oral arguments delivered to CPUC, if needed

Requests rate adjustments necessary to generate total revenue increases of:

<b>\$140.6M</b> (17.1%)	<b>\$72.4M</b> (7.7%)	<b>\$83.6M</b> (8.1%)
<b>2026</b>	<b>2027</b>	<b>2028</b>





# Other Regulatory Updates

In November 2025, Hawaii Water filed a rate case with the Hawaii PUC for a **\$2.2 million** annual revenue increase to recover higher operating expenses and the cost of system improvements

HI

In October 2025, the Hawaii PUC approved an annual revenue increase of **\$4.7 million** for Hawaii Water's five Waikoloa systems, with a two-year phase-in beginning Oct. 9, 2025

In June 2024, BVRT filed a consolidated rate case for 5 water utilities with the PUCT

During second quarter 2025, BVRT reached settlement with Consumer Advocate, interim rates were adopted

PUCT approval is pending

TX

In September 2025, Washington Water filed a rate case with the Washington Commission for a **\$4.9 million** annual revenue increase to recover system investments and rising operating costs

WA

Washington Water has completed infrastructure upgrades across multiple systems, including new mains, treatment facilities, booster stations, and remote monitoring to enhance reliability and water quality

The rate request also reflects higher labor, materials, and PFAS compliance costs under new federal regulations

New rates anticipated to be effective second half of 2026



# Our Focus in 2026 and Beyond

- Finalizing transactions and integrating new utilities in TX, NV, and OR
- Implementing 2024 CA GRC, proactively pursuing rate relief in WA, NM, and HI, and preparing to file 2027 CA GRC
- Pursuing new growth opportunities in new high-growth areas
- Continuing to invest in water and wastewater system infrastructure
- Staying focused on affordability and growth

# Appendix





# Non-GAAP Financial Measures

The Company's revenue, net income, and diluted earnings per share are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and represent amounts reported on filings with the Securities and Exchange Commission. Adjusted revenue, net income, and diluted earnings per share are non-GAAP financial measures representing GAAP balances that, in this presentation, are adjusted for the effects of 2023 interim rate relief related to the delayed 2021 California GRC decision recorded by the Company in 2024. These non-GAAP financial measures are provided as additional information for investors and analysts to better assess the Company's 2025 financial performance as compared to 2024 and without the impact of the 2023 interim rate relief on 2024 results. Management also uses these non-GAAP financial measures in evaluating the Company's performance. These non-GAAP financial measures may be different from non-GAAP financial measures used by other companies, even when the same or similarly titled terms are used to identify such measures, limiting their usefulness for comparative purposes. Further, these non-GAAP financial measures should be considered as a supplement to the financial information prepared on a GAAP basis rather than an alternative to the respective GAAP measures.



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# Reconciliation of Non-GAAP Financial Measures



(in thousands, except per share amounts)	Year Ended	
	2025	2024
<b>Reported GAAP Operating Revenue</b>	<b>\$1,000,140</b>	<b>\$1,036,806</b>
Adjustments:		
2023 interim rate relief related to the 2021 California GRC recorded in 2024	—	(\$87,482)
<b>Adjusted Operating Revenue (non-GAAP)</b>	<b>\$1,000,140</b>	<b>\$949,324</b>
<b>Reported GAAP Net Income</b>	<b>\$128,211</b>	<b>\$190,807</b>
Adjustments:		
2023 interim rate relief related to the 2021 California GRC recorded in 2024	—	(\$63,980)
<b>Adjusted Net Income attributable to California Water Service Group (non-GAAP)</b>	<b>\$128,211</b>	<b>\$126,827</b>
<b>Reported GAAP Diluted Earnings Per Share</b>	<b>\$2.15</b>	<b>\$3.25</b>
Adjustments:		
2023 interim rate relief related to the 2021 California GRC recorded in 2024	—	(\$1.09)
<b>Adjusted Diluted Earnings Per Share (non-GAAP)</b>	<b>\$2.15</b>	<b>\$2.16</b>



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**DATE:** February 25, 2026  
**CONTACT:** Shannon Dean, (408) 367-8243  
Jim Lynch, (408) 367-8200

*For Immediate Release*

**California Water Service Group Announces Agreement to Purchase  
Nexus Water Group’s Nevada and Oregon Water and Wastewater Systems,  
Solidifying Its Position as the Largest Regulated Water Utility in the  
Western U.S. and Creating a Platform for Additional Growth**

- Adds approximately 36,000 equivalent residential connections across water and wastewater systems in Nevada and Oregon
- Expands footprint and solidifies Company’s position as the largest regulated water utility in the western United States
- Establishes a scalable regional platform with embedded growth opportunities
- Provides a clear pathway for new capital investments benefiting Oregon and Nevada water and wastewater customers
- Conference call at 8 a.m. PT on February 26

**SAN JOSE, Calif., February 25, 2026** (GLOBE NEWSWIRE) -- California Water Service Group (NYSE: CWT), a leading publicly traded water utility serving California, Hawaii, New Mexico, Washington, and Texas, announced today that it has reached an agreement to purchase Nexus Water Group’s Nevada and Oregon water and wastewater systems, adding approximately 36,000 equivalent residential connections and a combined rate base of approximately \$109 million at December 31, 2025.



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# Press Release

*Breaking News*



“This is a great way to kick off our centennial year,” said Chairman and Chief Executive Officer Martin A. Kropelnicki. “We started out serving four small California communities in 1926, and with this acquisition, we will serve roughly two million people through approximately 584,000 service connections in seven western states. We look forward to completing the transaction and integrating the systems in a way that provides opportunities for employees and excellent service to customers,” he said.

Nexus Water Group President and CEO Rob MacLean said, “Nexus is committed to driving value through our long-term strategy. With this divestment, we are right-sized and strategically positioned for continued growth. We look forward to sharpening our focus where we lead the market and can build on our competitive edge in the industry. We will work closely with California Water Service Group to ensure this transition is seamless for employees and customers.”

According to Kropelnicki, the purchase price of approximately \$218 million, which is subject to typical closing adjustments, will be funded with working capital and existing debt and equity facilities. The Company expects to complete the transaction by the end of 2026, subject to customary closing conditions, including approval from applicable public utility commissions, and expects it to be accretive to existing operations within a year of closing.

“I want to thank Nexus Water Group for the opportunity to partner on this transaction as we expand our footprint across the western United States,” Kropelnicki said.

The transaction was unanimously approved by the Boards of Directors of both Company and Nexus Water Group. Baker McKenzie served as the Company’s external legal counsel.



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# Press Release

Breaking News



## About California Water Service Group

Group is the parent company of regulated utilities California Water Service, Hawaii Water Service, New Mexico Water Service, and Washington Water Service, as well as Texas Water Service, a utility holding company. Together, these companies provide regulated and non-regulated water and wastewater service to more than 2.1 million people in California, Hawaii, New Mexico, Washington, and Texas. Group's common stock trades on the New York Stock Exchange under the symbol "CWT." Additional information is available online at [www.calwatergroup.com](http://www.calwatergroup.com).

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