ATTACHMENT B

PROXY STATEMENT AND FINANCIAL STATEMENTS

-

CALIFORNIA WATER SERVICE CO.
Balance Sheet
December 31, 2017 AND 2016

ASSETS	2017	2016
Utility Plant:		
Land	$ 35,759,865	$ 33,549,264
Depreciable plant and equipment	2,550,506,424	2,341,234,621
Construction work in progress	167,171,879	127,379,182
Intangible assets	17,820,906	17,621,988
	2,771,259,074	2,519,785,055
Less: Depreciation of plant and equipment	(853,994,409)	(792,431,002)
Amortization of intangibles	(14,767,903)	(13,560,922)
	(868,762,313)	(805,991,924)
Net utility plant	1,902,496,761	1,713,793,131
Current assets:		
Cash	80,897,326	13,172,455
Working funds, deposits,temporary cash investments	42,975	42,975
Accounts receivable:		
Customers, less allowance for doubtful accounts	29,964,558	27,933,904
Taxes Receivable	1,392,495	3,349,296
Unbilled revenue	27,948,247	23,559,676
Other Accounts Receivable	51,623,046	44,007,052
Materials and supplies	5,703,918	5,523,970
Prepaid expenses	9,386,228	5,635,285
Intercompany Transfers	4,093,133	3,607,742
Clearing accounts	1,478,029	1,282,586
Total current assets	212,529,954	128,114,941
Other assets:		
Regulatory assets	397,333,037	352,139,452
Other Intangible assets	0	0
Long Term Intercompany Receivable	0	0
Investment In Non-Utility Property	497,271	139,108
Other	59,083,674	50,221,527
Total other assets	456,913,982	402,500,086
	$ 2,571,940,697	**$ 2,244,408,158**

CWS NEW 3 BALANCE SHT

BALSHT2

CALIFORNIA WATER SERVICE CO.
Balance Sheet
December 31, 2017 AND 2016

CAPITALIZATION AND LIABILITIES	2017	2016
Capitalization		
Common stockholders' equity		
Common stock	$ 273,746,586	$ 273,746,586
Retained earnings	352,552,992	321,256,004
Accumulated other comprehensive loss	0	0
	626,299,578	595,002,590
	54.9%	52.8%
First mortgage bonds	505,890,909	521,445,545
Unamortized debt premium and expense	(3,287,871)	(3,888,356)
Senior Notes	0	0
Long Term Intercompany Debt	0	0
Other Long-Term Debt	12,348,780	13,292,831
Total Long Term Debt	514,951,817	530,850,021
	45.1%	47.2%
Total capitalization	1,141,251,395	1,125,852,610
	100.0%	100.0%
Current liabilities:		
Current maturities of LT Debt	15,597,875	25,656,491
Notes payable	220,000,000	40,000,000
Payable to Affiliates	580,184	539,227
Accounts payable	149,864,113	79,756,481
Accrued interest	5,867,301	5,553,853
Accrued general taxes	3,833,764	3,481,251
Income taxes	(0)	130,000
Short Term Intercompany Debt	0	0
Unearned revenue - charges billed in advance	719,849	825,147
Accrued and deferred compensation	16,067,670	14,900,263
Accrued pension and post retirement benefits	2,210,200	2,135,940
Accrued benefit and worker's compensation	10,349,255	10,142,009
Other	5,650,711	5,304,654
Total current liabilities	430,740,922	188,425,315
Unamortized investment tax credit	1,723,727	1,798,069
Deferred income taxes	189,004,718	296,781,437
Regulatory liabilities	179,706,395	38,735,236
Advances for construction	181,978,876	181,907,034
Contributions in aid of construction	154,321,340	146,433,984
Other long-term liabilities	293,213,324	264,474,472
	$ 2,571,940,697	**$ 2,244,408,158**

CWS NEW 3 BALANCE SHT
BALSHT2

CALIFORNIA WATER SERVICE CO.

STATEMENT OF INCOME AND RETAINED EARNINGS

MONTH ENDING December 31, 2017

	CURRENT MONTH			YEAR TO DATE			12 MONTHS TO DATE		
	This Year	Prior Year	Change	This Year	Prior Year	Change	This Year	Prior Year	Change
Operating revenue	$42,649,379	$43,801,909	($1,152,530)	$626,380,222	$570,514,140	$55,866,082	$626,380,222	570,514,140	$55,866,082
Operating expenses:									
Operations:									
Purchased water	15,606,252	11,767,482	3,838,771	198,681,949	181,018,194	17,663,755	198,681,949	181,018,194	17,663,755
Purchased power	939,091	520,864	418,226	21,020,335	19,790,523	1,229,813	21,020,335	19,790,523	1,229,813
Pump taxes	1,325,979	1,061,035	264,943	13,924,490	11,298,617	2,625,873	13,924,490	11,298,617	2,625,873
Administrative and General	12,654,838	6,856,286	5,798,553	102,385,390	97,315,125	5,070,265	102,385,390	97,315,125	5,070,265
GO Allocations	(1,445,817)	(839,549)	(606,268)	(10,190,890)	(9,313,646)	(877,243)	(10,190,890)	(9,313,646)	(877,243)
Other operations	5,630,282	7,984,255	(2,353,972)	67,069,216	73,918,769	(6,849,553)	67,069,216	73,918,769	(6,849,553)
Total operations	34,710,625	27,350,372	7,360,253	392,890,490	374,027,581	18,862,909	392,890,490	374,027,581	18,862,909
Maintenance	1,978,538	1,818,577	159,962	21,594,679	22,052,806	(458,127)	21,594,679	22,052,806	(458,127)
Depreciation and amortization	5,910,829	4,920,701	990,127	72,326,615	59,138,168	13,188,447	72,326,615	59,138,168	13,188,447
Federal income taxes	1,002,101	2,772,860	(1,770,759)	27,619,124	23,326,213	4,292,911	27,619,124	23,326,213	4,292,911
State income taxes	(5,470,396)	(2,191,398)	(3,278,998)	(489,793)	(583,091)	93,298	(489,793)	(583,091)	93,298
Taxes other than income taxes	1,887,253	1,641,338	245,914	21,778,622	20,330,524	1,448,097	21,778,622	20,330,524	1,448,097
Total operating expenses	40,018,949	36,312,450	3,706,499	535,719,736	498,292,201	37,427,535	535,719,736	498,292,201	37,427,535
Net operating income	2,630,429	7,489,459	(4,859,029)	90,660,487	72,221,939	18,438,547	90,660,487	72,221,939	18,438,547
Other Income and Expenses:									
Non regulated revenue	1,440,080	2,553,575	(1,113,495)	18,357,682	15,113,917	3,243,765	18,357,682	15,113,917	3,243,765
Non regulated expense	(487,316)	(707,162)	219,846	(6,673,220)	(8,767,504)	2,094,285	(6,673,220)	(8,767,504)	2,094,285
New Business	(19,078)	(22,407)	3,329	(399,502)	(267,013)	(132,488)	(399,502)	(267,013)	(132,488)
Gain on sale on non-utility property	67,148	0	67,148	661,736	(185,640)	847,376	661,736	(185,640)	847,376
Miscellaneous	(55,003)	(131,806)	76,803	(1,064,321)	(1,046,651)	(17,670)	(1,064,321)	(1,046,651)	(17,670)
Income taxes on other income and exp	(385,388)	(693,578)	308,190	(4,434,132)	(1,976,207)	(2,457,924)	(4,434,132)	(1,976,207)	(2,457,924)
	560,443	998,622	(438,179)	6,448,244	2,870,901	3,577,342	6,448,244	2,870,901	3,577,342
Interest:									
Interest on long-term debt	2,453,319	2,567,358	(114,039)	30,634,409	30,806,758	(172,349)	30,634,409	30,806,758	(172,349)
Other interest	461,651	104,659	356,992	3,561,545	1,004,080	2,557,466	3,561,545	1,004,080	2,557,466
Interest capitalized	(111,363)	(195,053)	83,689	(2,319,053)	(2,905,414)	586,361	(2,319,053)	(2,905,414)	586,361
Amortization of bond premium and expense, r	77,396	74,943	2,452	920,089	871,361	48,728	920,089	871,361	48,728
	2,881,002	2,551,907	329,095	32,796,990	29,776,785	3,020,205	32,796,990	29,776,785	3,020,205
NET INCOME	309,870	5,936,173	(5,626,303)	64,311,740	45,316,056	18,995,684	64,311,740	45,316,056	18,995,684
Dividends on preferred stock	0	0	0	0	0	0	0	0	0
Balance for common stock	309,870	5,936,173	(5,626,303)	64,311,740	45,316,056	18,995,684	64,311,740	45,316,056	18,995,684
Dividends on common stock	0	(139)	139	33,014,752	32,105,470	909,282	33,014,752	32,105,470	909,282
Retained earnings, beginning of period	$352,243,122	$315,319,691	$36,923,431	$321,256,004	$308,045,418	$13,210,586	$321,256,004	$308,045,418	$13,210,586
Retained earnings, end of period	$352,552,992	$321,256,004	$31,296,988	$352,552,992	$321,256,004	$31,296,988	$352,552,992	$321,256,004	$31,296,988
EARNINGS PER SHARE	$ 0.02	0.40	$ (0.38)	$ 4.33	3.05	$ 1.28	$ 4.33	3.05	$ 1.28
Fully diluted average shares outstanding	14,865,574	14,865,574	0	14,865,574	14,868,551	(2,977)	14,865,574	14,868,551	(2,977)
Number of customers	484,915	484,853	62	484,915	482,457	2,458	484,915	482,457	2,458

Use these links to rapidly review the document
Table of Contents

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under §240.14a-12

California Water Service Group

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

California Water Service Group

California Water Service Company, Hawaii Water Service Company, New Mexico Water Service Company, Washington Water Service Company, CWS Utility Services, and HWS Utility Services

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

April 18, 2018

Dear Fellow Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders at 9:30 a.m. on May 30, 2018, at the executive offices of California Water Service Group, located at 1720 North First Street in San Jose, California.

Enclosed are a notice of matters to be voted on at the meeting, our Proxy Statement, a proxy card, and our 2017 Annual Report.

Whether or not you plan to attend, your vote is important. Please vote your shares, as soon as possible, in one of three ways: by Internet, by telephone, or by mail. Instructions regarding Internet and telephone voting are included on the proxy card or voting instruction card. If you choose to vote by mail, please follow the instructions on the proxy card or voting instruction card.

In a continuing effort to conserve natural resources and reduce costs, we produced a summary annual report again this year, opting not to duplicate the financial information that continues to be provided in our Form 10-K filed with the Securities and Exchange Commission. Your perspectives on the annual report are valuable to us. Please send your feedback to annualreport@calwater.com.

Thank you for your investment in the California Water Service Group.

Sincerely,

/s/ PETER C. NELSON

Peter C. Nelson
Chairman of the Board

Table of Contents

For directions to the Annual Meeting, please refer to page 64 of this Proxy Statement.

Table of Contents

California Water Service Group

Notice of Annual Meeting of Stockholders

The 2018 Annual Meeting of Stockholders (Annual Meeting) of California Water Service Group (Group) will be held on Wednesday, May 30, 2018, at 9:30 a.m., at the executive offices of California Water Service Group, located at 1720 North First Street in San Jose, California. At the meeting, stockholders will consider and vote on the following matters:

1. Election of the nine directors named in the Proxy Statement;
2. An advisory vote to approve executive compensation;
3. Ratification of the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm for 2018;
4. Approval of the Group's 2018 Employee Stock Purchase Plan; and
5. Such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on April 3, 2018 as the record date for the determination of holders of common stock entitled to notice of, and to vote at, the Annual Meeting.

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: (a) by Internet, (b) by telephone, or (c) by U.S. Postal Service mail. You may revoke your proxy at any time prior to the vote at the Annual Meeting. Of course, in lieu of submitting a proxy, you may vote in person at the Annual Meeting; provided, however, that if you hold your shares in street name, you must request a legal proxy from your stockbroker in order to do so. For specific instructions, please refer to "Questions and Answers about the Proxy Materials and the Annual Meeting" in this Proxy Statement and the instructions on the proxy card.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be Held on May 30, 2018: Electronic copies of the Group's Form 10-K, including exhibits, and this Proxy Statement will be available at*www.proxyvote.com.*

By Order of the Board of Directors

/s/ MICHELLE R. MORTENSEN

MICHELLE R. MORTENSEN
Corporate Secretary

PROXY STATEMENT

This Proxy Statement, dated April 18, 2018, relates to the solicitation of proxies by the Board of Directors of California Water Service Group (Group) for use at our 2018 Annual Meeting of Stockholders, which is scheduled to be held on May 30, 2018. We expect to begin mailing this Proxy Statement to stockholders on or about April 18, 2018.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

What am I voting on?

- Election of the nine directors named in the Proxy Statement to serve until the 2019 Annual Meeting;
- An advisory vote to approve executive compensation;
- Ratification of the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm for 2018; and
- Approval of the Group's 2018 Employee Stock Purchase Plan.

Who may attend the Annual Meeting?

Any stockholders of the Group may attend.

Who is entitled to vote?

Stockholders of record on the record date are entitled to vote. The Board has fixed the close of business on April 3, 2018 as the record date (Record Date) for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting.

How many votes do I get?

Each share of common stock is entitled to one vote.

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 considered in determining whether a quorum is present.

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 1,934 stockholders of record. There were 48,073,847 shares of our common stock outstanding and entitled to vote at the Annual Meeting.

How are the directors elected?

Our bylaws provide for a majority voting standard for the election of directors in uncontested elections. Under this majority voting standard, each director must be elected by the affirmative vote of a majority of the votes cast with respect to the director. A majority of the votes cast means that the number of votes cast "FOR" a nominee for director exceeds the number of votes cast "AGAINST" that nominee for director. As a result, abstentions will not be counted in determining which nominees receive a majority of votes cast since abstentions do not represent votes cast for or against a nominee. If you hold your shares through a stockbroker (or other nominee), the stockbroker does not have authority to vote your shares in the election of directors without instructions from you. Shares that your stockbroker does not vote ("broker non-votes") are not considered votes cast for or against a nominee, and they will not be counted in determining which nominees receive a majority of votes cast. In accordance with our director resignation policy, the Nominating/Corporate Governance Committee has established procedures that require an incumbent nominee for director who does not receive the required votes for re-election to tender his or her resignation offer to the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee will recommend to the Board whether to accept or reject the offer, or whether other action should be taken. The Board will act on the Nominating/Corporate Governance Committee's recommendation within 90 days after certification of the election results. We will promptly publicly disclose the Board's decision regarding the resignation offer, including the rationale for rejecting the resignation offer, if applicable.

Who are the Board's nominees?

The nominees are Gregory E. Aliff, Terry P. Bayer, Edwin A. Guiles, Martin A. Kropelnicki, Thomas M. Krummel, M.D., Richard P. Magnuson, Peter C. Nelson, Carol M. Pottenger, and Lester A. Snow. All of the nominees are current Board members. See "Proposal No. 1 – Election of Directors" for biographical information and qualifications. George A. Vera is retiring from the Board as of the Annual Meeting and will not stand for re-election in accordance with the Board's retirement policy.

What are the Board's voting recommendations?

"*FOR*" each of the nominees to the Board (Proposal No. 1);

"*FOR*" the proposal regarding an advisory vote to approve executive compensation (Proposal No. 2);

"*FOR*" the ratification of the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm for 2018 (Proposal No. 3); and

"*FOR*" the approval of the Group's 2018 Employee Stock Purchase Plan (Proposal No. 4).

How do I vote?

If you are a stockholder of record (that is, you hold your shares in your own name), you may vote on the Internet, by telephone, by mail, or in person at the meeting. Different rules apply if your stockbroker or another nominee holds your shares for you (see below).

You may vote on the Internet.

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

You may vote by telephone.

You do this by following the "Vote by Phone" instructions on the proxy card. If you vote by telephone, you do not have to mail in your proxy card. You must have a touch-tone phone to vote by telephone.

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.

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

- For the nine named director nominees;
- For the advisory vote to approve executive compensation;
- For the ratification of the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm for 2018; and
- For the approval of the Group's 2018 Employee Stock Purchase Plan.

You may vote in person at the meeting.

We will distribute written ballots to anyone who wants to vote at the Annual 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.

What if I change my mind after I return my proxy?

You may revoke your proxy and/or change your vote at any time before the polls close at the Annual Meeting. You may do this by:

- Signing another proxy with a later date;
- Voting by Internet or by telephone (your latest Internet or telephone proxy is counted);
- Voting again at the meeting; or
- 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, and you do not return your proxy, your shares will not be voted unless you attend the meeting and vote in person.

What happens if my shares are held by my stockbroker (or other nominee)?

If your shares are held by a stockbroker (or other nominee), you will receive a voting instruction card so that you can instruct your stockbroker on how to vote your shares. If you do not return your voting instruction card, then your stockbroker, under certain circumstances, may vote your shares.

Specifically, stockbrokers have authority under exchange regulations to vote your uninstructed shares on certain "routine" matters. For "non-routine" matters, no votes will be cast on your behalf if you do not instruct your stockbroker on how to vote. If you wish to change the voting instructions that you gave to your stockbroker, you must ask your stockbroker how to do so.

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

- Proceed to vote your shares on routine matters and refrain from voting on non-routine matters; or
- Leave your shares entirely unvoted.

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

As to my stockbroker voting, which proposals are considered "routine" or "non-routine"?

The ratification of the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm for 2018 (Proposal No. 3) is routine. A stockbroker may generally vote on routine matters if the stockbroker has not received voting instructions from you with respect to such matters.

The election of directors (Proposal No. 1), the advisory vote to approve executive compensation (Proposal No. 2), and the approval of the Group's 2018 Employee Stock Purchase Plan (Proposal No. 4) are matters considered "non-routine" under applicable rules. A stockbroker cannot vote without your instructions on non-routine matters.

What is the voting requirement to approve each of the proposals?

Proposal		Vote Required
Proposal No. 1 –	Election of nine directors	Majority of Votes Cast
Proposal No. 2 –	Advisory vote to approve executive compensation	Majority of Shares Present in Person or Represented by Proxy and Entitled to Vote
Proposal No. 3 –	Ratify the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm for 2018	Majority of Shares Present in Person or Represented by Proxy and Entitled to Vote
Proposal No. 4 –	Approve the Group's 2018 Employee Stock Purchase Plan	Majority of Shares Present in Person or Represented by Proxy and Entitled to Vote

How are broker non-votes and abstentions treated?

Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present. Only "FOR" and "AGAINST" votes are counted for purposes of determining the votes received in connection with the proposal relating to the election of directors (Proposal No. 1), and therefore broker non-votes and abstentions have no effect on that proposal. Stockbrokers may not vote your shares on Proposal No. 1 without instructions from you. The affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve Proposal No. 2, Proposal No. 3, and Proposal No. 4. In addition, the New York Stock Exchange listing standards contain separate approval requirements with respect to the Group's 2018 Employee Stock Purchase Plan (Proposal No. 4). Under the New York Stock Exchange listing standards, approval of Proposal No. 4 requires the affirmative vote of the majority of votes cast. Proposal No. 2 is advisory, meaning that they are not binding on the Board, although the Board will consider the outcome of the votes on these proposals. Abstentions have the effect of a vote "AGAINST" Proposal No. 2, Proposal No. 3, and Proposal No. 4. Stockbrokers may vote your shares on Proposal No. 3 (but not on Proposal No. 2 or Proposal No. 4) without instructions from you. Shares resulting in broker non-votes, if any, are not entitled to vote and will have no effect on the outcome of these proposals.

Who will count the vote?

Representatives of Broadridge Financial Services, Proxy Services, will serve as the inspector of elections and count the votes.

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 percentage of stock do the directors and executive officers own?

Together, directors and executive officers own approximately 1.0% of our common stock. See "Stock Ownership of Management and Certain Beneficial Owners" for more details elsewhere in this Proxy Statement.

Who are the largest common stockholders?

As of December 31, 2017, the largest stockholders were:

- BlackRock, Inc. beneficially owned 6,368,283 shares of common stock, representing 13.3% of our aggregate outstanding stock as of such date;
- The Vanguard Group, Inc. beneficially owned 5,135,812 shares of common stock, representing 10.69% of our aggregate outstanding stock as of such date; and
- T. Rowe Price Associates, Inc. beneficially owned 3,243,606 shares of common stock, representing 6.7% of our aggregate outstanding stock as of such date.

* To the best of our knowledge, no other stockholders held more than 5% of our common shares as of such date.

What is the deadline for submitting stockholder proposals for the Group's proxy materials for next year's Annual Meeting?

Any proposals that stockholders intend to submit for inclusion in next year's Group proxy materials must be received by the Corporate Secretary of the Group by December 19, 2018. A proposal, together with any supporting statement, may not exceed 500 words and must comply with other requirements of Rule 14a-8 under the Securities Exchange Act of 1934. Please submit the proposal to the 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 or other business for consideration at a stockholders' meeting?

Stockholders who are entitled to vote at a stockholders' meeting may propose a nominee for the Board or other business for consideration at a meeting without seeking to have the matter included in the proxy materials for the meeting pursuant to Rule 14a-8. The bylaws contain the requirements for doing so. The bylaws are posted on the Group's website at http://www.calwatergroup.com. Physical copies of these documents are also available upon request to the Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, CA 95112-4598. Briefly, a stockholder must give timely prior notice of the matter 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. For the 2019 Annual Meeting, to be timely, notice must be received by the Corporate Secretary not later than the close of business on December 31, 2018. If we change 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 not later than the close of business on the later of the 150th day before the Annual Meeting or the 10th day after we publicly announce the holding of the meeting. If the Group's Corporate Secretary receives notice of a matter after the applicable deadline, the notice will be considered untimely. In that case, or where notice is timely but the stockholder fails to satisfy the requirements of Rule 14a-4 under the Securities Exchange of 1934, the persons named as proxies may exercise their discretion in voting with respect to the matter when and if it is raised at the meeting.

The bylaws specify what the notice must contain. Stockholders must comply with applicable law with respect to matters submitted in accordance with the bylaws. The bylaws do not affect any stockholder's right to request inclusion of proposals in the Group's Proxy Statement under Rule 14a-8.

How can a stockholder or other interested parties contact the independent directors, the director who chairs the Board's executive sessions, or the full Board?

Stockholders or other interested parties may address inquiries to any of the Group's directors, to the lead director (who chairs the Board's executive sessions), or to the full Board, by email to stockholdercommunication@calwater.com or by writing to them in care of the Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, California 95112-4598. All such communications are sent directly to the intended recipient(s).

Can I make comments and/or ask questions during the Annual Meeting?

Yes. 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 & Chief Executive Officer (CEO);
2. Each stockholder, when recognized, should stand and identify himself or herself; and
3. Stockholder remarks must be limited to matters before the meeting and may not exceed two minutes in duration per speaker.

No cameras, video, or recording equipment will be permitted at the meeting. Many cellular phones have built-in digital cameras, and while these phones may be brought into the meeting, the camera function may not be used at any time.

Where and when will I be able to find the results of the voting?

Preliminary results will be announced at the Annual Meeting. We will publish the final results in a current report on Form 8-K to be filed with the Securities and Exchange Commission ("SEC") within four business days of the Annual Meeting.

BOARD STRUCTURE

This section briefly describes the structure of the Board and the functions of the principal committees of the Board. The Board has adopted Corporate Governance Guidelines that, along with the charters of the Board committees, provide a framework for the governance of the Group. The Corporate Governance Guidelines and the current charters for the Audit, Organization and Compensation, Finance and Risk Management, and Nominating/Corporate Governance committees are posted on the Group's website at http://www.calwatergroup.com. Physical copies of these documents are also available upon request to the Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, California 95112-4598.

The Group's policy is that all directors must be able to devote the required time to carry out director responsibilities and should attend all meetings of the Board and of committees on which they sit.

Leadership Structure

Peter C. Nelson has served as Chairman of the Board since 2012. The roles of Chairman of the Board and CEO are separate. The Board believes that separating these roles is the most appropriate leadership structure for the Group, based on numerous factors, including the Board's historical practice (which has predominantly been to separate the roles), its assessment of the Group's leadership, and the Group's current and anticipated needs. The Board attributes a portion of the historical success of its leadership model to the Chairman of the Board's 17-plus years of service as the former President & CEO of the Group. The Board believes that Mr. Nelson, who retired from the Group in 2013, brings significant experience in the water and public utility industries making him best positioned to lead the Board as it oversees and monitors implementation of the Group's business strategy, considers risks related to strategy and business decisions, and performs its oversight function with respect to the Group's operations.

The Board also has established the position of lead director because it supports having an independent director in a Board leadership position at all times. The lead director is an independent director who is elected by the independent directors to serve for a period of at least one year. Richard P. Magnuson currently serves as lead director. As set forth in the Corporate Governance Guidelines, the lead director's responsibilities and authority include:

- Presiding over executive sessions of the non-management and independent directors and having the authority to call executive sessions;
- Presiding at meetings of the Board in the absence of the Chairman of the Board;
- Recommending to the Chairman of the Board items for consideration on the Board meeting agendas and schedules;
- Serving as liaison between the Chairman of the Board and the independent directors; and
- Being available for consultation and communication with major stockholders upon request.

Risk Oversight

Under the Corporate Governance Guidelines, the full Board oversees the Group's processes for assessing and managing risk. The Board does not view risk in isolation, but considers risk as part of its regular consideration of business decisions and business strategy. The Board exercises its risk oversight function through the Board as a whole and through its committees. Each of the Board committees considers the risks within its areas of responsibility and identified in its charter. The Finance and Risk Management Committee reviews the Group's major risk exposures and the steps management has taken and proposes to take to monitor and control such exposures. The Audit Committee reviews with management risks related to financial reporting and internal controls. At least annually, the Finance and Risk Management Committee discusses the Group's risk assessment and risk management with the Audit Committee. The Organization and Compensation Committee reviews enterprise risks to see that our compensation plans and programs do not encourage management to take unreasonable risks relating to our business. The Nominating/Corporate Governance Committee oversees risks related to matters of corporate governance, including director independence and Board performance.

The Group has a Management Committee (MC) that reports to the Finance and Risk Management Committee and meets at least semi-monthly. The MC is chaired by the Group's President & CEO and membership is comprised of the Group's executive officers. Among other functions, the MC identifies and prioritizes key risks and recommends the implementation of appropriate mitigation measures, as needed. The MC reports to the Audit Committee no less frequently than annually. Further review or reporting on risks is conducted as needed or as requested by the Board or committee.

In addition, the Audit Committee oversees the Company's cyber risk management program. The Audit Committee regularly briefs the full Board on issues related to the cyber risk management program and related cyber issues.

Committees

There are four committees within our Board of Directors: (1) Audit; (2) Organization and Compensation; (3) Finance and Risk Management; and (4) Nominating/Corporate Governance. The membership and the function of each of these committees are described below.

Name	Audit	Organization and Compensation	Finance and Risk Management	Nominating/ Corporate Governance
Gregory E. Aliff	✓		✓	
Terry P. Bayer		✓		✓
Edwin A. Guiles	✓	✓	Chair	
Martin A. Kropelnicki				
Thomas M. Krummel, M.D.		Chair		✓
Richard P. Magnuson	✓		✓	Chair
Peter C. Nelson				
Carol M. Pottenger				
Lester A. Snow		✓	✓	
George A. Vera	Chair		✓	✓
Number of meetings held during 2017	**5**	**4**	**2**	**3**

AUDIT: Reviews the Group's auditing, accounting, financial reporting, and internal audit functions. The Audit Committee is also directly responsible for the appointment, compensation, and oversight of the independent registered public accounting firm, although stockholders are asked to ratify the Audit Committee's selection of this firm. All members are independent as defined in the listing standards of the New York Stock Exchange and meet the additional independence requirements for audit committee members imposed by the Sarbanes-Oxley Act and the rules of the SEC thereunder.

The Board has determined that George A. Vera, chair of the Audit Committee, Gregory E. Aliff, and Edwin A. Guiles are audit committee financial experts and are independent under the standards applicable to audit committee members. Designation as an audit committee financial expert means that the Board believes Mr. Vera, Mr. Aliff, and Mr. Guiles have:

(i) An understanding of generally accepted accounting principles and financial statements;

(ii) The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;

(iii) Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Group's financial statements, or experience actively supervising one or more persons engaged in such activities;

(iv) An understanding of internal controls over financial reporting; and

(v) An understanding of audit committee functions.

Designation of a person as an audit committee financial expert does not result in the person being deemed an expert for any purpose, including under Section 11 of the Securities Act of 1933. The designation does not impose on the person any duties, obligations, or liability greater than those imposed on any other audit committee member or any other director and does not affect the duties, obligations, or liability of any other member of the Audit Committee or Board of Directors.

ORGANIZATION AND COMPENSATION: Reviews the Group's executive compensation programs, including their establishment, modification, and administration. All members are independent as defined in the listing standards of the New York Stock Exchange, and meet additional independence requirements for compensation committee members applicable under the New York Stock Exchange listing standards. The Organization and Compensation Committee has taken steps to analyze the current risk profile of the Group's executive compensation programs. In its evaluation, the Organization and Compensation Committee review took into account that the Group operates in a highly regulated environment and thus maintains strong internal controls, which factors tend to mitigate against undue risk.

As a result of this evaluation, the Committee does not believe that the Group's compensation practices and programs create risks that are reasonably likely to have a material adverse effect on the Group, nor does it believe that the Group's executive compensation practices and programs are designed to promote risk taking.

Compensation Consultant: The Organization and Compensation Committee retained Veritas Executive Compensation Consultants (Veritas) to advise it on marketplace trends in executive compensation, management proposals for the 2017 compensation program, and executive officer compensation decisions. Additionally, Veritas generally evaluated the Group's equity compensation programs. Veritas also consulted with the Nominating/Corporate Governance Committee about its recommendations to the Board on director compensation. Veritas has been retained for advice on 2018 executive officer compensation.

Veritas was directly accountable to the Organization and Compensation Committee. To maintain the independence of their advice, Veritas did not provide any services for the Group other than those described above. In addition, the Organization and Compensation Committee conducted a conflict of interest assessment, considering the following six factors with respect to Veritas: (i) the provision of other services to the Group by Veritas; (ii) the amount of fees received from the Group by Veritas, as a percentage of total revenue of Veritas; (iii) the policies and procedures of Veritas that are designed to prevent conflicts of interest; (iv) any business or personal relationship between the consultants at Veritas with whom the Group work and any members of the Organization and Compensation Committee; (v) any of our stock owned by the Veritas consultants; and (vi) any business or personal relationship of Veritas or the Veritas consultants with any of the Group's executive officers, and no conflict of interest was identified.

For a description of the processes and procedures used by the Organization and Compensation Committee for the consideration and determination of executive compensation, see "Compensation Discussion & Analysis" elsewhere in this Proxy Statement.

FINANCE AND RISK MANAGEMENT: Assists the Board in reviewing the Group's financial policies, risk management strategies, and capital structure. All members are independent as defined in the listing standards of the New York Stock Exchange.

NOMINATING/CORPORATE GOVERNANCE: Reviews the Group's director compensation and assists the Board by (i) overseeing director succession planning and recruitment of individuals qualified to become Board members; (ii) overseeing the Group's corporate governance practices; and (iii) reviewing the Group's Corporate Governance Guidelines annually and recommending changes to the Board. All members are independent as defined in the listing standards of the New York Stock Exchange.

During 2017, there were nine meetings of the Board, five meetings of the Audit Committee, four meetings of the Organization and Compensation Committee, two meetings of the Finance and Risk Management Committee, and three meetings of the Nominating/Corporate Governance Committee. The incumbent directors attended at least 75% of all Board and applicable committee meetings in 2017 (held during the period each director served).

Independence of Directors

As discussed in the Group's Corporate Governance Guidelines, a substantial majority of the Board is comprised of independent directors. Currently, the Group's independent directors are Gregory E. Aliff, Terry P. Bayer, Edwin A. Guiles, Thomas M. Krummel, M.D., Richard P. Magnuson, Carol M. Pottenger, Lester A. Snow, and George A. Vera (who will retire from the Board as of the Annual Meeting in accordance with our director retirement policy). Under the listing standards of the New York Stock Exchange, a director is independent if he or she has no material relationship, whether commercial, industrial, banking, consulting, accounting, legal, charitable, familial, or otherwise, with the Group, either directly or indirectly as a partner, stockholder, or executive officer of an entity that has a material relationship with the Group. The Board makes an affirmative determination regarding the independence of each director annually, based on the recommendation of the Nominating/Corporate Governance Committee. The Board has adopted standards to assist it in assessing the independence of directors, which are set forth in the Corporate Governance Guidelines, which are posted on the Group's website at http://www.calwatergroup.com. Under these standards, the Board has determined that a director is not independent if:

- The director is, or has been within the last three years, an employee of any company that comprises the Group or an immediate family member is, or has been within the last three years, an executive officer of any company that comprises the Group;
- The director has received, or has an immediate family member who has received, during any twelve-month period during the last three years, more than $120,000 in direct compensation from companies that comprise the Group, other than director or committee fees and pension or other forms of deferred compensation for prior service (compensation

received by an immediate family member for service as an employee, other than an executive officer, of the Group is not considered for purposes of this standard);

- The director, or an immediate family member, is a current partner of the Group's internal or external auditor; the director is a current employee of such a firm; the director's immediate family member is a current employee of such a firm who personally works on the Group's audit, or the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Group's audit within that time;
- The director, or an immediate family member, is, or has been within the last three years, employed as an executive officer of another company where any of the Group's present executive officers serves or served at the same time on that company's compensation committee;
- The director is a current employee, or has an immediate family member who is a current executive officer, of a customer or vendor or other party that has made payments to or received payments from companies that comprise the Group for property or services in an amount that, in any of the last three fiscal years, exceeded the greater of $1 million or 2% of the party's consolidated gross revenues; or
- The director, or the director's spouse, is an executive officer of a non-profit organization to which the Group makes, or in the past three years has made, payments that, in any single fiscal year, exceeded the greater of $1 million or 2% of the non-profit organization's consolidated gross revenues.

In addition, the Board has determined that none of the following relationships, by itself, is a material relationship that would impair a director's independence:

- Being a residential customer of any subsidiary of the Group;
- Being a current executive officer or employee of, or being otherwise affiliated with, a commercial customer from which the Group has received payments that, in any of the last three fiscal years, did not exceed the greater of (i) 1% of the Group's consolidated gross revenues for the year; or (ii) $500,000;
- Being a current executive officer or employee of, or having a 5% or greater ownership or similar financial interest in, a supplier or vendor that has received payments from the Group that, in any of the last three fiscal years, did not exceed the lesser of (i) 1% of the Group's consolidated gross revenues for the year; or (ii) $500,000; or
- Being a director of any of the Group's subsidiaries.

Directors inform the Board as to their relationships with the Group and provide other pertinent information pursuant to questionnaires that they complete, sign, and certify on an annual basis. The Board reviews such relationships to identify possible impairments to director independence and in connection with disclosure obligations. In assessing Mr. Aliff's independence, the Board previously considered that he is a retired former partner of Deloitte LLP, which is the parent entity of Deloitte & Touche LLP, the Group's independent registered public accounting firm. While at Deloitte, Mr. Aliff did not work on the Group's audit or otherwise have any involvement in providing services to the Group. For those directors who reside in a service territory of California Water Service Company and are customers, the Board has determined that it is not a material relationship that would impair their independence under the above standards.

Director Qualifications and Diversity

The Board believes that the Board of Directors, as a whole, should possess a combination of skills, professional experience, and diversity of backgrounds necessary to oversee the Group's business. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board's membership criteria. Accordingly, the Board and the Nominating/Corporate Governance Committee consider the qualifications of directors and director nominees individually and in the broader context of the Board's overall composition as well as in the Group's current and future business and operations.

The Nominating/Corporate Governance Committee is responsible for developing and recommending Board membership criteria to the Board for approval. The Board and the Nominating/Corporate Governance Committee seek a variety of occupational and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board. An annual evaluation of the Board's composition enables the Board and Nominating/Corporate Governance Committee to update the skills and experience they seek in the Board as a whole, and in individual directors, as the Group's needs evolve and change over time and to assess diversity. In identifying director nominees from time to time, the Board and the Nominating/Corporate Governance Committee may identify specific skills and experience that it believes the Group should seek in order to constitute a balanced and effective board.

The Group seeks directors having the following specific qualifications:

- Evidence of leadership in his or her particular field;
- Broad experience and sound business judgment;
- Expertise in an area of importance to the Group and its subsidiaries;
- The ability to work in a collegial Board environment;
- High personal and professional ethics and integrity;
- The ability to devote the required time to carry out director responsibilities;
- The ability and willingness to contribute special competencies to Board activities, including appointment to Board committees;
- Freedom from conflicts of interest that would interfere with serving and acting in the best interests of the Group and its stockholders; and
- Evidence of being a high caliber individual who has achieved a level of prominence in his or her career; for example, a CEO or highest level financial officer of a sizeable organization, a director of a major corporation, or a prominent civic or academic leader.

Additionally, Section 2.9 of the Group's bylaws contains requirements that a person must meet to avoid conflicts of interest that would disqualify that person from serving as a director.

Board membership should reflect diversity in its broadest sense. The Group seeks directors who represent a diversity of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions. The Board, as a whole, should possess a combination of skills, professional experience, and backgrounds necessary to oversee the Group's business. The Board assesses the diversity of skills, experience, and backgrounds represented on the Board as part of the annual Board self-evaluation process.

Table of Contents

Identification of Director Nominees

The Group identifies new director nominees through a variety of sources. The Nominating/Corporate Governance Committee will consider director nominees recommended by stockholders in the same manner it considers other nominees, as described in "Board Structure – Director Qualifications and Diversity" elsewhere in this Proxy Statement. Stockholders seeking to recommend nominees for consideration by the Nominating/Corporate Governance Committee should submit a recommendation in writing describing the nominee's qualifications and other relevant biographical information and provide confirmation of the nominee's consent to serve as director. Please submit this information to the Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, California 95112-4598.

Stockholders may also propose director nominees by adhering to the advance notice procedure described under "Questions and Answers About the Proxy Materials and the Annual Meeting – How can a stockholder propose a nominee for the Board or other business for consideration at a stockholders' meeting?" elsewhere in this Proxy Statement.

Executive Sessions of the Board

Under the Group's Corporate Governance Guidelines, the non-management directors meet at least four times each year in executive session without management present, and the independent directors meet in executive session at least once a year. The lead director, Richard P. Magnuson, chairs these sessions.

Retirement Age of Directors

The Group has established a mandatory retirement age for directors. A director must retire no later than the Annual Meeting that follows the date of the director's 75th birthday. An employee director must retire as an employee no later than the Annual Meeting that follows the date of his or her 70th birthday, but may remain on the Board at the discretion of the Board of Directors.

Annual Meeting Attendance

All directors are expected to attend each Annual Meeting of the Group's stockholders, unless attendance is prevented by an emergency. All of the Group's directors who were directors as of the date of the Group's 2017 Annual Meeting attended the Group's 2017 Annual Meeting.

Other Governance Best Practices

The Group has adopted other practices that we believe reflect our commitment to good corporate governance including:

No Hedging and Pledging Policies

In accordance with our Insider Trading Policy, our directors and executive officers are prohibited from (i) hedging their ownership of Group stock, including trading in options, puts, calls, or other derivative instruments related to Group stock or debt; and (ii) pledging their ownership of Group stock.

Executive Compensation Recovery ("Clawback") Policy

The Board has adopted an executive compensation recovery, or "clawback," policy requiring the reimbursement of excess incentive-based compensation provided to the Group's executive officers in the event of certain restatements of the company's financial statements. A more detailed description of the Executive Compensation Recovery Policy appears in the "Compensation Discussion and Analysis" section of this Proxy Statement.

Stock Ownership Requirements

Our Board has adopted stock ownership requirements for directors and executive officers. These stock ownership requirements were adopted to promote a long-term perspective in managing the Group and to help align the interests of our stockholders, directors, and executive officers. As of April 3, 2018, 16 of our non-employee directors and executive officers already met or exceeded their ownership requirements. New directors have five years to meet the requirements and executive officers must retain 50% of the net after-tax shares from equity awards until the relevant ownership requirement is achieved. A complete description of the stock ownership requirements for directors and executive officers appears in the "Compensation Discussion and Analysis" section of this Proxy Statement.

Our directors as of April 18, 2018, are as follows:

Name	Age	Position	Current Term Expires	Director Since	Independent	Occupation	Other Board Experience	Public Utilities or Public Health Experience
Gregory E. Aliff	64	Director	2018	2015	Yes	Former Vice Chairman and Senior Partner of U.S. Energy & Resources, Deloitte LLP	Yes	Yes
Terry P. Bayer	67	Director	2018	2014	Yes	Former COO of Molina Healthcare, Inc.	Yes	Yes
Edwin A. Guiles	68	Director	2018	2008	Yes	Former Executive Vice President of Corporate Development, Sempra Energy	Yes	Yes
Martin A. Kropelnicki	51	President & CEO and Director	2018	2013	No	President & CEO of California Water Service Group	Yes	Yes
Thomas M. Krummel, M.D.	66	Director	2018	2010	Yes	Emile Holman and Chair Emeritus of the Department of Surgery at Stanford University School of Medicine	Yes	Yes
Richard P. Magnuson	62	Lead Director & Chair of the Board's Executive Sessions	2018	1996	Yes	Venture Capitalist	Yes	
Peter C. Nelson	70	Chairman of the Board	2018	1996	No	Chairman of the Board of California Water Service Group	Yes	Yes
Carol M. Pottenger	62	Director	2018	2017	Yes	Principal and Owner of CMP Global, LLC	Yes	
Lester A. Snow	66	Director	2018	2011	Yes	Executive Director of the Klamath River Renewal Corporation	Yes	Yes
George A. Vera	74	Director	2018	1998	Yes	Principal Executive Officer of the Carroll Investment Company	Yes	

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

Upon the recommendation of the Nominating/Corporate Governance Committee, the Board has nominated for election at the 2018 Annual Meeting of Stockholders a slate of nine director nominees. All of the nominees, except Ms. Pottenger, have served as directors since the last Annual Meeting. Ms. Pottenger has served as a director since September 2017, and was recommended to the Nominating/Corporate Governance Committee by the President & CEO of the Group. All directors are elected annually to serve until the next Annual Meeting or until their respective successors are elected. Mr. Vera is retiring from the Board as of the 2018 Annual Meeting and will not stand for re-election, in accordance with the Board's director retirement policy. Accordingly, the Board had reduced the number of directors to nine, effective as of the Annual Meeting.

Nominee Qualifications

When an incumbent director is up for re-election, the Nominating/Corporate Governance Committee reviews the performance, skills, and characteristics of such incumbent director before making a determination to recommend that the Board nominate him or her for re-election.

The Nominating/Corporate Governance Committee believes that all of the following nine director nominees listed are highly qualified and have the skills and experience required for membership on our Board. A description of the specific experience, qualifications, attributes and skills that led our Board to conclude that each of the nominees should serve as a director follows the biographical information of each nominee.

Vote Required

Each director must be elected by the affirmative vote of a majority of the votes cast. A majority of the votes cast means that the number of votes cast "FOR" a director nominee exceeds the number of votes cast "AGAINST" that nominee for director.

Recommendation of the Board

Our Board of Directors unanimously recommends that you vote "FOR" the election of each of the following nominees:

Gregory E. Aliff	Age 64	Director since 2015

Mr. Aliff is the former Vice Chairman and Senior Partner of U.S. Energy & Resources at Deloitte LLP, a global provider of professional services, where he began his distinguished career nearly four decades ago. From 2012 until his retirement in 2014, Mr. Aliff led Deloitte's Sustainability Services practice, which focused on water and energy management. Prior to that, he led the firm's U.S. Energy & Resources practice for ten years. Mr. Aliff also previously served as a member of the Board of Directors of the United States Energy Association. He currently serves as a director on the board of SCANA Corporation and as a director for Grid Alternatives, a non-profit organization. Mr. Aliff earned his Bachelor of Science in Accounting and his Masters of Business Administration from Virginia Tech. He is a Certified Public Accountant.

Mr. Aliff brings extensive accounting, auditing, and financial reporting experience to the Board, with specific expertise in both the public utility and energy and resources industries. He also has in-depth experience in strategy, enterprise risk management, and regulatory affairs from his many years providing professional services to numerous major utilities. His deep understanding of public utility markets and the breadth of experience he has gained from working with public companies make him a valuable resource to the Group.

Terry P. Bayer	Age 67	Director since 2014

Ms. Bayer is the former Chief Operating Officer (COO) for Molina Healthcare, Inc., a managed care company that provides solutions to meet the healthcare needs of low-income individuals and families who participate in government programs, including Medicaid, Medicare, and Marketplace. She held that position from 2005 until her retirement in February 2018. She was previously Executive Vice President of Health Plan Operations and also held management positions at Family Health Plan (FHP), Maxicare, Matria Healthcare, and AccentCare, Inc. Ms. Bayer previously served on the Board of Directors of Apria Healthcare Group, Inc. from 2006 to 2008 where she served as the chair of the compliance committee and served as a member of the compensation committee. She holds a Juris Doctor Degree from Stanford University, a Master's Degree in Public Health from the University of California, Berkeley, and a Bachelor's Degree in Communication from Northwestern University.

Ms. Bayer brings senior leadership, financial, operational, and public health expertise to the Board from her service as the COO of Molina Healthcare, Inc., a public company. She has many years of experience as an operating executive with a strong focus on government program compliance, public health and administration, as well as customer service. Her significant background and experience in healthcare supports the Board's efforts in overseeing and advising on employee health matters. Her previous experience as a director of Apria Healthcare Group, Inc. and a committee member also allows her to contribute to the Group.

Edwin A. Guiles	**Age 68**	**Director since 2008**

Mr. Guiles has been a director of Cubic Corporation since 2008. He was formerly Executive Vice President of Corporate Development at Sempra Energy. From 2000 to 2006, he was Chairman and CEO of San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCal Gas), Sempra Energy's California regulated utilities. He held a variety of management positions at SDG&E since joining that company in 1972. Mr. Guiles is also past chairman of the California Chamber of Commerce. He has a Mechanical Engineering Degree from the University of Arizona.

Mr. Guiles is a former chairman & CEO with a strong public utility background. He has corporate governance experience through his service on the boards of SDG&E, SoCal Gas, and Cubic Corporation, a public company. He brings to the Board valuable senior management and operational expertise from his 37 years at Sempra Energy, SDG&E, and SoCal Gas. Additionally, Mr. Guiles' in depth knowledge of public utility regulation provides the Board with crucial insight.

Martin A. Kropelnicki	**Age 51**	**Director since 2013**

Mr. Kropelnicki is President & CEO of the Group. Mr. Kropelnicki joined the Group as Vice President, Chief Financial Officer (CFO) and Treasurer in 2006 and was named the President and COO in 2012. He then was appointed President & CEO of the Group effective September 1, 2013. He has over 29 years of experience in finance and operations, including 15-plus years as CFO at public listed companies and has held executive positions at PowerLight Corporation, Hall Kinion & Associates, Deloitte & Touche Consulting Group, and Pacific Gas & Electric Company. He serves as a director for the Bay Area Council, and the California Foundation on the Environment & Economy, and is a member of the Silicon Valley Leadership Group. Mr. Kropelnicki is the past President of the National Association of Water Companies and currently serves on their Executive Committee and Board of Directors. He holds a Bachelor of Arts Degree and Master of Arts Degree in Business Economics from San Jose State University. In 2016, Mr. Kropelnicki was awarded the United States Navy Memorial Fund's Naval Heritage Award. He is the 12th recipient of this award since its inauguration.

Mr. Kropelnicki is well positioned to lead the Group's management team and give guidance and perspective to the Board. His experience as the former CFO of the Group provides expertise in both corporate leadership and financial management. His 15-plus years as a CFO of publicly listed companies and operations management experience enables him to offer valuable perspectives on the Group's corporate planning, rate making, and budgeting along with operational and financial reporting.

Table of Contents

Thomas M. Krummel, M.D.	Age 66	Director since 2010

Dr. Krummel is the Emile Holman and Chair Emeritus of the Department of Surgery at Stanford University School of Medicine. A leader in his field, he has been honored with the Henry J. Kaiser Family Foundation Award for Excellence in Clinical Teaching; the John Austin Collins, M.D. Memorial Award for Outstanding Teaching and Dedication to Resident Training; and the Lucile Packard Children's Hospital Recognition of Service Excellence. He is currently Chair of the Board of Directors at The Fogarty Institute for Innovation and serves as a Director of The Morgridge Institute for Research – University of Wisconsin.

Dr. Krummel brings to the Board experience with professional training and development as well as expertise with medical, public health, and science issues. He offers the Board unique insight on public health matters, including healthcare policy and legislation, drinking water quality, and employee health.

Richard P. Magnuson	Age 62	Director since 1996

Mr. Magnuson is a private venture capitalist and is lead director. Mr. Magnuson holds an undergraduate degree in economics, a law degree and a master's degree in business administration from Stanford University. From 1984 to 1996, he was a general partner of Menlo Ventures, a venture capital firm. He has served on the boards of the following public companies: Rogue Wave Software (acquired by Quovadx), IKOS Systems, Inc. (acquired by Mentor Graphics), and OrCAD, Inc. (acquired by Cadence Design Systems). He has also served on the boards of several other privately held companies in the past.

With his legal and venture capital backgrounds, Mr. Magnuson brings valuable financial and business strategy expertise to the Board. His past experience on the boards of other public companies, and his insight on financial and operational matters, adds value to the Board. His past and current Board service also provides insight on corporate governance practices.

Peter C. Nelson	Age 70	Director since 1996

Mr. Nelson is Chairman of the Board of the Group and its subsidiaries. He is a director of the California Chamber of Commerce and a past president of the National Association of Water Companies (NAWC).

Mr. Nelson has a strong record of operational and strategic leadership in the public utility business, including his 17-plus years of experience as the former President & CEO of the Group. An engineer by training with a graduate degree in business administration, he gained extensive senior executive experience at Pacific Gas & Electric Company. He has a vast understanding of the water industry from his role as the former President & CEO of the Group and from his leadership roles representing the water profession nationally at NAWC as well as in California at the State Chamber of Commerce.

Carol M. Pottenger	Age 62	Director since 2017

Ms. Pottenger is principal and owner of CMP Global LLC, which provides consulting services in business development, process improvement, corporate governance, strategic planning, and cyber and information systems, which she founded and has owned since 2014. The first female three-star Admiral in American history to lead in a combat branch, Ms. Pottenger commanded two ships, a logistic force of 30 ships, a Japan-based strike-group of 8 ships, and the Expeditionary Force of 40,000 sailors during her 36 years in the U.S. Navy before retiring in 2013. She was also the senior U.S. Flag Officer responsible for military transformation and sensitive military topics such as counterterrorism and cyber security while on assignment with NATO.

Ms. Pottenger brings unique experience to the board, ranging from operations to technology to risk management. A graduate of Purdue University in Lafayette, Ind., she also serves on various private, defense, and non-profit boards, including the U.S. Navy Memorial Foundation in Washington, D.C. and PricewaterhouseCoopers LLP Board of Partners and Principals.

Lester A. Snow	Age 66	Director since 2011

Mr. Snow has served as Secretary of the California Natural Resources Agency, Director of the California Department of Water Resources, Regional Director of the U.S. Bureau of Reclamation, Executive Director of the CALFED Bay Delta Program, and General Manager of the San Diego County Water Authority. He served as Executive Director of the California Water Foundation, an initiative of the Resources Legacy Fund, and currently serves on the board of the Klamath River Renewal Corporation. He holds a Master of Science Degree in Water Resources Administration from the University of Arizona and a Bachelor of Science Degree in Earth Sciences from Pennsylvania State University.

Mr. Snow brings more than 30 years of water and natural resource management experience to the Board. His distinguished public service career enables him to assist the Board in addressing water and environmental issues as well as regulatory and public policy matters.

Additionally, his executive experience in the public sector provides the Board with critical insight on a variety of operational and financial matters.

STOCK OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

Ownership of Directors and Executive Officers

The Group's Corporate Governance Guidelines, available on the Group's website at http://www.calwatergroup.com, include the stock ownership requirements for non-employee directors and executive officers. The requirements were adopted to promote a long-term perspective in managing the Group and to help align the interests of our stockholders, directors, and executive officers. A more complete description of the stock ownership requirements appears in the "Compensation Discussion and Analysis" section of this Proxy Statement.

Directors are required to achieve the relevant ownership threshold within five years following adoption of the requirements or five years after commencing service, whichever is later. Executive officers must retain 50% of the net after-tax shares from equity awards until the relevant ownership requirement is achieved.

Table of Contents

The following table shows the common stock ownership of our directors and executive officers as of April 3, 2018. All directors and executive officers have sole voting and investment power over their shares (or share such powers with their spouses).

Name	Common Stock Beneficially Owned(*)
Gregory E. Aliff Director	7,905
Terry P. Bayer Director	11,315
Shannon C. Dean Executive Officer	9,240
Edwin A. Guiles Director	31,606
David B. Healey Executive Officer	15,949
Martin A. Kropelnicki Director and Executive Officer	76,129
Thomas M. Krummel, M.D. Director	23,507
Robert J. Kuta Executive Officer	8,399
Michael B. Luu Executive Officer	10,836
Richard P. Magnuson Director	69,790
Lynne P. McGhee Executive Officer	20,179
Michelle R. Mortensen Executive Officer	5,046
Peter C. Nelson Director and Retired Executive Officer	42,977
Elissa Y. Ouyang Executive Officer	3,297
Carol M. Pottenger Director	2,657
Gerald A. Simon Executive Officer	3,171
Thomas F. Smegal III Executive Officer	36,548
Lester A. Snow Director	17,375
Paul G. Townsley Executive Officer	17,290
Timothy D. Treloar Executive Officer	13,648
George A. Vera Director	41,511
Ronald D. Webb Executive Officer	12,783
All directors and executive officers as a group	481,158

* To the knowledge of the Group, as of April 3, 2018, all directors and executive officers together beneficially owned an aggregate of approximately 1.0% of the Group's outstanding common shares. No one director or executive officer beneficially owns more than 1.0% of the Group's outstanding common shares.

Table of Contents

Ownership of Largest Stockholders

As of December 31, 2017, the Group's records and other information available from outside sources indicated that the following stockholders were the beneficial owner of more than five percent of the outstanding shares of our common stock.

The information below is as reported in filings made by third parties with the SEC. Based solely on the review of our stockholder records and public filings made by the third parties with the SEC, the Group is not aware of any other beneficial owners of more than five percent of the common stock.

Class	Beneficial Owner	Number of Shares of Common Stock	Percent of Class
Common	BlackRock, Inc.[(1)] 55 East 52^{nd} Street New York, NY 10055	6,368,283	13.3%
Common	The Vanguard Group, Inc.[(2)] 100 Vanguard Blvd. Malvern, PA 19355	5,135,812	10.69%
Common	T. Rowe Price Associates, Inc.[(3)] 100 E. Pratt Street Baltimore, MD 21202	3,243,606	6.7%

(1) BlackRock, Inc. has sole voting power over 6,261,476 shares and sole investment power over 6,368,283 shares as of December 31, 2017, as filed on SEC Schedule 13G/A.

(2) The Vanguard Group, Inc. has sole voting power over 85,143 shares; sole investment power over 5,043,093 shares; shared voting power over 18,992 shares; and shared investment power over 92,719 shares as of December 31, 2017, as filed on SEC Schedule 13G/A.

(3) T. Rowe Price Associates, Inc. has sole voting power over 710,700 shares and sole investment power over 3,243,606 shares as of December 31, 2017, as filed on SEC Schedule 13G/A.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, requires our directors, executive officers, and holders of more than 10% of our common stock to file with the SEC reports regarding their ownership, and changes in 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 for fiscal year ended December 31, 2017, our directors and executive officers filed all reports on a timely basis.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) describes the material elements of the Group's executive compensation program for 2017. This section focuses on the compensation of the Group's principal executive officer, principal financial officer, and the three other most highly compensated executive officers for 2017 referred to herein as "named executive officers" (NEOs) or "executives."

Role of the Organization and Compensation Committee

The Organization and Compensation Committee (Committee), which is comprised entirely of independent outside directors, is responsible for overseeing the Group's compensation programs for executives and executive succession. After a review of compensation levels, the Committee recommends to the Board compensation levels and incentive performance objectives for executives for the 12-month period beginning January 1st of each year. These objectives align with stockholder and customer interests and support the long-term growth and health of the Group. The Committee starts its planning and review process in February of each preceding year and typically concludes its process in November. After year-end results are final, the Committee reviews the achieved results for the prior year, certifies the achievement of each goal, approves payment of incentive compensation as certified, and approves the incentive compensation targets for the current year.

Table of Contents

The following is a summary of the key features of Group's executive compensation program:

WHAT WE DO	WHAT WE DON'T DO
✓ We pay for performance with compensation in the form of annual short-term performance-based incentives as well as awarding 50% of long-term equity incentive compensation in the form of restricted stock units (RSUs) subject to performance-based vesting criteria over a three-year period.	✗ We do not provide employment agreements. Other than participation in the Executive Severance Plan, none of the executives are party to individual employment or severance agreements.
✓ We require stock ownership for all directors and executives to promote a long-term perspective in managing the Group and to help align the interests of our stockholders, directors, and executives.	✗ We do not provide single-trigger change in control benefits. The Group's Executive Severance Plan provides for change in control severance benefits upon a termination of employment following a change in control. In addition, the Group's equity incentive plan does not require single-trigger vesting acceleration upon a change in control.
✓ We have implemented an executive compensation recovery ("clawback") policy requiring the reimbursement of excess incentive-based compensation provided to the Group's executives in the event of certain restatements of the Company's financial statements.	✗ We do not provide tax gross-ups on perquisites or other personal benefits.
✓ We have retained an independent compensation consultant who reports to the Organization and Compensation Committee.	✗ We limit perquisites. As detailed below, the Group provides executives with only limited perquisites consisting of a company car with related excess liability insurance and an employee relocation program.
	✗ We do not allow hedging and pledging with respect to Group stock. Group's directors and executives are prohibited from hedging their ownership of Group stock, including trading in options, puts, calls, or other derivative instruments related to Group stock or debt, in accordance with an anti-hedging prohibition in our insider trading policy. Our directors and executives are also prohibited from pledging their ownership of Group stock in accordance with an anti-pledging provision in our insider trading policy.

Pay for Performance

The Group's executive compensation program is designed to link executive compensation to the Group's performance (as measured by key operational and financial objectives incorporated in both long-term and short-term performance-based compensation programs), including:

- Use of a short-term performance-based compensation program in the form of an annual short-term performance-based incentive (STI) that supports the long-term growth objectives of the Group;
- Awarding 50% of long-term equity incentive compensation in the form of restricted stock units (RSUs) subject to performance-based vesting criteria, with the remaining 50% awarded in the form of time-based restricted stock awards (RSAs); and

- Using a three-year performance period for the performance-based RSUs with vesting based upon achievement of performance targets related to each of the following: water quality, customer service, utility plant investment, return on equity, and safety.

2017 Say-on-Pay Vote

The Group's executive compensation program (Say-on-Pay Vote) received approximately 93% of the votes cast on the advisory vote in its for fiscal year 2016, taken at the 2017 Annual Meeting of Stockholders. The Committee believes the high level of support was the result of the Committee's commitment to maintaining an executive compensation program focused on pay for performance. These principles continue to be applied, as described more fully below, although the Committee did not make any changes to the executive compensation program in response to the 2017 Say-on-Pay Vote.

We strongly believe in soliciting feedback from stockholders to better understand their views. We continued to solicit feedback from stockholders in 2017. The Committee believes that a mix of short-term and long-term incentive compensation will reward and motivate near-term performance, while at the same time providing significant incentives to keep executives focused on longer-term corporate goals that support both stockholders and customers.

The Committee recognizes that best practices in executive compensation continue to evolve and will continue to monitor developments in this area. The Committee plans to continue regular solicitation of stockholder feedback on our executive compensation program.

Recap of 2017 Group Performance

Our executive team's 2017 performance demonstrates our commitment to delivering value to our stockholders and customers.

Financial Results

- Achieved net income of $67.2 million and diluted earnings per share of $1.40 (each determined in accordance with GAAP);
- Achieved the majority of its operational goals while keeping controllable costs within budget;
- Invested a record $256.0 million of capital, inclusive of developer contributions, an increase of 16% over 2016;
- Increased the Group's annual dividend by three cents, which represents our 52nd consecutive annual dividend increase;
- Maintained the Company's strong credit rating of A+ stable and AA– for first mortgage bonds and "exceptional" liquidity rating from Standard & Poor's (one of the only North American utilities to do so); and
- Achieved consolidated Group earnings per share in 2017 representing a return on equity (determined in accordance with GAAP) of 9.93% as reported in item 7 of the Group's Form 10-K for the year ended December 31, 2017 as filed with the SEC.

On December 15, 2016, the California Public Utilities Commission (CPUC) approved the Group's largest subsidiary's, California Water Service Company (Cal Water), 2015 General Rate Case (GRC) application. The decision authorizes Cal Water to request annual escalation rate increases for 2018 for those districts that passed the earnings test. In November of 2017, Cal Water requested escalation rate increase in all of its regulated districts in California. The annual adopted gross revenue associated with the November 2017 filing was $15.9 million (93% of the authorized escalation rate increase), effective January 1, 2018.

On December 20, 2017, Cal Water entered into an $85 million settlement agreement and release of claims with the manufacturers and distributors of products containing 1,2,3-Trichloropropane (TCP) in *California Water Service Company and City of Bakersfield v. The Dow Chemical Company, et al., Civil Case No. CIV-470999* (TCP Action). The TCP Action sought damages and other relief related to the alleged contamination of drinking water supply and water wells with the chemical TCP. The proceeds from the settlement, after payment of Cal Water's legal fees, will be used to reimburse a portion of the costs associated with Cal Water's remediation efforts related to such alleged TCP contamination.

Water Quality and Customer Service Accomplishments

- Met all state and federal water quality standards in all 221 water systems Group operates;
- Met the new limit of five parts per trillion for 1,2,3-Trichloropropane set by the California State Water Resources Control Board in July 2017 by the initial compliance deadline of January 2018;
- Met or exceeded all customer service standards as set by the CPUC;
- Implemented a Leading Customer Loyalty training program to "win the heart of every customer"; and
- Recognized with the National Association of Water Companies Management Innovation Award for drought management.

Safety Achievement

- Conducted Emergency Operations Center (EOC) training in all subsidiaries, including four with local police, fire, and city authorities;
- Initiated Supervisor Safety Leadership Program;
- Updated and launched Injury and Illness Prevention Program;
- Trained and configured the Critical Incident Response Management Team throughout Cal Water;
- Reduced Lost Time accident rates by 71% over 2016 rates;
- Received the American Water Works Association's (AWWA) Larry C. Larson Safety Award for 2016-2017.

CEO Pay Overview

Martin A. Kropelnicki, the Group's CEO since September 1, 2013, made significant contributions managing the Group's performance in 2017. Based on the 2017 performance objectives, the Committee granted Mr. Kropelnicki an equity incentive award with a total value of $575,000 for 2017, consisting of $287,500 in the form of time-based RSAs vesting over three years and $287,500 in the form of performance-based RSUs with a three-year performance period and the opportunity to earn up to 200% of the target performance-based RSU award based on achievement with respect to Committee approved objectives. With a 2017 base salary of $925,000 and $1,297,313 annual performance-based short-term incentive compensation (representing a payout of 165% of target for 2017 and reflecting superior performance during the year as described in more detail below), Mr. Kropelnicki's total direct compensation for 2017 was $2,809,469 (comprised of salary, annual performance based short-term incentive compensation bonus, performance-based restricted stock units, and time-based restricted stock awards).

The main difference between Mr. Kropelnicki's total direct compensation and the amount reported in the 2017 Summary Compensation Table later in this proxy statement is the change in value of his pension from 2016 to 2017, a $5.0 million increase in the actuarial estimate of his future potential pension benefits. Changes in actuarial assumptions for the pension and Supplemental Executive Retirement Plan (SERP) costs are included in customer rates through a rate recovery mechanism. The net present value of the pension benefit ultimately received by Mr. Kropelnicki will change based on a number of factors, including changes in interest rates, changes in mortality tables, current age of the participant, years of service, and age at retirement. No pension benefit is paid to Mr. Kropelnicki until after his retirement from the Group.

Compensation Philosophy for Executives

The Group's overall philosophy is to provide compensation that attracts, retains, and motivates talented executives, rewards excellent job performance, overall leadership, and provides for fair, reasonable, and competitive total compensation that aligns executives' interests with the long-term interests of our stockholders and customers.

The Committee believes that a balance of fixed and variable compensation, with short-term and long-term compensation elements, maintains a strong link between the NEOs' compensation and the overall Group's performance, as well as promotes the interests of both customers and stockholders. The Committee annually re-evaluates the mix of fixed and variable compensation, including the proportions of incentive compensation awarded as short-term cash-based and long-term equity-based awards. Additionally, the Committee continues to monitor the Group's program on an annual basis to ensure that the structure will not incentivize excessive risk-taking.

Overall, we believe our executive compensation program is achieving the intended results. We believe our compensation is competitive in the industry and has resulted in the attraction and retention of executives who contribute to the long-term success of the Group. In addition, the program creates a strong linkage between pay and performance through our long-term equity and annual performance-based short-term incentive compensation without encouraging imprudent risk taking by the Group's executives.

Elements of Compensation

The material elements of the Group's executive compensation program for 2017 included:

- Base Salary;
- Annual Performance-Based Short-Term Incentive Compensation;
- Performance and Time-Based Long-Term Equity Compensation;
- Basic and Supplemental Pension Plan Benefits;
- Deferred Compensation Plan Benefits; and
- Limited Perquisites.

In determining compensation, the Committee is mindful that as a holding company for a California regulated utility, the Group's financial performance is substantially dependent upon CPUC regulation plus other factors, which to a large extent are beyond the control of executives. Therefore, the Committee's decisions regarding overall compensation are determined largely by evaluation of factors that are within the executives' control and its comparisons with companies in its peer group. As discussed below, the metrics used to determine the executives' annual short-term performance-based incentive compensation and the vesting of long-term performance-based equity compensation awards are appropriate metrics that will align executive performance in a manner beneficial to both stockholders and customers and not encourage imprudent risk-taking.

Base Salary

The Group provides the largest portion of executive total compensation in the form of base salaries that compensate the executives for performance of primary roles and responsibilities. The Committee reviews base salaries for executives annually and determines whether or not to recommend adjustments to salaries. To assist the Committee in this review, the Group's President & CEO provides an assessment of each executive's performance and contribution towards the key corporate goals and makes recommendations regarding base salary adjustments to the Committee for each of the executives other than himself based on the competitive data and the other factors described below under "Determining Executive Compensation."

The Committee has and continues to target base salaries for each executive that are appropriate for the performance, skills, capabilities, and individual contributions in his/her position. The base salary levels are established by reference to the competitive data described below.

Consistent with last year's practice, when determining 2017 base salaries and total target cash compensation, the Group compared both the base salaries for its executives to the base salaries for similar positions within the competitive data as well as the target total cash compensation for its executives (taking into account annual short-term incentive compensation targets) to the competitive market target total cash compensation. Each executive's base salary for 2017 was within the competitive range (defined as plus or minus 20% from the median compensation level, based upon available survey data) of target total cash compensation.

Each year, executives of the Group, including the NEOs, establish a number of corporate goals and objectives that promote the long-term growth and align the interests of stockholders, customers, and employees. The objectives are communicated internally and monitored quarterly. Changes in base salary levels for our President & CEO and other NEOs are generally based on progress against certain of these key corporate goals and individual executive performance. For 2017, the following corporate goals were used to evaluate 2017 compensation for our current President & CEO and NEOs:

1. ***Group Operations Goal*** **–** Achieve planned operating results as defined in the 2017 Corporate Goals and Objectives. Our overall goal was to manage the controllable elements of administrative and general, other operations, and maintenance expenses within budget.

Achieved Results for Group Operations **–** For 2017, the Group achieved the majority of its operational goals while keeping controllable costs within budget. The Group completed key strategic objectives in the year including:

- Continued enhancement of Group's safety organization and programs making safety a top priority;