Appendix B
Proxy Statement and 10-K

A Letter from our Chairman, President & CEO

Dear Fellow Stockholder:

It is my pleasure to invite you to join us for the California Water Service Group 2025 Annual Meeting of Stockholders at 9:30 a.m. Pacific Time on Wednesday, May 28, 2025. Once again, we will hold the Annual Meeting online to allow for greater participation by all of our stockholders, regardless of their geographic location. Please see the Notice of Annual Meeting on the next page for more information.

Your vote is very important. We encourage you to read the Proxy Statement and vote your shares at your earliest convenience, even if you plan to attend the meeting.

While 2024 started off with many significant challenges, we stayed true to our cause, focused and dedicated to what we do best, serving our customers. I am very proud of our overall performance and how 2024 ended, including our continued ability to execute our strategy that aims to create value and growth for our stockholders, customers, communities and employees.

We delivered strong financial results, attributable in part to the June 2024 decision on our 2021 California General Rate Case and Infrastructure Improvement Plan (GRC/IIP). We also filed our 2024 GRC/IIP, which thus far appears to be proceeding on schedule.

As you know, prudent infrastructure investment is our primary growth driver, and in 2024, we invested a record $471 million in water system improvements, including water quality treatment facilities, storage tanks, wells, and computer control systems that we need to deliver a safe, reliable water supply to customers.

Protecting public health and maintaining water quality standards is a primary goal for us. In 2024, we continued to provide high-quality water and excellent service to our customers. We met or surpassed every standard set to protect public health and invested $8 million in treatment facilities for per- and polyfluoroalkyl substances (PFAS). To help customers with past due balances and provide added convenience, we expanded Promise Pay into Washington and New Mexico and rolled out Walmart Bill Pay.

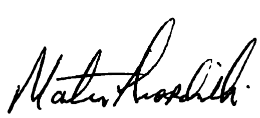
On the environmental stewardship front, we invested approximately $2 million in water conservation programs that are expected to save 52 million gallons per year while helping keep bills more affordable for customers. We also continued our efforts to use energy more efficiently throughout the company and expand our use of electric service vehicles.

Finally, we contributed more than $1.1 million to charitable organizations that share our dedication to enhancing the quality of life in our communities, and an additional $100,000 to the American Red Cross, World Central Kitchen, California Fire Foundation, Pasadena Humane, and SPCA LA, all of whom provided critical services during and after the devastating Los Angeles wildfires, which were adjacent to but did not impact our service areas.

The devastation in the wake of these fires underscored the importance of our wildfire hardening program and emergency planning and response efforts, which we have found to be vitally important in our own experience with the Erskine, Camp, Woolsey, and Mendocino Fires. We plan to continue to prioritize these programs going forward to help lessen the risk posed by natural disasters.

They are just one part of our strategy to grow, protect, and sustain our Company. On behalf of our entire team, I thank you for your continued support and investment in California Water Service Group.

Sincerely,



Martin A. Kropelnicki
Chairman, President & Chief Executive Officer
April 16, 2025

A Letter from our Lead Independent Director

Dear Fellow Stockholder:

As lead independent director, I join Marty Kropelnicki in inviting you to attend our 2025 annual meeting of Stockholders.

As Lead Independent Director, I have the privilege of working alongside Board members who bring diverse experience and expertise to bear in providing independent oversight and guidance to the management team. Collectively, we are responsible for mitigating risk and creating long-term value for our stockholders.

Throughout 2024, we held regular discussions with management on governance, strategy, risk management and risk mitigation, capital allocation, regulatory affairs, business development, water quality, and safety performance. The independent directors and management worked together on key strategic initiatives that affect our company and as Lead Independent Director, I take very seriously the responsibility entrusted to us as your Board.

I believe I speak for all independent directors when I say we are proud of the Company's performance in 2024. I invite you to attend the Company's Annual Meeting to learn more, and I encourage you to review and vote on the proposals laid out in this Proxy Statement.

Thank you for your investment in our Company. We appreciate having the opportunity to serve as your Board of Directors.

Sincerely,

Scott L. Morris
Lead Independent Director
April 16, 2025

Notice of Annual Meeting of Stockholders

Date and Time	Location	Record Date
Wednesday, May 28, 2025 9:30 a.m. Pacific Time	To attend and participate in the Annual Meeting visit **www.virtualshareholdermeeting.com/CWT2025**	Only stockholders at the close of business on April 1, 2025 are entitled to receive notice of and vote at the Annual Meeting

The 2025 Annual Meeting of Stockholders of California Water Service Group (Group) will be held on May 28, 2025, at 9:30 a.m. Pacific Time. You will be able to attend the Annual Meeting, vote your shares electronically, and submit your questions during the live webcast by visiting **www.virtualshareholdermeeting.com/CWT2025**. At the Annual Meeting, stockholders will consider and vote on the following matters:

1. Election of the eleven 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 2025;
4. Such other business as may properly come before the Annual Meeting.

These matters are more fully described in the Proxy Statement accompanying this notice. We believe your vote is important. Please submit a proxy as soon as possible so that your shares can be voted at the Annual Meeting in accordance with your instructions. You may submit your proxy: (a) online, (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 online during the Annual Meeting. 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.

In the event of a technical malfunction or other situation that the Chair determines may affect the ability of the Annual Meeting to satisfy the requirements for a meeting of stockholders to be held by means of remote communication under the Delaware General Corporation Law, or that otherwise makes it advisable to adjourn the Annual Meeting, the Chair or Corporate Secretary will convene the meeting at 10:30 a.m. Pacific Time on the date specified above and at the address specified above solely for the purpose of adjourning the meeting to reconvene at a date, time, and physical or virtual location announced by the Chair or Corporate Secretary. Under either of the foregoing circumstances, we will post information regarding the announcement on our Investor Relations website at **https://www.calwatergroup.com/investors**.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on May 28, 2025: Electronic copies of the Group's Form 10-K, including exhibits, and this Proxy Statement will be available at **www.proxyvote.com**.

The Group expects to mail the Proxy Materials to its stockholders commencing on April 16, 2025.

By Order of the Board of Directors

Michelle R. Mortensen

Michelle R. Mortensen
Vice President, Corporate Secretary and Chief of Staff

April 16, 2025

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This Proxy Statement contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 (the PSLRA). The forward-looking statements are intended to qualify under provisions of the federal securities laws for “safe harbor” treatment established by the PSLRA. Examples of forward-looking statements in this document include our strategy, goals, progress or expectations with respect to our approach to environmental, social, and governance, workplace and employee safety, diversity, equality, and inclusion, human capital management, corporate responsibility and sustainability and public policy and political involvement (collectively, ESG Information), and new acquisitions, among other topics. Forward-looking statements in this proxy statement 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 and 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, including, among other things, the evolution of applicable laws and regulations, and the ability of our suppliers and partners to meet our sustainability standards. Consequently, actual results may vary materially from what is contained in a forward-looking statement. For more information on these risks, uncertainties and other factors, refer to our Annual Report on Form 10-K for the year ended December 31, 2024, under the heading “Risk Factors” in Item 1A, as updated in Part II of our subsequent Quarterly Reports on Form 10-Q, and other filings with the Securities and Exchange Commission. 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 Proxy Statement. 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.

In addition, historical, current and forward-looking ESG Information-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

ESG Information identified as material, significant or priority for purposes of, and information otherwise included in, this document is not an indication that they are considered material to Group, our investors or other stakeholders, or required to be disclosed in our filings, in each case under Securities and Exchange Commission (SEC) reporting or any other laws or requirements that apply to Group. The term “material” used in the context of our ESG Information is distinct from and should not be confused with what we consider “material” for purposes of SEC or any other mandatory reporting.

Web links are provided throughout this Proxy Statement for convenience and are inactive textual references only. The content on the referenced websites does not constitute a part of, and is not incorporated by reference into, this Proxy Statement.

Proxy Summary

Information About Our 2025 Annual Meeting of Stockholders

Date and time:	Wednesday, May 28, 2025 at 9:30 a.m. Pacific Time
Location:	To attend and participate in the Annual Meeting visit **www.virtualshareholdermeeting.com/CWT2025**
Record Date:	April 1, 2025
Voting matters:	Stockholders will be asked to vote on the following matters at the Annual Meeting:

Overview of Voting Items

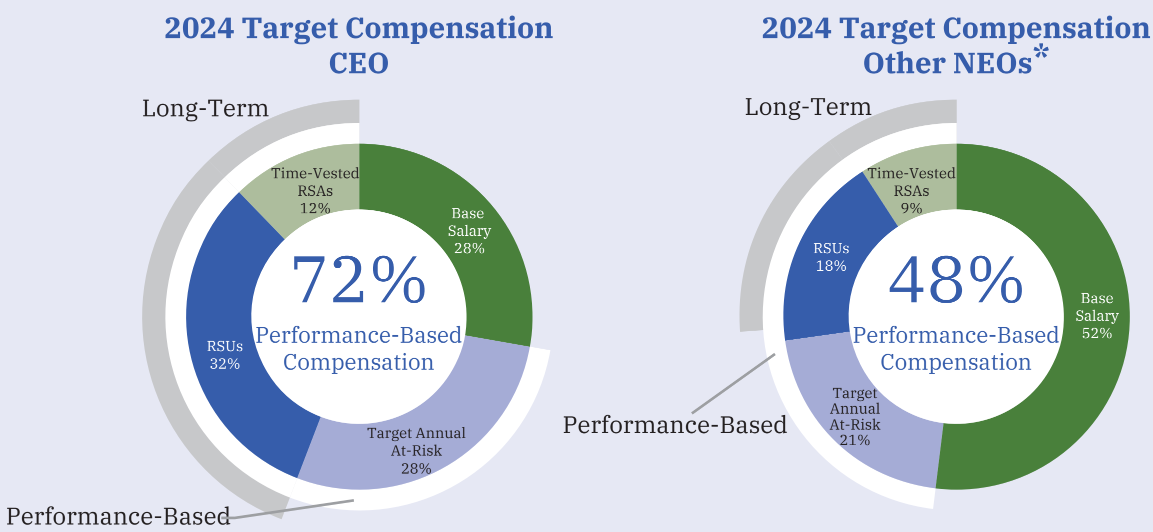
Proposal	For More Information	Board Recommendation
Proposal No. 1: Election of Directors	Pages 17-30	**FOR All Nominees**

The Board of Directors and Nominating/Corporate Governance Committee believes that all of the following 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 director follows the biographical information of each nominee. The directors reflect the breadth of the Company's stockholders, employees, customers, and communities.

Name and Principal Occupation	Age	Director Since	California Water Service Group Position	Current Term Expires	Independent	Other Public Company Boards
Gregory E. Aliff Former Vice Chairman and Senior Partner of U.S. Energy & Resources, Deloitte LLP	71	2015	Director	2025	Yes	1
Shelly M. Esque Former Vice President and Global Director of Corporate Affairs of Intel Corporation	64	2018	Director	2025	Yes	—
Jeffrey Kightlinger Principal and Owner of Acequia Consulting, LLC	65	2023	Director	2025	Yes	—
Martin A. Kropelnicki Chairman, President & CEO of California Water Service Group	58	2013	Chairman, President & CEO	2025	—	—
Thomas M. Krummel, M.D. Emile Holman and Chair Emeritus of the Department of Surgery at Stanford University School of Medicine	73	2010	Director	2025	Yes	—
Yvonne A. Maldonado, M.D. Professor of Global Health and Infectious Diseases, Departments of Pediatrics and Epidemiology and Population Health, Stanford University	69	2021	Director	2025	Yes	—
Scott L. Morris Chairman of Avista Corporation	67	2019	Lead Independent Director	2025	Yes	2
Charles R. Patton Former Executive Vice President, External Affairs of American Electric Power Company, Inc.	65	2023	Director	2025	Yes	2
Carol M. Pottenger Principal and Owner of CMP Global, LLC Vice Admiral, U.S. Navy (Ret.)	70	2017	Director	2025	Yes	—
Lester A. Snow Former Secretary California Natural Resources Agency	73	2011	Director	2025	Yes	—
Patricia K. Wagner Former Group President of U.S. Utilities for Sempra Energy	62	2019	Director	2025	Yes	2

Proposal	For More Information	Board Recommendation
Proposal No. 2: Advisory Vote on Executive Compensation	Page 97	**FOR**

We seek to closely align the total direct compensation of our officer team with performance and appropriately balance the focus on our short-term and long-term priorities with annual and long-term rewards. Providing compensation that attracts, retains, and motivates talented officers is our committed goal. Our compensation programs are designed to reward excellent job performance, identify exceptional leadership, and represent fair, reasonable, and competitive total compensation that aligns officers' interests with the long-term interests of our stockholders and customers.



*Includes annualized target compensation for all NEOs other than Mr. Kropelnicki and Mr. Healey. Mr. Healey's 2024 service was on an interim basis and as such did not receive a 2024 equity grant.

Proposal	For More Information	Board Recommendation
Proposal No. 3: Ratification of Independent Accountants	Page 100	**FOR**

The Board believes the continued retention of Deloitte & Touche LLP is in the best interests of the Company and its stockholders. The Board is recommending stockholder ratification of Deloitte & Touche LLP as the independent registered public accounting firm, to audit the Group's books, records, and accounts for the year ending December 31, 2025.

Our Company

California Water Service Group is the third largest publicly traded water utility in the United States, providing high-quality water and wastewater services to approximately two million people in approximately 100 communities. Our mission is to be the leading provider of sustainable water and wastewater services.

What We Do

The majority of our business consists of the production, purchase, storage, treatment, testing, distribution, and sale of water for domestic, commercial, industrial, public, and irrigation uses — and includes the provision of domestic and municipal fire protection services. Other services include wastewater collection and treatment. We also offer non-regulated services, such as water system operation, billing, and meter reading services under agreements with municipalities and other private companies. Additional non-regulated operations include the lease of communication antenna sites, provision of lab services to third parties, and the promotion of other non-regulated services.

Where We Operate

Headquartered in San Jose, California, the Group includes seven operating subsidiaries. California Water Service Company (Cal Water), Washington Water Service Company (Washington Water), New Mexico Water Service Company (New Mexico Water), Hawaii Water Service Company, Inc. (Hawaii Water), TWSC, Inc. (Texas Water), CWS Utility Services, and HWS Utility Services LLC. Cal Water, Washington Water, New Mexico Water, and Hawaii Water are regulated public utilities that also provide certain non-regulated services. CWS Utility Services and HWS Utility Services LLC hold non-utility property and provide non-regulated services to private companies and municipalities outside of California. Texas Water is a holding company with regulated and contracted wastewater utilities.

State	Customer Connections	% of Customer Connections	% of Total Consolidated Operating Revenue in 2024
California	499,400	89%	92.2%
Hawaii	6,700	1%	2.3%
Washington	38,300	7%	0.7%
New Mexico	11,400	2%	4.4%
Texas	4,200	1%	0.4%

Our Priorities

We remain laser focused on executing our strategy and serving our customers. Our priorities include:

- ***Affordable, Excellent Service***: Our user-friendly, technology-driven platforms enable clear and effective communication with our customers.
- ***Employees as Best Advocates***: We promote a work environment that is safe, healthy, respectful, and a positive place to grow.
- ***Enhanced Stockholder Value***: We have the infrastructure and strategy to be successful in the long term.
- ***Public Health and Safety***: Our water quality testing, water treatment technologies, and emergency preparedness systems and procedures are best-in-class.
- ***Sustainability and Community Impact***: We are committed to supporting our communities and being a responsible steward of our resources.

Fiscal 2024 Financial Highlights

Operating Revenue	Net Income
$1,036.8M	**$190.8M**

Earnings Per Share	Capital Investment	Dividend Increase
$3.25	**$471.0M**	**7.7%**

Awards and Recognitions

Named one of **"America's Most Responsible Companies"** by *Newsweek* for fourth consecutive year

Named one of **"World's Most Trustworthy Companies"** by *Newsweek* magazine in 2024 for the second year in a row

Earned the U.S. Environmental Protection Agency's **2024 WaterSense Excellence in Promoting WaterSense Labeled Products Award**

Received recertification as a Great Place to Work® by the Great Place to Work® Institute for the ninth consecutive year

Governance Highlights

Effective Board Leadership and Independent Oversight

- Independent Lead Director with defined responsibilities designated by the independent directors
- Regular scheduled executive sessions led by independent Lead Director at Board meetings
- Regular scheduled executive sessions at committee meetings
- Ongoing review of Board composition and succession planning
- Focus on the diversity of perspectives, backgrounds, experience, skills and attributes that enhance our Board
- Mandatory director retirement at age 75
- Demonstrated commitment to Board refreshment
- All Board members are independent except our Chairman, President & CEO and all committees are composed of independent directors
- Board and committee oversight of strategy and risk
- Board and committee oversight of ESG matters

Overview of Corporate Governance

- Codes of Conduct for Directors, Officers, and Employees
- Annual committee assessments
- Clawback policy for incentive-based compensation aligned with NYSE requirements
- Stock ownership guidelines for executive officers and directors
- Prohibition on short sales, transactions in derivatives, and hedging and pledging of stock by directors and executive officers
- Annual review of Board leadership structure
- Annual review of committee assignments and committee chairs
- Integrated active enterprise risk management
- Annual Board member self-assessments
- Demonstrated commitment to corporate responsibility and sustainability
- Demonstrated commitment to stockholder engagement
- Transparent public policy engagement
- Board and committees may hire outside advisors independent of management
- “Overboarding” limits for directors

Stockholder Rights

- No dual-class common stock structure
- Annual election of all directors
- Majority voting for directors in uncontested elections
- No supermajority voting requirements in governing documents
- Stockholder right at 10% threshold to call a special meeting
- Annual say-on-pay advisory vote

Board of Directors

The Group's director nominees collectively contribute significant experience in the areas we believe to be the most relevant to overseeing the Company's business and strategy.

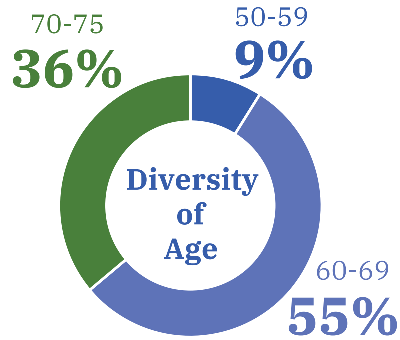
Board Diversity

Based on the voluntary self-identification of gender, age, race, and ethnicity by our director nominees, the graphs below represent the diversity of the director nominees.

GENDER DIVERSITY

36%

4 out of 11 directors are gender diverse



RACIAL/ETHNIC DIVERSITY

18%

2 out of 11 directors are ethnically diverse

Board Experience/Qualifications/Skills/Attributes

Our Board and Nominating/Corporate Governance Committee regularly evaluate the Board's composition to enable the Board and the Nominating/Corporate Governance Committee to assess the skills and experience that are currently represented on the Board as a whole, and in individual directors, and to update these skills and experience as necessary in light of Group's anticipated needs, including its current and future business and operations. Key skills and qualifications of each director nominee that the Board considered important in its decision to nominate or re-nominate that individual to the Board are summarized below. For additional information regarding our director nominees' qualifications, please refer to their individual biographies provided below.

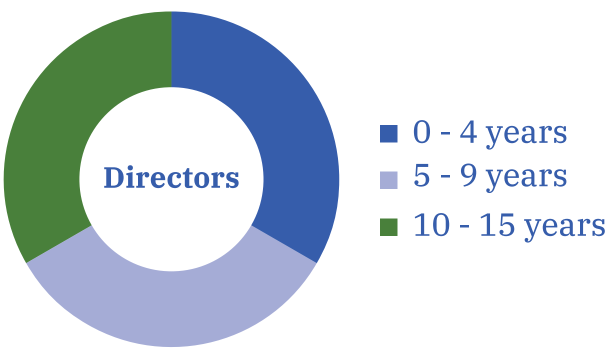
	Gregory E. Aliff	Shelly M. Esque	Jeffrey Kightlinger	Martin A. Kropelnicki	Thomas M. Krummel, M.D.	Yvonne (Bonnie) A. Maldonado, M.D.	Scott L. Morris	Charles R. Patton	Carol M. Pottenger	Lester A. Snow	Patricia K. Wagner
Senior Leadership Experience as an executive officer and/or senior leader provides valuable leadership and strategy insights regarding risk management, operations, succession planning, and long-term value creation.	●	●	●	●	●	●	●	●	●	●	●
Public Company Board Prior service on other public company boards provides valuable experience with board dynamics, corporate governance, risk oversight, executive compensation, and stockholder relations.	●			●	●		●	●			●
Human Capital Management Experience managing and developing large workforces provides insight into employee recruitment, training, retention and development, engagement, workplace safety, and culture.	●	●	●	●	●	●	●	●	●	●	●
Sustainability, Governmental, Public Policy Experience with environmental and other sustainability policies, working with government agencies, or working within the public policy and regulatory processes provides valuable insight into strategy, emerging issues, compliance, and risk oversight.	●	●	●	●	●	●	●	●	●	●	●

	Gregory E. Aliff	Shelly M. Esque	Jeffrey Kightlinger	Martin A. Kropelnicki	Thomas M. Krummel, M.D.	Yvonne (Bonnie) A. Maldonado, M.D.	Scott L. Morris	Charles R. Patton	Carol M. Pottenger	Lester A. Snow	Patricia K. Wagner
Health and Human Services Experience in health and human services provides valuable insight into safety-related programs and performance and customer risks associated with water quality.					●	●					
Cybersecurity Experience with cybersecurity, technology and enterprise innovation provides valuable insight into the Company's information technology programs, policies and procedures, strategy, and emerging threats and risks.	●		●	●			●		●		●
Financial/Capital Allocation Experience with complex financial management and financial reporting processes provides valuable insight in oversight of financial reporting and capital allocation.	●		●	●	●		●	●	●		●
Industry Experience in the water and utility industries provide the Board with valuable insight into the unique operating, regulatory, and competitive environment of the utility industry and related risks	●		●	●			●	●	●	●	●
Other Current Public Boards	1						2	2			2
Age	71	64	65	58	73	69	67	65	70	73	62
Tenure	10	7	2	12	15	4	6	2	8	14	6

Board Independence

Scott L. Morris Independent Lead Director	**10 of 11** Independent Director Nominees
ALL Independent Board Committees	**75** Mandatory Retirement Age

Board Tenure



7.8 Years

Average Director Nominee Tenure

Stockholder Engagement and Responsiveness

Our management and Board value the views of our stockholders and believe that maintaining an active dialogue with them is important to our commitment to enhance long-term stockholder value. For fiscal year 2024, we received 96% of the votes cast on the Say-on-Pay advisory vote taken at the 2024 Annual Meeting of Stockholders.

During fiscal 2024, we met with several of our largest investors representing approximately 22% of our total outstanding shares. We also participated in meetings with stockholders that were not among our top 25 that expressed an interest in engaging with us. Our stockholder engagement activities included participation primarily from our senior leadership and Investor Relations team and covered topics including strategy, corporate governance, Board oversight, executive compensation, human capital management, board and leadership refreshment, as well as sustainability efforts, like our GHG emissions reduction targets and reporting. We also engaged various stakeholders including regulators, proxy advisory firms, credit rating agencies, ESG rating firms, and subject matter experts.

We engage with stockholders and others through multiple mediums, including quarterly investor calls and other investor-led conferences and presentations, Group-hosted investor meetings, both in-person and virtual, our virtual annual meeting of stockholders, as well as with our periodic reporting and disclosures.

As illustrated in the table below, our Board has been responsive to stockholder feedback. Over the past several years, we have made numerous changes to our governance and executive compensation programs and related disclosures based on feedback from our stockholders and our annual review of market practices.

Governance and Executive Compensation Changes

Governance

- Formed the Enterprise Risk Management, Safety, and Security Committee of the Board
- Environmental, social, and governance (ESG) items are overseen by the Nominating/Corporate Governance Committee
- Adopted four new policies: Environmental Sustainability; Diversity, Equality, and Inclusion; Political Engagement; and Human Rights
- Intend to publish our 2024 Sustainability report in May 2025 with disclosure aligned with the Sustainability Accounting Standards Board (SASB) Water Utilities & Services Industry Standards and the recommendations of the Task Force on Climate-related Financial Disclosures as well as in reference to Global Reporting Initiative (GRI) standards
- Included a critical ESG metric in the 2022, 2023, and 2024 long-term at-risk compensation program for the three-year performance periods 2022-2024, 2023-2025, and 2024-2026
- Set absolute, science-aligned Scope 1 and Scope 2 emissions reduction targets in 2024

Compensation

- Continued emphasis on long-term performance-based equity awards
- Modified the performance criteria used for long-term and short-term at-risk compensation programs
- Revised the methodologies used to determine our Supplemental Executive Retirement Plan's (SERP) actuarial assumptions and amended the plan, increasing the plan's unreduced retirement age from 60 to 65
- Conducted an independent, third-party review of:
  - Our Chairman, President and CEO's compensation plan
  - Our executive short-term and long-term at-risk compensation programs
  - Our proxy peer group
- Updated our peer group to reflect industry changes
- Adopted clawback policy for incentive-based compensation aligned with NYSE requirements

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE HIGHLIGHTS

As a company, we have always stood for "doing the right thing." We strive to make the world a better place and take pride in our long-standing efforts to provide a sustainable supply of safe water at affordable rates, be responsible stewards of the environment, invest in and give back to our communities, foster a positive and enriching work environment for our employees, and maintain high ethical standards. This commitment is instilled in our shared purpose, which is to enhance the quality of life for our customers, communities, employees, and stockholders.

Our Approach to Environmental, Social, and Governance (ESG)

We are dedicated to understanding and leveraging the interdependence of ESG interests and critical aspects of our operations. We are proud of our contributions to improving resiliency and building a sustainable future. We aim to integrate our commitment to protecting public health and the planet, caring for people, and operating with the utmost integrity into the fabric of our daily business activities. We believe this will support the long-term resilience of our Company, our communities, and our planet. We undertook a formal materiality assessment in 2020 to identify the ESG topics most important to our business and to our stakeholders. The assessment included researching the landscape of ESG topics, mapping impacts to our value chain, seeking internal and external stakeholder feedback, and validating our findings with company leadership. The results of the materiality assessment, shown below, directly informed our broader ESG program and priorities, including ESG reporting and disclosure, objective-setting, integration with our corporate strategy, and internal and external stakeholder engagement efforts. In 2025, we plan to update our ESG materiality assessment.

Highest Priority	Higher Priority	High Priority
• Climate Change, Strategic Planning, and Risk Management • Cybersecurity and Data Privacy • Public Health, Drinking Water Quality and Customer Safety • Emergency Preparedness and Response • End-Use Conservation • Public Policy and Political Involvement • Stakeholder Engagement and Public Participation • Water Affordability and Access • Water Supply Resilience and Wild Fire Hardening • Water System Sustainability and Efficiency	• Corporate Governance • Diversity, Equality, and Inclusion • Energy and Emissions • Ethics • Philanthropy and Volunteerism • Talent Attraction and Retention	• Compensation, Benefits, and Employee Well-Being • Customer Service • Environmental Management, Compliance, and Stewardship • Labor Relations and Management • Training and Development • Responsible Sourcing • Workplace Health and Safety

Our ESG objectives, informed by these topics, reflect our efforts to drive accountability, establish milestones, and measure progress. These objectives complement a range of other ongoing initiatives we have in place to manage environmental and social issues across our business. In 2024, we made progress toward our objectives, as discussed below and in more detail in our 2024 Sustainability Report, which we intend to make available in May 2025.

Our Enterprise Risk Management (ERM) program supports our efforts to effectively mitigate ESG risks by incorporating material ESG topics into our ERM process. Our material ESG topics are closely aligned with the enterprise risks we monitor through our ERM program. In fact, there is an approximate 85% overlap between our primary and secondary ERM risks and our material ESG topics. During our ERM review process each year, we analyze new and existing risks and develop and revise the mitigation controls. We also review and update the mapping across ERM and ESG areas and strive to integrate new and emerging ESG-related risks into our risk assessments and mitigation controls as appropriate.

For more information on our formal ESG governance structure, please refer to “Board Oversight of Risks Related to Environmental, Social Responsibility, and Governance Matters” in this Proxy Statement. Additional information on this topic is available in our latest sustainability report at **www.calwatergroup.com**. We expect to publish our 2024 Sustainability Report and 2024 Sustainability Analyst Download in May 2025.

Annual Sustainability Report

Our annual sustainability reports and other relevant documents, like our CDP Climate Change questionnaire response, are available at **www.calwatergroup.com**. Our annual sustainability reports align with the Sustainability Accounting Standards Board (SASB) Water Utilities and Services Industry Standard, leverage the guidance of the Task Force on Climate-related Financial Disclosures (TCFD), and reference the 2021 Global Reporting Initiative (GRI)

Universal Standards. We expect to publish our 2024 Sustainability Report and 2024 Sustainability Analyst Download, covering our activities from January 1, 2024 to December 31, 2024, in May 2025. Web links are provided throughout this Proxy Statement for convenience and are inactive textual references only. The content on the referenced websites does not constitute a part of, and is not incorporated by reference into, this Proxy Statement.

Performance Highlights

Protecting Our Planet

Our mission as a leader in the water utility industry requires us to deliver — and steward — the planet's most precious resource. In our increasingly changing and interconnected world impacted by climate change, a global pandemic, social tensions, and technological innovations, it is more important than ever to build sustainability and resilience into everything we do.

Our climate change strategy, approved by the Board of Directors in 2021, aims to address the impacts of climate-related risks through mitigation and adaptation. The strategy includes the five core elements: (i) reduce Group and value chain contributions to climate change by striving to minimize our Greenhouse Gas (GHG) emissions footprint, working to reduce water consumption, and continuing to advance our value chain GHG emissions inventory, (ii) plan for potential climate change impacts on our business through adaptive planning pathways that develop timeframes and triggers for implementing projects while maintaining the flexibility to respond to changing climate, financial, and regulatory circumstances, (iii) ramp up collaboration and advocacy by engaging extensively with regulators, policymakers, customers and communities, and industry associations on climate priorities, (iv) set time-bound goals as detailed below, and (v) continue to mature disclosures by enhancing our data collection process and our climate change-related reporting.

Our Objectives	Our Progress
• Reduce absolute Scope 1 and 2 emissions by 63% by 2035 from a 2021 base year • Reduce water production-related Scope 1 and 2 GHG emissions per unit of water produced (i.e., sourced) by 60% by 2035 from a 2021 base year • By 2033, invest no less than $5 million in emissions-reducing energy solutions, such as renewables and low-carbon energy sources • Purchase 100% zero-emission passenger vehicles in California by 2035 • By 2035, increase the use of recycled water in our operations by no less than 5% of total water supply to customers • Meet the water-use targets mandated by the State of California for each district, effective in 2027	• In 2024, we spent almost $3 million on emission-reducing energy solutions, such as LED lighting retrofits, EV charger installations, and new HVAC controls. We have almost $1 million in planned spending as we pursue projects like onsite solar contracts, which we aim to begin installing in 2025 • In 2024, we completed a fleet standard for management vehicles and a study to evaluate our infrastructure needs for charging. We also developed a roadmap to replace older vehicles with EVs and hybrids • In 2024, 2.5% of water delivered to customers was recycled • We have completed a compliance assessment and are implementing our plan to meet California's 2027 water-use targets

Serving Our Customers and Communities

Safe, high-quality water service is critical to the health and well-being of our customers. In providing it, we also seek ways to promote its affordability, improve service, strengthen security, and prepare for emergencies. California Water Service Group is also committed to partnering with organizations that make a real difference in the communities we serve.

Affordable, Excellent Service

100% compliance with the Federal Safe Drinking Water Act (SDWA) and applicable state water quality standards across the company, with zero primary or secondary violations	23 Community Emergency Operations Center (EOC) training events completed across our operations to better prepare us and our communities for enhanced coordination and resilience during emergency events
$99,000 donated for college scholarships in 2024	$175,000 donated through our annual Firefighter Grant Program and $100,000 donated to support those affected by the Los Angeles wildfires

Engaging Our Workforce

Our more than 1,200 employees help California Water Service Group serve more than 500 communities across five states. To develop a workforce that performs at the highest levels and reflects the communities that we serve, we have made significant investments in hiring, training, engagement, and safety. We regularly update our human resources policies and processes to contribute to a stronger workforce, reflect our dedication to equal opportunity, diversity, and inclusion, and improve retention and satisfaction.

As part of our commitment to diversity and equality, our policy has been and continues to be to maintain a zero-tolerance approach to discrimination, harassment, and retaliation. We seek to provide equal opportunity regardless of age, sex, race, ethnicity, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity, socio- economic status, or any other characteristic protected by law or any other non-job-related factor or activity. Our public Diversity, Equality, and Inclusion Policy outlines our commitments to this topic and additional information, including data regarding the diversity of employees based on voluntary self-identification, will be available in our 2024 Sustainability Report, which is scheduled to be published in May 2025.

Employees as Our Best Advocates

Workplace and Employee Safety

- Maintenance of an Illness and Injury Prevention Plan that incorporates over 30 internal programs, procedures, and policies related to health and safety
- Development of local safety committees to promote safe practices through performing job safety analyses and increasing awareness of safety guidelines
- Performance of job safety analyses to help identify potential hazards, record trends in our compliance, and promote safe practices
- Implementation of a Stop Work Authority Program, as well as a policy to prohibit punishment or retribution for exercising Stop Work Authority
- Providing safety training to improve employee safety and risk awareness and preparation, as well as specialized training relevant to specific teams and/or roles based on their exposure to safety risks

Diversity, Equality, and Inclusion

To support diverse recruitment, equal employment opportunities and develop broader outreach to expand the pool of potential talent, we work to:

- Leverage targeted job boards and job fairs and partner with local community colleges
- Enhance our hiring selection process by providing more diverse panels of interviewers and training our teams to prevent bias during the selection process
- Periodically analyze pay equity for diversity factors, including gender, within our business
- Factor diversity into our selection of high-potential leaders in our leadership development program
- Enhance inclusion throughout the Company, by providing annual training including sexual harassment prevention in the workplace and an annual training on unconscious bias

Human Capital Management

To attract, retain, and develop the best talent, we believe we provide competitive benefits, engage our employees to foster supportive environments, and develop their capabilities and expertise.

- We believe we offer competitive benefits for employees including a defined benefit pension plan; a choice of healthcare plans; an Employee Assistance Program that provides mental health, childcare, and eldercare resources; our Critical Incident Response Management (CIRM) program that offers peer-to-peer emotional support for employees who have experienced stress, loss, grief, change, or other traumatic events; and financial wellness education, including planning tools and investment advisory services
- We maintain a Leave of Absence Policy that provides parental leave in line with the Family Medical Leave Act (FMLA)
- We work to promote consistency in our leadership training for employees
- Each year, we employ two surveys to assess employee satisfaction and engagement and share results with our officer team to help identify opportunities to enhance our performance
- Our 18-month-long Future Leaders of Water (FLOW) program offers select high-potential leaders an opportunity to improve leadership skills
- Our policy is to respect the right to freedom of association and collective bargaining, and we partner with our unions and seek to foster opportunities for career development and provide applicable safety and functional training

Governing with Integrity
California Water Service Group's mission is to be a leading provider of sustainable water and wastewater services — and that starts with integrity as a core value. We hold our Board, employees, and suppliers to high ethical standards and follow best practices as we advocate for the interests of our customers, communities, employees, and future generations.

Governance Highlights

Four years as one of **"America's Most Responsible Companies"** and 1 of only 5 water utilities selected as one of the **"World's Most Trustworthy Companies"** recognized by *Newsweek* thanks to Group's sustainability and corporate citizenship efforts

50+ individual committee or full Board meetings in which ESG-related matters were discussed, addressing more than 10 specific topics within Group's ESG strategy, such as water supply, climate change, affordability, emergency preparedness, and cybersecurity

36% gender diversity and 18% racial/ethnic diversity on the Board of Directors: 4 women, 7 men, and 2 racially/ethnically diverse directors of 11 directors

Additional Corporate Governance Information Available

Our corporate webpage includes the following:

- California Water Service Group Bylaws
- Corporate Governance Guidelines
- Audit Committee Charter
- Organization and Compensation Committee Charter
- Finance and Capital Investment Committee Charter
- Nominating/Corporate Governance Committee Charter
- Enterprise Risk Management, Safety, and Security Committee Charter
- Code of Business Conduct and Ethics Policy of the Board of Directors
- Business Code of Conduct for Officers and Employees
- Supplier Code of Conduct
- Sustainability Reports
- Annual Supplier Diversity Reports
- Environmental Sustainability Policy
- Diversity, Equality, and Inclusion Policy
- Human Rights Policy
- Political Engagement Policy
- Commitment to Providing Excellent, Affordable Service and High-Quality Water to All Customers
- Information Regarding Reporting of Financial, Audit, and Security Law Matters

Corporate Governance Matters

PROPOSAL NO. 1 — ELECTION OF DIRECTORS

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

The Nominating/Corporate Governance Committee assesses the composition of and criteria for membership on the Board and its committees on an ongoing basis in consideration of our current and future business and operations. In fulfilling this responsibility, the Nominating/Corporate Governance Committee takes a long-term view and seeks a variety of occupational and personal backgrounds on the Board to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board as a group.

The Nominating/Corporate Governance Committee considers a variety of factors, including our long-term strategy, the skills and experiences that directors provide to the Board (including in the context of our business strategy), the performance of the Board and the organization, the Board's director retirement policy, the Board's view that a balanced and effective board should include members across a continuum of tenure, and the belief that valuable insights can be gained from diversity of gender, race, ethnic and national background, geography, age, and sexual orientation. The Board assesses its effectiveness in this regard as part of the annual board and director evaluation process. As a result of these long-term strategic assessments, the Nominating/Corporate Governance Committee has articulated a set of principles on board composition, which include:

Board Composition	
Board Skills	Our Board is composed of a collective set of skills to address corporate challenges, especially in the areas of business strategy, financial performance, utility regulation, risk management, cybersecurity, technology and enterprise innovation, and executive talent and leadership, and should evolve with the organization's business strategy.
Industry Experience	Our Board seeks and retains members with industry experience, including water, utility, and technology, that align with our long-term strategy; recognizes the utility industry is complex; and understands the importance of having directors who have experienced challenging business cycles and can share their knowledge.
Diversity	Our Board is comprised of members who demonstrate a diversity of thought, perspectives, skills, backgrounds, experiences, and independence and has a goal of identifying candidates that can contribute to that diversity in a variety of ways, including ethnically and gender diverse candidates.
Tenure	Our Board retains members across the director tenure spectrum to promote effective oversight and embrace innovation, as well as a changing market and customer expectations.
Board Size	Our Board considers the appropriate size of the board in relation to promoting active engagement, open discussion, effective risk management, and productive dialogue with management; continuously assesses the bench of successors for Board leadership positions in both expected and unexpected departure scenarios.

Director Nomination Process

The Nominating/Corporate Governance Committee's regular evaluation of the composition of, and criteria for membership on, the Board is ongoing. This evaluation includes an annual review of committee assignments, committee chairs, committee effectiveness, and director succession planning. Incumbent directors eligible for re-election, nominees to fill vacancies on the Board, and any nominees recommended by stockholders all undergo a review by the Committee.

Through a variety of sources, the Nominating/Corporate Governance Committee identifies new director nominees and will consider director nominees recommended by stockholders in the same manner it considers other nominees. This process is described in the following section. 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, together with confirmation of the nominee's consent to serve as a director. Please submit this information to the Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, California 95112-4508.

Stockholders may also nominate directors 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?" in this Proxy Statement.

Director Criteria

Our Board believes our directors should possess a combination of skills, professional experience, and a diversity of backgrounds necessary to oversee our business. Also, the Board believes every director should possess certain attributes as reflected in the Board's membership criteria.

The Nominating/Corporate Governance Committee's charter requires that as part of the search process for each new candidate, the Committee will actively seek out diverse candidates to expand the pool from which candidates ultimately are selected based on merit. The Committee focuses on the development of a Board composed of directors that meet the criteria set forth below. The Board and Nominating/Corporate Governance Committee do not assign specific weights to any single criterion, and no particular criterion is necessarily applied to all directors or director candidates.

Director Criteria	
Personal Characteristics	• High personal and professional ethics, integrity and honesty, good character, and sound judgment • Independence and absence of any actual or perceived conflicts of interest • The ability to be an independent thinker
Commitment to the Organization	• A willingness to put in the time and energy to satisfy the requirements of Board and committee membership, including attendance and participation in Board and committee meetings of which they are a member and the annual meeting of stockholders, and be available to management to provide advice and counsel • Possess, or be willing to develop, a broad knowledge of critical issues facing the organization
Diversity	• Diversity, including the candidate's professional and personal experience, background, perspective, and viewpoint, as well as the candidate's gender and ethnicity
Skills and Experience	• Value derived from each nominee's skills, qualifications, experience, and ability to impact long-term strategic objectives • Educational background • Substantial tenure and experience in leadership roles • Business and financial experience • Understanding the intricacies of a public utility • Experience in risk management • Additionally, Section 2.9 of our bylaws contains requirements that a person must meet to avoid conflicts of interest that would disqualify that person from serving as a director
Retirement Age of Directors	• We have established a mandatory retirement age for all directors. All directors must retire no later than the Annual Meeting that follows the date of the director's 75th birthday. Additionally, 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.

Director Nominees

Upon the recommendation of the Nominating/Corporate Governance Committee, our Board has nominated for election at the 2025 Annual Meeting of Stockholders a slate of eleven director nominees. All of the nominees were most recently elected by stockholders at the 2024 Annual Meeting. All directors are elected annually to serve until the next Annual Meeting and until their respective successors are elected.

Gregory E. Aliff

Former Vice Chairman & Senior Partner of U.S. Energy & Resources, Deloitte LLP

Independent

Age: 71
Director Since 2015

Committees:

- Chair, Audit
- Finance and Capital Investment
- Enterprise Risk Management, Safety, and Security

Public Board Directorships:

Current:

- New Jersey Resources Corp

Previous:

- SCANA Corporation

Skills

- Senior Leadership Public
- Company Board
- Human Capital Management
- Cybersecurity
- Financial/Capital Allocation
- Industry
- Sustainability, Governmental, Public Policy Experience

Skills and Experience Relevant to Group

As a former auditor and senior leader of one of the largest public accounting firms in the world, 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 has in-depth experience in strategy, enterprise risk management, and regulatory affairs from his many years providing professional services to numerous major utilities. Mr. Aliff's 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 Board.

Career Highlights

- Vice Chairman and Senior Partner, US Energy and Resources, Deloitte LLP (2002 to 2013)
- Vice Chairman and Senior Partner, US Sustainability Services (focused on industrial and commercial water and energy management), Deloitte LLP (2012 to 2015)

Other Positions

- Former board member, several non-profit organizations

Education

Mr. Aliff earned his Bachelor of Science in accounting and his Master of Business Administration from Virginia Tech. He is a Certified Public Accountant and a designated Board Leadership Fellow of the National Association of Corporate Directors (NACD). He also holds a CERT Certificate in Cybersecurity Oversight from NACD.

Shelly M. Esque

Former Vice President and Global Director of Corporate Affairs, Intel Corporation

Independent
Age: 64
Director Since 2018

Committees:

- Nominating/Corporate Governance
- Enterprise Risk Management, Safety, and Security

Skills

- Senior Leadership
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience

Skills and Experience Relevant to Group

Ms. Esque's strong understanding of corporate social responsibility, education, media relations, and government and community affairs makes her a valuable resource to the Board.

Career Highlights

- Vice President and Global Director of Corporate Affairs (focused on corporate social responsibility, community, education, foundation, and government relations worldwide), Intel Corporation (until her retirement in 2016)
- Former President and Chair, Intel Foundation
- Received the Greater Phoenix Chamber of Commerce 2011 ATHENA Businesswoman of the Year Award for excellence in business and leadership, exemplary community service, and support and mentorship of other women
- Recognized by AZ Business Magazine as one of the 50 Most Influential Women in Arizona

Other Positions

- Board member, Basis Charter Schools
- Board member, Boyce Thompson Arboretum

Jeffrey Kightlinger

Principal and Owner, Acequia Consulting

Independent
Age: 65
Director Since 2023

Committees:

- Audit
- Enterprise Risk Management, Safety, and Security

Skills

- Senior Leadership
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Cybersecurity
- Financial/Capital Allocation
- Industry

Skills and Experience Relevant to Group

Mr. Kightlinger brings to the Board a deep understanding and experience of water supply management, natural resource management, and sustainability. His experience as a leader in resolving complex water and environmental issues brings valuable perspective to the Board.

Career Highlights

- Principal and Owner, Acequia Consulting, LLC, a provider of strategic advice on Colorado River issues, natural resources, water and energy issues (2022 to present)
- Interim General Manager, City of Pasadena's Water and Power Department (2021 to 2022)
- Chief Executive Officer, Metropolitan Water District of Southern California, the largest municipal water supplier in the United States (2006 to 2021)
- General Counsel, Metropolitan Water District of Southern California (2002 to 2006)
- Deputy General Counsel and Assistant General Counsel, Metropolitan Water District of Southern California (1995 to 2002)

Other Positions

- Board member, Coro Foundation
- Board member, USC Price School of Public Policy
- Member, UCLA Sustainability Advisory Board
- Board member, Climate Action Reserve
- Board member, California Foundation on the Environment and the Economy
- Board member, Los Angeles Economic Development Council
- Board member, Los Angeles Area Chamber of Commerce

Education

Mr. Kightlinger earned his undergraduate degree from the University of California at Berkeley and a law degree from Santa Clara University.

Martin A. Kropelnicki

Chairman, President & CEO, California Water Service Group

Age: 58
Director Since 2013

Skills

- Senior Leadership
- Public Company Board
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Cybersecurity
- Financial/Capital Allocation
- Industry

Skills and Experience Relevant to Group

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, and his management experience enables him to offer valuable perspectives on our strategic planning, rate making, and budgeting, along with operational and financial reporting. He has over 34 years of experience in finance and operations, including 15-plus years as CFO at publicly listed companies.

Career Highlights

- Chairman, President & CEO, California Water Service Group (2023 to present)
- President and CEO, California Water Service Group (2013 to 2023)
- President and COO, California Water Service Group (2012 to 2013)
- Vice President, Chief Financial Officer and Treasurer, California Water Service Group (2006 to 2012)
- Awarded United States Navy Memorial's Naval Heritage Award (2016)

Other Positions

- Chair, National Association of Water Companies (NAWC)
- Member, NAWC Board of Directors and Executive Committee
- Director and Executive Committee Member, Bay Area Council
- Member, California Foundation on the Environment & Economy
- Member, Silicon Valley Leadership Group

Education

Mr. Kropelnicki holds a Bachelor of Arts and Master of Arts in economics from San Jose State University.

Thomas M. Krummel, M.D.

Emile Holman and Chair Emeritus, Department of Surgery, Stanford University School of Medicine

Independent
Age: 73
Director Since 2010

Board Committees:

- Chair, Organization and Compensation
- Nominating/Corporate Governance

Public Board Directorships:

Previous:

- Procept BioRobotics Corporation

Skills

- Senior Leadership
- Public Company Board
- Sustainability, Governmental, Public Policy Experience
- Human Capital Management
- Health and Human Services
- Financial/Capital Allocation

Skills and Experience Relevant to Group

Dr. Krummel brings to the Board experience in professional training and development as well as a familiarity 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.

Career Highlights

- Emile Holman Professor and Chair Emeritus of the Department of Surgery, Stanford University School of Medicine
- Former Co-Director, Stanford Biodesign program
- Honored with the William E. Ladd Medal by the American Academy of Pediatrics, the Albion Walter Hewlett Award by the Stanford Department of Medicine, 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

Other Positions

- Chair of the board, Fogarty Innovation
- Venture partner, Santé Ventures

Yvonne (Bonnie) A. Maldonado, M.D.

Professor of Global Health and Infectious Diseases, Departments of Pediatrics and Epidemiology and Population Health, Stanford University

Independent
Age: 69
Director Since 2021

Board Committees:

- Nominating/Corporate Governance
- Enterprise Risk Management, Safety, and Security

Skills

- Senior Leadership
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Health and Human Services

Skills and Experience Relevant to Group

Nationally and internationally renowned for her knowledge, research, and expertise in infectious and vaccine-preventable disease control and international health, Dr. Maldonado has led studies and investigations funded by the United States, CDC, WHO, NIH, and Gates Foundation worldwide on HIV, polio, and measles. Dr. Maldonado brings a unique perspective and valuable insight to the Board.

Career Highlights

- Pediatric Infectious Diseases Epidemiologist, Stanford University School of Medicine
- Medical Director, Infection Prevention and Control, Stanford
- Attending Physician, Packard Children’s Hospital at Stanford
- Professor in the Departments of Pediatrics and Health Research and Policy, chief of the Division of Infectious Diseases, director of Global Child Health, and senior associate dean for faculty development and diversity, Stanford

Other Positions

- Chair, American Academy of Pediatrics Committee on Infectious Diseases
- Board member, Lucile Packard Foundation for Children’s Health
- Member, various medical associations and committees

Scott L. Morris

Chairman,
Avista
Corporation

Independent
Age: 67
Director Since 2019

Lead Independent Director

Committees:

- Chair, Nominating/ Corporate Governance
- Organization and Compensation

Public Board Directorships:

Current:

- Avista Corporation
- Iron Horse Acquisitions

Skills

- Senior Leadership
- Public Company Board
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Cybersecurity
- Financial/Capital Allocation
- Industry

Skills and Experience Relevant to Group

Mr. Morris brings to the Board a deep knowledge and understanding of the utility industry, having spent his entire career in the industry. As a former senior executive, he also contributes senior leadership experience and valuable perspectives on strategy, operations, and business management.

Career Highlights

- Chairman, Avista Corporation, a publicly traded electrical and natural gas utility serving customers primarily in the Pacific Northwest (2008 to present)
- CEO, Avista Corporation (2008 to 2019)
- President, Avista Corporation (2008 to 2018)
- President and Chief Operating Officer, Avista Corporation (2006 to 2007)
- Various positions, including management positions in construction and customer service and management of the company’s Oregon utility business, Avista Corporation (1981 to 2006)

Other Positions

- Board member, McKinstry Co., LLC
- Board member, Iron Horse Capital
- Trustee Emeritus, Gonzaga University
- Board member, Idaho Chapter of the Nature Conservancy
- Former member, various Spokane non-profit and economic development boards

Education

Mr. Morris is a graduate of Gonzaga University where he received his master’s degree in organizational leadership. He also attended the Stanford Business School Financial Management Program and the Kidder Peabody School of Financial Management.

Charles R. Patton

Former Executive Vice President, External Affairs, American Electric Power Company, Inc.

Independent
Age: 65
Director Since 2023

Committees:

- Audit
- Finance and Capital Investment

Public Board Directorships:

Current:

- Ameresco, Inc.
- Centuri

Previous:

- Sterling Infrastructure, Inc.

Skills

- Senior Leadership
- Public Company Board
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Industry
- Financial/Capital Allocation

Skills and Experience Relevant to Group

Mr. Patton's extensive knowledge and senior leadership experience in the utility industry brings valuable resources to the Board.

Career Highlights

- Executive Vice President, External Affairs, American Electric Power Company, Inc. (AEP), an electric utility organization that serves customers across 11 states (focused on customer service, regulatory affairs, communications, federal public policy, sustainability, and compliance with North American Reliability Corporation requirements) (2017 to 2022)
- Former President and COO, AEP Texas and Appalachian Power, subsidiaries of AEP
- Former Company Liaison, United States Energy Association

Other Positions

- Former Chairman of the Board, Association of Electric Companies of Texas
- Former Chairman of the Board, Texas Taxpayers and Research Association
- Former board member, Federal Reserve Bank of Richmond
- Former board member, Corpus Christi Regional Economic Development Corporation

Education

Mr. Patton holds a bachelor's degree from Bowdoin College in Brunswick, Maine, and a Master's Degree from the Lyndon B. Johnson School of Public Policy at the University of Texas at Austin.

Carol M. Pottenger

Principal and Owner, CMP Global and Vice Admiral, U.S. Navy (Ret.)

Independent
Age: 70

Committees:

- Enterprise Risk Management, Safety, and Security
- Finance and Capital Investment
- Nominating/Corporate Governance

Skills

- Senior Leadership
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Cybersecurity
- Financial/Capital Allocation
- Industry

Skills and Experience Relevant to Group

Ms. Pottenger brings unique experience to the Board, ranging from operations to technology to risk management.

Career Highlights

- Principal and Owner, CMP Global, LLC, a provider of consulting services in business development, process improvement, corporate governance, strategic planning, and cyber and information systems (2014 to present)
- Various positions, including three-star Admiral and U.S. Flag Officer (responsible for military transformation and sensitive military topics such as counterterrorism and cybersecurity and the first female three-star Admiral in American history to lead in a combat branch), U.S. Navy (until 2013)

Other Positions

- Board member, U.S. Navy Memorial Foundation in Washington, D.C.
- Board member, PricewaterhouseCoopers LLP Board of Partners and Principals
- Board member, Serco North America
- Board member, Advanced Technology International

Education

Ms. Pottenger is a graduate of Purdue University in Lafayette, Indiana.

Lester A. Snow

Former Secretary, California Natural Resources Agency

Independent
Age: 73
Director Since 2011

Committees:

- Chair, Enterprise Risk Management, Safety, and Security
- Finance and Capital Investment
- Organization and Compensation

Skills

- Senior Leadership
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Industry

Skills and Experience Relevant to Group

Mr. Snow brings more than 40 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. Mr. Snow's executive experience in the public sector provides the Board with critical insight on a variety of operational and financial matters.

Career Highlights

- Former Secretary, California Natural Resources Agency
- Former Director, California Department of Water Resources
- Former Regional Director, U.S. Bureau of Reclamation
- Former Executive Director, CALFED Bay Delta Program
- Former General Manager, San Diego County Water Authority
- Former Executive Director, California Water Foundation, an initiative of the Resources Legacy Fund

Other Positions

- Director, Klamath River Renewal Corporation

Education

Mr. Snow holds a Master of Science Degree in water resources administration from the University of Arizona and a Bachelor of Science in earth sciences from Pennsylvania State University.

Patricia K. Wagner

Former Group President, U.S. Utilities, Sempra Energy

Independent
Age: 62
Director Since 2019

Committees:

- Chair, Finance and Capital Investment
- Audit
- Organization and Compensation

Public Board Directorships:

Current:

- Apogee Enterprises
- Primoris Services Corporation

Previous:

- SoCalGas

Skills

- Senior Leadership
- Public Company Board
- Human Capital Management
- Sustainability, Governmental, Public Policy Experience
- Cybersecurity
- Financial/Capital Allocation
- Industry

Skills and Experience Relevant to Group

Ms. Wagner has immense working knowledge and familiarity with the California regulatory environment and the California Public Utilities Commission. Her deep understanding of regulatory affairs and experience working for an investor-owned utility make her a valuable asset to the Group. She also brings valuable accounting and finance, senior leadership, and operational experience to the Board.

Career Highlights

- Group President, U.S. Utilities, Sempra Energy, an energy-services holding company whose subsidiaries include San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas), both California regulated utilities, as well as other companies operating in the electric and gas infrastructure business (2018 to 2019)
- Chairman and Chief Executive Officer, SoCalGas, one of the largest natural gas utilities in the country (2017 to 2018)
- President and Chief Executive Officer, Sempra U.S. Gas & Power (2014 to 2016)
- Various leadership positions, Sempra Energy, SoCalGas, and SDG&E

Education

Ms. Wagner earned her Master of Business Administration from Pepperdine University and her bachelor's degree in chemical engineering from California State Polytechnic University, Pomona.

Corporate Governance Practices

We are committed to objective, independent leadership on our Board and each of its committees. In addition, our Board believes the active, objective, and independent oversight of management is central to effective Board governance and serves the best interests of all stakeholders, including customers, stockholders, regulators, suppliers, associates, and the general public.

Specifically, our Board has adopted Corporate Governance Guidelines comprised of rigorous governance practices and procedures. To maintain and enhance its independent oversight, our Board has implemented measures to further enrich Board composition, leadership, and effectiveness. These measures align our corporate governance structure with achieving our strategic objectives and enable our Board to effectively communicate and oversee our culture of compliance and in-depth risk management. Our Board frequently discusses business and other matters with the senior management team and principal advisors such as our legal counsel, auditors, consultants, and financial advisors. Our Board annually reviews and approves the Corporate Governance Guidelines and charters of the Board committees to align with evolving best practices and regulatory requirements, including the New York Stock Exchange (NYSE) corporate governance listing standards. The Corporate Governance Guidelines and the current charters for the Audit, Organization and Compensation, Finance and Capital Investment, Nominating/ Corporate Governance, and Enterprise Risk Management, Safety, and Security committees are posted on our website at **https://www.calwatergroup.com**.

Corporate Governance Overview

We believe our Board encompasses the optimal mix of diverse backgrounds, experiences, skills, expertise, and an uncompromising commitment to integrity and sound judgment. The Board thoughtfully advises and guides management as they work to achieve our long-term strategic goals. To promote sound board structure and independence standards. Our corporate governance practices are substantially aligned with the Investor Stewardship Group's (ISG) Corporate Governance Framework for U.S. Listed Companies, as shown in the table below.

ISG Principle	Our Practice
Principle 1 Boards are accountable to stockholders	• Annual election of all directors • Majority voting for directors in uncontested elections • Directors are expected to offer to resign if they fail to receive a majority of votes cast • No supermajority voting requirements in governing documents • Stockholder right at 10% threshold to call a special meeting
Principle 2 Stockholders should be entitled to voting rights in proportion to their economic interest	• No dual class common stock structure • Each stockholder is entitled to one vote per share • No cumulative voting for directors

Principle 3
Boards should be responsive to stockholders and be proactive in order to understand their perspectives
	• Proactive, year-round investor outreach program
	• Directors receive regular updates on investor feedback and are available for stockholder engagement
	• In response to investor feedback, over the last several years, we have, for example:
	  • Publish annually our Sustainability report;
	  • Formed the Enterprise Risk Management, Safety, and Security Committee;
	  • Incorporated environmental leadership into our at-risk compensation program;

ISG Principle	Our Practice
	• Modified the performance criteria used for long-term and short-term at-risk compensation program; • Increased the Supplemental Pension Plan's (SERP) unreduced retirement age from 60 to 65; and • Set absolute, science-aligned Scope 1 and Scope 2 emissions reduction targets in 2024
Principle 4 Boards should have a strong, independent leadership structure	• Independent Lead Director designated by the independent directors with well-defined responsibilities • Substantial majority of the Board is independent 10 of 11 director nominees or 91% of the Board) and Board committees are completely independent • 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 (in 2024, the Board and committees met in executive session 20 times)
Principle 5 Boards should adopt structures and practices that enhance their effectiveness	• Demonstrated focus on Board refreshment, with a balanced mix of director tenures and five new directors joining the Board since 2019 • A diverse Board, with diversity of skills, attributes, and perspectives, including four female director nominees (36% of the Board) and two ethnically diverse director nominees (18% of the Board) • Annual review of the Board and committee effectiveness, Independent Lead Director, individual directors, and succession planning • Limits on outside board service, with no director permitted to serve on more than four public company boards (including the Group) and directors who are public company executive officers not permitted to serve on more than two public company boards (including the Group) • Mandatory director retirement at age 75
Principle 6 Boards should develop management incentive structures that are aligned with the long-term strategy of the company	• Target total direct compensation is heavily weighted towards performance, comprising 72% of CEO pay and 48% of other NEO pay in 2024 on an annualized basis, and appropriately balances short-term drivers of the Group's success and long-term creation of stockholder value • Organization & Compensation Committee annually re-evaluates the mix of fixed and variable compensation to best attract, retain and incentivize talented officers who contribute to the long-term success of the Group • We incorporate a number of risk mitigation features into our executive compensation program, including stock ownership requirements, clawback policy for incentive-based compensation aligned with NYSE requirements and anti-hedging and anti-pledging policies

Director Orientation and Continuing Education

Our director education about California Water Service Group and our strategy, control framework, regulatory environment, and industry begins when a director is elected to our Board and continues throughout his or her tenure on the Board. Upon joining our Board, new directors are provided with a comprehensive orientation about our company, which includes an overview of director duties and our corporate governance, one-on-one sessions with the Chairman, President & CEO, and presentations by senior management and other key management representatives on the organization's strategy, regulatory framework, and control framework. As directors are appointed to new committees or assume a leadership role, such as committee chair, they receive additional orientation sessions specific to such responsibilities.

Board and Committee presentations, educational briefings, discussions with subject matter experts on business, governance, regulatory, and control matters help to keep directors appropriately apprised of key developments in our business and in our industry, including material changes in regulation, so they can carry out their oversight responsibilities. Each year, our directors attend at least one site visit to one of our facilities. During these site visits, directors meet with management and actively engage with our employees to learn about our operations.

Annual Evaluation of Board, Committees, and Independent Lead Director

Overview of Evaluation Process

Our Board and Committees maintain a regular and robust evaluation process to promote the effective functioning of our Board. It is important to examine Board, Committee, and director performance and to solicit and act upon feedback received from each member of our Board. Evaluations are intended to assess the effectiveness in board composition and conduct, meeting structure, materials and information, committee composition and effectiveness, strategic and succession planning, culture and exercise of oversight, and continued education and access to management.

ANNUAL BOARD SELF-EVALUATIONS

As part of the evaluation, each Board member completes an anonymous, comprehensive questionnaire soliciting input on topics such as corporate governance issues, Board and committee culture, structure and meeting process, director interactions with each other and with management, management responsiveness, quality and quantity of information provided to the Board of Directors, strategic planning, and more.

SUMMARY OF WRITTEN EVALUATIONS

Each Director's anonymous responses to the questionnaire are sent to outside counsel retained by the Company at the Nominating/Corporate Governance Committee's request. Outside counsel compiles the results of the evaluations into a report for the Nominating/Corporate Governance Committee and Lead Independent Director.

CONVERSATIONS

Additionally, the Lead Independent Director has individual conversations throughout the year with each member of the Board, providing further opportunity for dialogue, feedback, and improvement.

BOARD REVIEW

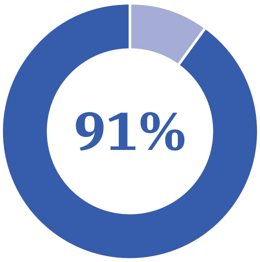
The responses to the questionnaires, in addition to other feedback provided by Board members through interviews and other communications, are then reviewed and compiled by our Lead Independent Director to determine strengths and areas for improvement. Those results are then discussed with the Nominating/Corporate Governance Committee and the Board of Directors, and such results are used to improve Board and committee performance. Matters that require further assessment or additional follow-up are addressed at future Board or committee meetings, as applicable.

ACTIONS

Our evaluation process typically generates robust comments and discussion with the Board, including with respect to Board composition and processes. These evaluation results have led to changes designed to increase Board effectiveness and efficiency. Examples include enhancements to meeting materials, the structure of the Board, responsibilities of committees, committee and executive session discussions, committee reports to the Board, Director onboarding, continuing education, and hands-on experiences with our business, senior leaders, and emerging talent throughout the Company.

Director Independence

As discussed in our Corporate Governance Guidelines, a substantial majority of the Board is comprised of independent directors. Based on the recommendation of the Nominating/ Corporate Governance Committee, the Board determined that, other than Martin A. Kropelnicki, each of our director nominees (Gregory E. Aliff, Shelly M. Esque, Jeffrey Kightlinger, Thomas M. Krummel, M.D., Yvonne A. Maldonado, M.D., Scott L. Morris, Charles R. Patton, Carol M. Pottenger, Lester A. Snow, and Patricia K. Wagner) is independent under both New York Stock Exchange listing standards and the separate standards adopted by the Board.



10 out of 11
director nominees are independent

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 organization, either directly or indirectly as a partner, stockholder, or executive officer of an entity that has a material relationship with us. Our Board makes an affirmative determination regarding the independence of each director annually, based on the recommendation of the Nominating/ Corporate Governance Committee.

Independence Standards

The Board has adopted standards to assist in assessing the independence of directors, which are part of the Corporate Governance Guidelines available at **https://www.calwatergroup.com**. Under these standards, our 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 12-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,
- 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,
- 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, our 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 service territory

- 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

- Being a director of any of the Group's subsidiaries

Directors inform the Board as to any relationships they may have with the organization and provide other pertinent information in annual questionnaires they complete, sign, and certify. The Board reviews relevant relationships to identify possible impairments to director independence and in connection with disclosure obligations. For those directors who reside in one of our service territories and are customers, our Board has determined that it is not a material relationship that would impair their independence under the above standards.

Board Leadership Structure and Composition

Leadership Structure

Our Board reviews its leadership structure regularly to confirm that it remains appropriate for the Group. The Board considers several factors in making determinations regarding the Group's leadership structure, including the strategic goals of Group, the various capabilities of our directors, the dynamics of our Board, investor views, market practices and the Group's other governance practices that promote independent Board oversight of management.

The Board believes that a combined Chairman and CEO structure, together with a Lead Independent Director with significant and clearly defined responsibilities, a Board consisting entirely of independent directors other than Mr. Kropelnicki, and five standing Board Committees consisting entirely of independent directors, is the most appropriate leadership structure for the Group at this time. The Board believes that Mr. Kropelnicki, who has been President & CEO and a member of the Board since 2013 and Chairman since 2023, brings significant experience in the water and public utility industries, making him best positioned to provide strong unified leadership for the Group as the director most familiar with the Group's business and with the risks, challenges, and opportunities for our industry. In this expanded role, Mr. Kropelnicki continues to drive forward the implementation of our business strategy and leverages his deep understanding of the Group's business and operations to lead the Board as it considers risks related to strategy and business decisions and performs its oversight function. The Board believes this leadership structure fosters effective decision-making and alignment on corporate strategy, is appropriate to the Group's size and complexity, and represents a cost-effective and efficient allocation of responsibilities and accountability, while providing effective and independent oversight of management.

The Board retains the flexibility to change the leadership structure from time to time so that it can adjust, as appropriate, as the Group's needs change. For information regarding the robust process that the Board undertook in determining to combine the roles of Chairman and CEO in 2023, see Group's proxy statement for the 2023 Annual Meeting of Stockholders.

Lead Independent Director

Our Lead Independent Director is selected annually from and by the independent directors and has expansive duties and authority as included in our Corporate Governance Guidelines. Scott L. Morris has served as our Lead Independent Director since 2023. Our Corporate Governance Guidelines list the Lead Independent Director's responsibilities and authority, which includes:

- Presiding at meetings of the Board in the absence of the Chairman of the Board
- Presiding over executive sessions of the non-management and independent directors and calling executive sessions

- Recommending to the Chairman of the Board items for consideration to be included in the Board meeting agendas and schedules
- Serving as liaison between the Chairman of the Board and the independent directors
- Consulting and communicating with major stockholders upon request

In evaluating candidates for Lead Independent Director, the independent directors consider several factors, including each candidate's corporate governance experience, board service and tenure, leadership roles, and the ability to meet the necessary time commitment. For an incumbent Lead Independent Director, the independent directors also consider the results of the annual Lead Independent Director assessment as described above.

Annual Meeting Attendance

All directors are expected to attend the Annual Meeting of Stockholders unless attendance is prevented by an emergency. All our Board members who were director nominees for our 2024 Annual Meeting attended the meeting.

Board Meetings and Committees

Board Meetings

Our 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 serve.

Members of the Board are expected to attend Board meetings in person unless the meeting is held by teleconference. During 2024, there were 10 meetings of the Board and collectively 16 committee meetings. All incumbent directors attended at least 75%, and on average attended 96%, of all Board and applicable committee meetings in 2024.

Committees

There are five committees within our Board of Directors: Audit; Organization and Compensation; Finance and Capital Investment; Nominating/Corporate Governance; and Enterprise Risk Management, Safety, and Security. The membership and the function of each of these committees are described below.

Name	Audit	Organization and Compensation	Finance and Capital Investment	Nominating/ Corporate Governance	Enterprise Risk Management, Safety, and Security
Gregory E. Aliff	Chair		Member		Member
Shelly M. Esque				Member	Member
Jeffrey Kightlinger	Member				Member
Martin A. Kropelnicki					
Thomas M. Krummel, M.D.		Chair		Member	
Yvonne A. Maldonado, M.D.				Member	Member
Scott L. Morris		Member		Chair	
Charles R. Patton	Member		Member		
Carol M. Pottenger			Member	Member	Member
Lester A. Snow		Member	Member		Chair
Patricia K. Wagner	Member	Member	Chair		
Number of meetings held during 2024	**4**	**3**	**4**	**2**	**3**
Number of executive sessions of the independent directors held in 2024	**4**	**3**	**1**	**2**	**3**

Chair Member

AUDIT COMMITTEE

Current Members:

Gregory E. Aliff, Chair
Jeffrey Kightlinger
Charles R. Patton
Patricia K. Wagner

Committee Meetings Held in 2024: **4**

Primary Oversight Responsibilities:

- Quality and integrity of the Company's financial statements; the Company's compliance with legal, environmental, regulatory, and reporting requirements; the Company's internal audit function; cybersecurity risk; and third-party supplier risk
- Appointment, retention, compensation, and oversight of the Independent Registered Public Accounting Firm
- Reviews of Form 10-K and 10-Q reports required to be submitted to the SEC
- Quality of reporting processes and internal controls
- Risks related to the Company's financial reporting and internal controls
- Compliance program with respect to legal and regulatory requirements, including the Company's code of business conduct for executive officers and employees
- Cybersecurity program and related risks
- Third party supplier risk, Supplier Diversity Program and the Supplier Code of Conduct

All members of the Audit Committee are independent as defined in the New York Stock Exchange and meet additional independence requirements for audit committee members applicable under SEC rules and the New York Stock Exchange listing standards.

The Board has determined that each Audit Committee member has considerable knowledge of financial and auditing matters to serve on the Audit Committee. Gregory E. Aliff, Jeffrey Kightlinger, and Patricia K. Wagner meet the New York Stock Exchange listing standards of financial sophistication and are "audit committee financial experts" under SEC rules.

ORGANIZATION AND COMPENSATION COMMITTEE

Current Members:

Thomas M. Krummel, M.D., Chair
Scott L. Morris
Lester A. Snow
Patricia K. Wagner

Committee Meetings Held in 2024: **3**

Primary Oversight Responsibilities

- Officer compensation structure, policies and programs; and the results of the Company's most recent advisory vote on executive compensation
- Evaluation and recommendations of the compensation of the CEO to the independent directors and of the executive officers to the Board of Directors
- Organizational structure for the Company's senior management
- Strategies and policies related to human capital management
- Periodic assessment of the risk related to the Company's compensation policies and practices applicable to officers and employees
- Compensation Discussion and Analysis disclosure required to be included in the proxy statement for the Annual Meeting of Stockholders to be filed with the SEC and preparation of the Organization and Compensation Committee report required by SEC rules to be included in the proxy statement for the Annual Meeting of Stockholders
- Administration of the Company's clawback policy
- Compliance by executive officers with the Company's stock ownership guidelines

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 SEC rules and the New York Stock Exchange listing standards.

For a description of the processes and procedures used by the Organization and Compensation Committee for the consideration and determination of executive compensation, including its engagement and oversight of a third-party compensation consultant, see "Compensation Discussion and Analysis" in this Proxy Statement.

FINANCE AND CAPITAL INVESTMENT COMMITTEE

Current Members:

Patricia K. Wagner, Chair
Gregory E. Aliff
Charles R. Patton
Carol M. Pottenger
Lester A. Snow

Committee Meetings Held in 2024: **4**

Primary Oversight Responsibilities:

- Financial resources, including its capital investment management and rate recovery, and financial resources planning and processes
- Financial policies, strategies, and capital structure, including:
  - Long-term financial objectives and policies
  - Financing requirements and financing plans
  - Annual dividend plan
  - Annual operating budgets
  - Annual capital expenditure plans
  - Reports received from the Employee Benefit Finance Committee
- Policies and procedures concerning the major risk exposures, and the steps management has taken and/or proposes to take to monitor, mitigate, and control such exposures within the capital investment process.

All members are independent as defined in the listing standards of the New York Stock Exchange.

NOMINATING/CORPORATE GOVERNANCE COMMITTEE

Current Members:

Scott L. Morris, Chair
Shelly M. Esque
Thomas M. Krummel, M.D.
Yvonne A. Maldonado, M.D.
Carol M. Pottenger

Committee Meetings Held in 2024: **2**

Primary Oversight Responsibilities:

- Director succession planning
- Composition of the Board and assessment of whether the skills, experience, characteristics, and other criteria established by the Board are currently represented on the Board
- Evaluation of the Board and its committees
- Risks related to matters of corporate governance, including director independence and Board performance
- Board the size, structure, composition, and functioning of the Board and its committees
- Compensation of directors for service on the Board and its committees
- Corporate Governance Guidelines
- Code of Business Conduct and Ethics Policy of the Board of Directors and compliance with the Code and Policy
- Strategy, policies, practices, risks, and disclosures with respect to ESG matters
- Internal and external communications with employees, investors, and other stakeholders regarding the Company's position on or approach to ESG matters
- Political contribution and lobbying activity process

All members are independent as defined in the listing standards of the New York Stock Exchange.

ENTERPRISE RISK MANAGEMENT, SAFETY, AND SECURITY COMMITTEE

Current Members:

Lester A. Snow, Chair
Gregory E. Aliff
Shelly M. Esque
Jeffrey Kightlinger
Yvonne A. Maldonado, M.D.
Carol M. Pottenger

Committee Meetings Held in 2024: **3**

Primary Oversight Responsibilities

- Enterprise risk management, safety, and security programs
- The effectiveness of the processes used by management to both identify and analyze major risks, as well as the effectiveness of the programs to manage and mitigate risks
- Risk assessment and management, including related policies
- Current and emerging applicable matters that may affect the business, operations, performance, or public image of the organization
- Our Emergency Preparedness program
- Physical safety and security programs
- Other compliance programs for enterprise risk management, safety, and security

All members are independent as defined in the listing standards of the New York Stock Exchange.

Board Role in Risk Oversight

Our Board is responsible for seeing that our organization is appropriately stewarding the resources entrusted to it and following legal and ethical standards. In addition, our Board has the fundamental and legal responsibility to provide oversight and accountability for the organization. By following key risk management principles, our Board provides a solid foundation of organizational oversight:

- Understands the organization's strategy and key drivers of success
- Regularly assesses the risks in the organization's strategy
- Appropriately defines the role of the full Board and its standing committees specific to risk management and key risk oversight
- Assesses the organization's risk management system — including people, processes, and technology — to confirm resource appropriateness and sufficiency
- Works with management to understand and agree on the types (and format) of risk information the Board requires and risk prioritization
- Encourages dynamic and constructive risk dialogue between management and the Board, including a willingness to challenge assumptions
- Closely monitors the potential and evolving risks to culture and the incentives structure
- Oversees the critical alignment of strategy, risk, controls, compliance, incentives, and people

Inherent in the Board's responsibilities is an understanding of, and oversight of, the various risks facing the Company. The Board does not view risk in isolation but includes risk as part of its regular consideration of business decisions and business strategy. To assist the Board in its risk oversight, the Board reviews the Company's risks and the responsibilities of management and the Board committees regularly. The committees report to the entire Board on a regular basis and have overlapping directors, invite Chairs of other committees and other directors to attend meetings, and hold joint meetings as necessary.

BOARD OF DIRECTORS

The Company believes that its Board leadership structure supports the risk oversight function of the Board. As effective risk oversight is an important priority of the Board, the Board has allocated responsibilities for risk oversight among the full Board and its committees.

AUDIT

Oversees risks related to financial reporting and internal controls, cybersecurity, and third-party suppliers.

ORGANIZATION AND COMPENSATION

Oversees risks related to human capital management and oversees periodic assessments of risks relating to our compensation plans and programs to see that these plans and programs do not encourage management to take unreasonable risks relating to our business.

FINANCE AND CAPITAL INVESTMENT

Oversees risks within the capital investment programs including infrastructure failures and credit risk.

NOMINATING/CORPORATE GOVERNANCE

Oversees risks related to matters of corporate governance, including director independence and Board performance, as well as risks related to environmental, social responsibility, and sustainability matters.

ENTERPRISE RISK MANAGEMENT, SAFETY, AND SECURITY

Oversees management's development and execution of the Group's enterprise risk management, safety, and security programs, including those related to physical safety and security and advises on the committee oversight function for key risks.

EXECUTIVE MANAGEMENT

STRATEGY & OPERATING COMMITTEE

The Company's Strategy and Operating Committee (SOC), chaired by the Chairman, President & CEO, is comprised of senior officers and NEOs, and meets twice per month. Among other functions, the SOC assesses evolving market conditions and develops a long-term strategy to mitigate emerging risks and maximize future opportunities. Priorities for the SOC include, but are not limited to, strategy, workforce transformation (including succession planning, employee development, and recruitment), business development, political and regulatory climate, operating model, affordability, resiliency, climate change, and sustainability, with an emphasis on water resource planning.

MANAGEMENT COMMITTEE

The Company's Management Committee (MC), chaired by the Chairman, President & CEO, is comprised of Group and subsidiary executives, and meets monthly. Among other functions, the MC identifies and prioritizes key risks and recommends the implementation of appropriate mitigation measures as needed. Management reports to the Board and Board Committees multiple times throughout the year. Further review or reporting of risks is conducted as needed or as requested by the Board or a committee.

Our Enterprise Risk Management and Risk Responsibility Matrix identifies our major corporate risks, board oversight, and lead officer and department currently responsible for risk mitigation. It also demonstrates our commitment to transparency and accountability for management of the key risks facing the company and effective risk management:

Board Oversight	Tier 1 Risk[(1)]	Lead Officer
Full Board	Affordability and Access Risk	VP, Rates and Regulatory Affairs
	Political Risk	VP, Government and Community Affairs
	Regulatory Risk	VP, Rates and Regulatory Affairs
	Water Supply Risk	VP, Water Resources Planning and Sustainability
	Climate Change Risk	VP, Water Resources Planning and Sustainability
	Governance Risk	Chairman, President & CEO; SVP, General Counsel & Business Development; VP, Corporate Secretary & Chief of Staff
Enterprise Risk Management, Safety, and Security Committee[(2)]	Environmental Contamination Risk	VP, Water Quality & Environmental Affairs
	Physical Safety and Security Risk	VP, Emergency Preparedness, Safety & Security
	Natural or Human-Caused Disaster Risk	VP, Emergency Preparedness, Safety & Security; SVP, Operations
	Emergency Preparedness & Response and Business Continuity Risk	VP, Emergency Preparedness, Safety & Security
	Water Quality Risk	VP, Water Quality & Environmental Affairs
Finance Committee	Infrastructure and Asset Failure Risk	SVP, Corporate Services & Chief Risk Officer; Chief Engineering Officer
Organization/Compensation Committee	Talent Risk	VP, Chief Human Resource Officer
Audit Committee	Cybersecurity Risk	SVP, Corporate Services & Chief Risk Officer
	Third-Party Supplier Dependency Risk	SVP, General Counsel & Business Development; VP, Facilities, Fleet, and Procurement

(1) Each Tier 1 Risk topic is also led by designated officers of the Company across departments.

(2) The Enterprise Risk Management, Safety, and Security Committee is responsible for the oversight of the emergency response management process, including emergency response management updates and annual reporting to the Board regarding compliance.

Board Oversight of Management Development and Succession Planning

The Board believes one of its primary responsibilities is to ensure that appropriate succession plans are in place for our Chairman, President & CEO and other members of senior management in order to execute the Company's long-term strategy.

The Organization and Compensation Committee oversees talent management and development including executive and employee succession planning, management development, and diversity, equality, and inclusion. The Committee, together with the Chairman, President & CEO, regularly reviews senior management talent, including readiness to take on additional leadership roles and developmental opportunities needed to prepare senior leaders for greater responsibilities. In addition, the Organization and Compensation Committee regularly discusses recommendations and evaluations from the Chairman, President & CEO as to potential successors to fill senior positions, including potential successors to the CEO role. These discussions include developmental plans for senior leaders to help prepare them for future succession as well as contingency plans in the event the CEO is unable to serve for any reason (including death or disability).

The Board provides senior leaders with the opportunity to present at Board and committee meetings on their respective areas of expertise. This not only provides a platform for senior talent to demonstrate their knowledge and contribute to the organization's strategic discussions, but it also allows the Board to assess the leaders' abilities and potential for advancement. While the Organization and Compensation Committee has the primary responsibility to develop succession plans for the CEO position, the Committee regularly reports back to the full Board and decisions are made at the Board level.

Board Oversight of Cybersecurity Risk

The Board and Audit Committee are responsible for overseeing information technology and operational technology risks from cybersecurity threats. The Board recognizes the importance of maintaining the trust and confidence of our customers, employees, stockholders, and regulators and the need to protect information stored on our and our vendors' systems, including personal and proprietary data. Our Senior Vice President of Corporate Services & Chief Risk Officer, who reports directly to our Chairman, President & CEO leads a team that is responsible for managing our enterprise-wide information security strategy, policy, standards, architecture, and processes. The Board and Audit Committee receive regular reports from management no less than quarterly, and on an ad hoc basis, on information and operational technology risks, including cybersecurity and data security risks, as well as on the status of projects to strengthen our information security systems, assessments of our security program, and the emerging threat landscape. The Board also participates in cybersecurity-related tabletop exercises as appropriate.

For additional information regarding our cybersecurity governance and risk management, please refer to our Annual Report on Form 10-K for the year ended December 31, 2024, under the heading "Cybersecurity" in Item 1C.

Board Oversight of Risks Related to Environmental, Social Responsibility, and Governance Matters

To further drive ESG progress, we have also implemented a formal structure for ESG governance to designate responsibility and guide our execution. Our full Board oversees the execution of our climate change strategy, and the Nominating/Corporate Governance Committee oversees our ESG program and reporting, as well as our Board diversity.

Additional Board committees maintain specific ESG-related responsibilities:

- Our Enterprise Risk Management, Safety, & Security Committee, which advises executive leaders about our Enterprise Risk Management program, including safety and security risks that threaten business resilience;
- Our Organization & Compensation Committee, which oversees employee relations, turnover, employee diversity, employee development, and executive compensation;
- Our Audit Committee, which monitors cybersecurity risk, ethics reporting, and the integrity of our suppliers; and
- Our Finance & Capital Investment Committee, which manages investments in corporate assets and our ability to obtain financing, which supports ESG efforts.

Board Updates on ESG

At least annually, the Nominating/Corporate Governance Committee receives a formal ESG update, although additional updates are given throughout the year as needed. Topics typically covered in these updates may include progress on ESG focus areas and objectives, new strategic ESG initiatives, significant stakeholder concerns relating to ESG matters, and current and emerging ESG legislation and trends relevant to Group. Additionally, specific topics within Group's ESG strategy may be discussed at other committee and/or full Board meetings throughout the year. For example, the Enterprise Risk Management, Safety, and Security Committee is formally scheduled to discuss specific safety, and environmental matters at a minimum twice per year, and on an as needed basis thereafter.

Management-Level ESG Governance

At the executive level, the ESG Executive Oversight Committee, comprised of members of the executive leadership team across different functional areas of the Company, is led by our SVP, Customer Service & Chief Sustainability Officer and ESG Program Manager. The ESG Executive Oversight Committee's purpose is to oversee our overall ESG vision, management, and communications, as well as track progress of the strategies, policies, and practices relating to our material sustainability issues. We also have various ESG Working Groups that include officer sponsors, subject matter experts, and goal owners across the Company and are dedicated to specific cross-cutting ESG focus areas. These teams support the execution of our ESG strategies and objectives as well as facilitate cross-departmental collaboration for their areas of focus.

Other Governance Practices

We adopted other practices we believe reflect our commitment to good corporate governance including:

Policies Prohibiting Hedging and Pledging

In accordance with our Insider Trading Policy, our 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; and
- Pledging their ownership of Group stock.

Executive Compensation Recovery ("Clawback") Policy

We have an executive compensation recovery, or "clawback," policy aligned with NYSE requirements and Rule 10D-1 under the Securities and Exchange Act of 1934 requiring the reimbursement of excess incentive-based compensation provided to the executives in the event of certain restatements of our financial statements. A more detailed description of the Executive Compensation Recovery Policy appears in the "Compensation Discussion and Analysis" section of this Proxy Statement.

Codes of Business Conduct

Board members are expected to adhere to the Code of Business Conduct and Ethics for Members of the Board of Directors, which outlines expectations for behavior and promotes a culture of honesty. Our Business Code of Conduct applies to all officers and employees of Group, highlights areas of ethical risk, provides guidance in recognizing and handling ethical issues, and describes established mechanisms for reporting unethical conduct. We require employees to receive annual ethics training. Our Business Code of Conduct is available on our website at **https://www.calwatergroup.com**.

Overboarding Policy

In accordance with our Corporate Governance Guidelines, our directors should not serve as a director of more than four public companies, Group being one of the four, and our directors who are serving as executive officers of public companies may not serve on the boards of more than two public companies, Group being one of these. Service on the boards of subsidiary companies with no publicly traded stock, non-profit organizations and non-public for-profit organizations is not included in this calculation for purposes of our policy. Moreover, if a director sits on several mutual fund boards within the same fund family, this will count as one board for the purpose of our policy. The Nominating/Corporate Governance Committee considers each director's compliance with this policy as part of its annual review of the composition of the Board in connection with the director nomination process. All of our directors are in compliance with this policy.

Director Compensation

The Nominating/Corporate Governance Committee is responsible for non-employee director compensation and makes recommendations to the Board. For 2024, the Nominating/Corporate Governance Committee retained the services of Meridian to assist in determining non-employee director compensation with Meridian's recommendations based on competitive positioning, in terms of both individual compensation components and total compensation.

For fiscal year ended 2024, our non-employee directors received compensation comprised of both annual cash retainers for Board and committee chair services (with an additional retainer for the Lead Director) and an annual equity award.

Annual Base Retainer – All Directors	$118,000
Lead Independent Director Retainer	$ 40,000
Committee Chair Retainers:	
Audit Committee Chair Retainer	$ 25,000
Organization and Compensation Committee Chair Retainer	$ 20,000
Nominating/Corporate Governance Committee Chair Retainer	$ 15,000
Finance and Risk Management Committee Chair Retainer	$ 15,000
Enterprise Risk Management, Safety, and Security Committee Chair Retainer	$ 15,000
Equity:	
Annual RSA Equity Grant[(1)]	$115,500

(1) In 2024, non-employee directors each received annual grants of restricted stock valued at $115,500. The restricted stock grants were made on June 5, 2024 and were fully vested on March 5, 2025.

Directors may elect to defer cash compensation payable to them under the Group's deferred compensation plan in the same manner as applicable to the Group's executives as described below. The following table sets forth compensation earned during fiscal 2024 by each person who served as a non-employee Director during the year.

Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards[(1)(2)] ($) (c)	Total ($) (h)
Gregory E. Aliff	143,000	123,455	266,455
Shelly M. Esque	118,000	123,455	241,455
Jeffrey Kightlinger	118,000	123,455	241,455
Thomas M. Krummel, M.D.	138,000	123,455	261,455
Yvonne A. Maldonado, M.D.	118,000	123,455	241,455
Scott L. Morris, Lead Independent Director	173,000	123,455	296,455
Charles R. Patton	118,000	123,455	241,455
Carol M. Pottenger	118,000	123,455	241,455
Lester A. Snow	133,000	123,455	256,455
Patricia K. Wagner	133,000	123,455	256,455

(1) Amounts reflect the full grant date fair value of each RSA granted in 2024 to the non-employee directors, calculated in accordance with FASB ASC Topic 718, disregarding estimates for forfeitures. On June 5, 2024, non-employee directors received annual grants of restricted stock valued at $115,500 as the Board retainer. Assumptions used in the calculation of these amounts are included in footnote 13 of Group's annual report on Form 10-K, filed with the Securities and Exchange Commission on February 27, 2025.

(2) At the end of 2024, the aggregate number of RSAs held by each non-employee director then serving on the Board was as follows: Gregory E. Aliff, 18,688; Shelly M. Esque, 12,041; Jeffrey Kightlinger, 2,869; Thomas M. Krummel, M.D., 19,574; Dr. Yvonne A. Maldonado, 7,029; Scott L. Morris, 9,606; Charles R. Patton, 3,555; Carol M. Pottenger, 13,577; Lester A. Snow, 22,313; Patricia K. Wagner, 9,603.

Compensation Discussion and Analysis

Executive Compensation

In this section, we describe our executive compensation philosophy and program that supports our strategic objectives and serves the long-term interests of our stockholders. We also discuss how our Chairman, President & Chief Executive Officer, Chief Financial Officer, and other Named Executive Officers (collectively, our NEOs) were compensated in 2024 and describe how their compensation fits within our executive compensation philosophy. For fiscal 2024, our NEOs were:

Name	Title
Martin A. Kropelnicki	Chairman, President & Chief Executive Officer
James P. Lynch	Senior Vice President, Chief Financial Officer & Treasurer
David B. Healey[(1)]	Former Vice President, Chief Financial Officer & Treasurer
Michael B. Luu	Senior Vice President, Corporate Services & Chief Risk Officer
Shawn C. Bunting	Senior Vice President, General Counsel & Business Development
Shannon C. Dean	Senior Vice President, Customer Service & Chief Sustainability Officer

(1) Mr. Healey retired December 21, 2022 as Vice President, Corporate Controller. Mr. Healey returned to the Company on May 31, 2023 and was appointed Interim Vice President, Chief Financial Officer and Treasurer until January 3, 2024. Mr. Healey then served as Principal Financial Officer on an interim basis until his retirement on March 16, 2024.

This section is divided into the below six sections:

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1 2024 COMPENSATION OVERVIEW

Our executive compensation programs are designed to attract, motivate, and retain key officers with the ultimate goal of generating strong operating results and creating long-term alignment with our stockholders and customers. We reward for excellent job performance, overall leadership, long-term results, and provide for fair, reasonable, and competitive total compensation.

Our executive compensation programs are built upon the following framework:

- → **Pay-for-performance** by aligning officer compensation to pre-established, quantifiable performance goals that rewards long-term sustainable growth and performance
- → **Align long-term interests of our customers, communities, and stockholders with management**
- → Establish performance goals that are **aligned with our organizational strategy**
- → Use performance metrics that are **understandable** and are **tied to key performance indicators**; all of our officers have the **ability to make an impact**
- → Provide **competitive pay** to attract and retain highly qualified officers
- → Maintain a **one-team approach**, meaning all eligible officers, department heads, and eligible employees share the same performance targets and incentive compensation plan

Our executive officers' 2024 performance demonstrates our commitment to delivering value to our stockholders and customers. For 2024, our performance on both financial and non-financial measures resulted in 178% achievement of target for the short-term at-risk compensation plan and 112% achievement of target and payout for the long-term performance-based equity grant for performance period 2022-2024. These achievements reflect the record levels of net income, gross revenue, budget-to-actual performance (EPS), and capital investment achieved during our most recently completed fiscal year.

2 NEO COMPENSATION COMPONENTS AND PAY MIX

Our NEOs' total direct compensation is heavily weighted towards performance and appropriately balances officer focus on our short-term and long-term priorities with annual and long-term rewards. Consistent with our compensation philosophy, our total compensation program was developed by taking into account competitive market data as well as a variety of additional factors, including individual experience, tenure, performance and leadership, Group performance, and internal equity among the NEOs.

2024 Total Direct Compensation

	2024 Base Salary $	Achieved Short-Term At-Risk Compensation $	Granted Long-Term At-Risk Compensation $	2024 Total Direct Compensation(1) $
Martin A. Kropelnicki	1,050,005	1,869,000	1,816,837	4,735,842
James P. Lynch	463,076	334,640	229,840	1,027,556
Michael B. Luu	449,016	319,973	229,840	998,829
Shawn C. Bunting	419,630	299,040	229,840	948,510
Shannon C. Dean	333,026	237,524	229,840	800,390

(1) Total "Direct" Compensation consists of base salary, earned annual performance-based short-term at-risk compensation, grant date fair value of long-term performance-based restricted stock units, and grant date fair value of time-based restricted stock awards.

Mr. Healey served as Interim Vice President, Chief Financial Officer and Treasurer until January 3, 2024. Mr. Healey then served as Principal Financial Officer on an interim basis until his retirement on March 16, 2024. Due to the interim nature of Mr. Healey's employment, his annual base salary was $470,000, unchanged from 2023. Mr. Healey did not receive short-term at-risk compensation for performance year 2024 and did not receive any 2024 long-term at-risk equity compensation grants. Please refer to the Summary Compensation Table for compensation paid or earned by Mr. Healey for the fiscal years ended December 31, 2024 and 2023.

Total Compensation Philosophy for Executives

Providing compensation that attracts, retains, and motivates talented officers is our committed goal. Our compensation programs reward excellent job performance, identify exceptional leadership, and represent fair, reasonable, and competitive total compensation that aligns officers' interests with the long-term interests of our customers and stockholders. When designing our compensation programs, the Organization and Compensation Committee (Committee) prioritizes transparency and simplicity of the programs as well as maintaining unified goals and objectives of the annual short- and long-term incentive programs for the entire executive team to drive aligned operational decisions and Company performance.

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

Our executive compensation program also considers the following factors:

- The overall financial and operating performance of our Company
- Changes in market conditions, cost of living differences, market trends, and inflation
- Each officer's performance and contributions to the achievement of short-term and long-term financial goals and operational milestones
- Each officer's job responsibilities, expertise, historical compensation, and years and level of experience
- Our overall succession planning and the importance of retaining each NEO and each NEO's potential to assume greater responsibilities in the future

- Peer group benchmarking data and compensation analyses

We believe our executive compensation program is achieving the intended results. Our compensation programs continue to be competitive in the industry and have resulted in the attraction and retention of talented officers who contribute to the long-term success of the Group. Our compensation programs create a strong linkage between pay and performance through long-term equity and annual performance-based short-term at-risk compensation without encouraging imprudent risk taking by our officers.

Elements of Compensation

The material elements of our officer compensation program for 2024 included:

- Base Salary
- Annual Short-Term Performance-Based At-Risk Compensation
- Performance and Time-Based Long-Term Equity Compensation
- Basic and Supplemental Pension Plan Benefits
- Employee funded Deferred Compensation Plan Benefits
- 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 officers. Therefore, the Committee's decisions regarding overall compensation are determined largely by evaluation of factors that are within the officers' control and comparisons to companies in its peer group. As discussed below under "2024 Performance Goals and Performance", the metrics used to determine our officers' annual short-term performance-based at-risk compensation and the vesting of long-term performance-based equity compensation awards are appropriate metrics that align officer performance in a manner beneficial to both customers and stockholders, and do not encourage imprudent risk-taking.

Base Salary

The only guaranteed portion of executive total compensation is fixed-based salaries commensurate with the performance of primary roles and responsibilities. The Committee reviews officer base salaries annually and determines whether to recommend adjustments to salaries based on performance and changing market conditions.

The Committee targets fixed base salaries for each officer that are appropriate for the performance, skills, capabilities, tenure, and individual contributions in his/her position. Consistent with established practice, the 2024 base salaries for our officers were compared to the base salaries for similar positions within the competitive data and California peers. Similarly, the total target cash compensation for our officers (taking into account annual short-term at-risk compensation targets) was compared to the competitive market data for target total cash compensation. Each officer's 2024 base salary (taking into account annual short-term at-risk compensation targets) 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.

For 2024, annual base salaries for NEOs were increased to reflect cost-of-living increases and, in some cases, performance and promotions as described in the chart below. This is intended to compensate NEOs for job performance and overall leadership while maintaining salaries within the "competitive range" of the market data. This market data is updated annually by the independent compensation consultant retained by the Board. The below table reflects the 2023 and 2024 annualized salaries for our NEOs, with exception to Mr. Healey who ceased to be Interim Vice President, Chief Financial Officer and Treasurer effective January 3, 2024, and whose compensation for 2024 is described above.

Name	2023 Base Salary $	2024 Base Salary $	Change in Base Salary %
Martin A. Kropelnicki	1,050,000	1,050,000	—
James P. Lynch(1)	—	470,000	—
Michael B. Luu(2)	429,200	449,400	4.7
Shawn C. Bunting(3)	400,000	420,000	5.0
Shannon C. Dean(4)	303,200	333,600	10.0

(1) Mr. Lynch was appointed Senior Vice President, Chief Financial Officer and Treasurer effective January 3, 2024

(2) Mr. Luu was promoted to Senior Vice President, Corporate Services & Chief Risk Officer effective June 1, 2023.

(3) Mr. Bunting was promoted to Senior Vice President, General Counsel & Business Development effective January 1, 2024.

(4) Ms. Dean was promoted to Senior Vice President, Customer Service & Chief Sustainability Officer effective January 1, 2024.

Short-Term Performance-Based Award Opportunity

As a regulated utility, our strategic goals are long-term in nature and focused on achieving sustained, long-term stockholder value. We maintain an annual performance-based short-term at-risk compensation program for officers, managers, and employees designed to align annual performance and achievement with the long-term strategic goals of the Group. As a California regulated utility, the Group’s financial performance is substantially dependent upon CPUC regulations, which are beyond the control of our management team. Therefore, the achievement of the short-term performance metrics at times may not align with the Group’s overall financial performance. The short-term performance-based compensation is fully at risk with payout dependent upon the achievement of certain objectives over a one-year performance period.

For more information on the program, performance metrics, and the factors used by the Committee to establish the 2024 short-term at-risk performance metrics, see “Performance-Based Short-Term At-Risk Compensation” in this Proxy Statement.

Performance and Time-Based Equity Compensation

Our long-term equity compensation is designed to align executive compensation with the long-term interests of both stockholders and customers, to create incentives for officer recruitment and retention, to encourage long-term performance by our officers, and to promote stock ownership. We grant our officers long-term equity compensation consisting of performance-based restricted stock units (RSUs) and time-based restricted stock awards (RSAs).

More than half of our long-term equity is in the form of RSUs subject to at-risk performance-based vesting criteria, vesting 0% to 200% based on performance of each metric. RSUs reward officers only if preset performance targets are met and vest subject to the level of achievement under a three-year performance period. Time-based RSAs vest over three years, vesting one-third at the end of the first year and the remaining shares vesting quarterly over the next 24 months.

For more information on the program, performance metrics, and the factors used by the Committee to establish the 2024 long-term at-risk performance metrics, see “2024 Long-Term Performance and Time-Based Equity Compensation” in this Proxy Statement.

3 EXECUTIVE COMPENSATION GOVERNANCE AND PROCESS

Role of the Organization and Compensation Committee

We are committed to the highest standards of compensation governance. Comprised entirely of independent outside directors, the Committee is responsible for overseeing our compensation programs for officers and officer succession. This includes reviewing and approving goals and objectives relevant to the compensation of our CEO, evaluating our CEO’s performance in light of those goals and objectives, and based on this evaluation, recommending our CEO’s compensation level to the independent directors for approval.

The Committee also recommends to the Board compensation levels and at-risk performance objectives for officers for the 12-month period beginning January 1 of each year. These objectives align with stockholder and customer interests and support our long-term growth and health of the Company. To assist the Committee, our Chairman, President & CEO provides an assessment of each officer's performance and contribution towards key corporate goals. Our Chairman, President & CEO's recommendations regarding direct compensation adjustments are provided to the Committee for each of our officers other than himself based on the competitive data and the other factors described below under "Total Compensation Factors."

The Committee may delegate its duties and responsibilities to one or more subcommittees, consisting of not less than two members of the Committee, as it determines appropriate. The Committee also has the authority to engage outside advisors, such as compensation consultants, to assist it in carrying out its responsibilities.

The Committee starts its planning and review process in February of each preceding year and generally 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 at-risk compensation as certified, and approves the at-risk compensation targets for the current year.

The following summary outlines the key features of our officer compensation program:

WHAT WE DO

- We retain an independent compensation consultant who reports to the Organization and Compensation Committee.
- We pay for performance with compensation in the form of annual short-term at-risk performance-based compensation, as well as award more than half of long-term equity compensation in the form of at-risk restricted stock units (RSUs) subject to performance-based vesting criteria over a three- year period.
- We set minimum performance standards for incentive compensation.
- We cap individual payouts for short-term at-risk performance-based compensation and long-term at-risk equity compensation plans.
- We hold an annual "say-on-pay" advisory vote.
- We require stock ownership with minimum holding requirements for all directors and officers to promote a long-term perspective in managing the Group and to help align the interests of our stockholders, directors, and officers.
- We maintain an executive compensation recovery, or "clawback," policy aligned with NYSE requirements and Rule 10D-1 under the Securities and Exchange Act of 1934 requiring the reimbursement of excess incentive-based compensation provided to the executives in the event of certain restatements of our financial statements.

WHAT WE DON'T DO

- No excessive perquisites; the Group provides officers with only limited perquisites consisting of a company vehicle with related excess liability insurance.
- No tax gross-ups on perquisites or other personal benefits.
- No employment agreements; other than participation in the Executive Severance Plan, none of our current officers are party to individual employment or severance agreements.
- No single-trigger change-in-control benefits; the Group's Executive Severance Plan provides for change-in-control severance benefits upon a qualifying termination of employment following a change-in-control; the Group's equity compensation plan does not require single-trigger vesting acceleration upon a change-in-control.
- No hedging and pledging of Group stock; the Group's directors and officers 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 the anti-hedging prohibition in our insider trading policy; directors and officers are also prohibited from pledging their ownership of Group stock in accordance with an anti-pledging provision in our insider trading policy.

Role of the Independent Executive Compensation Consultant and Total Compensation Factors

Each year the Committee reviews, assesses, and recommends to the full Board all compensation for our officers after determining that the compensation for these individuals is competitive relative to companies of comparable size, complexity, location, and business nature (see below for additional discussion of this comparison).

Role of the Independent Executive Compensation Consultant

With respect to 2024 compensation decisions, the Committee engaged Meridian Compensation Partners (Meridian) as its independent executive compensation consultant.

Under the terms of its engagement, Meridian reports directly to the Committee; the Committee has sole authority to retain, terminate, and approve the fees paid to Meridian; and Meridian may not be engaged to provide any other services to the Company without the approval of the Committee. Other than its engagement by the Committee, Meridian does not perform any other services for the Group. The Committee believes having an independent evaluation of compensation is a beneficial tool for the Committee, the Group, and stockholders. The Committee retained Meridian for several purposes, including:

- Constructing and reviewing competitive compensation comparisons from readily available published survey and public filings data
- Performing a competitive assessment of the compensation programs and best practices for directors and officers
- Reviewing our compensation plans, including base salary, short-term at-risk compensation, and long-term at-risk equity compensation, relative to the plans of our proxy peer group

The Committee annually assesses Meridian in light of various factors, including performance and those factors required by SEC rules and NYSE Listed Company Rules regarding compensation consultant independence. The Committee has affirmatively concluded that Meridian is independent from California Water Service Group and has no conflicts of interest relating to its engagement by the Committee.

Total Compensation Factors

The Committee reviewed a number of compensation recommendations, including those pertaining to the officers that were based on the competitive assessments provided by and through consultation with Meridian. The Committee's recommendations to the Board were made, however, entirely by the Committee in its sole discretion.

To determine competitive compensation practices for 2024, the Committee relied, in part, on published survey compensation data, as well as proxy data for individual peer companies, compiled by Meridian. The individual companies are referred to in this proxy statement as the "Peer Group." In partnership with the independent consultant, a robust process has been established to appropriately assess the relevance of different companies in the context of making competitive compensation comparisons. As with prior years, an established process was used to assess the proxy peer group composition and to establish the fiscal 2024 peers using the following factors:

Regulated Utilities	Companies that are generally highly regulated public gas, water, or multi-utility-based organizations
Similar Business Models	Companies that operate in similar arenas, requiring similar skills and experiences from their executive talent, and being subject to similar market forces
Size (Revenue Within 1/2x-2x Range)	Companies of a broadly relevant size as an indicator of complexity and scope for executive roles; companies that are of a reasonable size for making market comparisons
Other Factors	Companies that are subject to unique California statutes that are applicable to the Group (we aim for a portion of the peer group to meet this requirement)

On October 29, 2024, the Committee approved the following 2024 proxy peer group from which to derive competitive pay information, comparing each officer's compensation to market levels for his/her executive position.

Allete, Inc.	**MGE Energy**
American States Water Company	**Northwest Natural Gas Company**
Avista Corporation	**NorthWestern Corp.**
Black Hills Corp.	**Otter Tail Corporation**
Chesapeake Utilities Corp.	**PNM Resources**
Essential Utilities, Inc.	**San Jose Water Group**
IDACORP, Inc.	**Unitil Corporation**

After consideration of the competitive data, in making compensation recommendations for the 2024 fiscal year for the officers, the Committee's general objective was to set total compensation within a "competitive range" for each officer's position based on the competitive data. The Committee considers the "competitive range" to mean that compensation levels are within plus or minus 20% of the median compensation levels, as determined by reference to data derived from peer group companies or general industry survey data, as applicable. The "competitive range" was determined after giving consideration to the stricter regulatory regime within which the Company operates as compared to its peers, and the flexibility this range provides in attracting and retaining qualified individuals to serve as our NEO's. In addition, this range provides flexibility to the Committee to adjust for the fact that some members of our peer group are multi-utility service providers or provide other utility services. Given reliable proxy data is only available for the CEO and CFO, general industry survey data is referenced using the same approach for the officers in non-CEO and non-CFO roles.

In addition to competitive marked data, the Compensation Committee considered other factors when setting each officer's compensation including each officer's experience, tenure, performance and leadership, Group's performance, regional cost-of-living adjustments, internal equity among the officers, and the need to retain and motivate strategic talent. Based on these other factors, the Compensation Committee may determine it is appropriate to set an officer's total compensation outside the competitive range.

Stockholder Engagement and Say-on-Pay

Our Board and management value the views of our stockholders and believe that maintaining an active dialogue with them is important to our commitment to long-term stockholder value. For fiscal year 2024, we received 96% of the votes cast on the Say-on-Pay advisory vote taken at the 2024 Annual Meeting of Stockholders. In light of the strong support received at our last Say-on-Pay vote, we did not make any changes to the executive compensation program in response to the 2024 Say-on-Pay vote.

Say-on-Pay Vote

2024	2023	2022	2021	2020
96%	96%	92%	93%	92%

The Committee recognizes that best practices in executive compensation continue to evolve, and we believe in soliciting feedback from stockholders to better understand their perspectives, to receive their input on our business strategy and execution, and to gather feedback regarding other matters of investor interest. Over the course of

2024, management engaged regularly with investors at conferences, one-on-one meetings, and other forums, and discussed several topics, including corporate strategy, financial results, executive compensation, and environmental, social, and governance issues.

Through stockholder feedback, we have observed the following:

- **Stockholders have shared favorable views of our executive leadership team**, including each of the named executive officers, and the alignment between pay and performance.
- **Stockholders understand the drivers of the non-cash change in pension** which can change significantly based on uncontrollable factors (such as the discount rate) represent a large non-cash portion of the reported total compensation for our CEO and did not see previously reported amounts as a risk factor that influenced their Say-on-Pay vote. Instead, stockholders tend to focus on changes in our CEO's pay, excluding the actuarial change in pension value.

The following table shows the Board's and Compensation Committee's responsiveness to stockholder feedback over the past several years.

Recent Governance and Executive Compensation Changes

Governance

- Formed the Enterprise Risk Management, Safety, and Security Committee
- Environmental, social, and governance (ESG) items are now overseen by the Nominating/ Corporate Governance Committee
- Adopted four new policies: Environmental Sustainability; Diversity, Equality, and Inclusion; Political Engagement; and Human Rights
- Intend to publish our 2024 Sustainability report in May 2025 with disclosure aligned with the Sustainability Accounting Standards Board (SASB) Water Utilities & Services Industry Standards and the recommendations of the Task Force on Climate-related Financial Disclosures as well as in reference to Global Reporting Initiative (GRI) standards
- Included an ESG metric in the 2022, 2023, and 2024 long-term at-risk compensation program for the three-year performance periods 2022-2024, 2023-2025, and 2024-2026

Compensation

- Continued emphasis on allocating long-term equity compensation to performance-based equity awards
- Modified the performance criteria used for long-term and short-term at-risk compensation programs
- Revised the methodologies used to determine our Supplemental Executive Retirement Plan (SERP)'s actuarial assumptions and amended the plan, increasing the plan's unreduced retirement age from 60 to 65
- Conducted an independent, third-party review of:
  - Our President and CEO's compensation program
  - Our executive short-term and long-term at-risk compensation programs
  - Our proxy peer group
- Updated our peer group to reflect industry changes

4 2024 PERFORMANCE GOALS AND PERFORMANCE

Pay-for-Performance

Our executive compensation program is designed to link officer compensation to our overall short-term and long-term performance (as measured by key operational and financial objectives incorporated in both short-term (ARP) and long-term (ARP-LT) performance-based compensation programs as outlined below).

- We utilize a short-term performance-based compensation program consisting of an annual at-risk performance-based short-term cash award that supports our long-term growth objectives of the Group.
- We grant to our officers long-term equity compensation of which more than half is in the form of restricted stock units (RSUs) subject to at-risk performance-based vesting criteria.
    - The Group's Chairman, President & CEO is awarded 72% of long-term equity compensation in the form of RSUs, subject to performance-based vesting criteria, with the remaining 28% awarded in the form of time-based restricted stock awards (RSAs).
    - The Group's senior vice presidents are awarded 65% of long-term equity compensation in the form of RSUs, subject to performance-based vesting criteria, with the remaining 35% awarded in the form of RSAs.
    - The Group's vice presidents are awarded 61% of long-term equity compensation in the form of RSUs, subject to performance-based vesting criteria, with the remaining 39% awarded in the form of RSAs.
    - All other executives are awarded 64% of long-term equity compensation in the form RSUs, subject to performance-based vesting criteria, with the remaining 36% awarded in the form of RSAs.
- We use a three-year performance period for the long-term performance-based RSUs with vesting based upon achievement of annual performance targets related to ESG, shareholder value, and earnings per share.

2024 Corporate Goals, Objectives, and Achievements

Each year, our officers establish a number of corporate goals and objectives that seek to promote long-term growth and align the interests of stockholders, customers, and employees. The objectives are communicated internally and monitored quarterly. Changes in base salary for our Chairman, President & CEO and other NEOs are generally based on progress against certain of these key corporate goals, officer performance goals, and individual officer performance.

Once the Committee assesses the business results for each long-term goal as described below for 2024, the Committee then reviews and discusses the overall performance of each officer and the competitive data provided by the independent consultant retained by the Committee. Once reviewed and agreed upon, the Committee recommends to the Board the base salaries for our officers (including the Chairman, President & CEO).

Group Operations:	• Completed purchase of Kings Mountain Park Mutual Water Company and Kukui'ula South Shore Community Services' Wastewater System • Named one of **"America's Most Responsible Companies"** by *Newsweek* magazine for fourth consecutive year • Named one of **"World's Most Trustworthy Companies"** by *Newsweek* magazine for the second year in a row & one of "America's Greenest Companies" thanks to sustainability and corporate citizenship efforts • Earned the U.S. Environmental Protection Agency's 2024 WaterSense Excellence in Promoting WaterSense Labeled Products Award for second consecutive year • Proactive wildfire mitigation including vegetation management, infrastructure upgrades, crew positioning, and backup power systems
Financial:	• Record level of capital investments totaling $471 million, including $8 million in treatment facilities for per- and polyfluoroalkyl substances (PFAS) • Continue to maintain financial discipline with strong balance sheet, while allocating capital in an efficient manner • Increased the Group's 2024 annual dividend by eight cents, or 7.7%, which represents our 57th consecutive annual dividend increase • Received authorization from the CPUC in August 2024 to issue up to $1.3 billion in future debt and equity securities • Received affirmation of our S&P Global credit rating of A+ Stable for California Water Service Company

Regulatory:	• Received proposed decision and alternate proposed decision on 2021 General Rate Case • Received authorization from the CPUC granting a one-year extension in our Cost of Capital Application to May 1, 2026 • Received approval of advice letters seeking recovery of $94.2 million to be recognized as cash over the next three years • Secured $83 million from the State of California Extended Water and Wastewater Arrearage Payment Program to relieve customers of past-due balances accumulated during the pandemic
Employee Retention and Development:	• National Association of Water Companies awarded Maui Operations Manager Living Water Award for leadership during Lahaina fires • Received recertification as a Great Place to Work® by the Great Place to Work® Institute for the ninth consecutive year • Named Bay Area Top Workplace for the 12th year

Performance-Based Short-Term At-Risk Compensation

As strategic goals are long-term in nature, we maintain an annual performance-based short-term at-risk compensation program for officers designed to align annual performance and achievement with the long-term strategic goals of the Group. The performance-based short-term compensation is fully at risk with payout dependent upon achievement of certain performance objectives over a one- year performance period.

The Committee considered a number of factors when establishing the 2024 short-term at-risk performance metrics, including:

- → Our long-term strategic plan
- → Historical performance
- → The regulatory environments in which we operate
- → Feedback and analysis from our independent compensation consultant
- → Stockholder feedback
- → Management performance

The annual performance metrics are designed to reward performance, to foster and enhance cross-functional integration, and to support customer service, continuous improvement, and team accountability while focusing on key corporate goals and initiatives that align with our strategic priorities and long-term growth. Performance metrics focus on achieving annual financial, operational, and safety goals, all of which are tied to advancing the Company's values, key initiatives, and long-term sustainable growth for our stockholders.

As in prior years, the annual short-term at-risk compensation program for 2024 included two financial metrics — Infrastructure Improvement and Utility Plant Investment and Budget to Actual Performance (EPS). Both of these metrics are key measures of overall Company financial performance and health and are drivers of sustained stockholder value.

The annual performance-based short-term at-risk compensation program also includes three performance metrics tied to operations, customer service, and public health. For 2024, these performance metrics were Water Quality and Public Health, Customer Service and Support, and Emergency Preparedness and Safety. These metrics reflect the critical importance of and the Company's long-standing focus and prioritization on public health and safety for our customers, employees, and communities and providing affordable and excellent service to our customers. As a provider of essential water and wastewater services to approximately 2 million people, we must provide safe, reliable service to our customers. We also must comply with the policies and procedures established by the states in which we operate as required by the Safe Drinking Water Act. We must also comply with numerous regulations such as the California State Water Resources Control Board, Division of Drinking Water (DDW) standards, which also incorporates U.S. Environmental Protection Agency (EPA) drinking water standards. Similarly, our subsidiaries in Washington, Hawaii, and New Mexico are regulated by their respective state health regulators and the EPA. The operational performance metrics support our commitment to compliance with these policies, procedures, and regulations.

Targets for each of the performance metrics were designed to be challenging and are critical to how we operate as a public utility to serve our customers, communities, and stockholders. All metrics under the annual short-term at-risk compensation program are equally weighted. If the threshold performance level is reached for a performance metric, the total payout for that metric is 50% of the target payout opportunity. If the maximum performance level is reached for a performance metric, the total payout for that performance metric is capped at 200% of the target payout opportunity. If the threshold goal is not achieved for a performance metric, there is no payout for that performance metric.

Primarily due to the delayed final decision from the CPUC on Cal Water's then pending 2021 General Rate Case (2021 GRC) to set new revenue, rates, and regulatory mechanisms for 2023, there was no payout in 2023 under the Budget to Actual (EPS) performance metric under the annual short-term at-risk compensation program as threshold achievement was not met. The 2021 GRC was originally scheduled to be completed on December 31, 2022 with new rates effective on January 1, 2023. On January 24, 2024, the assigned CPUC Administrative Law Judges (ALJs) issued a Proposed Decision (PD) on the fully litigated 2021 GRC, and concurrently, the assigned CPUC Commissioner issued an Alternate Proposed Decision (APD) opposing and modifying certain decisions made by the ALJs. We were unable to determine which of the two proposed decisions would be adopted by the CPUC, or if a second alternate proposed decision would be issued. As a result of this uncertainty, we were unable to reasonably estimate and record the impact on 2023 operating revenue and therefore the Committee did not approve any payout of the budget to actual performance metric for 2023, which was weighted as 20% of the total plan.

On March 7, 2024, the CPUC issued a decision on the 2021 GRC, increasing revenues retroactive to January 1, 2023. As a result, during first quarter of 2024, $87.5 million in revenue attributable to 2023 was recorded. Total operating revenue for 2024 was $1.04 billion, resulting in earnings per share of $3.25, exceeding the budget by 53%. This resulted in 200% achievement of the budget-to-actual annual short-term at-risk compensation performance metric.

While our total shareholder return for the most recently completed fiscal year was below median relative to our peer group, the Committee determined that the 2024 short-term at-risk payout levels were appropriate based on the management team's performance against the pre-established performance metrics. As noted above, we achieved record levels of revenue, EPS, net income, and capital investment levels in 2024, demonstrating that our short-term at-risk compensation appropriately rewards our NEOs for achieving performance metrics tied to financial and strategic milestones rather than stock price performance, which is more directly tied to our long-term performance and time-based equity compensation.

For 2024, the Committee granted the opportunity for our officers to receive short-term at-risk (ARP) performance awards as follows:

Chairman, President & CEO

Target ARP Payout:
100% of base salary

Actual ARP Payout Range:
0% to 200% of target, based on performance

Senior Vice Presidents

Target ARP Payout:
40% of base salary

Actual ARP Payout Range:
0% to 200% of target, based on performance

Vice Presidents

Target ARP Payout:
35% of base salary

Actual ARP Payout Range:
0% to 200% of target, based on performance

All Other Officers

Target ARP Payout:
30% of base salary

Actual ARP Payout Range:
0% to 200% of target, based on performance

Payment of the short-term at-risk performance awards is typically made in March, following the Group's receipt of audited financial statements and the subsequent certification of the Group's performance by the Committee.

See below for additional information regarding the performance goals and resulting payouts under the annual short-term at-risk compensation program for 2024.

2024 Annual Short-Term At-Risk Performance Goals

Water Quality and Public Health
Weight: 20%

This metric evaluates performance based on the number of procedural violations and violations of primary and secondary drinking water standards. The CPUC has authority to set drinking water standards for Cal Water. It has adopted the California State Water Resources Control Board, Division of Drinking Water (DDW) standards, which also incorporate U.S. Environmental Protection Agency (EPA) drinking water standards. Similarly, the Group's subsidiaries in Washington, Hawaii, and New Mexico are regulated by their respective state health regulators and the EPA. We include all state operations in the performance metric for primary and secondary water quality. The procedural water quality metric measures activity in the California subsidiary only, but in the future, the procedural water quality metric could include other states' compliance.

- A primary drinking water standard violation is related to public health, either acute or long-term
- A secondary drinking water standard violation is related to taste or aesthetics, such as excessive iron and manganese, which can generate customer complaints
- A procedural drinking water violation is a missed sample or other non-compliance item that is not a violation of a primary or secondary drinking water standard

We make it a priority to meet all water quality standards, every day, in every service area. For this reason, the target performance level was set for no primary drinking water standard violations, two or fewer secondary drinking water standard violations, and no more than four procedural drinking water violations.

Performance Level*	Primary Drinking Water Standards Violations (All states)	Secondary Drinking Water Standards Violations (All States)	Procedural Drinking Water Violations (California only)	Percent of Target Earned
Maximum	0	0	0	200%
Target	0	2 or fewer	Up to 4	100%
Threshold	1 or fewer	4 or fewer	Up to 8	50%

* An additional tier applies between the target and maximum level

Customer Service and Support Weight: 20%	The first metric measures against CPUC standards and three internal performance indicators for all California service areas, Hawaii, New Mexico, and Washington, including key measurements for telephone responsiveness, service responsiveness, billing accuracy and timeliness, and general levels of customer complaints. CPUC customer service standards are found in the CPUC's General Order 103-A. The Customer Service metric is evaluated each quarter for 10 measurements in 20 California service areas, Hawaii, New Mexico, and Washington for an annual target of 863 – 848 and a maximum annual measurement of 920. The second performance metric is based upon the company increasing enrollment in Cal Water's Electronic Bill Presentation (e-billing) in our customer portal. E-billing allows customers more convenience by allowing them to view their bills and manage their account at their discretion. Additionally, e-billing helps reduce the environmental impact and reduces operation costs. An increase in the percentage of customers participating in e-billing of at least 5% from December 31, 2023 will result in an additional 25 percentage points added to the service metric achievement. The third performance metric is based upon the Company increasing enrollment in PromisePay, allowing customers with delinquent balances more flexible and convenient payment arrangements while reducing the number of customer accounts that are sent to collections. A decrease in the number of accounts sent to collections by 5% from December 31, 2023 will result in an additional 25 percentage points added to the service metric achievement.

Performance Level*	Criteria	Percent of Target Earned
Maximum	98.0% of maximum annual metric, plus decrease in customer accounts sent to collection by at least 5% from December 31, 2023; plus increase in customer accounts paying by e-billing by at least 5%	200%
Target	94.1% of maximum annual metric	100%
Threshold	90.9% of maximum annual metric	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

Infrastructure Improvement and Utility Plant Investment
Weight: 20%

Historically, the annual Board-approved capital expenditures budget is the target for this metric. Investment in utility plant, property, and equipment is a driver of stockholder return and a key component of providing reliable, high-quality water service to customers. This metric is updated each year to reflect the annual approved capital program and budget for the Group and its subsidiaries and is tied to regulatory approvals. As the outcome of the California general rate case was still pending as of fiscal year end and there was not yet regulatory approvals for 2023, the 2024 target performance level was set at $360 million, which represents a 24% increase over the 2023 target performance.

Performance Level*	2024 (In Millions)	Percent of Target Earned
Maximum	$400	200%
Target	$360	100%
Threshold	$330	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

Budget to Actual Performance (EPS)
Weight: 20%

This metric measures the annual budget-to-actual performance of the Company. Specifically, this measure compares the actual diluted earnings per share to the forecasted diluted earnings per share for the calendar year. The forecasted diluted earnings per share is adopted during the budget process by the Board of Directors each year. By adhering to budgets, management can demonstrate to the Board, stockholders and customers that the Company is effective at managing controllable costs and has the ability to efficiently execute its business plan.

Performance Level*	EPS Variance From Budget	Percent of Target Earned
Maximum	Over 10%	200%
Target	−2.5% to 2.5%	100%
Threshold	−5.1% to −7.5%	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

Emergency Preparedness and Safety
Weight: 20%

This metric is measured annually and is comprised of five safety program components. These five components include Community Emergency Operations Center (EOC) training; full attendance at Cal Water mandated safety, wildfire preparedness, and cyber training for all employees (minimum of five training topics annually); Total Case Incident Rate (TCIR), which represents the average number of work-related injuries incurred by 100 workers during a one-year period as measured against California companies; the number of preventable vehicle accidents; and the number of unannounced site safety audit and immediate onsite reviews. The five safety components are weighted as follows:

- Community EOC Training — 20%
- Training Attendance Rate — 10%
- TCIR — 20%
- Preventable Vehicle Accident — 30%
- Unannounced Site Safety Audit and Immediate Onsite Review — 20%

Focused on improving the management of these safety programs, our officers have set this metric to improve performance from current conditions towards industry averages, where applicable, and performance expectations. Performance levels for the Community EOC Training, Preventable Vehicle Accident, and Unannounced Site Safety Audit and Immediate Onsite Review metrics have been increased as compared to the 2023 performance levels.

Community EOC Training

Performance Level*	Performance Target	Percent of Target Earned
Maximum	Conduct 20 community EOC trainings	200%
Target	Conduct 15 community EOC trainings	100%
Threshold	Conduct 12 community EOC trainings	50%

* An additional tier applies between the target and maximum level.

Training Attendance

Performance Level*	Performance Target	Percent of Target Earned
Maximum	100% of applicable employees	200%
Target	90% of applicable employees	100%
Threshold	80% of applicable employees	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

TCIR

Performance Level*	Performance Target	Numeric Equivalent	Percent of Target Earned
Maximum	25% improvement over target result	2.55	200%
Target	Maintain 2022 achieved TCIR, excluding OSHA reportable COVID-19 incidents	3.40	100%
Threshold	90% of target result	3.74	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

Preventable Vehicle Accident

Performance Level*	Performance Target	Numeric Equivalent	Percent of Target Earned
Maximum	20% improvement over target result	33	200%
Target	Maintain 4-year average (2020-2023) achieved results	41	100%
Threshold	90% of target result	45	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

Unannounced Site Safety Audit and Immediate Onsite Review

Performance Level*	Performance Target	Percent of Target Earned
Maximum	540 Audits	200%
Target	400 Audits	100%
Threshold	365 Audits	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

2024 Short-Term Performance Goal Achievements

Performance Metric	Minimum Threshold Performance	Target Performance	Maximum Performance	Achieved Results
Water Quality and Public Health Weight: 20%	Up to one primary (all states), up to four secondary (all states), up to eight procedural violations (California only)	No primary (all states), up to two secondary (all states), up to four procedural violations (California only)	No primary (all states), no secondary(all states), no procedural violations(California only)	**200%** — No primary, no secondary, no procedural violation
Customer Service and Support Weight: 20%	91% of the maximum annual metric	94% of the maximum annual metric	98% of the maximum annual metric; at least 5% decrease in customer accounts sent to collections from December 31, 2023; at least 5% increase in customers paying by e-billing from December 31, 2023	**175%** — Achieved 100% of the maximum annual metric, 7% decrease in customer accounts sent to collections from December 31, 2023; 4% increase in customers paying by e-billing from December 31, 2023
Infrastructure Improvement and Utility Plant Investment Weight: 20%	$330 million in company-funded capital expenditures	$360 million in company-funded capital expenditures	$400 million in company-funded capital expenditures	**200%** — $450.5 million in company-funded expenditures
Budget to Actual (EPS) Weight: 20%	Negative 10% EPS variance from budget	+/- 2.5% EPS variance from budget	Positive 10% EPS variance from budget	**200%** — 53% variance over budget
Emergency Preparedness and Safety Weight: 20%				**115%** — Overall safety
	• Conduct 12 community EOC trainings	• Conduct 15 community EOC trainings	• Conduct 20 community EOC trainings	• Conducted 23 community EOC trainings
	• 80% of applicable employees trained	• 90% of applicable employees trained	• 100% of applicable employees trained	• 100% of applicable employees trained
	• 90% of TCIR target	• Maintain 2022 target TCIR numeric equivalent, metric excludes OSHA reportable COVID-19 incidents	• 25% improvement over TCIR target	• 88% of 2022 TCIR target

Performance Metric	Minimum Threshold Performance	Target Performance	Maximum Performance	Achieved Results
	• 90% of preventable vehicle accident target	• Maintain 4-year average (2020-2023) achieved result for preventable vehicle accidents	• 20% improvement over preventable vehicle accident target	• 2% improvement over preventable vehicle accident target
	• 365 unannounced site safety audits and immediate onsite review	• 400 unannounced site safety audits and immediate onsite review	• 540 announced site safety audits and immediate onsite review	• 453 announced site safety audits and immediate onsite review

Consistent with the results summarized above, the Committee approved the total payout of 178%.

Performance Metric	Weight	Achievement	Achieved Results
Water Quality and Public Health	20%	200%	40%
Customer Service and Support	20%	175%	35%
Infrastructure Improvement and Utility Plant Investment(1)	20%	200%	40%
Budget to Actual Performance (EPS)(2)	20%	200%	40%
Emergency Preparedness and Safety	20%	115%	23%
Final 2024 Achievement			**178%**

(1) Company-funded capital expenditure was $451 million. The Group's 2024 achieved capital expenditures was $471 million as reported in item 7 of the Group's Form 10-K for the year ended December 31, 2024 as filed with the SEC. Excluding developer-funded expenditures of $20 million and including an increase in accounts payable accrual of $2.4 million for capital project spend, the Group spent $451 million on company-funded capital expenditures for the 2024 performance period.

(2) Due to delayed adoption of the 2021 California General Rate Case, 2024 revenue and net income included interim rate relief totaling $87.5M and $64.0M, respectively, attributable to 2023. Budget to Actual performance metric received no payout for the 2023 performance period due to the same delay by the California Public Utilities Commission.

The table below summarizes the total performance-based short-term at-risk compensation earned by our officers for the fiscal year ended December 31, 2024.

Name	2024 Short-Term At-Risk Compensation Earned ($)[1]
Martin A. Kropelnicki	$1,869,000
James P. Lynch	334,640
David B. Healey	—
Michael B. Luu	319,973
Shawn C. Bunting	299,040
Shannon C. Dean	237,524

(1) The short-term at-risk compensation is paid annually following certification of the prior year's results by the Committee.

2024 Long-Term Performance and Time-Based Equity Compensation

The purpose of our long-term equity compensation is to align executive compensation with the long-term interests of both stockholders and customers, to create incentives for officer recruiting and retention, to encourage long-term performance by our officers, and to promote stock ownership. Risk is taken into account in determining the aggregate amount of at-risk compensation and performance criteria, including assessment of risk management and risk mitigation.

As with target short-term at-risk compensation, the Committee reviewed the competitive range of long-term equity compensation and total direct compensation for similar positions within the competitive market in making decisions regarding long-term equity compensation awards for 2024. The Committee also believes that, in the interest of strengthening and rewarding teamwork and collaboration within the officer team, the annual equity awards granted to each of our officers should be based on the same objectives and methodology.

Based on the methodology described above the Committee set the total target value for the long-term at-risk (ARP-LT) equity compensation awards for 2024 as follows:

2024 Total Target Value for Long-Term At-Risk Equity Compensation Awards

President & CEO — Target ARP-LT Total Value: $1,700,000 ($1,232,000 RSUs and $468,000 RSAs)

Group's Sr. Vice Presidents — Target ARP-LT Total Value: $215,000 ($140,000 RSUs and $75,000 RSAs)

Group's Vice Presidents — Target ARP-LT Total Value: $190,000 ($115,000 RSUs and $75,000 RSAs)

All Other Officers — Target ARP-LT Total Value: $125,000 ($80,000 RSUs and $45,000 RSAs)

For the performance metrics applicable to the 2024 performance-based RSU award, the Committee will certify the level of achievement at the end of the three-year performance period. The number of shares awarded at the end of the three-year performance period is based on the extent the performance criteria is met over such time and subject to the officer's continued employment through such date.

The 2024 performance-based RSUs are subject to the following performance measures, goals, and related payout levels for the three-year period ending on December 31, 2026.

2024 Long-Term Performance-Based Equity Compensation Metrics (Performance Period 2024 — 2026)

Return on Equity
Weight: 40%

This metric measures return on equity (ROE) as shown in the public financial statements of California Water Service Group. It is defined as net income divided by average common stockholders' equity for the three-year performance period. The final three-year achievement will be certified at the end of the three-year performance period. Stockholders expect the Company to earn its authorized return on equity for its regulated business. For this reason, the metric uses the authorized ROE as the target for 100% performance achievement. The rationale for tiers above and below the authorized ROE is to account for regulatory mechanisms and lag.

Performance Level*	Annual Return on Common Stockholders' Equity	Percent of Target Earned
Maximum	Target plus 50 basis points	200%
Target	California authorized ROE	100%
Threshold	Target minus 100 basis points	50%

* An additional tier applies between the target and maximum level.

Growth in Stockholders' Equity
Weight: 40%

This metric measures growth in stockholders' equity by the accumulation of two factors over the performance period growth in total stockholders' equity and actual dividends paid in the calendar year. These growth values can be objectively validated using the Company's audited annual financial statements. The metric, in a stock-price neutral way, measures the growth in stockholders' equity created by the Company over the performance period. Investors in water utilities are interested in value creation along with dividend growth.

Performance Level*	Accumulation of Stockholder Value Over the Performance Period	Percent of Target Earned
Maximum	$825 million	200%
Target	$725 million	100%
Threshold	$675 million	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

Grant Funding for Water Infrastructure Projects
Weight: 20%

The water infrastructure and conservation needs of the communities that are served by the subsidiaries of California Water Service Group continue to grow. These needs range from replacing existing facilities that have reached the end of their useful lives to constructing brand new facilities to meet — if not surpass — state and federal drinking water quality standards, such as those found in the Safe Drinking Water Act. As new water infrastructure is constructed, the corresponding upward pressure on water rates can be particularly challenging in economically distressed communities.

To alleviate some of these pressures, state and federal governments have developed a host of funding programs designed to offset some or all of the costs associated with the costs water utilities incur. As an example, the 2021 Bipartisan Infrastructure Law allocated more than $50 billion to improve the country's drinking water, wastewater, and stormwater infrastructure. The subsidiaries of California Water Service Group and their customers are generally eligible to receive funding from these programs.

In 2022 and 2023, the Company executed against a corporate goal to develop and implement a formal grant program and strategy to pursue high-value grants to assist with affordability, particularly in areas with the highest need. During this time, the Company secured nearly $6.9 million in grants from various programs, including the U.S. Bureau of Reclamation's Water SMART grant program and the California Department of Water Resources' Urban Community Drought Relief Grant Program. The Company now seeks to build upon this success and secure additional public funding for the benefit of its customers.

The proposed performance metric takes into account both the number of applications submitted, and the amount of funding awarded.

Performance Level	Performance Target	Percent of Target Earned
Maximum	At least 40 applications for public funding submitted and awarded at least $45 million in public funding	200%
Target	At least 20 applications for public funding submitted and awarded at least $15 million in public funding	100%
Threshold	At least 20 applications for public funding submitted	50%

* Multiple tiers apply between the threshold and target level, and between the target and maximum level.

2022 Long-Term Performance-Based Equity Compensation Achievement (Performance Period 2022 — 2024)

In 2022, we granted performance-based equity in the form of RSUs to our officers for the three-year performance period ending on December 31, 2024. The component weighting is 40% for each of the two financial measures and 20% for the environmental leadership metric. The payouts are summarized below:

Performance Metric	Annual Threshold Performance	Annual Target Performance	Annual Maximum Performance	Achieved Results
Return on Equity Weight: 40%	8.70% in 2022, 9.07% in 2023, 9.77% in 2024	CPUC authorized ROE: 9.20% in 2022, 9.57% in 2023, and 10.27% in 2024	9.70% in 2021, 10.07% in 2022, 10.77% in 2023	**80%** — GAAP ROE — 7.70% in 2022, 3.73% in 2023, 12.44% in 2024
Growth in Stockholders' Equity Weight: 40%	$575 million	$650 million	$750 million	**100%** — $655 million
Environmental, Social, and Governance Weight: 20%	No payout below target achievement	Achieve three of the four goals: 1. Host 21 community resource and customer education events in low-income communities; 2. 100% of employees attend diversity, equality, and inclusion training annually with at least 90% completion rate each year; 3. Invest $1.5 million in emission-reducing energy solutions; complete comprehensive data analysis and modeling; 4. Set and publish targets for energy/ ESG intensity of water sourced and/ or delivered to customers.	Achieve all four target goals	**200%** — All goals achieved 1. Hosted 31 community resource and customer education events in low-income communities; 2. 100% of employees attended diversity, equality, and inclusion training annually with at least 90% completion rate each year; 3. Invested $3.8 million in emission-reducing energy solutions; completed comprehensive data analysis and modeling; 4. Set and published targets for energy/ESG intensity of water sourced and /or delivered to customers.

Consistent with the results summarized above, the Committee approved the total payout of 112%.

Performance Metric	Weight	Achievement	Achieved Results
Return on Equity	40%	80%	32%
Growth in Stockholders' Equity	40%	100%	40%
Environmental, Social, and Governance	20%	200%	40%
Final Achievement			**112%**

The table below summarizes the total performance-based equity compensation earned by our officers for the three-year performance period ended December 31, 2024.

Name	2024 Performance Stock Earned ($)(1)
Martin A. Kropelnicki	12,443
James P. Lynch(2)	—
David B. Healey	1,109
Michael B. Luu	1,814
Shawn C. Bunting(2)	—
Shannon C. Dean	1,814

(1) The shares for the 2022 performance stock award, which is comprised of the years 2022, 2023, and 2024, were earned and vested following the end of the three- year performance period on March 1, 2025.

(2) Mr. Lynch and Mr. Bunting were not employees in 2022 and therefore did not participate in this performance award cycle.

5 OTHER COMPENSATION PROGRAMS

Basic and Supplemental Pension Plan Benefits (SERP)

In addition to the tax-qualified defined benefit plan that covers all permanent employees, supplemental retirement benefits are provided to our officers under the SERP. The SERP is designed primarily to compensate for limitations imposed by the Internal Revenue Code (Code) on allocations and benefits that may be paid to officers under the Group's tax-qualified plan. Because the Code restricts benefits under the tax-qualified plan, our officers otherwise would not be eligible to receive the retirement benefits that are proportional to the benefits received by our employees. The benefits under the SERP are obtained by applying similar benefit provisions of the Pension Plan to all compensation included under the Pension Plan, without regard to these limits, reduced by benefits actually accrued under the Pension Plan. The SERP is structured as such that benefits are paid to our officers on a "pay as you go" basis. The SERP is an unfunded, unsecured obligation of the Group and is designed to assist in attracting and retaining key officers while providing a competitive, total compensation program. We believe that pension benefits are an important recruitment and retention tool for our employees and are consistent with practice among most of our peers.

No pension benefits will be paid to any participant until after retirement. Any pension amounts listed in this Proxy Statement are the year- over-year, non-cash, changes in the actuarial present value of the accrued pension liability and do not represent actual cash compensation paid.

Deferred Compensation Plan

The Group maintains a deferred compensation plan for its directors, officers, and eligible employees. The plan is intended to promote retention by providing eligible employees, including the officers, with a long-term savings opportunity on an income tax-deferred basis. This plan is voluntary and funded by the individuals who elect to participate in the program. There are no company or company- matching contributions.

401(k) Plan

All employees satisfying the eligibility requirements are entitled to participate in our 401(k) plan and receive matching contributions from the Group. Pursuant to the plan, all employees, including our NEOs, are entitled to contribute up to the statutory limit set by the Internal Revenue Service (IRS) and the Group matches 75% for each dollar contributed up to 8% for a maximum company-matching contribution of 6% of employee's eligible earnings.

Limited Perquisites and Other NEO Benefits

As part of the Group's automobile policy, officers have the use of a company-owned vehicle, including excess liability insurance. The Committee believes the use of a company-owned vehicle allows our officers to work more efficiently because many of the geographic areas served by the Group are most effectively reached by automobile as opposed to other forms of transportation, such as air travel. Any personal mileage incurred by our officers is taxed as additional compensation in accordance with IRS regulations and paid for by the officers. The Group offers its officers a supplemental medical plan providing proactive health protection services, including executive physicals and emergency travel assistance. Additionally, the Group has a relocation program assisting employees required to move on behalf of the Group to remain as productive as possible during the relocation transition. Employees who receive relocation assistance are required to sign a repayment agreement. Other than these benefits, the Committee's general philosophy is not to provide perquisites and other personal benefits of substantial value to the officers.

6 EXECUTIVE COMPENSATION POLICIES AND PRACTICES

CEO Pay Overview

Martin A. Kropelnicki, our Chairman, President & CEO since September 1, 2013, made significant contributions managing our 2024 performance. Based on our annual performance objectives for 2024, the Committee granted Mr. Kropelnicki an equity award of $1,700,000 for 2024, consisting of $468,000 in the form of time-based RSAs vesting over three years, and $1,232,000 in the form of performance-based RSUs with a three-year performance period. Mr. Kropelnicki also has 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 2024 base salary of $1,050,000 and $1,869,000 annual performance-based short-term at-risk compensation (representing a payout of 178% of target), Mr. Kropelnicki's total direct compensation was $4,735,842 (comprised of salary, earned annual performance-based short-term at-risk compensation bonus, grant date fair value of long-term performance-based restricted stock units, and grant date fair value of time-based restricted stock awards).

Mr. Kropelnicki is a participant in the tax-qualified defined benefit plan that covers all permanent employees as well as the non-qualified supplemental retirement benefit plan provided to our officers under the SERP. The amounts reported in the 2024 Summary Compensation Table later in this Proxy Statement is the change in the actuarial estimate of his future potential pension benefits. The change in pension value represents the present value of future retirement benefits and does not represent any cash payment to or from Mr. Kropelnicki or a change in the formula which determines his retirement benefit.

Changes in pension value historically have been impacted significantly by external factors unrelated to Mr. Kropelnicki's compensation, such as discount rate, age at retirement, changes in mortality tables, and vesting status. The discount rate, used to value the pension benefits used for financial statement reporting purposes, is itself driven in large part by the overall interest rate environment and can cause substantial volatility in the change in pension value. For example, over the last 10 years, Mr. Kropelnicki's change in pension value has ranged from more than $10 million (in 2019) to $0 (in 2020 and 2022).

No pension benefit will be paid to Mr. Kropelnicki until after his retirement from the Group. 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, Mr. Kropelnicki's current age, years of service, and age at retirement.

Stock Ownership Requirements

Officers and members of our Board are required to own shares of Group's stock to further align their interests with those of our stockholders. 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 officers. Each non-employee director and officer must directly own Group stock having a market value equal to:

Title	Equity
Chairman, President & CEO	3X annual base salary
Group Senior Vice Presidents and Vice Presidents	1.5X annual base salary
Other Officers	1X annual base salary
Non-Employee Directors	5X annual base retainer

Officers must retain 50% of the net after-tax shares from equity awards until the relevant ownership requirement is achieved. Non- employee directors must retain 75% of the net after-tax shares from equity awards until the relevant ownership requirement is achieved. For officers, the Committee reviews compliance with these requirements annually. The Nominating/Corporate Governance Committee reviews compliance with these requirements for non-employee directors annually. All non-employee directors and officers are in compliance with this requirement.

The following table summarizes which equity holdings are included in the stock ownership requirements.

WHAT IS INCLUDED

- Shares personally owned
- Holdings in our 401(k) plan
- Holdings acquired through our employee stock purchase program (ESPP)

WHAT IS NOT INCLUDED

- Unvested equity awards, including RSAs and RSUs options
- Vested, unexercised stock

Transactions Involving Stock — Insider Trading Policy

The Board has adopted insider trading policies and procedures governing the purchase, sale and other transactions in Group securities by our directors, officers and employees, as well as Group itself, that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and New York Stock Exchange listing rules, as applicable.

As part of these policies and procedures, we also generally prohibit our directors, officers and employees from engaging in hedging transactions (such as swaps, puts and calls, collars, and similar financial instruments) that would eliminate or limit the risks and rewards of share ownership. In addition, our directors and officers may not at any time engage in any short selling, buy or sell options, puts or calls, whether exchange-traded or otherwise, or engage in any other transaction in derivative securities that reflects speculation about the price of our stock or that may place their financial interests ahead of the financial interests of the Group.

Equity Grant Policy and Practices

Group's long-standing compensation philosophy is to grant executives and eligible employees a mix of time-based restricted stock awards and performance-based restricted stock units and historically has not granted stock options. Annual equity grants typically are made in connection with the regularly scheduled fourth-quarter meeting of the Compensation Committee, which is scheduled months in advance without regard to the potential release of major Group announcements. Group does not time the disclosure of material non-public information for the purpose of affecting the value of executive compensation. In addition, in 2024 Group did not grant long-term equity incentives (including stock options) during any period beginning four business days before and ending one business day after the filing of any periodic report on Form 10-Q or Form 10-K, or the filing or furnishing of any current report on Form 8-K that discloses material nonpublic information.

Executive Compensation Recovery — Our Clawback Policy

In 2023, the Company adopted a new clawback policy that is consistent with the NYSE listing standard adopted under Exchange Act Rule 10D-1 and all current officers of the Company and its subsidiaries have agreed in writing to the policy. Under such policy, in the event the Company is required to prepare an accounting restatement of the Company's financial statements due to the Company's material non-compliance with any financial reporting requirement under the federal securities laws (including any such correction that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company will recover the amount of any incentive-based compensation received by an officer that exceeds the amount that otherwise would have been Received had it been determined based on the restated financial statements

Tax and Section 162(m) Implications

Section 162(m) of the Internal Revenue Code generally places a $1 million limit on the amount of compensation a company can deduct in any one year for certain "covered employees," which term includes all of our named executive officers. While we consider the deductibility of awards as one factor in determining officer compensation, we also look at other factors in making decisions and we retain the flexibility to award compensation that we determine to be consistent with the goals of our officer compensation program even if the awards are not deductible by us for tax purposes.

Summary Compensation Table

The table below summarizes the total compensation paid or earned by our Chairman, President & CEO, CFO, and the three most highly compensated officers of the Group for the fiscal years ended December 31, 2024, 2023, and 2022.

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Stock Awards ($)(1)(2) (e)	Non-Equity Incentive Plan Compensation ($)(3) (g)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)(4) (h)	All Other Compensation ($)(5) (i)	Total ($) (j)	Total Excluding Change in Pension Value and Non-Qualified Deferred Compensation Earnings(6)
Martin A. Kropelnicki Chairman, President & Chief Executive Officer	2024	1,050,005	1,816,837	1,869,000	—	67,547	4,803,389	4,803,389
	2023	1,050,005	1,225,666	1,449,000	1,062,525	69,556	4,856,752	3,794,227
	2022	1,047,120	980,523	1,281,000	—	42,886	3,351,529	3,351,529
James P. Lynch(7) Senior Vice President, Chief Financial Officer & Treasurer	2024	463,076	229,840	334,640	374,437	40,436	1,442,429	1,067,992
David B. Healey(8) Former Vice President, Chief Financial Officer	2024	108,466	—	—	—	13,491	121,957	121,957
	2023	289,564	—	113,505	382,362	28,451	813,882	431,520
Michael B. Luu Senior Vice President, Corporate Services & Chief Risk Officer	2024	449,016	229,840	319,973	—	50,067	1,048,896	1,048,896
	2023	415,021	204,053	172,204	210,501	49,680	1,051,459	840,958
	2022	377,234	163,449	138,495	—	48,026	727,204	727,204
Shawn C. Bunting(9) Senior Vice President, General Counsel & Business Development	2024	419,630	229,840	299,040	173,888	55,103	1,177,501	1,003,613
	2023	329,235	149,354	138,000	102,395	97,260	816,244	713,848
Shannon C. Dean(10) Senior Vice President, Customer Service & Chief Sustainability Officer	2024	333,026	229,840	237,524	85,222	40,719	926,331	841,109

(1) Amounts reflect the full grant date fair value of RSAs and performance-based RSUs granted in the years shown, calculated in accordance with FASB Accounting Standards Codification (ASC) Topic 718, disregarding estimates for forfeitures and assuming target performance. Assumptions used in the calculation of these amounts are included in footnote 13 of Group's annual report on Form 10-K, filed with the SEC on February 27, 2025.

(2) For time-based RSAs and performance-based RSUs, the grant date fair value was determined using the closing share price of the Company's common stock on the date of grant. The RSUs reported were calculated assuming 100% achievement of target of the respective pre-established performance metrics. The amounts reported are as follows:

Name	RSA Grant Date Fair Value $	RSU Grant Date Fair Value at Target Achievement $	RSU Grant Date Fair Value at Maximum Achievement $
Mr. Kropelnicki	500,170	1,316,667	2,633,334
Mr. Lynch	80,186	149,654	299,308
Mr. Healey	—	—	—
Mr. Luu	80,186	149,654	299,308
Mr. Bunting	80,186	149,654	299,308
Ms. Dean	80,186	149,654	299,308

(3) Amounts in this column reflect the amount paid to each officer pursuant to the performance-based short-term at-risk compensation program for the applicable year.

(4) Amounts in this column are the year-over-year, non-cash, changes in the actuarial present value of the accrued pension liability and do not represent actual cash compensation paid to any of the Named Executive Officers. Pension values are included in customer rates through a rate recovery mechanism and may fluctuate significantly from year-to- year depending on a number of factors including changes in the discount rate and other assumptions, changes in compensation, years of service, and vesting. Other than assuming retirement at the unreduced retirement age, all assumptions are consistent with those used in the Group's financial statements and include amounts which the officers may not be entitled to receive due to vesting requirements consistent with the plans. For further information, see the "CEO Pay Overview," "Basic and Supplemental Pension Plan Benefits," and "Pension Benefits for Fiscal Year Ended 2024" sections of this Proxy Statement. Earnings on the non-qualified deferred compensation plan are noted on the Non-Qualified Deferred Compensation Table for those officers participating in the plan. Earnings have been excluded from this table since earnings were not at above market or at preferential rates.

(5) All other compensation for 2024 is comprised of 401(k) matching contributions made by the Group on behalf of the officer, the personal use of company-provided vehicles and associated insurance, supplemental medical reimbursement plan, and relocation benefits. The value of the 401(k) matching contributions made by the Group on behalf of the named executives was $20,700 for the listed executives except, Mr. Healey was $13,491, and Mr. Luu was $17,250. The reported value attributable to personal use of company-provided cars are as follows: Mr. Kropelnicki, $27,047; Mr. Lynch, $8,042; Mr. Healey, $0; Mr. Luu $13,017, Mr. Bunting, $14,603, and Ms. Dean, $7,347. The recorded cost for the supplemental medical plan was $18,600 for the listed executives except Mr. Lynch $10,494, Mr. Healey $0, and Ms. Dean, $11,472.

(6) To show how year-over-year changes in pension value impact total compensation, as determined under SEC rules, we have included this column to show total compensation without pension value changes. The amounts reported in this column differ substantially from, and are not a substitute for, the amounts reported in the "Total" column.

(7) Mr. Lynch was appointed to Senior Vice President, Chief Financial Officer and Treasurer on January 3, 2024 and assumed the duties of Principal Financial Officer on March 16, 2024. Mr. Lynch was not an NEO during the years 2023 and 2022.

(8) On May 31, 2023, Mr. Healey returned from retirement and began serving as interim Vice President, Chief Financial Officer and Treasurer, remaining in this role through the end of fiscal 2023 and until Mr. Lynch was appointed Senior Vice President, Chief Financial Officer on January 3, 2024. Mr. Healey then assumed the duties of Principal Financial Officer until March 16, 2024. Mr. Healey was not an NEO during the year 2022.

(9) Mr. Bunting was not an NEO during the year 2022.

(10) Ms. Dean was not an NEO during the years 2022 or 2023.

Grants of Plan-Based Awards for Fiscal Year Ended 2024

The table below sets forth certain information with respect to awards granted during the fiscal year ended December 31, 2024, to each of our NEOs.

		Estimated Payouts Under Non-Equity Incentive Plan Awards ($)[1]			Estimated Payouts Under Equity Incentive Plan Awards[2]				
Name (a)	Grant Date (b)	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	Grant Date Fair Value of Stock and Options Awards ($) (l)
Martin A. Kropelnicki[3]	2/28/2024	378,000	1,050,000	2,100,000					
	6/5/2024							10,080	500,170
	6/5/2024				10,083	26,535	53,070		1,316,667
James P. Lynch[3][4]	2/28/2024	67,680	188,000	376,000					
	6/5/2024							1,616	80,186
	6/5/2024				1,146	3,016	6,032		149,654
David B. Healey[3]	2/28/2024								
	6/5/2024								
	6/5/2024								
Michael B. Luu[3]	2/28/2024	64,714	179,760	359,520					
	6/5/2024							1,616	80,186
	6/5/2024				1,146	3,016	3,910		149,654
Shawn C. Bunting[3]	2/28/2024	60,480	168,000	336,000					
	6/5/2024							1,616	80,186
	6/5/2024				1,146	3,016	3,910		149,654
Shannon C. Dean[3]	2/28/2024	48,038	133,440	266,880					
	6/5/2024							1,616	80,186
	6/5/2024				1,146	3,016	6,032		149,654

The threshold, target, and maximum values reported are for the performance-based short-term at-risk compensation program.

(1) The threshold, target, and maximum units reported are for the full RSU award for the 2024-2026 performance period.

(2) The time-based RSAs granted to the officers on June 5, 2024, vest over three years, with one-third of the RSAs vesting on March 3, 2025 and the remaining RSAs vesting in equal quarterly installments thereafter. The performance-based RSUs reported reflect the grant date fair value of the award.

(3) The estimated payout under the non-equity incentive plan for Mr. Lynch was prorated to reflect time served as an executive officer in fiscal year ended 2024.

Outstanding Equity Awards at Fiscal Year Ended 2024

The following table provides information on unvested time-based RSAs and performance-based RSUs granted to the named executive officers that were outstanding on December 31, 2024.

	Stock Awards		Equity Incentive Plan Awards	
Name (a)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested ($)[1] (h)	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Market Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)[1] (j)
Martin A. Kropelnicki	522[2]	$ 23,662	11,109[2]	$ 503,571
	3,280[3]	148,682	14,144[3]	641,148
	10,080[5]	456,926	26,535[5]	1,202,832
James P. Lynch	1,616[5]	73,253	3,016[5]	136,715
David B. Healey	106[3]	4,805		
Michael B. Luu	106[2]	4,805	1,619[2]	73,389
	525[3]	23,798	1,955[3]	88,620
			444[4]	20,127
	1,616[5]	73,253	3,016[5]	136,715
Shawn C. Bunting	437[3]	19,809	1,630[3]	73,888
	1,616[5]	73,253	3,016[5]	136,715
Shannon C. Dean	106[2]	4,805	1,619[2]	73,389
	525[3]	23,798	1,955[3]	88,620
	1,616[5]	73,253	3,016[5]	136,715

(1) The market value of the stock awards represents the product of the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33, and the number of shares underlying each such award.

(2) The time-based RSAs were granted on March 1, 2022, with 33.3% vesting on March 1, 2023, and the remaining 66.7% vesting ratably over 24 months. The performance-based RSUs are for performance periods 2022, 2023, and 2024 and vest on March 1, 2025.

(3) The time-based RSAs were granted on March 7, 2023, with 33.3% vesting on March 7, 2024, and the remaining 66.7% vesting ratably over 24 months. The performance-based RSUs are for performance periods 2024, 2025, and 2026 and vest on March 7, 2026.

(4) The time-based RSAs were granted on June 1, 2023, with 33.3% vesting on March 7, 2024, and the remaining 66.7% vesting ratably over 24 months. The performance-based RSUs are for performance periods 2024, 2025, and 2026 and vest on March 7, 2026.

(5) The time-based RSAs were granted on June 5, 2024, with 33.3% vesting on March 5, 2025, and the remaining 66.7% vesting ratably over 24 months. The performance-based RSUs are for performance periods 2024, 2025, and 2026 and vest on March 5, 2027.

Option Exercises and Stock Vested for Fiscal Year Ended 2024

Name (a)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting ($) (e)
Martin A. Kropelnicki	21,960	1,021,310
James P. Lynch	—	—
David B. Healey	2,481	115,065
Michael B. Luu	3,544	165,242
Shawn C. Bunting	626	29,989
Shannon C. Dean	3,544	165,242

Pension Benefits for Fiscal Year Ended 2024

The table below shows the present value of accumulated benefits payable to each NEO, including the number of years of service credited to each officer under the California Water Service Pension Plan ("Pension Plan") and the SERP, each of which is described elsewhere in this Proxy Statement.

Name (a)	Plan Name (b)	Number of Years Credited Service (#)[1] (c)	Present Value of Accumulated Benefit ($)[2] (d)	Payments During Last Fiscal Year ($) (e)
Martin A. Kropelnicki[3]	California Water Service Pension Plan	18.80	1,418,120	—
	Supplemental Executive Retirement Plan	15.00	15,179,542	—
James P. Lynch	California Water Service Pension Plan	1.92	137,368	—
	Supplemental Executive Retirement Plan	1.92	237,069	—
David B. Healey	California Water Service Pension Plan	14.50	788,933	60,460
	Supplemental Executive Retirement Plan	14.50	2,363,004	166,099
Michael B. Luu[3]	California Water Service Pension Plan	24.60	832,830	—
	Supplemental Executive Retirement Plan	15.00	1,121,336	—
Shawn C. Bunting	California Water Service Pension Plan	1.84	125,602	—
	Supplemental Executive Retirement Plan	1.84	150,681	—

Name (a)	Plan Name (b)	Number of Years Credited Service (#)[1] (c)	Present Value of Accumulated Benefit ($)[2] (d)	Payments During Last Fiscal Year ($) (e)
Shannon C. Dean[3]	California Water Service Pension Plan	31.61	2,327,273	—
	Supplemental Executive Retirement Plan	15.00	894,289	—

(1) Assumptions used in the calculation of the present value are included in footnote 12 of Group's annual report on Form 10-K, filed with the SEC on February 27, 2025.

(2) Includes amounts the NEOs may not currently be entitled to receive because such amounts are not vested. Pension values may fluctuate significantly from year-to-year depending on a number of factors including changes in the discount rate, changes in mortality rates, changes in compensation, years of service, and vesting.

(3) The maximum number of years of credited service under the SERP is 15 years. Mr. Kropelnicki, Mr. Luu, and Ms. Dean have attained the maximum of 15 years of credited service.

The benefits under the SERP are obtained by applying similar benefit provisions of the Pension Plan, a tax-qualified plan, to all compensation included under the Pension Plan, without regard to these limits, reduced by benefits actually accrued under the Pension Plan. Under the SERP, all eligible officers are vested after five years of service as an officer and are eligible for the full benefit after 15 years of service and at age 65. SERP participants are eligible for early retirement starting at age 55 and would receive a reduced benefit of their monthly SERP benefit upon early retirement between the ages of 55 and 65 and further adjusted if service credited is less than 15 years. Under the Pension Plan, all eligible employees, including officers, are fully vested after 35 years of service. The SERP is structured such that benefits are paid to officers on a "pay as you go" basis.

The combined maximum benefit payout under the SERP and Pension Plan achievable by an officer is 60% of the average, eligible compensation paid over the previous 36 months prior to retirement, or three highest consecutive years, whichever is higher, excluding any equity compensation. For additional description of the SERP and Pension Plan, see "Basic and Supplemental Pension Plan Benefits (SERP)" in this Proxy Statement.

Non-Qualified Deferred Compensation for Fiscal Year Ended 2024

Name (a)	Executive Contributions in Last FY ($)[1] (b)	Aggregate Earnings in Last FY ($)[1] (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FY ($)[2] (f)
Martin A. Kropelnicki	262,350	—	—	4,673,419
Michael B. Luu	34,505	—	(28,535)	492,904
Shannon C. Dean	20,000	—	—	726,128

(1) All of the amounts reported under "Executive Contributions in Last FY" are included in the Summary Compensation Tables shown below. None of the amounts reported under "Aggregate Earnings in Last FY" are included in the Summary Compensation Table for 2024.

(2) The amounts reported under "Aggregate Balance at Last FY" that are included in the Summary Compensation Table in years prior to 2024 are as follows: Mr. Kropelnicki, $2,150,491; Mr. Luu, $315,655 and Ms. Dean, $258,000.

Name		Salary ($)	Non-Equity Incentive Plan ($)	Total ($)
Mr. Kropelnicki	2024	45,000	—	45,000
	2023	—	217,350	217,350
Mr. Luu	2024	22,451	22,451	—
	2023	—	12,054	12,054
Ms. Dean	2024	20,000	—	20,000
	2023	—	—	—

The Deferred Compensation Plan provides specified benefits to a select group of management and highly compensated employees who contribute materially to the continued growth, development, and future business success of the Group. The Deferred Compensation Plan permits the Group's officers and eligible employees to defer up to 50% of their base salary. In addition, officers can defer up to 100% of their short-term at-risk compensation. The Group does not make any contributions to the Deferred Compensation Plan. The Deferred Compensation Plan's investment options are similar, but not identical, to the Group's tax-qualified 401(k) plan and are funded by a Rabbi trust created for the funding of such benefits. Benefits under the Deferred Compensation Plan are payable by the Group upon separation from service with the Group, either in lump sum at separation, in monthly installments over five years following separation, or in lump sum or installments commencing five years following separation.

Severance Arrangements

None of our officers are party to an individual employment agreement. Additionally, our officers are not provided with single-trigger change-in-control benefits.

Consistent with the Group's compensation philosophy, the Committee believes the interests of stockholders are best served if the interests of senior management are aligned with those of our stockholders. To this end, the Group provides change-in-control severance benefits to our officers under the Group's Executive Severance Plan to reduce any reluctance of our officers to pursue or support potential change-in-control transactions that would be beneficial to our stockholders. The Group adopted the Executive Severance Plan in 1998, and its purpose is to promote the continued employment and dedication of our officers without distraction in the face of a potential change- in-control transaction. The Group's Executive Severance Plan is described in further detail below.

Executive Severance Plan

The Group adopted the Executive Severance Plan on December 16, 1998. The Executive Severance Plan provides that if within 24 months following a change-in-control of the Group, the officer's employment is terminated by the Group for any reason other than good cause or by the officer for good reason (each, a qualifying reason), the Group will make a cash payment to the officer in an amount equal to three times the officer's base salary on the date of the change-in-control or on the date the officer's employment terminates, whichever is greater. The payments would be paid in three equal annual installments, commencing on the first of the month following the month in which the officer's employment terminated, and payable thereafter on the anniversary of the initial payment date. Each officer will also receive a gross-up payment if the officer is required to pay an excise tax under section 4999 of the Internal Revenue Code. This provision for a tax gross-up has been a part of the Executive Severance Plan since its inception in 1998 and has not been modified since then.

Each officer's entitlement to the severance payment is conditioned upon execution of a release agreement. Additionally, the officer forfeits the right to receive the severance payment if he or she violates the non-solicitation and confidentiality provisions of the Executive Severance Plan.

For purposes of the Executive Severance Plan, the term "change-in-control" means the occurrence of (i) any merger or consolidation of the Group in which the Group is not the surviving organization, a majority of the capital stock of which is not owned by the stockholders of the Group immediately prior to such merger or consolidation; (ii) a transfer of all or substantially all of the assets of the Group; (iii) any other corporate reorganization in which there is a change in ownership of the outstanding shares of the Group, wherein thirty percent (30%) or more of the outstanding shares of the Group are transferred to any person; (iv) the acquisition by or transfer to a person (including all affiliates or associates of such person) of beneficial ownership of capital stock of the Group, if after such acquisition or transfer such person (and their affiliates or associates) is entitled to exercise thirty percent (30%) or more of the outstanding voting power of all capital stock of the Group entitled to vote in elections of directors; or (v) the election to the Board of Directors of the Group of candidates who were not recommended for election by the Board of Directors of the Group in office immediately prior to the election, if such candidates constitute a majority of those elected in that particular election.

For purposes of the Executive Severance Plan, "good cause" exists if (i) the applicable officer engages in acts or omissions that result in substantial harm to the business or property of the Group, and that constitute dishonesty, intentional breach of fiduciary obligation, or intentional wrongdoing; or (ii) the applicable officer is convicted of a criminal violation involving fraud or dishonesty.

For purposes of the Executive Severance Plan, "good reason" exists if, without the applicable officer's consent, (i) there is a significant change in the nature or the scope of the applicable officer's authority, or in his or her overall working environment; (ii) the applicable officer is assigned duties materially inconsistent with his or her present duties, responsibilities, and status; (iii) there is a reduction in the applicable officer's rate of base salary or bonus; or (iv) the Group changes by 100 miles or more the principal location in which the applicable officer is required to perform services. Had a change-in-control occurred during fiscal year 2024 and had their employment been terminated on December 31, 2024, either without good cause or by the officer for good reason, the NEOs would have been eligible to receive the payments set forth in the table below.

In addition to the Executive Severance Plan, each officer is covered by the Group's general termination policy. Under the termination policy, each non-union employee of the Group whose employment is terminated without cause is entitled to termination pay of either one week's pay after completing two years of service or two weeks' pay after completing five or more years of service, provided at least two weeks' notice is given. In addition, all officers are entitled to a payout of six weeks of vacation time upon any termination of employment, to be paid in a lump sum at termination.

Potential Payments Upon Termination or Change-in-Control

The information below describes certain compensation that would have become payable pursuant to existing plans and contractual arrangements assuming a termination of employment or a change-in-control and termination of employment had occurred on December 31, 2024, given the officer's compensation and service levels as of such date.

It is important to note that the amounts of compensation set forth in the table below are based on assumptions set forth above and do not predict the actual compensation that our NEOs would receive. Actual compensation received would be a function of a number of factors that are unknowable at this time, including: the date of the officer's termination of employment; the officer's base salary at the time of termination; and, because many elements of the compensation are performance-based pursuant to the Company's compensation philosophy described in "Performance Goals and Performance" above, the future performance of the Company. Moreover, the restricted stock unit and restricted stock award valuation amounts in case of a change in control and termination of employment assume that these awards immediately accelerate, which is not the case in the absence of a change in control. Rather, RSUs and RSAs continue to vest over time and RSUs are subject to the same performance metrics that apply as if there had been no termination.

In addition to the benefits described below, upon any termination of employment, each of the officers would also be entitled to the benefits as described in the table of Pension Benefits for Fiscal Year 2024 and the amount shown in the column labeled "Aggregate Balance at Last FY" of the table of Non-qualified Deferred Compensation for Fiscal Year 2024 above.

Martin A. Kropelnicki	Compensation and Benefits	Termination of Employment without a Change-in-Control Severance Amount ($)	Retirement Severance ($)	Change-in-Control and Termination of Employment Severance Amount ($)
Cash Compensation	Cash Severance(1)	161,538	161,538	3,311,538
	ARP(2)	1,050,000	1,050,000	1,050,000
Long-Term Incentives	RSUs(3)	—	1,331,977	2,347,550
	RSAs(4)	—	—	629,270
Benefits	Accrued Vacation	—	—	—
Total		1,211,538	2,543,515	7,338,358

(1) This amount represents severance and termination wage benefits as described above in the section "Executive Severance Plan" in the Proxy Statement.

(2) This amount assumes short-term at-risk compensation is paid at target achievement.

(3) This amount assumes RSUs vest at target achievement and are valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

(4) This amount represents RSAs valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

James P. Lynch	Compensation and Benefits	Termination of Employment without a Change-in-Control Severance Amount ($)	Retirement Severance ($)	Change-in-Control and Termination of Employment Severance Amount ($)
Cash Compensation	Cash Severance(1)	54,231	54,231	1,464,231
	ARP(2)	188,000	188,000	188,000
Long-Term Incentives	RSUs(3)	—	45,602	136,715
	RSAs(4)	—	—	73,253
Benefits	Accrued Vacation	—	—	—
Total		242,231	287,833	1,862,199

(1) This amount represents severance and termination wage benefits as described above in the section "Executive Severance Plan" in the Proxy Statement.

(2) This amount assumes short-term at-risk compensation is paid at target achievement.

(3) This amount assumes RSUs vest at target achievement and are valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

(4) This amount represents RSAs valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

David B. Healey	Compensation and Benefits	Termination of Employment without a Change-in-Control Severance Amount ($)	Retirement Severance ($)	Change-in-Control and Termination of Employment Severance Amount ($)
Cash Compensation	Cash Severance(1)	—	—	—
	ARP(2)	—	—	—
Long-Term Incentives	RSUs(3)	—	61,196	69,355
	RSAs(4)	—	—	4,805
Benefits	Accrued Vacation	—	—	—
Total		—	61,196	74,160

(1) Mr. Healey received his cash severance and termination wages as described above under "Executive Severance Plan" in this Proxy Statement at the time of his original retirement on December 31, 2022.

(2) This amount assumes short-term at-risk compensation is paid at target achievement.

(3) This amount assumes RSUs vest at target achievement and are valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

(4) This amount represents RSAs valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

Michael B. Luu	Compensation and Benefits	Termination of Employment without a Change-in-Control Severance Amount ($)	Retirement Severance ($)	Change-in-Control and Termination of Employment Severance Amount ($)
Cash Compensation	Cash Severance(1)	69,138	69,138	1,417,338
	ARP(2)	179,760	179,760	179,760
Long-Term Incentives	RSUs(3)	—	191,519	318,851
	RSAs(4)	—	—	89,481
Benefits	Accrued Vacation	91,609	91,609	91,609
Total		340,507	532,026	2,097,039

(1) This amount represents severance and termination wage benefits as described above in the section "Executive Severance Plan" in the Proxy Statement.

(2) This amount assumes short-term at-risk compensation is paid at target achievement.

(3) This amount assumes RSUs vest at target achievement and are valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

(4) This amount represents RSAs valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

Shawn C. Bunting	Compensation and Benefits	Termination of Employment without a Change-in-Control Severance Amount ($)	Retirement Severance ($)	Change-in-Control and Termination of Employment Severance Amount ($)
Cash Compensation	Cash Severance(1)	48,462	48,462	1,308,462
	ARP(2)	168,000	168,000	168,000
Long-Term Incentives	RSUs(3)	—	94,876	210,603
	RSAs(4)	—	—	93,062
Benefits	Accrued Vacation	—	—	—
Total		216,462	311,338	1,780,127

(1) This amount represents severance and termination wage benefits as described above in the section "Executive Severance Plan" in the Proxy Statement.

(2) This amount assumes short-term at-risk compensation is paid at target achievement.

(3) This amount assumes RSUs vest at target achievement and are valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

(4) This amount represents RSAs valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

Shannon C. Dean	Compensation and Benefits	Termination of Employment without a Change-in-Control Severance Amount ($)	Retirement Severance ($)	Change-in-Control and Termination of Employment Severance Amount ($)
Cash Compensation	Cash Severance(1)	51,323	51,323	1,052,123
	ARP(2)	133,440	133,440	133,440
Long-Term Incentives	RSUs(3)	—	178,102	298,725
	RSAs(4)	—	—	101,857
Benefits	Accrued Vacation	49,557	49,557	49,557
Total		234,320	412,422	1,635,702

(1) This amount represents severance and termination wage benefits as described above in the section "Executive Severance Plan" in the Proxy Statement.

(2) This amount assumes short-term at-risk compensation is paid at target achievement.

(3) This amount assumes RSUs vest at target achievement and are valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

(4) This amount represents RSAs valued at market value, the closing price for the Group's common stock on the New York Stock Exchange as of December 31, 2024, which was $45.33.

2024 CEO Pay Ratio

In accordance with SEC rules, we are providing the ratio of the annual total compensation of our CEO to the annual total compensation of our median associate. In calculating this ratio, SEC rules allow companies to adopt a variety of methodologies, apply certain exclusions, and make reasonable estimates and assumptions reflecting their unique employee populations. Our reported pay ratio may not be comparable to that reported by other companies due to differences in industries, scope of operations, business models and scale, as well as the different estimates, assumptions, and methodologies applied by other companies in calculating their respective pay ratios. The pay ratio reported below is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records, and the methodology as described. For these purposes, we identified the median compensated employee by first including full-time, part-time, seasonal, and temporary employees, excluding the Chairman, President & CEO, for a total of 1267 employees in the median compensation pool. We used actual salary and compensation paid in 2024, as reflected in our payroll records, excluding equity awards and bonus payments as these are not broadly distributed, to determine the median employee. We then calculated the median employee's total compensation in accordance with SEC rules to determine the pay ratio. We did not annualize the compensation for any employee who did not work for the entire year. We identified our new median employee from our employee population as of December 31, 2024 based on our payroll records. The median employee used was the same from the prior year.

The 2024 annual total compensation of the median compensation of all our employees who were employed on December 31, 2024, other than our Chairman, President & CEO, was $156,618 inclusive of $43,655 of estimated non-cash present value pension changes. Mr. Kropelnicki's 2024 annual total compensation was $4,806,299 inclusive of $0 of estimated change in present value of pension benefits. The ratio of these amounts was 1-to-31.

Measurement	Under SEC Rules	Excluding Change in Present Value of Pension Benefits
CEO Compensation	$4,806,299	$4,806,299
Median Employee Compensation	$ 156,618	$ 112,963
Ratio	**1:31**	**1:43**

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between "compensation actually paid" to our Chairman, President & CEO and the average of the compensation actually paid to our other NEOs and certain financial performance of the Company. These amounts are calculated in accordance with applicable SEC rules, and do not reflect the actual amount of compensation earned by or paid to our named executive officers during each applicable year.

Providing compensation that attracts, retains, and motivates talented officers is our committed goal. Our compensation programs reward excellent job performance, identify exceptional leadership, and represent fair, reasonable, and competitive total compensation that aligns officers' interests with the long-term interests of our stockholders and customers. Our executive compensation program is designed to link officer compensation to our overall short-term and long-term performance as measured by key operational and financial objectives incorporated in both long-term and short-term performance-based compensation programs. Please refer to the Compensation Discussion and Analysis section of this proxy statement for details regarding how the Organization & Compensation Committee links the compensation paid to our named executive officers to our corporate performance.

Year(1)	Summary Comp. Table for CEO	Comp. Actually Paid to CEO(2)	Average Summary Comp. Table Total for Non-CEO NEOs	Average Comp. Actually Paid to Non-CEO NEOs(2)	Value of Initial Fixed $100 Investment Based On:		Net Income ($M)	Budget to Actual Performance (EPS)(4)
					TSR	Peer Group TSR(3)		
2024	$4,803,389	$4,682,415	$ 943,423	$ 859,492	$ 97.46	$ 92.93	$190.8	53.0%
2023	$4,856,752	$3,689,961	$1,003,883	$ 704,548	$107.84	$105.53	$ 51.9	(52.1)%
2022	$3,351,529	$3,111,318	$ 820,950	$ 829,540	$123.71	$123.42	$ 96.0	(1.7)%
2021	$3,718,087	$4,495,501	$1,204,755	$1,050,610	$144.06	$144.46	$101.1	6.5%
2020	$3,776,856	$4,268,399	$ 901,550	$ 983,279	$106.68	$115.75	$ 96.8	21.0%

(1) The CEO for all five reporting years was Martin Kropelnicki. The other NEOs in 2024 were James Lynch, David Healey, Shawn Bunting, Michael Luu, and Shannon Dean. The other NEOs in 2023 were David Healey, Thomas Smegal III, Paul Townsley, Michael Luu, Ronald Webb, and Shawn Bunting. The other NEOs in 2022 were Thomas Smegal III, Paul Townsley, Robert Kuta and Michael Luu. The other NEOs in the 2021 and 2020 reporting year were Thomas Smegal III, Paul Townsley, Robert Kuta and Lynne McGhee.

(2) Amounts reported in this column are based on total compensation reported for our CEOs and the average of the total compensation of our other NEOs in the Summary Compensation Table for the indicated reporting year and adjusted as shown in the table below. Fair value of equity awards was computed in accordance with the Company's methodology used for financial reporting purposes.

(3) Amounts reported in this column represent returns on an initial $100 investment based on the Robert W. Baird Water Utility Index, which we chose as peer group for purposes of the PvP table.

(4) In accordance with SEC rules, the Group is required to include in the Pay versus Performance table the "most important" financial performance measure (as determined by the Company) used to link compensation actually paid to our CEO and other named executive officers to Company performance for the most recently completed fiscal year. The Group determined that the annual budget-to-actual performance of the Company meets this requirement. This performance measure compares the actual diluted earnings per share to the forecasted diluted earnings per share for the calendar year. The forecasted diluted earnings per share is adopted during the budget process by the Board of Directors each year. By adhering to budgets, management is able to demonstrate to the Board, stockholders and customers that the Company is effective at managing controllable costs and has the ability to efficiently execute its business plan.

Chairman, President & CEO Summary Compensation Table (SCT) Total to Compensation Actually Paid (CAP) Reconciliation

	2024
Summary Compensation Table Reported Compensation	**$ 4,803,389**
Deduction for pension values reported in SCT for the covered year	$ (0)
Increase for pension value attributable to current year's service and any change in pension value attributable to plan amendments made in the covered year	$ 66,126
Deduction for grant date fair value of equity awards reported in "Stock Awards" column of the SCT for the covered year	$(1,816,836)
Increase for the fair value as of the end of the covered year of all equity awards granted during the covered year that are outstanding and unvested as of the end of such covered year	$ 1,980,553
Increase/(Deduction) for the change in fair value as of the end of the covered year of any equity awards granted in any prior year that are outstanding and unvested as of the end of such covered year	$ (268,298)
Increase/(Deduction) for the change in fair value as of the vesting date of any equity awards granted in any prior year for which all applicable vesting conditions were satisfied during the covered year	$ (90,805)
Increase for the dollar value of any dividends or other earnings paid on stock or option awards in the covered year prior to the vesting date that are not otherwise reflected in the fair value of such award	$ 8,286
Total Compensation Actually Paid	**$ 4,682,415**

Average Non-Chairman, President & CEO NEO SCT Total to CAP Reconciliation

	2024
Summary Compensation Table Reported Compensation	**$ 943,423**
Deduction for pension values reported in SCT for the covered year	$(126,709)
Increase for pension value attributable to current year's service and any change in pension value attributable to plan amendments made in the covered year	$ 45,333
Deduction for grant date fair value of equity awards reported in "Stock Awards" column of the SCT for the covered year	$(183,872)
Increase for the fair value as of the end of the covered year of all equity awards granted during the covered year that are outstanding and unvested as of the end of such covered year	$ 210,256
Increase/(Deduction) for the change in fair value as of the end of the covered year of any equity awards granted in any prior year that are outstanding and unvested as of the end of such covered year	$ (21,215)
Increase/(Deduction) for the change in fair value as of the vesting date of any equity awards granted in any prior year for which all applicable vesting conditions were satisfied during the covered year	$ (8,545)
Increase for the dollar value of any dividends or other earnings paid on stock or option awards in the covered year prior to the vesting date that are not otherwise reflected in the fair value of such award	$ 821
Total Compensation Actually Paid	**$ 859,492**

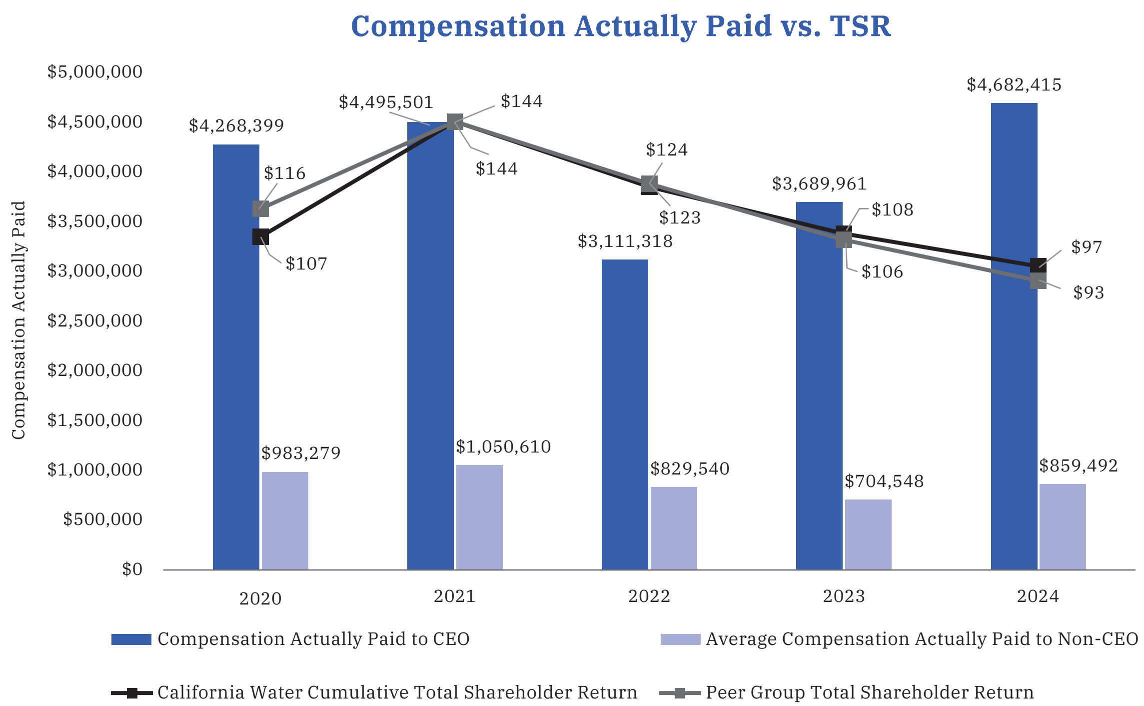
Tabular List of Performance Metrics

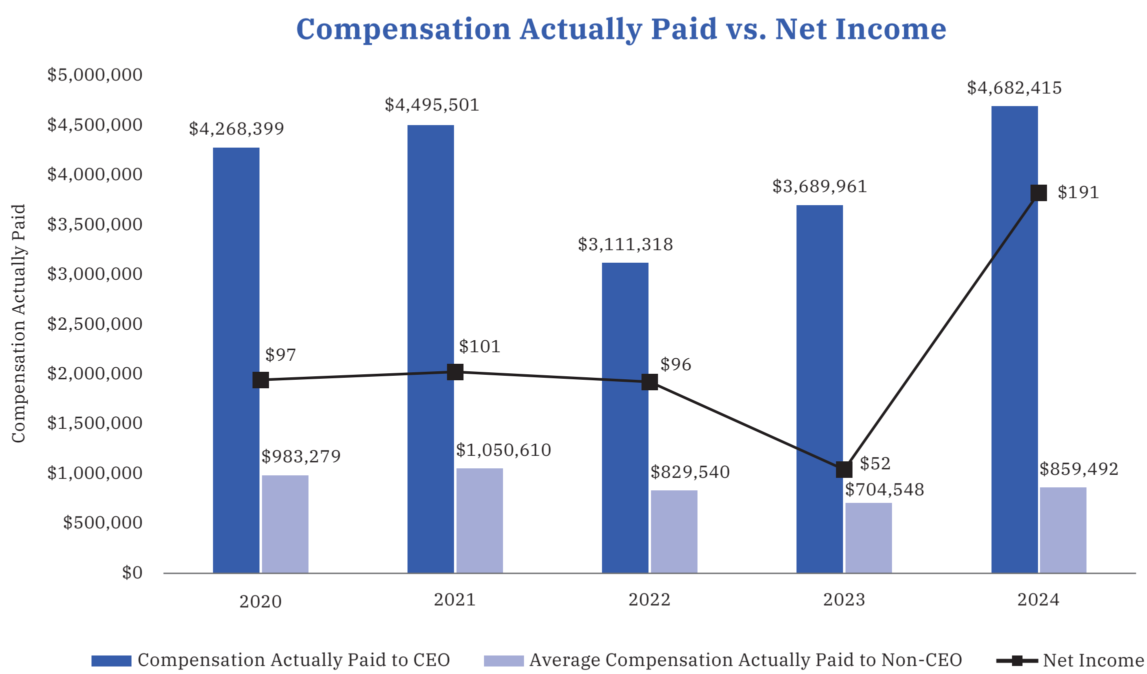
The following are the most important financial performance measures (and non-financial performance measures), as determined by the Group, that link compensation actually paid to our NEOs to the Company's performance for the most recently completed fiscal year.

Budget to Actual Performance (EPS)
Return on Equity for Stockholder Return
Growth in Stockholder's Equity
Customer Service and Support
Emergency Preparedness and Safety
Infrastructure Improvement and Utility Plant Investment
Water Quality and Public Health

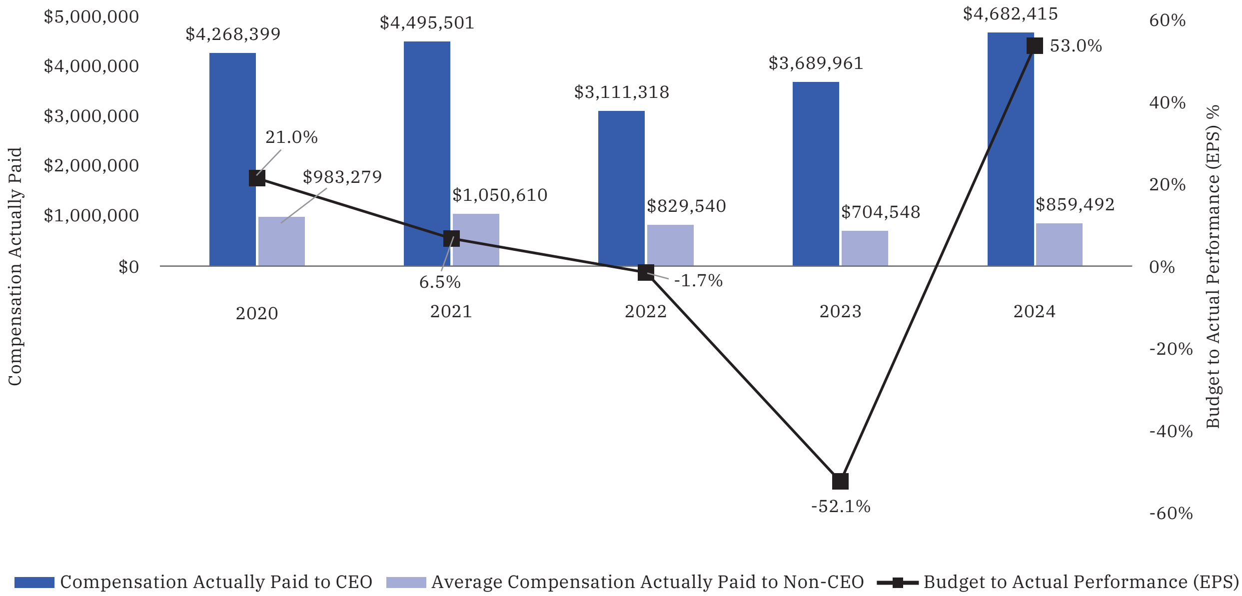
Compensation Actually Paid versus Total Shareholder Return (TSR), Net Income, and Budget to Actual Performance

The following graphs describe the relationship between compensation actually paid to our NEOs and the Company's cumulative Total Shareholder Return, net income and budget to actual performance (EPS) for the indicated years. In addition, the first graph below compares the Company's cumulative TSR and our peer group cumulative TSR.





Compensation Actually Paid vs. Budget to Actual Performance (EPS)



Report of the Organization and Compensation Committee of the Board of Directors on Executive Compensation

The Organization and Compensation Committee of the Group's Board of Directors has submitted the following report for inclusion in this Proxy Statement:

The Organization and Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on our review of and the discussions with management with respect to the Compensation Discussion and Analysis, the Organization and Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Group's annual report on Form 10-K for the fiscal year ended December 31, 2024, for filing with the Securities and Exchange Commission.

The foregoing report is provided by the following directors, who constitute the Organization and Compensation Committee:

ORGANIZATION AND COMPENSATION COMMITTEE

Thomas M. Krummel, M.D., Committee Chair
Scott L. Morris
Lester A. Snow
Patricia K. Wagner

Organization and Compensation Committee Interlocks and Insider Participation

The following directors were members of the Organization and Compensation Committee during the 2024 fiscal year: Thomas M. Krummel, M.D., Committee Chair, Scott L. Morris, Lester A. Snow, and Patricia K. Wagner. No member of the Organization and Compensation Committee was an officer or employee of the Group or any of its subsidiaries during 2024, nor was any such member previously an officer of the Group or any of its subsidiaries. No member of the Organization and Compensation Committee had any material interest in a transaction of the Group or a business relationship with, in each case that would require disclosure under "Procedures for Approval of Related Person Transactions", included elsewhere in this Proxy Statement.

None of the officers of the Group have served on the Board of Directors or on the Organization and Compensation Committee of any other entity, any of whose officers served either on the Board of Directors or on the Organization and Compensation Committee of the Group.

Procedures for Approval of Related Person Transactions

It is our policy that all employees and Directors must avoid any activity that is in conflict with, or has the appearance of conflicting with, the Group's business interests. This policy is included in the Code of Business Conduct and Ethics for Directors and the Business Code of Conduct for Employees. Transactions involving related persons are reviewed on a case-by-case basis and approved as appropriate. The Board's Nominating/Corporate Governance Committee is responsible for review, approval, or ratification of "related person transactions" involving the Group or its subsidiaries and related persons, as defined in SEC rules. Under SEC rules, a related person is a director, executive officer, nominee for director, or a greater than 5% stockholder of the Group at any time since the beginning of the previous fiscal year.

Potential related person transactions are brought to the attention of management and the Board in a number of ways. Each of our directors and executive officers is instructed and periodically reminded to inform the Corporate Secretary of any potential related person transactions. In addition, each director and officer completes a questionnaire on an annual basis designed to elicit information about any potential related person transactions.

Since the beginning of 2024, there were no related person transactions under the relevant standards.

PROPOSAL NO. 2 — ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

Our Board of Directors unanimously recommends that you vote **"FOR"** this proposal.

We are asking our stockholders to approve, on a non-binding, advisory basis, under Section 14A of the Exchange Act, the compensation of our NEOs as disclosed in this proxy statement. We have held a similar stockholder vote every year since 2014.

As described in the CD&A, our executive compensation program is designed with an emphasis on performance and is intended to closely align the interests of our NEOs with the interests of our stockholders and customers. We regularly review our executive compensation program with the goal that compensation is closely tied to aspects of our company's performance that our NEOs can impact and that are likely to have an impact on stockholder value.

Our compensation program is also designed to balance long-term performance with shorter-term performance and to mitigate any risk that an officer would be incentivized to pursue good results with respect to a single performance measure, company segment, or area of responsibility to the detriment of our company as a whole.

In the CD&A, we also discuss why we believe the compensation of our NEOs for fiscal 2024 was appropriately aligned with our company's performance during fiscal 2024. The CD&A also describes feedback we received regarding our executive compensation program during our stockholder outreach efforts and is intended to provide additional clarity and transparency regarding the rationale for, and philosophy behind, our executive compensation program and practices. We urge you to carefully read the CD&A, the compensation tables, and the related narrative discussion in this proxy statement when deciding how to vote on this proposal.

The Group is asking stockholders to support the named executive officer compensation as described in this Proxy Statement. The Organization and Compensation Committee and the Board believe the policies and procedures articulated in the "Compensation Discussion and Analysis" are effective in achieving the Group's goals and the compensation of the Group's named executive officers reported in this Proxy Statement has supported and contributed to the Group's success. Accordingly, the Group asks stockholders to vote "FOR" the following resolution at the 2025 Annual Meeting:

> "RESOLVED, that the stockholders of California Water Service Group approve, on an advisory basis, the compensation paid to California Water Service Group's named executive officers, as disclosed in this Proxy Statement pursuant to the SEC's compensation disclosure rules, including the Compensation Discussion and Analysis, the compensation tables and related narrative discussion."

This advisory resolution, commonly referred to as a "Say-on-Pay" resolution, is not binding upon the Group, the Organization and Compensation Committee, or the Board. However, the Board and the Organization and Compensation Committee, which is responsible for designing and administering the Group's executive compensation programs, value the opinions expressed by stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for named executive officers. After consideration of the vote of stockholders at the 2023 Annual Meeting of Stockholders and other factors, the Board decided to hold advisory votes on the approval of executive compensation annually until the next advisory vote on frequency occurs. Unless the Board modifies its policy on the frequency of future advisory votes, the next such advisory vote will be held at the 2026 Annual Meeting.

Recommendation of the Board

Our Board of Directors unanimously recommends that you vote **"FOR"** this proposal.

Report of the Audit Committee

The Audit Committee oversees the Group's financial reporting process on behalf of the Board of Directors. The Audit Committee's purpose and responsibilities are set forth in the Audit Committee charter. The current charter is available on the Group's website at **https://www.calwatergroup.com**. The Audit Committee consists of four members, each of whom meet the New York Stock Exchange standards for independence and the Sarbanes-Oxley Act independence standards for Audit Committee membership, and three of the Audit Committee's members meet the requirements of an Audit Committee financial expert. During 2024, the Audit Committee met four times.

The Group's management has primary responsibility for preparing the Group's financial statements and the overall reporting process, including the Group's system of internal controls. Deloitte & Touche LLP, the Group's independent registered public accounting firm, audited the financial statements prepared by the Group and expressed their opinion that the financial statements fairly present the Group's financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. Deloitte & Touche LLP also determined that the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024.

In connection with the December 31, 2024 financial statements, the Audit Committee:

(1) Reviewed and discussed the audited financial statements with management and Deloitte & Touche LLP;

(2) Discussed with Deloitte & Touche LLP the matters required to be discussed under applicable rules of the Public Company Accounting Oversight Board and the Securities and Exchange Commission;

(3) Received from Deloitte & Touche LLP the written disclosures and the letter required by applicable rules of the Public Company Accounting Oversight Board regarding the firm's communications with the Audit Committee concerning independence, and also discussed with Deloitte & Touche LLP the firm's independence, and considered whether the firm's provision of non-audit services and the fees and costs billed for those services are compatible with Deloitte & Touche LLP's independence; and

(4) Met privately with Deloitte & Touche LLP and the Group's internal auditor, each of whom has unrestricted access to the Audit Committee, without management present, and discussed their evaluations of the Group's internal controls and overall quality of the Group's financial reporting and accounting principles used in preparation of the financial statements. The Committee also met privately with the Group's Chairman, President & CEO, the CFO and the Controller, and the General Counsel to discuss the same matters.

Based upon these reviews and discussions, the Audit Committee recommended to the Board that the audited financial statements be included in the annual report on Form 10-K for the fiscal year ended December 31, 2024 to be filed with the Securities and Exchange Commission.

AUDIT COMMITTEE

Gregory E. Aliff, Committee Chair
Jeffrey Kightlinger
Charles R. Patton
Patricia K. Wagner

Relationship with the Independent Registered Public Accounting Firm

The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the Group's independent registered public accounting firm. The Audit Committee evaluates the selection of the independent registered accounting firm each year. In addition, the Audit Committee considers the independence of the independent registered public accounting firm each year and periodically considers whether there should be a regular rotation of the independent registered public auditing firm. The Audit Committee also is involved in considering the selection of Deloitte & Touche LLP's lead engagement partner when rotation is required.

Deloitte & Touche LLP has served as the Group's independent auditor since fiscal year 2008. After careful consideration of a number of factors, including the length of time the firm has served in this role, the firm's past performance, and an assessment of the firm's qualifications and resources, the Audit Committee has selected Deloitte & Touche LLP to serve as the Group's independent registered public accounting firm for the year ending December 31, 2025. The Committee's selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm is being submitted for ratification by vote of the stockholders at this Annual Meeting.

The following table summarizes the audit fees billed and expected to be billed by Deloitte & Touche LLP, the Group's independent registered public accounting firm, for the indicated fiscal years and the fees billed by Deloitte & Touche LLP for all other services rendered during the indicated fiscal years.

Category of Services	2023	2024
Audit Fees(1)	$2,162,750	$2,462,369
Audit-Related Fees(2)	163,803	196,400
Tax Fees	—	—
All Other Fees(3)	189,000	184,204
Total	$2,515,553	$2,842,973

(1) Audit fees relate to audits of the Group and CWSCO's annual financial statements, quarterly reviews of the Group's interim financial statements and the audit of Group's effectiveness of internal control over financial reporting.

(2) Audit-related fees related to comfort letters associated with Group's at-the-market equity program and consent letter for Form S-8 registration statement filing.

(3) The services comprising the fees disclosed under "All Other Fees" relate to capital planning and budget process assessment services.

The Audit Committee is responsible for overseeing audit fee negotiations associated with the retention of Deloitte & Touche LLP for the audit of the Group. Additionally, it is the policy of the Audit Committee, as set forth in its charter, to approve in advance all audit and permissible non-audit services to be provided by the independent registered public accounting firm, as well as related fees. Under applicable law, the Audit Committee may delegate preapproval authority to one or more of its members, and any fees preapproved in this manner must be reported to the Audit Committee at its next regularly scheduled meeting. All of the fees reported in the table above were pre-approved in accordance with these procedures.

PROPOSAL NO. 3 — RATIFICATION OF SELECTION OF DELOITTE & TOUCHE LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2025

Our Board of Directors unanimously recommends that you vote **"FOR"** this proposal.

After consideration, and as a matter of good corporate governance, the Board is requesting stockholder ratification of Deloitte & Touche LLP as the independent registered public accounting firm, to audit the Group's books, records, and accounts for the year ending December 31, 2025. The members of the Audit Committee and the Board believe that the continued retention of Deloitte & Touche LLP to serve as the Group's independent registered public accounting firm is in the best interests of the Group and its stockholders. Following the recommendation of the Audit Committee, the Board recommends a vote "FOR" the adoption of this proposal.

Representatives of Deloitte & Touche LLP are expected to be present at the meeting to answer appropriate questions from stockholders and will have an opportunity to make a statement if they desire to do so. If the stockholders do not ratify this appointment, the Audit Committee will reconsider the selection of the independent registered public accounting firm.

Recommendation of the Board

Our Board of Directors unanimously recommends that you vote **"FOR"** this proposal.

Other Matters

Stock Ownership of Management and Certain Beneficial Owners

Non-Employee Director and Executive Stock Ownership Guidelines

The Board of Directors requires non-employee directors to maintain a certain amount of stock ownership consistent with our stock ownership requirements. 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.

The following table shows the common stock ownership of our current directors and nominees, the executive officers named in the 2024 Summary Compensation Table, and such directors and all of our executive officers as a group, as of April 16, 2025. All directors and executives 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	23,193
Shawn C. Bunting, Executive Officer	3,646
Shannon C. Dean, Executive Officer	22,525
Shelly M. Esque, Director	15,407
David B. Healey, Former Executive Officer	3,900
Jeffrey Kightlinger, Director	5,517
Martin A. Kropelnicki, Director and Executive Officer	142,111
Thomas M. Krummel, M.D., Director	24,624
Michael B. Luu, Executive Officer	22,775
James P. Lynch, Executive Officer	4,085
Yvonne A. Maldonado, M.D., Director	9,754
Scott L. Morris, Director	12,328
Charles R. Patton, Director	6,215
Carol M. Pottenger, Director	16,306
Lester A. Snow, Director	27,615
Patricia K. Wagner, Director	12,333
All current directors and executives as a group	459,322

* To our knowledge, as of April 16, 2025, all directors and executives together beneficially owned an aggregate of approximately 1.0% of outstanding common shares. No one director or executive beneficially owns more than 1.0% of outstanding common shares.

Ownership of Largest Stockholders

As of April 16, 2025, our records and other information available from outside sources indicated that the following stockholders were the beneficial owner of more than 5% 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, we are not aware of any other beneficial owners of more than 5% percent of the common stock.

Beneficial Owner	Number of Shares of Common Stock	Percent of Class
BlackRock, Inc.(1) 50 Hudson Yards New York, NY 10001	10,687,783	18.0%
The Vanguard Group, Inc.(2) 100 Vanguard Blvd. Malvern, PA 19355	6,966,637	11.7%
State Street Corporation(3) 1 Congress Street, Suite 1 Boston, MA 02111	3,434,902	5.8%
T. Rowe Price Investment Management, Inc.(4) 101 E. Pratt Street Baltimore, MD 21201	2,962,783	5.0%

(1) BlackRock, Inc. has sole voting power over 10,541,202 shares and sole investment power over all 10,687,783 shares, and no shared voting power or shared investment power as of December 31, 2023, as disclosed on Schedule 13G/A filed with the SEC on January 19, 2024.

(2) The Vanguard Group, Inc. has sole voting power over 0 shares; sole investment power over 6,817,954 shares; shared voting power over 87,657 shares; and shared investment power over 148,683 shares as of December 29, 2023, as disclosed on Schedule 13G/A filed with the SEC on February 13, 2024.

(3) State Street Corporation has shared voting power over 3,031,596 shares, shared investment power over 3,434,302 shares, and no sole voting power or sole investment power over any shares as of December 31, 2023, as disclosed on Schedule 13G/A filed with the SEC on January 29, 2024.

(4) T. Rowe Price Investment Management, Inc. has sole voting power over 2,951,376 shares and sole investment power over all 2,962,783 shares, and no shared voting power or shared investment power as of December 31, 2024, as disclosed on Schedule 13G/A filed with the SEC on February 14, 2025.

Cost of Proxy Solicitation

The Group is soliciting proxies on behalf of the Board and will bear the entire cost of preparing, assembling, printing, and mailing this Proxy Statement, the proxies, and any additional materials that may be furnished by the Board to stockholders. The solicitation of proxies will be made by the use of the U.S. Postal Service and also may be made by telephone, or personally, by directors, officers, and regular employees of the Group, who will receive no extra compensation for such services. Morrow Sodali, LLC, 333 Ludlow Street, 5th Floor, South Tower, Stamford, CT 06902 was hired to assist in the distribution of proxy materials and solicitation of votes for a $10,000 fee, plus distribution expenses. The Group will reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.

Electronic Availability of Proxy Statement and Annual Report

As permitted by Securities and Exchange Commission rules, we are making this proxy statement and our annual report available to stockholders electronically via the Internet on the Company's website at **https://www.calwatergroup.com/investors**. You can elect to receive future Proxy Materials by email, which will save us the cost of producing and mailing documents to you by enrolling at **www.ProxyVote.com**. If you choose to receive future Proxy Materials by email, you will receive an email with instructions containing a link to the website where those materials are available and where you can vote.

Other Matters

The Board is not aware of any other matters to come before the Annual Meeting. If any other matters should be brought before the Annual Meeting or any adjournment or postponement thereof, upon which a vote properly may be taken, the proxy holders will vote in their discretion.

The report of the Organization and Compensation Committee, and the report of the Audit Committee, are not to be considered as incorporated by reference into any other filings that the Group makes with the SEC under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. These portions of this Proxy Statement are not a part of any of those filings unless otherwise stated in those filings.

Stockholders Sharing an Address

The SEC allows the Group to deliver a single proxy statement and annual report to an address shared by two or more of our stockholders. This delivery method, referred to as “householding,” can result in significant cost savings for the Group. In order to take advantage of this opportunity, banks and brokerage firms that hold shares for stockholders who are the beneficial owners, but not the record holders, of the Group’s shares, have delivered only one proxy statement and annual report to multiple stockholders who share an address, unless one or more of the stockholders has provided contrary instructions. For stockholders who are the record holders of the Group’s shares, the Group may follow a similar process absent contrary instructions. The Group will deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the proxy statement and annual report, now or in the future, may obtain one, without charge, by addressing a request to the Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, California 95112-4508 or calling (408) 367-8200. Stockholders of record sharing an address who are receiving multiple copies of proxy materials and annual reports and wish to receive a single copy of such materials in the future should submit their request by contacting the Group in the same manner. If you are the beneficial owner, but not the record holder, of the Group’s shares and wish to receive only one copy of the proxy statement and annual report in the future, you will need to contact your broker, bank, or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future.

Copies of Annual Report on Form 10-K

The Group, upon written request, will furnish to record and beneficial holders of its common stock, free of charge, a copy of its Annual Report on Form 10-K (including financial statements and schedules, but without exhibits) for fiscal year 2024. Copies of exhibits to Form 10-K also will be furnished upon request for a payment of a fee of $0.50 per page. All requests should be directed to the Corporate Secretary, California Water Service Group, 1720 North First Street, San Jose, California 95112-4508.

Electronic copies of the Group’s Form 10-K, including exhibits and this Proxy Statement, will be available on the Group’s website at **https://www.calwatergroup.com**.

Disclaimer Regarding Website

The information contained on the Group’s website, including the Sustainability Report, is not to be deemed included or incorporated by reference into this Proxy Statement.

Frequently Asked Questions

What am I voting on?

- Election of the eleven directors named in the Proxy Statement to serve until the 2026 Annual Meeting;
- An advisory vote to approve executive compensation; and
- Ratification of the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm for 2025.

Who may attend the Annual Meeting?

Any stockholders of the Group as of the record date may attend.

How can I attend the Annual Meeting?

This year, we plan to hold the Annual Meeting online through an audio webcast. This format will enable stockholders to attend the meeting and participate from any location, at minimal cost. You will be able to attend the Annual Meeting online at **www.virtualshareholdermeeting.com/CWT2025**. **You will also be able to vote your shares online at the Annual Meeting.**

If you are the record holder, to participate in the Annual Meeting, you will need the control number included on your proxy card. If your shares are held through a stockbroker or another nominee, and your voting instruction form indicates that you may vote those shares through **www.proxyvote.com**, then you may participate in the Annual Meeting with the access code indicated on that voting instruction form. Otherwise, stockholders who hold their shares through a stockbroker or another nominee should contact their broker or nominee (preferably at least five days before the Annual Meeting) and obtain a "legal proxy" in order to be able to participate in the Annual Meeting, or voting instruction card (if your shares are held through a stockbroker or another nominee).

We encourage you to access the Annual Meeting 15 minutes prior to the start time and allow ample time to log in to the meeting webcast and test your computer audio system.

Additional information regarding the rules and procedures for participating in the Annual Meeting will be set forth in our meeting rules of conduct, which stockholders can view during the meeting at the meeting website.

How can I ask questions at the Annual Meeting?

Stockholders may submit questions live during the Annual Meeting at the meeting website above.

The Group is committed to transparency. All questions received during the Annual Meeting that comply with the meeting rules of conduct, and the Group's responses, will be posted to our Investor Relations website at **https://www.calwatergroup.com/investors** reasonably promptly after the Annual Meeting. Personal details may be omitted for data protection purposes. If we receive substantially similar questions, we may group these questions together and provide a single response to avoid repetition.

What if during the check-in time or during the meeting I have technical difficulties or trouble accessing the meeting website?

The technical support telephone number will be posted on the Virtual Shareholder Meeting login page, at the meeting website above. If you encounter any difficulties, please call the number and speak to a technical support representative.

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 1, 2025 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 shares of common stock outstanding and entitled to vote at the Annual Meeting present 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, in the absence of a quorum, 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 59,570,140 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. In accordance with our director resignation policy, the Nominating/Corporate Governance Committee has established procedures whereby an incumbent nominee for director who does not receive the required votes for re-election is expected 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.

How do I vote in advance of the Annual Meeting?

If you are a stockholder of record (that is, you hold your shares in your own name), you may vote in advance of the Annual Meeting online, by telephone or, by mail. Different rules apply if your stockbroker or another nominee holds your shares for you (see below). For instructions on how you may vote online during the Annual Meeting, see “How can I attend the Annual Meeting?" above. Even if you plan to attend the Annual Meeting online, we recommend that you vote your shares prior to the meeting so that your vote will be counted if you later decide not to attend.

You may vote online.

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

You may vote by telephone.

If you received paper copies of the proxy materials, you can 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.

If you received paper copies of the proxy materials, you can 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 in accordance with the Board's recommendations set forth in this proxy statement.

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 online or by telephone by the applicable deadline (your latest online or telephone proxy is counted);
- Voting online during the Annual 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 Annual Meeting and vote online during the meeting.

How do I vote if my shares are held by my stockbroker (or other nominee)?

If your shares are held by a stockbroker (or other nominee), you may vote your shares without participating in the Annual Meeting, or online during the Annual Meeting if you choose to attend.

You will receive a voting instruction card with information about how to instruct your stockbroker to vote your shares. If you do not provide instructions, then your stockbroker, under certain circumstances, may vote your shares.

Specifically, stockbrokers have authority to vote your uninstructed shares on certain "routine" matters. Whether a proposal is considered routine or non-routine is subject to stock exchange regulations and final determination by the stock exchange. 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 ("broker non-votes"); or
- Leave your shares entirely unvoted (and we are aware that some stockbrokers are choosing to leave shares entirely unvoted even on routine matters).

Broker non-votes will count towards the quorum. We encourage you to provide your voting instructions to your stockbroker. This ensures that your shares will be voted at the Annual Meeting.

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

Proposal	Vote Required
Proposal No. 1 — Election of 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 on the Matter
Proposal No. 3 — Ratify the selection of Deloitte & Touche LLP as the Group's independent registered public accounting firm	Majority of Shares Present in Person or Represented by Proxy and Entitled to Vote on the Matter

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, if any, and abstentions have no effect on that proposal. With respect to Proposal Nos. 2 and 3, broker non-votes, if any, have no effect on the outcome, and abstentions have the effect of a vote "AGAINST."

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 receive 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 is the deadline for submitting stockholder proposals for inclusion in 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 the close of business (5:00 p.m. Pacific Time) on December 17, 2025. Any such proposal must comply with the 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 95112-4508. The submission of a stockholder proposal does not guarantee that it will be included in the proxy statement.

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 Annual Meeting pursuant to Rule 14a-8. The bylaws contain the requirements for doing so (including the timing and information required under Rule 14a-19 of the Exchange Act). The bylaws are posted on the Group's website at **https://www.calwatergroup.com**. 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 no less than 90 days before and no more than 120 days before the first anniversary of the prior year's Annual Meeting. For the 2026 Annual Meeting, to be timely, notice must be received by the Corporate Secretary not later than the close of business (5:00 p.m. Pacific Time) between January 28, 2026 and February 27, 2026. If we change the date of the Annual Meeting by more than 30 days before or more than 60 days after the date of the previous meeting, notice is due not less than 90 days nor more than 120 days before the Annual Meeting or the 10th day after we publicly announce the holding of the Annual 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 Annual 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. We reserve the right to reject, rule out of order or take other appropriate action with respect to any nomination or proposal that does not comply with these and other applicable requirements.

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 95112-4508. All such communications are sent directly to the intended recipient(s).

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.

Use these links to rapidly review the document
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file No. 1-13883

CALIFORNIA WATER SERVICE GROUP

(Exact name of registrant as specified in its charter)

Delaware	**77-0448994**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1720 North First Street	
San Jose, California	**95112**
(Address of Principal Executive Offices)	(Zip Code)

(408) 367-8200

(Registrant's Telephone Number, including Area Code)

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

Title of Each Class:	Trading Symbol(s)	Name of Each Exchange on Which Registered:
Common Stock, $0.01 par value per share	CWT	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 of Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232,405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was $1,679 million on June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter. The valuation is based on the closing price of the registrant's common stock as traded on the New York Stock Exchange.

The Common stock outstanding at February 10, 2025 was 59,488,444 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required to be disclosed in Part III of this report is incorporated by reference from the registrant's definitive Proxy Statement for its Annual Meeting of Stockholders to be held on or about May 28, 2025. The proxy statement is expected to be filed no later than 120 days after the end of the fiscal year covered by this report.

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PART I

Item 1. *Business.*

Forward-Looking Statements

This annual report, including all documents incorporated by reference, contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 (the 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 annual report 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,” “indicates,” or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this annual report include, but are not limited to, statements describing our intention, indication or expectation regarding our financial performance, dividends or targeted payout ratio, our expectations, anticipations or beliefs regarding governmental, legislative, judicial, administrative or regulatory timelines, regulatory compliance, decisions, approvals, authorizations, requirements or other actions, including plans and proposals pursuant to and timing of the California Water Service Company (Cal Water)’s general rate case (GRC) filed on July 8, 2024 (2024 GRC), timing of our cost of capital application, rate amounts, cost recovery or refunds, certain per- and polyfluoralkyl substances (PFAS) regulations, and associated impacts, such as our expected or estimated revenue, our intentions regarding recovery billing, our expectations regarding regulatory asset and operating revenue recognition, sources of funding or capital requirements, estimates of, or expectations regarding, capital expenditures, funding needs or other capital requirements, obligations, contingencies or commitments, our expectations regarding water sources, our beliefs regarding adequacy of water supplies, our anticipation regarding renewing water supply contracts, and estimated water prices, estimates and assumptions relating to our significant accounting policies, such as deferred revenue or assets or refund of advances, our expectations or assumptions regarding employee benefit plans and stock-based compensation and estimated contributions to our pension plans and other postretirement benefit plans, our estimated annual effective tax rate and expectations regarding tax benefits, our intentions regarding use of net proceeds from any future equity or debt issuances or borrowings, our expectations, intentions or anticipations regarding our sources of funding, capital structure, including authorized return on equity, cost of debt and rate of return, or capital allocation plans, our intentions regarding growth opportunities or our expectations regarding settlement proceeds relating to certain PFAS-contamination claims. The 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 may vary materially from what is contained in a forward-looking statement.

Factors which may cause actual results 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 GRC;
- 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, such as the California Public Utilities Commission (CPUC)’s decision in 2020 to preclude companies from proposing full decoupling (which impacted our 2021 GRC);
- changes in California State Water Resources Control Board (Water Board) water quality standards;
- changes in environmental compliance and water quality requirements, such as the United States Environmental Protection Agency’s (EPA) finalization of a National Primary Drinking Water Regulation establishing legally enforceable maximum contaminant levels (MCL) for six PFAS in drinking water in 2024;
- 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 (PSPS) 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;
- housing and customer growth;
- our ability to renew leases to operate water systems owned by others on beneficial terms;
- issues with the implementation, maintenance or security of our information technology systems;
- civil disturbances or terrorist threats or acts;
- the adequacy of our efforts to mitigate physical and cyber security risks and threats;
- the ability of our enterprise risk management processes to identify or address risks adequately;
- labor relations matters as we negotiate with 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 geographically;
- 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, instability of certain financial institutions, changes in monetary policy, adverse capital markets activity or macroeconomic conditions as a result of geopolitical conflicts, and the prospect of a shutdown 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 unbilled revenue;
- the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements;
- the impact of the evolving U.S. political environment, including, as a result of the change in U.S. federal administration, leadership and policy changes or threatened changes at U.S. federal regulatory agencies that have 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
- the risks set forth in “Risk Factors” included elsewhere in this annual report.

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 annual report or as of the date of any document incorporated by reference in this annual report, as applicable. When considering forward-looking statements, investors should keep in mind the cautionary statements in this annual report and the documents incorporated by reference. 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.

Overview

California Water Service Group (Company) is a holding company with seven operating subsidiaries: Cal Water, Washington Water Service Company (Washington Water), New Mexico Water Service Company (New Mexico Water), Hawaii Water Service Company, Inc. (Hawaii Water), TWSC, Inc. (Texas Water), CWS Utility Services, and HWS Utility Services LLC (CWS Utility Services and HWS Utility Services LLC being referred to collectively in this annual report as Utility Services). Cal Water, Washington Water, New Mexico Water, and Hawaii Water are regulated public utilities. Texas Water is a holding company with regulated and contracted wastewater utilities.

The regulated utility entities also provide non-regulated services. Utility Services holds non-utility property and provides non-regulated services to private companies and municipalities outside of California (see "Non-Regulated Activities" below for more details). Cal Water was the original operating company that began operations in 1926.

Our business is conducted through our operating subsidiaries and we provide utility services to approximately two million people. The bulk of our business consists of the production, purchase, storage, treatment, testing, distribution, and sale of water for domestic, industrial, public, and irrigation uses, and the provision of domestic and municipal fire protection services. In some areas, we provide wastewater collection and treatment services, including treatment which allows water recycling. We also provide non-regulated water-related services under agreements with municipalities and other private companies. The non-regulated services include full water system operation, meter reading, and billing services. Non-regulated operations also include the lease of communication antenna sites, lab services, and promotion of other non-regulated services.

During the year ended December 31, 2024, there were no significant changes in the kind of products produced or services rendered by our operating subsidiaries, or in the markets or methods of distribution.

Our mailing address and contact information is:

California Water Service Group
1720 North First Street
San Jose, California 95112-4598
Telephone number: 408-367-8200
www.calwatergroup.com

Annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports are available free of charge through our website at www.calwatergroup.com. The reports are available on our website as soon as reasonably practicable after such reports are filed with the U.S. Securities and Exchange Commission (SEC).

The content on any website referred to in this annual report is not incorporated by reference in this annual report unless expressly noted.

Regulated Business

California water operations are conducted by Cal Water, which provides service to approximately 499,400 customer connections in approximately 100 California communities through 20 separate districts, which are subject to regulation by the CPUC. California water operations accounted for approximately 89.2% of our total customer connections and 92.3% of our total consolidated operating revenue in 2024.

We operate the City of Hawthorne and the City of Commerce water systems under lease agreements. In accordance with the lease agreements, we receive all revenues from operating the systems and are responsible for paying the operating costs. The City of Hawthorne and the City of Commerce lease revenues are governed through their respective city councils and are considered non-regulated because they are outside of the CPUC's jurisdiction. We report revenue and expenses for the City of Hawthorne and City of Commerce leases in operating revenue and operating expenses because we are entitled to retain all customer billings and are responsible for all operating expenses. These leases are considered "nontariffed products and services" (NTPS) by the CPUC and require a 10% revenue share with regulated customers.

In October of 2011, an agreement was negotiated with the City of Hawthorne to lease and operate its water system. The system, which is located near our Hermosa Redondo district, serves about half of Hawthorne's population. The capital lease agreement required an up-front $8.1 million lease deposit to the city that is being amortized over the lease term. Additionally, annual lease payments are contracted to be adjusted based on changes in rates charged to customers. Under the lease, we are responsible for all aspects of system operation and capital improvements, although title to the system and system improvements reside with the city. Capital improvements are recorded as depreciable plant and equipment and depreciated per the asset lives set forth in the agreement. In exchange, we receive all revenue from the water system, which was $12.7 million, $12.2 million, and $12.5 million in 2024, 2023, and 2022, respectively. At the end of the lease, the city is required to reimburse us for the unamortized value of capital improvements made during the term of the lease. The City of Hawthorne capital lease is a 15-year lease and expires in 2026.

In April of 2018, a renewal agreement was negotiated with the City of Commerce for us to continue to lease and to operate its water system for 15 years. Under the agreement, the operating lease requires us to pay $0.8 million per year in monthly installments. We have operated the City of Commerce water system since 1985 and are responsible for all operations, maintenance, water quality assurance, customer service programs, and financing capital improvements to provide a reliable supply of water that meets federal and state standards to customers served by the City of Commerce system. The City of Commerce retains title to the system and system improvements and remains responsible for setting its customers' water rates. We bear the risks of operation and collection of amounts billed to customers. In exchange, we receive all revenue from the water system, which was $4.1 million, $4.2 million, and $4.2 million, in 2024, 2023, and 2022, respectively. The agreement allows us to request a rate change annually in order to recover costs.

Hawaii Water provides service to approximately 6,700 water and wastewater customer connections on the islands of Kauai, Maui, Oahu, and Hawaii, including several large resorts and condominium complexes. Hawaii Water's regulated customer connections are subject to the jurisdiction of the Hawaii Public Utilities Commission (HPUC). Hawaii Water accounted for 1.2% of our total customer connections and approximately 4.3% of our total consolidated operating revenue in 2024.

Washington Water provides domestic water service to approximately 38,300 customer connections in the Tacoma, Olympia, Graham, Spanaway, Puyallup, Rainier, Yelm, and Gig Harbor areas. Washington Water's utility operations are regulated by the Washington Utilities and Transportation Commission (UTC). Washington Water accounted for approximately 6.8% of our total customer connections and approximately 2.3% of our total consolidated operating revenue in 2024.

New Mexico Water provides service to approximately 11,500 water and wastewater customer connections in our Rio Communities, Rio Del Oro, Meadow Lake, Indian Hills, Squaw Valley, Elephant Butte, Morningstar, Sandia Knolls, Juan Tomas, Monterey, and Cypress Gardens systems. New Mexico's regulated operations are subject to the jurisdiction of the New Mexico Public Regulation Commission. New Mexico Water accounted for approximately 2.1% of our total customer connections and 0.7% of our total consolidated operating revenue in 2024.

In May of 2021, Texas Water became the majority owner of BVRT Utility Holding Company (BVRT), a Texas-based utility development company owning and operating seven wastewater utilities serving growing communities outside of Austin and San Antonio. BVRT provides regulated wastewater services under the rules and regulation of the Texas Public Utilities Commission. Texas Water initially invested funds to enable BVRT to continue to build wastewater infrastructure and converted its investment to equity. BVRT's seven wastewater utilities currently serve or are under contract to serve approximately 4,200 customer connections. On August 16, 2022, BVRT entered into a long-term water supply agreement with the Guadalupe Blanco River Authority (GBRA) that enables BVRT to receive up to 2,419 acre-feet of potable water annually (see Note 15 for more details). Texas Water accounted for approximately 0.7% of our total customer connections and 0.4% of our total consolidated operating revenue in 2024.

The state regulatory bodies governing our regulated operations are referred to as the Commissions in this annual report. Rates and operations for regulated customers are subject to the jurisdiction of the respective state's regulatory Commission. The Commissions require that water and wastewater rates for each regulated district be independently determined based on the cost of service. The Commissions are expected to authorize rates sufficient to recover normal operating expenses and allow the utility to earn a fair and reasonable return on invested capital.

We treat and distribute water and treat wastewater in accordance with accepted water utility methods. Where applicable, we hold franchises and permits in the cities and communities where we operate. The franchises and permits allow us to operate and maintain facilities in public streets and rights-of-way as necessary.

Non-Regulated Activities

Non-regulated activities consist primarily of the operation of water systems that are owned by other entities under lease agreements, leasing of communication antenna sites on our properties, and billing of optional third-party insurance programs to our residential customers.

Fees for non-regulated activities are based on contracts negotiated between the parties. Under our non-regulated contract arrangements, we operate municipally owned water systems and privately owned water and recycled water distribution systems, but are not responsible for all operating costs. Non-regulated revenue received from non-leased water system operations is generally determined on a fee-per-customer basis.

In California, nearly all non-regulated activities are considered NTPS. The prescribed accounting for these NTPS is incremental cost allocation plus revenue sharing with regulated customers. Non-regulated services determined to be “active activities” require a 10% revenue sharing, and “passive activities” require a 30% revenue sharing. The amount of non-regulated revenues subject to revenue sharing is the total billed revenues less any authorized pass-through costs. Some examples of CPUC authorized pass-through costs are purchased water, purchased power, and pump taxes. All of our non-regulated services, except for leasing communication antenna sites on our properties, are “active activities” subject to a 10% revenue sharing. Leasing communication antenna sites on our properties are “passive activities” subject to a 30% revenue sharing. Cal Water’s annual revenue sharing with regulated customers was $2.8 million, $2.7 million, and $2.7 million in 2024, 2023, and 2022, respectively.

Operating Segment

We operate in one reportable segment, the supply and distribution of water and providing water-related utility services. For information about revenue from external customers, net income attributable to California Water Service Group and total assets, see “Item 8. Financial Statements and Supplementary Data.”

Growth

We intend to continue exploring opportunities to expand our regulated and non-regulated water and wastewater activities, particularly in the western United States. The opportunities could include system acquisitions, lease arrangements similar to the City of Hawthorne and City of Commerce contracts, utility development investments similar to the BVRT investment, full service system operation and maintenance agreements, customer service functions, and other utility-related services.

Geographical Service Areas and Number of Customer Connections at Year-end

Our principal markets are users of water within our service areas. The approximate number of customer connections served in each regulated district, the City of Hawthorne and the City of Commerce, at December 31 is as follows:

(rounded to the nearest hundred)	2024	2023
SAN FRANCISCO BAY AREA/NORTH COAST		
Bay Area Region (serving South San Francisco, Colma, Broadmoor, San Mateo, San Carlos, Lucerne, Duncans Mills, Guerneville, Dillon Beach, Noel Heights and portions of Santa Rosa)	56,000	56,000
Bear Gulch (serving portions of Menlo Park, Atherton, Woodside and Portola Valley)	19,200	19,100
Los Altos (including portions of Cupertino, Los Altos Hills, Mountain View and Sunnyvale)	19,000	19,000
Livermore	19,000	19,000
	113,200	113,100
SACRAMENTO VALLEY		
North Valley Region (serving Chico, Hamilton City, and Oroville)	35,400	35,200
Marysville	3,800	3,800
Dixon	3,100	3,100
Willows	2,400	2,400
	44,700	44,500
SALINAS VALLEY		
Salinas Valley Region (including Salinas and King City)	31,900	31,800
	31,900	31,800
SAN JOAQUIN VALLEY		
Bakersfield	74,900	74,400
Stockton	45,300	45,200
Visalia	49,100	48,700
Selma	6,700	6,600
Kern River Valley	4,000	4,000
	180,000	178,900
LOS ANGELES AREA		
East Los Angeles	26,900	26,900
South Bay Region (serving Hermosa Beach, Redondo Beach, Carson, and portions of Compton, Harbor City, Long Beach, Los Angeles, and Torrance)	61,800	61,800
Los Angeles County Region (including Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills Estates, Rolling Hills, Fremont Valley, Lake Hughes, Lancaster and Leona Valley)	26,100	26,000
Westlake (a portion of Thousand Oaks)	7,100	7,100
Hawthorne and Commerce (leased municipal systems) and Travis Airforce Base (utility privatization contract)	7,700	7,600
	129,600	129,400
CALIFORNIA TOTAL	499,400	497,700
HAWAII	6,700	6,500
NEW MEXICO	11,500	11,400
WASHINGTON	38,300	38,000
TEXAS	4,200	2,800
COMPANY TOTAL	560,100	556,400

Rates and Regulation

The Commissions have plenary powers setting both rates and operating standards. As such, the Commissions' decisions significantly impact the Company's revenues, earnings, and cash flows. The amounts discussed herein are generally annual amounts, unless otherwise stated, and the financial impact to recorded revenue is expected to occur over a 12-month period from the effective date of the decision. In California, water utilities are required to make several different types of filings. Certain filings, such as GRC filings, escalation rate increase filings, and offset filings, may result in rate changes that generally remain in place until the next GRC. As explained below, surcharges and surcredits to recover balancing and memorandum accounts as well as GRC interim rate relief are temporary rate changes, having specific time frames for recovery.

The CPUC follows a rate case plan which requires Cal Water to file a GRC for each of its regulated operating districts (except Grand Oaks, which is filed as needed) every three years. In a GRC proceeding, the CPUC not only considers the utility's rate setting requests, but may also consider other issues that affect the utility's rates and operations. The CPUC is generally required to issue its GRC decision prior to the first day of the test year or authorize interim rates and an Interim Rates Memorandum Account (IRMA). In accordance with the rate case plan, Cal Water filed its most recent GRC filing in July of 2024 (2024 GRC) requesting rate changes effective January 1, 2026. For additional information on our 2024 GRC, see "California Regulatory Activity".

Between GRC filings, Cal Water may file escalation rate increases, which allow Cal Water to recover cost increases, primarily from inflation and incremental investments, generally during the second and third years of the rate case cycle. However, escalation rate increases are district specific and subject to an earnings test. The CPUC may reduce a district's escalation rate increase if, in the most recent 13-month period, the earnings test reflects earnings in excess of what was authorized for that district.

In addition, California water utilities are entitled to make offset requests via an advice letter. Offsets may be requested to adjust revenues for construction projects authorized in GRCs or recycled water projects when those capital projects go into service (these filings are referred to as "rate base offsets"), or for rate changes charged to Cal Water for purchased water, purchased power, and pump taxes (which are referred to as "expense offsets"). Rate changes approved in offset requests remain in effect until the next GRC is approved.

California Regulatory Activity

2024 GRC Application

On July 8, 2024, Cal Water submitted Infrastructure Improvement Plans (the Plans) for its California districts from 2025 to 2027 in its 2024 GRC application with the CPUC. The application also proposes a Low-Use Water Equity Program, that would, if approved as filed, decouple revenue from water sales, to assist low-water-using, lower-income customers.

The required, triennial filing begins an approximately 18-month review process by the CPUC, which will analyze the Plans, operating budget proposals, and the Low-Use Water Equity Program to establish water rates for 2026 to 2028 that reflect the cost of providing safe, reliable water service. Associated rates set by the CPUC would become effective no sooner than January 2026. Cal Water has concluded an initial pre-hearing conference and an administrative law judge and Commissioner have been assigned to the case. The Commissioner issued the Scoping Memo and Ruling in November 2024 identifying the issues to be addressed and setting the schedule for the proceeding. Subsequent to year end, public participation hearings were conducted and Cal Water received California Public Advocate's (CalPA) report providing comments on the 2024 GRC application. Cal Water will provide a response to the CalPA report during the first quarter of 2025.

In the Plans, Cal Water proposes to invest more than $1.6 billion in its districts from 2025 to 2027, including approximately $1.3 billion of newly proposed capital investments. About 46% of the proposed new infrastructure improvements are to replace aging water pipelines. Such improvements are designed to enhance water supply reliability to support customers' and firefighters' everyday and emergency needs. The Plans also include, among other projects:

- Water quality upgrades to treat for existing and newly regulated contaminants.
- Infrastructure replacements to help ensure reliable delivery of water service.
- Equipment such as generators to help withstand power outages and shutoffs, and solar installation projects to help reduce Cal Water's dependency on the electric power grid and lessen our environmental footprint.
- Physical and cyber security and safety enhancements to help protect facilities, customers, and employees.
- Water supply initiatives to help safeguard long-term reliability and sustainability of water sources.
- Advanced Metering Infrastructure to aid conservation efforts and enhance water-use efficiency.

Cal Water's proposed Low-Use Water Equity Program would, if approved as filed, decouple revenue from water sales across its regulated service areas. The program is designed to work in conjunction with Cal Water's proposed four-tier rate design and sales forecast proposals to enhance affordability—particularly for low-use and low-income customers—plus reinforce conservation goals, while providing the utility an opportunity to recover its authorized revenue requirement in a timely manner.

To support these investments, Cal Water has proposed to change 2024 rates to increase 2026 total revenue by $140.6 million, or 17.1%. Cal Water also proposes rate increases of $74.2 million, or 7.7%, in 2027; and $83.6 million, or 8.1%, in 2028.

2021 GRC

The CPUC approved a decision on March 7, 2024 on the 2021 GRC. The decision marked the end of an extensive review of Cal Water's water system improvement plans, costs, and rates. The decision adopted a revised version of the alternate proposed decision issued on January 24, 2024, and increases adopted revenues, after corrections, for 2023 by approximately $41.5 million retroactive to January 1, 2023. It also potentially increases revenues by up to approximately $30.0 million for 2024 and $30.6 million for 2025, subject to the CPUC's earnings test and inflationary adjustments.

The decision authorized Cal Water to invest approximately $1.2 billion from 2021 through 2024 in water system infrastructure projects that we believe were needed to continue providing safe, reliable water service to customers throughout California. This also includes approximately $160 million of infrastructure projects that may be submitted for recovery via the CPUC's advice letter process.

The CPUC's decision approves a progressive rate design that is intended to provide budget stability while benefiting low-income and low-water-using customers by significantly decreasing the cost of the first six units of water consumed and increasing the percentage of fixed costs that are recovered in the service charge.

On March 15, 2024, Cal Water submitted a request for expedited corrections in the March 7th decision. The decision and its appendices contained certain language, numbers, and calculations that were inconsistent or did not fully reflect the substantive outcomes described in the approved decision. On April 23, 2024, the executive director of the CPUC issued a decision approving the corrections.

On April 1, 2024, Cal Water submitted an advice letter requesting an increase in annual revenue of $42.5 million for all of its rate making areas (besides Grand Oaks) effective May 1, 2024. The advice letter was approved and included the effects of the expense offsets of $4.7 million and cost of capital filing of $11.4 million that were implemented on January 1, 2024, as well as $5.8 million in rate base offsets that were effective on May 1, 2024. The remaining $20.6 million increase was primarily due to 2024 escalations. Cal Water implemented the new rates incorporating all these items on May 31, 2024.

2021 GRC IRMA

The 2021 GRC was approved in March of 2024 and final rates for the 2021 GRC were implemented on May 31, 2024; as a result, Cal Water calculated and recorded an IRMA regulatory asset of $88.6 million and a corresponding increase to revenue for the difference between final rates and interim rates for all of 2023 and the first five months of 2024. The IRMA regulatory asset was reduced by $2.5 million for Rate Support Fund (RSF) credits that would have been given to customers had the rate case been approved on time with an associated increase to regulatory assets for the RSF program. Cal Water also recorded an IRMA regulatory liability of $5.6 million with a corresponding increase to regulatory assets for Customer Assistance Program (CAP) credits that would have been given to customers had the rate case been approved on time. Finally, Cal Water recorded an IRMA regulatory asset of $0.4 million with a corresponding decrease to regulatory asset for the CAP and RSF for surcharges that would have been billed to fire protection customers had the rate case been approved on time. During the third quarter of 2024, Cal Water was approved to recover and refund the recorded IRMA regulatory assets and liabilities in the form of either 12-month, 24-month, or longer surcharges or 12-month surcredits. The surcharges and surcredits were implemented on October 1, 2024.

Escalation Increase Requests

As a part of the decision on the 2021 GRC, Cal Water was authorized to request annual escalation rate increases for 2024 and 2025 for those districts that passed the CPUC's earnings test. In April of 2024, Cal Water requested 2024 escalation rate increases for 17 of its regulated districts. The increase in annual adopted gross revenue associated with the April 2024 filing was $20.6 million. The new rates were approved and subsequently implemented on May 31, 2024, as discussed above.

In November of 2024, Cal Water requested 2025 escalation rate increases for 18 of its regulated districts. The increase in annual adopted gross revenue associated with the November 2024 filing was $27.2 million. The new rates were approved and subsequently implemented on January 1, 2025.

Rate Base Offset Requests

For construction projects authorized in the 2021 GRC as advice letter projects, Cal Water is allowed to request rate base offsets to increase revenues after the project goes into service. In March of 2024, Cal Water submitted a $39.1 million rate base offset advice letter to recover $5.8 million of annual revenue increases in all of its regulated districts. The new rates were approved and subsequently implemented on May 31, 2024, as discussed above.

In October of 2024, Cal Water submitted a $5.7 million rate base offset advice letter to recover $0.9 million of annual revenue increases in 9 of its regulated districts. The new rates were approved and subsequently implemented on January 1, 2025.

Expense Offset Requests

Expense offsets are dollar-for-dollar increases in revenue to match increased expenses, and therefore do not affect net operating income. In November of 2023, Cal Water submitted an advice letter to request offsets for increases in purchased water costs and pump taxes in six of its regulated districts totaling $5.1 million. The new rates were approved and subsequently implemented on January 1, 2024. In April of 2024, Cal Water submitted an advice letter to update these rates based on the approved 2021 GRC. The annual increase was updated from an increase of $5.1 million to an increase of $4.7 million and the new updated rates were approved and subsequently implemented on May 31, 2024, as discussed above.

In October of 2024, Cal Water submitted an advice letter to request offsets for increases in purchased water costs and pump taxes in eight of its regulated districts totaling $17.1 million. The new rates were implemented on January 1, 2025.

Monterey-Style Water Revenue Adjustment Mechanism (MWRAM) Filing

In September of 2024, Cal Water submitted an advice letter requesting surcharges to bill for the MWRAM-related undercollections for 2023 for its regulated districts with tiered rates. The MWRAM tracks the difference between quantity revenues collected under each residential rate tier and the quantity revenues that would have been collected under a single quantity rate at the equivalent level of sales. The advice letter was approved and $17.4 million is being recovered from customers in the form of 12- and 24-month surcharges. The new rates were approved and subsequently implemented on October 1, 2024.

Incremental Cost Balancing Account (ICBA) Filing

In September of 2024, Cal Water submitted an advice letter to true-up the 2023 annual ICBAs of its regulated districts. The ICBAs track the difference between actual cost for water production inputs (purchased water, purchased power, and pump taxes) and adopted costs reflected in rates. The advice letter was approved and $7.1 million is being refunded to customers in the form of either one time or 12-month surcredits. Additionally, $0.6 million is being recovered from customers in the form of 12-month surcharges. The new rates were approved and subsequently implemented on October 1, 2024.

Cost of Capital Application

The CPUC issued and adopted a proposed decision for the Cal Water 2021 Cost of Capital Application in the second quarter of 2023. Cal Water was authorized a return on equity of 9.05%, a cost of debt of 4.23%, a capital structure of 53.4% equity and 46.6% debt, and an authorized rate of return of 6.80% for 2023 and 2024. The CPUC also reauthorized the Water Cost of Capital Mechanism (WCCM), which automatically adjusts the rate of return when the Moody's Utilities Bond Index (Index) fluctuates between cost of capital applications. Because the Index changed in 2022, the WCCM triggered for 2023. At the time that WCCM triggered and before new rates were implemented Cal Water's rate of return was 7.48%. Cal Water implemented new rates based on an authorized 9.57% return on equity, with a 4.23% cost of debt, and an authorized rate of return of 7.08% on July 31, 2023. The 40 basis-point reduction from Cal Water's prior rate of return of 7.48% lowered adopted annual operating revenue as of July 31, 2023 by $7.0 million.

In October of 2023, Cal Water evaluated the WCCM for 2024 and determined that it was triggered due to a change in the Index in 2023. Cal Water filed an advice letter to implement new rates based on an authorized 10.27% return on equity, with a 4.23% cost of debt, and an authorized rate of return of 7.46% effective January 1, 2024. These new rates were approved and subsequently implemented on January 1, 2024. The 38 basis-point increase from Cal Water's rate of return for the period July 31, 2023 to December 31, 2023 of 7.08% positively impacted adopted annual operating revenue for 2024 by approximately $10.0 million. In April of 2024, Cal Water submitted an advice letter to update these rates based on the approved 2021 GRC. The annual increase was updated to $11.4 million and the new updated rates were approved and subsequently implemented on May 31, 2024, as discussed above.

On February 2, 2024, Cal Water received a letter from the CPUC addressed jointly to Cal Water and three other Class A water companies granting their request for a one-year extension in their next cost of capital filing with the CPUC to May 1,

2025. The WCCM will remain in effect during the one-year extension. As a result, Cal Water's authorized return on equity in 2025 is expected to be 10.27% plus or minus any changes from the WCCM.

In October of 2024, Cal Water evaluated the WCCM for 2025 and determined that it was not triggered. Since the WCCM was not triggered, there will be no change to Cal Water's 10.27% return on equity for 2025 as a result of the WCCM. The next measurement date for the WCCM is September 30, 2025.

On January 14, 2025, Cal Water received a letter from the CPUC addressed jointly to Cal Water and three other Class A water companies granting their request for an additional one-year extension in their cost of capital filing with the CPUC to May 1, 2026. The WCCM will remain in effect during the one-year extension. As a result, Cal Water's authorized return on equity in 2026 is expected to be 10.27% plus or minus any changes from the WCCM.

2023 Financing Application for California

On August 2, 2024, the CPUC granted Cal Water the authority to issue up to $1.3 billion of new equity and debt securities, in addition to previously-authorized amounts, to finance water system infrastructure investments from 2023 to 2027. Cal Water was also granted a waiver that authorizes each Cal Water borrowing under its revolving credit arrangements to be payable at periods up to twenty-four months from the date of the applicable borrowing, rather than the twelve-month period currently permitted for short-term borrowings.

Per- and Polyfluoroalkyl Substances Memorandum Account (PFAS MA)

Public water systems have been ordered by the Water Board to detect, monitor, and report perfluorooctanoic and perfluorooctanesulfonic acid in drinking water. In the third quarter of 2020, the CPUC approved the PFAS MA which allows Cal Water to track incremental expenses related to compliance with the order. The tracking of capital costs was excluded due to the lack of a MCL at that time.

In March of 2023, the EPA issued proposed MCLs for six per- and polyfluoroalkyl substances (PFAS). In September of 2023, Cal Water filed an application with the CPUC to modify the PFAS MA to track capital related costs associated with activities necessary to comply with the proposed PFAS drinking water regulations. Cal Water also proposed to submit Tier 2 advice letters requesting authority to add completed PFAS-related capital projects to authorized rate base. On April 18, 2024, the CPUC dismissed, without prejudice, Cal Water's application requesting authorization to modify a previously approved PFAS-expense memorandum account to include capital investments related to PFAS compliance for future recovery. The dismissal does not preclude Cal Water from seeking regulatory recovery for its capital investments. Cal Water may seek recovery through a separate application or a GRC application. Cal Water expects to refile its application in the first half of 2025.

California Supreme Court Decision on Decoupling

The CPUC issued a decision effective August 27, 2020 requiring that Class A water utilities submitting GRC filings after the effective date be precluded from proposing the use of a full decoupling Water Revenue Adjustment Mechanisms (WRAM) in their next GRCs. In September 2020, Cal Water filed an Application for Rehearing at the CPUC seeking to reverse the August 27, 2020 CPUC decision. In September 2021, the CPUC denied the Application for Rehearing. On or about October 27, 2021, Cal Water along with four other Class A California water utilities filed Petitions for a Writ of Review with the California Supreme Court (Court). On May 18, 2022, the Court issued writs granting review and ordered the CPUC and other filing parties to submit additional pleadings to the Court. The final pleadings were submitted on January 13, 2023. Oral arguments were held on May 8, 2024 and, on July 8, 2024, the Court issued a unanimous decision voiding the WRAM provisions in the August 27, 2020 CPUC decision. As a result, Cal Water and other Class A water utilities submitting GRC filings are no longer precluded from proposing the use of a full decoupling WRAM in their GRCs, as reflected in the 2024 GRC filing.

Palos Verdes Peninsula Water Reliability Project (PV Project)

In 2002, Cal Water commissioned a Water System Master Plan (Master Plan) for the Palos Verdes water system. The Master Plan identified the high-priority need to augment the existing potable water system with new transmission mains and a new pump station to improve the capacity and reliability of the water system. This resulted in the development of a capital project known as the PV Project. Before the PV Project, a single pipeline that was over 60 years old delivered potable water to approximately 90 percent of the Peninsula, and a second pipeline of the same age delivered water to the remaining 10 percent. Both of these pipelines were approaching the end of their useful lives.

The CPUC authorized Cal Water to recover revenue associated with costs up to a cap of $96.1 million after the PV Project was placed in service, subject to the CPUC's reasonableness review. In 2020, the PV Project was completed and Advice Letter 2387 was filed asking for authority to increase rates reflecting the PV Project costs up to the cap, with an effective date of

August 27, 2020. The advice letter was approved on January 29, 2021. New rates were implemented on February 1, 2021, with the revenue requirement being effective as of August 27, 2020.

Due to the complexity of the PV Project, total project costs exceeded the advice letter cap of $96.1 million. Total project costs incurred were $117.2 million. Amongst other things, the 2021 GRC approved an additional $6.4 million of capital costs to be included in base rates plus authority to open a memorandum account allowing Cal Water to track incremental capital-related costs associated with this project.

In July of 2024, Cal Water submitted a Tier 3 advice letter to recover the remaining $14.7 million of capital costs not in base rates. Cal Water requested an increased revenue requirement for Palos Verdes customers of $1.8 million which is obtained by adding $14.2 million to rate base for the additional capital costs of the PV Project (which equals the $14.7 million above less two years of depreciation). Cal Water also requested to recover $3.8 million of revenue tracked in the memorandum account through a temporary surcharge of $0.2832 per ccf for 24 months. This includes $3.6 million of the revenue requirement for 2023 and 2024 from the increase in total capital costs above what was already included in base rates and $0.2 million of interest.

On January 30, 2025, a final decision was issued that approved Cal Water’s request to include $14.2 million of incremental costs in rate base and for a temporary surcharge to recover $3.8 million of carrying costs tracked in the memo account. New base rates were implemented on February 1, 2025 and new surcharges are expected to be implemented on April 1, 2025.

California Drought Memorandum Account (DRMA)

In June 2021, Cal Water submitted advice letters to request a DRMA to track the incremental operational and administrative costs incurred to further implement updated Rule 14.1 for voluntary conservation measures and Schedule 14.1 for implementation of our Water Shortage Contingency Plan (WSCP), including activities related to enhanced conservation efforts, staffing, and capital expenditures to provide a safe, reliable water supply. The DRMA would also track monies paid by customers for fines, penalties, or other compliance measures associated with water use violations and penalties paid by Cal Water to its water wholesalers. The DRMA was approved by the CPUC with an effective date of June 14, 2021.

California’s Governor issued a drought declaration for all California counties through a series of State of Emergency Proclamations with the most recent in March 2022. Given these drought proclamations and then-existing water usage levels in all of its service areas, in 2022 Cal Water activated Stage 2 of the “Water Use Restrictions of its WSCP” of Schedule 14.1 in all of its service areas; as a result, Cal Water saw an increase in DRMA related costs in 2022 and 2023.

In Stage 1, irrigating ornamental landscape with potable water is prohibited during the hours of 8:00 a.m. and 6:00 p.m. In Stage 2, irrigating ornamental landscapes with potable water is limited to no more than three days per week as well as prohibited during the hours of 8:00 a.m. and 6:00 p.m. In addition, this stage states that new connections may not install single-pass cooling systems for air conditioning or other cooling system applications unless required for health or safety reasons.

On March 24, 2023, the Governor issued an Executive Order (EO) that, among other things, ended the voluntary 15% water conservation target and ended the requirement that local water agencies implement Stage 2 of their drought contingency plans. This EO maintained the ban on wasteful water uses and retained the State of Emergency for all 58 California counties to allow for drought response and recovery efforts to continue.

On May 8, 2023, Cal Water deactivated Stage 2 and moved to Stage 1 of Cal Water’s Schedule 14.1 of the WSCP in all regulated service areas.

On July 28, 2023, Cal Water submitted a Tier 3 advice letter requesting authority to amortize $1.4 million of incremental expenses incurred from June 14, 2021 to December 31, 2022 tracked in the DRMA.

On January 30, 2025, a final decision was issued that approved Cal Water’s request to recover $1.4 million of incremental costs tracked in the DRMA. New surcharges are expected to be implemented on April 1, 2025.

Regulatory Activity - Other States

Financing Application for Hawaii

On October 3, 2024, the HPUC granted Hawaii Water the authority to issue up to $20.8 million of new equity and debt securities, in addition to previously-authorized amounts, to fund on-going and planned capital improvement projects related to water and wastewater utility services within Hawaii Water's service territories.

Kukui'ula South Shore Community Services

In April of 2022, Hawaii Water signed an agreement to acquire the assets of Kukui'ula South Shore Community Services, LLC (KSSCS). Located in the Kukui'ula Resort region of southeast Kauai, KSSCS is a collection-only wastewater utility regulated by the HPUC. Hawaii Water received HPUC approval for the acquisition in September of 2024. On December 4, 2024, the transaction closed and Hawaii Water took control over the system. The total cash purchase price was $1.6 million.

As part of the acquisition, Hawaii Water will own and manage the utility, which currently serves approximately 440 residential, commercial, and resort customers, but is expected to be able to serve up to 1,500 connections upon the completion of a planned resort buildout.

Water Supply

Our source of supply varies among our operating districts. Certain districts obtain all of their supply from wells; some districts purchase all of their supply from wholesale suppliers; and other districts obtain supply from a combination of wells and wholesale suppliers. A small portion of supply comes from surface sources and is processed through Company-owned water treatment plants. To the best of management's knowledge, we are meeting water quality, environmental, and other regulatory standards for all Company-owned systems.

Historically, approximately half of our annual water supply is pumped from wells. State groundwater management agencies operate differently in each state. Some of our wells extract ground water from water basins under state ordinances. These are adjudicated groundwater basins, in which a court has settled the dispute between landowners, or other parties over how much annual groundwater can be extracted by each party. All of our adjudicated groundwater basins are located in the State of California. Our average annual groundwater extraction from adjudicated groundwater basins approximates 7.8 billion gallons or 14.9% of our total average annual (2023 to 2024) water supply pumped from wells. Historically, we have extracted less than 100% of our annual adjudicated groundwater rights and have the right to carry forward up to 20% of the unused amount to the next annual period. All of our remaining wells extract ground water from managed or unmanaged water basins. There are no set limits for the ground water extracted from these water basins. Our average annual groundwater extraction from managed groundwater basins approximates 29.6 billion gallons or 56.4% of our total average annual (2023 to 2024) water supply pumped from wells. Our average annual groundwater extraction from unmanaged groundwater basins approximates 15.0 billion gallons or 28.7% of our total average annual (2023 to 2024) water supply pumped from wells. Many managed groundwater basins we extract water from have groundwater recharge facilities for which we financially support the recharge activities by paying well pump taxes. Our well pump taxes for 2024, 2023, and 2022 were $21.8 million, $19.0 million, and $16.2 million, respectively. In 2014, the State of California enacted the Sustainable Groundwater Management Act of 2014 (SGMA). The law and its implementing regulations required most basins to create a sustainability agency by 2017, develop a sustainability plan by the end of 2022, and show progress toward sustainability by 2027. We expect that after the SGMA provisions are fully implemented, all the Company's California groundwater will be produced from sustainably managed and/or adjudicated basins.

California's normal weather pattern yields little precipitation between mid-spring and mid-fall. The Washington Water service areas receive precipitation in all seasons, with the heaviest amounts during the winter. New Mexico Water's rainfall is heaviest in the summer monsoon season. Hawaii Water receives precipitation throughout the year, with the largest amounts in the winter months. Typically water usage in all service areas is highest during the warm and dry summers and declines in the cool winter months. Rain and snow during the winter months in California replenish underground water aquifers and fill reservoirs, providing the water supply for subsequent delivery to customers. As of January 9, 2025, the snowpack water content in California's northern Sierra region during the 2024 to 2025 water year was 139% of long-term averages (per the California Department of Water Resources). The northern Sierra region is the most important for the state's urban water supplies. The central and southern portions of the Sierras have recorded 85% and 64%, respectively, of long-term averages. Management believes that supply pumped from underground aquifers and purchased from wholesale suppliers will be adequate to meet customer demand during 2025 and thereafter. However, water rationing may be required in future periods, if declared by the state or local jurisdictions. Long-term water supply plans are developed for each of our districts to help assure an adequate water supply under various operating and supply conditions. Some districts have unique challenges in meeting water quality standards, but management believes that supplies will meet current standards using currently available treatment processes or by installing the best available technologies.

On May 31, 2018, California's Governor signed two bills (Assembly Bill 1668 and Senate Bill 606) into law that were intended to establish long-term standards for water use efficiency. The bills revise and expand the existing urban water management plan requirements to include five-year drought risk assessments, water shortage contingency plans, and annual water supply/demand assessments. The Water Board, in conjunction with the California Department of Water Resources, has adopted long-term water use standards for indoor residential use, outdoor residential use, water losses, and other uses. Cal Water is also required to calculate and report on urban water use targets each year, that compares actual urban water use to the targets. Management believes that Cal Water is well positioned to comply with all such regulations.

In April of 2024, the EPA finalized a National Primary Drinking Water Regulation establishing legally enforceable MCLs, for six PFAS in drinking water. Under the PFAS regulation, water utilities across the country are required to complete initial PFAS monitoring by 2027 and to implement treatment for sources exceeding the MCL by 2029. We estimate a capital investment of approximately $226.0 million will be required to comply with the regulation. The Company is a party to four separate class-action settlements with the following companies: 3M Company; E.I. Du Pont de Nemours and Company (n/k/a EIDP, Inc.), DuPont de Nemours, Inc., The Chemours Company, The Chemours Company FC, LLC, and Corteva, Inc. (collectively, DuPont); Tyco Fire Products LP; and BASF Corporation designed to resolve certain claims for PFAS contamination of drinking water in active public water systems. The estimated proceeds from these settlements will provide partial funding for treatment solutions to remove PFAS from water sources in which PFAS has been detected, future testing, and operational expenses. The Company expects to receive proceeds from settlements with the 3M Company and DuPont in the first half of 2025 and expects to receive proceeds from settlements with Tyco Fire Products LP and BASF Corporation in approximately late 2025 or early 2026. The Company plans to use any settlement proceeds received (after deducting legal fees and expenses) to offset capital expenditures required to comply with the PFAS regulation.

On April 17, 2024, the Water Board adopted an MCL of 10 parts per billion for Chromium-6 in drinking water. Our water systems in California will be required to comply with the regulation within two to four years. We developed and installed treatment for this contaminant at most of our impacted water sources when the same MCL was originally set in 2014, which was subsequently vacated for administrative reasons. After the MCL was vacated, we continued to treat our impacted water systems. We anticipate installing treatment for the remaining impacted sources before the regulatory deadline.

The following table shows the estimated quantity of water purchased and the percentage of purchased water to total water production in each California operating district that purchased water in 2024. Other than noted below, all other districts receive 100% of their water supply from wells.

District	Water Purchased (MG)	Percentage of Total Water Production	Source of Purchased Supply
SAN FRANCISCO BAY AREA/NORTH COAST			
Bay Area Region*	6,361	98.5 %	San Francisco Public Utilities Commission and Yolo County Flood Control & Water Conservation District
Bear Gulch	3,739	100.0 %	San Francisco Public Utilities Commission
Los Altos	2,188	62.0 %	Valley Water
Livermore	1,896	68.7 %	Alameda County Flood Control and Water Conservation District, Zone 7
SACRAMENTO VALLEY			
North Valley Region**	669	8.4 %	Pacific Gas and Electric Co. and County of Butte
SAN JOAQUIN VALLEY			
Bakersfield	10,047	53.3 %	Kern County Water Agency and City of Bakersfield
Stockton	5,938	79.2 %	Stockton East Water District
LOS ANGELES AREA			
East Los Angeles	477	11.1 %	Central Basin Municipal Water District
South Bay Region***	10,192	78.3 %	West Basin Municipal Water District and City of Torrance
City of Commerce	81	13.5 %	Central Basin Municipal Water District
City of Hawthorne	1,087	87.0 %	West Basin Municipal Water District
Los Angeles County Region****	4,706	96.9 %	West Basin Municipal Water District and Antelope Valley-East Kern Water Agency
Westlake	1,941	100.0 %	Calleguas Municipal Water District and Triunfo Water and Sanitation District
Kern River Valley	55	19.8 %	City of Bakersfield

MG = million gallons

* Bay Area Region includes Bayshore and Redwood Valley

** North Valley Region includes Chico and Oroville

*** South Bay Region includes Dominguez and Hermosa Redondo

**** Los Angeles County Region includes Palos Verdes and Antelope Valley

The Bear Gulch district obtains a portion of its water supply from surface runoff from the local watershed. The Oroville district in the Sacramento Valley, the Bakersfield district in the San Joaquin Valley, and the Kern River Valley district in the Los Angeles Area purchase water from a surface supply. Surface sources are processed through our water treatment plants before being delivered to the distribution system. The Bakersfield district also purchases treated water as a component of its water supply.

The Chico, Marysville, Dixon, and Willows districts in the Sacramento Valley, the Salinas Valley Region district in the Salinas Valley, the Selma and Visalia districts in the San Joaquin Valley, and the Travis Air Force Base in Solano County obtain their entire supply from wells.

Purchases for the Bayshore and Bear Gulch districts are in accordance with long-term contracts with the San Francisco Public Utilities Commission (SFPUC) until June 30, 2034. Purchases for the Los Altos, Livermore, Oroville, Redwood Valley, Stockton, and Bakersfield districts are pursuant to long-term contracts expiring on various dates after 2024. The water supplies purchased for the Dominguez, East Los Angeles, Hermosa Redondo, Palos Verdes, and Westlake districts as well as the Hawthorne and Commerce systems are provided by public agencies pursuant to a statutory obligation of continued non-preferential service to purveyors within the agencies' boundaries.

Management anticipates water supply contracts will be renewed as they expire though the price of wholesale water purchases is anticipated to increase in the future.

Shown below are wholesaler price rates and increases that became effective in 2024, and estimated wholesaler price rates and percent changes for 2025. In 2024, several districts experienced purchased water rate increases, resulting in the filing of several purchased water offsets with the CPUC.

	2024			2025		
District	**Effective Month**	**Unit Cost**	**Percent Change**	**Effective Month**	**Unit Cost**	**Percent Change**
Antelope	July	$790.00 /af	5.1%	July	$849.00 /af	7.5%
Bakersfield (1)	July	$213.00 /af	9.2%	January	$213.00 /af	—
Bear Gulch	July	$5.67 /ccf	8.8%	January	$5.67 /ccf	—
Commerce (2)	January	$1,426.00 /af	3.4%	January	$1,565.00 /af	9.7%
South Bay Region (2)	July	$1,708.00 /af	6.4%	January	$1,899.00 /af	11.2%
East Los Angeles (2)	January	$1,426.00 /af	3.4%	January	$1,565.00 /af	9.7%
Hawthorne (2)	July	$1,708.00 /af	6.4%	January	$1,899.00 /af	11.2%
Livermore	February	$2.34 /ccf	3.1%	January	$2.44 /ccf	4.3%
Los Altos	July	$2,344.00 /af	12.2%	January	$2,344.00 /af	—
Oroville	February	$222,881 /yr	3.2%	January	$222,881 /yr	—
Palos Verdes (2)	July	$1,708.00 /af	6.4%	January	$1,899.00 /af	11.2%
Mid-Peninsula	July	$5.67 /ccf	8.8%	January	$5.67 /ccf	—
Redwood Valley	January	$69.24 /af	—	January	$69.24 /af	—
South San Francisco	July	$5.67 /ccf	8.8%	January	$5.67 /ccf	—
Stockton	October	$1,170,637 /mo	25.8%	January	$1,170,637 /mo	—
Westlake	January	$1,730.00 /af	6.0%	January	$1,895.00 /af	9.5%

af = acre foot;
ccf = hundred cubic feet;
yr = fixed annual cost;
mo = fixed monthly cost

(1) untreated water

(2) wholesaler price changes occur every six months

We work with all local suppliers and agencies responsible for water supply to secure adequate, long-term supply for each system.

See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Water Supply” for more information on adequacy of supplies.

Seasonal Fluctuations

In California, our customers’ consumption pattern of water varies with the weather, in terms of rainfall and temperature. When setting customer rates, the CPUC considers the historical pattern in determining the adopted sales and production costs. With a majority of our sales expected to be subject to the MWRAM and per-unit variations in production costs being covered by the ICBA, fluctuations in financial results are expected to be moderated by the application of the MWRAM and ICBA mechanisms. However, cash flows from operations and short-term borrowings on our credit facilities can be significantly impacted by seasonal fluctuations including recovery of the MWRAM and ICBA.

Our water business is seasonal in nature. Weather conditions can have a material effect on customer usage. Customer demand for water generally is lower during the cooler and rainy winter months. Demand increases in the spring when warmer weather returns and the rains end, and customers use more water for outdoor purposes such as landscape irrigation. Warm temperatures during the generally dry summer months result in increased demand. Water usage declines during the late fall as temperatures decrease and the rainy season begins. During years in which precipitation is especially heavy or extends beyond the spring into the early summer, customer demand can decrease from historic normal levels, generally due to reduced outdoor water usage. Likewise, an early start to the rainy season during the fall can cause a decline in customer usage. As a result, seasonality of water usage has a significant impact on our cash flows from operations and borrowing on our short-term facilities.

Utility Plant Construction

We have continually extended, enlarged, and replaced our facilities as required to meet increasing demands and to maintain our water systems. We obtain construction financing using funds from operations, long-term financing, advances for construction and contributions in aid of construction that are funded by developers. Advances for construction are cash deposits from developers for construction of water facilities or water facilities deeded from developers. These advances are generally refundable without interest over a period of 40 years in equal annual payment amounts and developer-installed facilities are exempt from corporate income taxes. Contributions in aid of construction consist of nonrefundable cash deposits or facilities transferred from developers, primarily for fire protection and relocation projects. We cannot control the amounts received from developers. This amount fluctuates from year-to-year as the level of construction activity carried on by developers varies. This activity is impacted by the demand for housing, commercial development, and general business conditions, including interest rates.

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information.

Energy Reliability

We continue to seek to use power efficiently to minimize the power expenses passed on to our customers, and maintain backup power systems to continue water service to our customers if the power companies' supplies are interrupted. If future legislation limits emissions from the power generation process, our cost of power may increase. Any increase in the per-unit cost of power would be expected to be passed along to our California customers through the ICBA or included in our cost of service paid by our customers as requested in our GRC filings. Many of our well sites are equipped with emergency electric generators designed to produce electricity to keep the wells operating during power outages. Storage tanks also provide customers with water during interruptions in electrical service.

During 2024, 2023, and 2022 we leased additional emergency generators to respond to potential PSPSs, an electric utility operating paradigm approved by the CPUC.

Security at Company Facilities

Due to terrorism and other risks, we have heightened security at our facilities and have taken added precautions to protect our employees and the water delivered to customers. In 2002, federal legislation was enacted that resulted in new regulations concerning security of water facilities, including submitting vulnerability assessment studies to the federal government. We have complied with regulations issued by the EPA pursuant to federal legislation concerning vulnerability assessments and have made filings to the EPA as required. In addition, communication plans have been developed as a component of our procedures.

In accordance with the 2018 America's Water Infrastructure Act, we are required to conduct additional risk and resilience assessments (RRAs) and develop emergency response plans (ERPs) for each of our water systems. These RRAs and ERPs include natural hazards as well as malevolent acts. The first such assessments were completed in 2020. The RRAs are scheduled to be reviewed and resubmitted every five years.

While we do not make public comments on our security programs, we have been in contact with federal, state, and local law enforcement agencies to coordinate and improve our water delivery systems' security.

Competition and Condemnation

Our principal operations are regulated by the Commission of each state. Under state laws, no privately owned public utility may compete within any service territory that we already serve without first obtaining a certificate of public convenience and necessity from the applicable Commission. Issuance of such a certificate would only be made upon finding that our service is deficient. To management's knowledge, no application to provide service to an area served by us has been made.

State law in California provides that whenever a public agency constructs facilities to extend a utility system into the service area of a privately owned public utility, such an act constitutes the taking of property and requires reimbursement to the utility for its loss. State law in Washington and other states recognize chartered service areas but do not have specific statutes. State statutes allow municipalities, water districts and other public agencies to own and operate water systems. These agencies are empowered to condemn properties already operated by privately owned public utilities. The agencies are also authorized to issue bonds, including revenue bonds, for the purpose of acquiring or constructing water systems. However, if a public agency were to acquire utility property by eminent domain action, the utility would be entitled to just compensation for its loss. In Washington, annexation was approved in February 2008 for property served by us on Orcas Island; however, we continue to serve the customers in the annexed area and do not expect the annexation to affect our operations. To management's knowledge, other than the Orcas Island property, no municipality, water district, or other public agency is contemplating or has any action pending to acquire or condemn any of our systems.

Government Regulations

Our water and wastewater services are governed by various federal, state, and local environmental protection, health and safety laws, and regulations. These provisions establish criteria for drinking water and for discharges of water, wastewater, and airborne substances. The EPA, state water quality regulators, and other state regulatory authorities promulgate numerous nationally and locally applicable standards, including MCLs for drinking water. We believe we are currently in compliance with all of the MCLs promulgated to date.

Environmental Matters

Our operations and facilities are subject to environmental regulation by various governmental authorities. Environmental health and safety programs have been designed to provide compliance with water discharge regulations, underground and above-ground fuel storage tank regulations, hazardous materials management plans, hazardous waste regulations, air quality regulatory requirements, wastewater discharge limitations, construction controls and mitigations, and employee safety issues related to hazardous materials. In addition, we actively investigate alternative technologies for meeting environmental regulations and continue the traditional practices of meeting environmental regulations.

For a description of the material effects that compliance with environmental regulations may have on us, see Item 1A. "Risk Factors—Risks Related to Our Regulatory Environment." We expect environmental regulation to increase, resulting in higher operating costs in the future, and there can be no assurance that the Commissions will approve rate increases to enable us to recover these additional compliance costs.

Quality of Water Supply

Our operating practices are designed to produce potable water in accordance with accepted water utility practices. Water entering the distribution systems from surface and groundwater sources is treated in compliance with federal and state Safe Drinking Water Act (SDWA) and state standards. Most well supplies in California, Hawaii and New Mexico are chlorinated or chloraminated for disinfection. Water samples from each water system are analyzed on a regular, scheduled basis in compliance with regulatory requirements. We operate a state-certified water quality laboratory at the San Jose Customer Support Services Office that provides testing for most of our California operations. Certain tests in California are contracted with independent certified labs qualified under the Environmental Laboratory Accreditation Program. Local independent state certified labs provide water sample testing for the Washington, New Mexico, and Hawaii operations.

In recent years, federal and state water quality regulations have resulted in increased water sampling requirements. The SDWA and state regulations continue to be used to monitor and regulate additional potential contaminants to address public health concerns. The State of California has continued to adopt new water quality regulations, which are in addition to those adopted by the EPA. We monitor water quality standard changes and upgrade our treatment capabilities to maintain compliance with the various regulations.

Impact of Climate Change Legislation and Regulation

Our operations depend on power provided by other public utilities and, in emergencies, power generated by our portable and fixed generators. If future legislation limits emissions from the power generation process, our cost of power may increase. Any increase in the cost of power would be expected to be passed along to our California customers through the ICBA or included in our cost of service paid by our customers as requested in our GRC filings.

We maintain a fleet of vehicles to provide service to our customers, including a number of passenger vehicles, as well as heavy-duty diesel vehicles that were retrofitted to meet California emission standards. If future legislation affects the cost to operate the fleet or the fleet acquisition cost in order to meet certain emission standards and/or requirements to phase-in the use of zero-emission vehicles, it would increase our cost of service and our rate base. Any increase in fleet operating costs associated with meeting emission standards and/or requirements to phase-in the use of zero-emission vehicles would be expected to be included in our cost of service paid by our customers as requested in our GRC filings. While recovery of these costs is not guaranteed, we would expect recovery in the regulatory process.

Under the California Environmental Quality Act (CEQA), all capital projects of a certain type (primarily wells, tanks, major pipelines, and treatment facilities) require mitigation of greenhouse gas emissions. The cost to prepare the CEQA documentation and permit are expected to be included in our capital cost and added to our rate base, which is expected to be requested to be paid for by our customers. Any increase in the operating cost of the facilities would also be expected to be included in our cost of service paid by our customers as requested in our GRC filings. While recovery of these costs is not guaranteed, we would expect recovery in the regulatory process.

Cap and trade regulations were implemented in 2012 in California with the goal of reducing emissions to 1990 levels by the year 2020. These regulations have not affected water utilities at this time. In the future, if we are required to comply with these regulations, any increase in operating costs associated with meeting these standards would be included in our cost of service paid by our customers as requested in our GRC filings. While recovery of these costs is not guaranteed, we would expect recovery in the regulatory process.

We currently publicly disclose information about our climate change strategy, risks, metrics, and targets. If future legislation or regulation requires new or additional reporting on our climate change strategy, risks, metrics, and/or targets, our cost to gather and report that information in accordance with the legislation or regulation may increase, and we may be subject to litigation, enforcement proceedings, fines or other penalties if we are unable to comply in part or in whole, or if our efforts are deemed insufficient.

Human Capital Resources

We believe that our employees are our greatest asset and are critical to our continued success. We place a strong emphasis on attracting and retaining talented and experienced individuals to manage and support our operations. To show our commitment, we offer our employees a broad range of Company-paid benefits, and we believe our compensation package and benefits are competitive with others in our industry. Additional information about our employee benefit plans is included in Note 11 of the Notes to Consolidated Financial Statements.

We have an unwavering commitment to hiring, developing, and supporting an inclusive, diverse and equal opportunity workforce. It’s essential that each employee actively fosters an environment where everyone feels valued and respected. Our employees are expected to exhibit and promote honest, ethical, and respectful conduct. This is not just a guideline but a fundamental value of our Company culture. All of our employees must adhere to a business code of conduct that sets standards for appropriate behavior and ethics and includes required internal training on preventing, identifying, reporting, and stopping any type of unlawful discrimination.

Employee health and safety in the workplace is another one of the Company’s core values. This is a commitment that we seek to live by every day. Safety efforts are led by the Executive Safety Committee and supported by safety committees that operate at the local level. These teams work tirelessly to help our work environment remain safe and healthy for everyone. Our practice is to actively identify hazards in the workplace so that management can track incidents and take remedial actions to improve workplace safety.

As evidenced by our internally created Future Leaders of Water Development Program, our management team is dedicated to fostering a culture of developing future leaders from our existing workforce, enabling us to promote from within for many leadership positions. We firmly believe this provides long-term focus and continuity to our operations while also providing opportunities for the growth and advancement of our employees. Our focus on retention is clearly reflected in the length of service of our management team, with an average tenure exceeding 15 years.

Employee levels are managed to align with the pace of business and management believes it has sufficient human capital to operate its business successfully. Management believes that the Company’s employee relations are strong, as evidenced by the Company being recognized by several organizations as a top workplace. At December 31, 2024, we had 1,278 employees, including 1,119 at Cal Water, 87 at Washington Water, 50 at Hawaii Water, 22 at New Mexico Water, and no employees at Texas Water. In California, the Utility Workers Union of America (UWUA), AFL-CIO represents our non-exempt field, customer service, and non-confidential clerical employees and the International Federation of Professional and Technical Engineers (IFPTE), AFL-CIO represents our professional and technical engineering and water quality laboratory employees.

As of December 31, 2024, we had 673 employees represented by the UWUA and 98 employees represented by the IFPTE. In 2021, we reached separate six-year agreements with both unions on new contracts that run from May 14, 2021 (UWUA) and October 4, 2021 (IFPTE) through February 28, 2027. The parties worked hard in reaching these agreements that we believe provides our employees with a market competitive pay and benefits package.

Employees at Washington Water, Hawaii Water, and New Mexico Water are not represented by a labor union.

Information About Our Executive Officers

Name	Positions and Offices with California Water Service Group	Age
Martin A. Kropelnicki (1)	Chairman, President and Chief Executive Officer since June 1, 2023. Formerly, President and Chief Executive Officer (2013-2023), President and Chief Operating Officer (2012-2013), Chief Financial Officer and Treasurer (2006-2012), served as Chief Financial Officer of Power Light Corporation (2005-2006), Chief Financial Officer and Executive Vice President of Corporate Services of Hall Kinion and Associates (1997-2004), Deloitte & Touche Consulting (1996-1997), held various positions with Pacific Gas & Electric Company (1989-1996).	58
James P. Lynch (2)	Senior Vice President, Chief Financial Officer and Treasurer since January 3, 2024. Formerly, Manager of Special Projects (2023), Chief Accounting Officer for SJW Group, a water utility company (2022-2023), Chief Financial Officer and Treasurer for SJW Group (2010-2022), Audit Partner with KPMG LLP (1997-2010), held various other positions with KPMG LLP (1984-1997). Certified public accountant.	65
Michael B. Luu (2)	Senior Vice President, Corporate Services & Chief Risk Officer since June 1, 2023. Formerly, Vice President, Information Technology and Chief Risk Officer (2021-2023), Vice President of Customer Service and Chief Information Officer (2017-2020), Vice President of Customer Service and Information Technology (2013-2016), Acting California Water Service Company District Manager, Los Altos (2012-2013), Director of Information Technology (2008-2012), CIS Development Manager (2005-2008), held various other positions with California Water Service Company since 1999.	45
Shawn C. Bunting (2)	Senior Vice President, General Counsel & Business Development since January 1, 2024. Formerly, Vice President, General Counsel and Corporate Secretary (2023), Senior Vice President & Deputy General Counsel for American Water Works Company, Inc., a water utility holding company (2021-2022), Vice President and Deputy General Counsel (2015-2021), Vice President & Division General Counsel – Eastern Division (2015-2016), Vice President & Division General Counsel – Mid-Atlantic Division (2014-2015), held other various positions with American Water Works Company, Inc. (2008-2014), Assistant General Counsel (Director) at Allegheny Energy, Inc. (2005-2008), and attorney at K&L Gates LLP (1998-2005).	52
Shannon C. Dean (2)	Senior Vice President, Customer Service & Chief Sustainability Officer since January 1, 2024. Formerly, Vice President, Customer Service and Chief Citizenship Officer (2021-2023), Vice President of Corporate Communications & Community Affairs (2015-2020), Director of Corporate Communications (2000-2014), held various corporate communications, government, and community relations positions for Dominguez Water Company (1991-1999).	57
Michael S. Mares, Jr (2)	Senior Vice President, Operations since January 1, 2024. Formerly, Vice President, Operations (2021-2023), Vice President, California Operations (2019-2020), California Water Service Company District Manager, Bakersfield (2017-2018), Hawaii Water Service Company General Manager (2014-2016), Hawaii Water Service Company Local Manager, Big Island (2012-2014), California Water Service Company, held various Superintendent positions in the Chico district (2002-2012), California Water Service Company, held various union positions in the Chico district (1992-2002).	58
Ronald D. Webb (2)(3)	Vice President, Chief Human Resource Officer since January 1, 2022. Formerly, Vice President of Human Resources (2014-2021), Managing Director, Human Resources Partner for United Airlines (2006-2014), served as Vice President of Human Resources for Black & Decker Corporation (1995-2005), Human Resource Manager for General Electric Company (1990-1994), and held various labor relations positions for National Steel and Shipbuilding Company (1982-1989).	68
Michelle R. Mortensen (2)	Vice President, Corporate Secretary and Chief of Staff since January 1, 2022. Formerly, Vice President, Corporate Secretary (2021), Corporate Secretary (2015-2020), Assistant Corporate Secretary (2014), Treasury Manager (2012-2013), Assistant to the Chief Financial Officer (2011), Regulatory Accounting Manager (2008-2010), held various accounting positions at Piller Data Systems (2006-2007), Hitachi Global Storage (2005), Abbot Laboratories (2002-2004), and Symantec (1998-2001).	50

Name	Positions and Offices with California Water Service Group	Age
Elissa Y. Ouyang (2)	Vice President, Facilities, Fleet and Procurement since January 1, 2022. Formerly, Chief Procurement and Lead Continuous Improvement Officer (2016-2021), Interim Procurement Director (2013-2016), Acting District Manager - Los Altos (2013), Interim Vice President of Information Technology (2012-2013), Director of Information Technology - Architecture and Security (2008-2012), Business Application Manager (2003-2007), Project Lead/Senior Developer (2001-2003), held various business consulting positions at KPMG Consulting/BearingPoint (1998-2001), and RR Donnelley (1996-1998).	56
Greg A. Milleman (2)	Vice President, Rates & Regulatory Affairs since January 1, 2022. Formerly, Vice President, California Rates (2019-2021), Interim Director of Rates (2017-2018), Director of Field Administration & Finance (2014-2017), Manager of Special Projects (2013), and served as Senior Vice President of Administration and Corporate Secretary and various other management positions for Valencia Water Company (1992-2013).	62
Sophie M. James (2)	Vice President, Water Quality & Environmental Affairs since January 1, 2024. Formerly, Chief Water Quality Officer (2022-2023), Director of Water Quality (2014-2021), Manager of Laboratory Service (2006-2013), and Environmental Chemist, City of Sunnyvale (1992-2006).	56
Kenneth G. Jenkins (2)	Vice President, Water Resources Planning and Sustainability since January 1, 2025. Formerly, Chief Water Resource Sustainability Officer (2022-2024), Director of Water Resource Sustainability (2020-2021), Director of Drought Management and Conservation (2015-2020), Conservation Manager (2008-2015), Government and Community Relations Manager (2005-2008), held various other positions for California State Senate and California State Assembly (1998-2005).	48
Thomas A. Scanlon (2)	Corporate Controller and Principal Accounting Officer since January 1, 2023. Formerly, Director of Financial Reporting (2010-2022), Subsidiary Controller at Sun Power Systems Corporation (2007-2010), and Regional Controller at Swinerton Builders, Inc. (2000-2007).	62

(1) Holds the same position with California Water Service Company, CWS Utility Services, Hawaii Water Service Company, Inc., New Mexico Water Service Company, and TWSC, Inc.; Chief Executive Officer of Washington Water Service Company.

(2) Holds the same position with California Water Service Company, CWS Utility Services, Hawaii Water Service Company, Inc., New Mexico Water Service Company, Washington Water Service Company, and TWSC, Inc.

(3) Scheduled to retire on April 1, 2025.

Item 1A. *Risk Factors.*

In evaluating our business, you should carefully consider the following discussion of material risks, events, and uncertainties that make an investment in us speculative or risky in addition to the other information in this annual report on Form 10-K. A manifestation of any of the following risks and uncertainties could, in circumstances we may or may not be able to accurately predict, materially and adversely affect our business, growth, reputation, prospects, operating and financial results, financial condition, cash flows, liquidity, and stock price. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. It is not possible to predict or identify all such factors; our operations could also be affected by factors, events or uncertainties that are not presently known to us or that we currently do not consider to present significant risks to our operations. Therefore, you should not consider the following risks to be a complete statement of all the potential risks or uncertainties that we face. Moreover, some of the factors, events, and contingencies discussed below may have occurred in the past, but the disclosures below are not representations as to whether or not the factors, events, or contingencies have occurred in the past, and instead reflect our beliefs and opinions as to the factors, events, or contingencies that could materially and adversely affect us in the future.

Risks Related to Our Regulatory Environment

Our business is heavily regulated by state and federal regulatory agencies and our financial viability depends upon our ability to recover costs and investments from our customers through rates that must be approved by state public utility commissions.

Cal Water, New Mexico Water, Washington Water, and Hawaii Water are regulated public utilities, which provide water and water-related service to our customers. Additionally, Hawaii Water and Texas Water own in whole or in part other companies which are regulated public utilities. The rates that we charge our water customers are subject to the jurisdiction of the regulatory Commissions in the states in which we operate. These Commissions may set water and water-related rates for each operating district independently because the systems are not interconnected. The Commissions authorize us to charge rates that they consider sufficient to recover normal operating expenses, to provide funds for adding new or replacing water infrastructure, and to allow us the opportunity to earn what the Commissions consider to be a fair and reasonable return on invested capital.

Our revenues and consequently our ability to meet our financial objectives are dependent upon the rates we are authorized to charge our customers by the Commissions and our ability to recover our costs in these rates. Our management uses forecasts, models and estimates in order to set rates that we believe will provide a fair and reasonable return on our invested capital. While our rates must be approved by the Commissions, no assurance can be given that our forecasts, models and estimates will be correct or that the Commissions will agree with our forecasts, models, and estimates. If our rates are set too low, our revenues may be insufficient to cover our operating expenses, capital expenditure requirements and desired dividend levels.

We periodically file rate increase applications with the Commissions. The ensuing administrative and hearing process may be lengthy and costly. The decisions of the Commissions are beyond our control and we can provide no assurances that our rate increase requests will be granted by the Commissions. Even if approved, there is no guarantee that approval will be given in a timely manner or at a sufficient level to cover our expenses and provide a reasonable return on our investment. Our earnings have in the past been and may in the future be adversely affected when rate increase decisions are delayed or approved at a level that is lower than what we have requested. For example, the CPUC did not issue its decision on our 2021 GRC until March 2024, over a year later than expected, which caused uncertainty around and volatility in our financial and operating results until that time.

Our evaluation of the probability of recovery of regulatory assets is subject to adjustment by regulatory agencies and any such adjustment could adversely affect our results of operations and financial condition.

Regulatory decisions may affect prospective revenues and earnings and the timing of the recognition of revenues and expenses and may overturn past decisions used in determining our revenues and expenses. While our management evaluates the anticipated recovery of regulatory assets and revenues subject to refund and provides for allowances and/or reserves as deemed necessary, no assurance can be given that any such allowances and/or reserves will be adequate to cover any loss or adjustment due to the absence of our limited recovery of regulatory assets and revenues as a result of regulatory decisions. Current accounting procedures allow us to defer certain costs if we believe it is probable that we will be allowed to recover those costs through future rate increases. If the Commissions determined that a portion of our assets were not recoverable in customer rates, we may suffer an asset impairment, which would require a write down in such asset's valuation that would be recorded through operations.

If our assessment as to the probability of recovery through the ratemaking process is later determined to be incorrect, the associated regulatory asset would be adjusted to reflect the change in our assessment of any regulatory disallowances. A change in our evaluation of the probability of recovery of regulatory assets or a regulatory disallowance of all or a portion of our cost could have a material adverse effect on our financial results.

Regulatory agencies may disagree with our valuation and characterization of certain of our assets.

If we determine that real property is no longer used or useful for utility operations, we may remove it from our rate base and subsequently sell the property with any gain on sales accruing to the stockholders, subject to certain conditions. If the Commissions disagree with our characterization, there is a risk that the Commissions could determine that realized appreciation in property value should be awarded to customers rather than our stockholders.

Changes in laws, rules, and policies of our regulators or operating jurisdictions can significantly affect our business.

Regulatory agencies may change their rules and policies for various reasons, including changes in the local political environment. Regulators are appointed by popular vote or are appointed by elected officials, and the election of a new administration or the appointment of new officials due to the results of elections may result in dramatic change to the long-established rules and policies of an agency. For example, in 2020 regulation regarding full decoupling WRAMs temporarily changed in California. Since 2008, the CPUC allowed full decoupling WRAMs. However, in 2020, the CPUC precluded companies from proposing full decoupling WRAMs in their next GRC filings. As a result, we were precluded from requesting a full decoupling WRAM from the time of the 2021 GRC application until the California Supreme Court's decision on July 8, 2024 voiding the WRAM provisions in the August 27, 2020 CPUC decision. In addition, the recent change in U.S. federal administration has led and is expected to continue to lead to changes in the leadership of various U.S. federal regulatory agencies and changes or proposed or threatened changes to U.S. federal government policy that have led to, in some cases, legal challenges as well as uncertainty around the funding, functioning and policy priorities of U.S. federal regulatory agencies and the status of current and future regulations. U.S. federal government policy changes have included seeking to temporarily broadly halt federal funding, seeking to aggressively downsize the U.S. federal government's workforce and instructing federal agencies to reprioritize or to cease operating or enforcing certain laws or regulations. We are unable to predict the extent to which the current U.S. federal administration may impose or seek to impose leadership or policy changes at the U.S. federal regulatory agencies responsible for regulating our business, including changes or proposed changes at the EPA or SEC, or changes or proposed changes to rules and policies impacting our operations. Any such changes could impose additional costs, require the attention of senior management or result in other changes to or limitations on our business.

We rely on policies and regulations promulgated by the various Commissions in order to recover capital expenditures, maintain favorable treatment on gains from the sale of real property, offset certain production and operating costs, recover the cost of debt, maintain an optimal equity structure without over-leveraging, and have financial and operational flexibility to engage in non-regulated operations. If any of the Commissions with jurisdiction over us implements policies and regulations that do not allow us to accomplish some or all of the items listed above, our future operating results may be adversely affected.

In addition, legislatures may repeal, relax or tighten existing laws, or enact new laws that affect the regulatory agencies with jurisdiction over our business or affect our business directly. If changes in existing laws or the implementation of new laws limit our ability to accomplish some of our business objectives, or make accomplishing such objectives more expensive, our future operating results may be adversely affected.

Finally, local jurisdictions may impose new ordinances, laws, fees, and regulations that could increase costs or limit our operations, which affect future operating results. Cities may impose or amend franchise requirements, impose conditions on underground construction or land use, impose various taxes and fees, or restrict our hours for construction, among other things. In the last decade, more cities have imposed excavation moratoria or paving rules, which has resulted in delays and required more costly construction than anticipated.

We expect drinking water, wastewater and environmental health and safety regulation to increase, resulting in higher operating costs in the future and the potential that the company fails to meet these regulatory standards.

Our water and wastewater services are governed by various federal, state, and local environmental protection, health and safety laws, and regulations. Although we have a water quality assurance program in place, we cannot guarantee that we will continue to comply with all standards. If we violate any federal or state regulations or laws governing health and safety, we could be subject to substantial fines or otherwise sanctioned, subject to potential civil liability for damages, and our customers' trust in our operations ability could be eroded.

Drinking water, wastewater, and environmental health and safety laws are complex and change frequently. They have tended to become more stringent over time. As new or stricter standards are introduced, our operating costs could increase. Although we would likely seek permission to recover these costs through rate increases, we can give no assurance that the Commissions would approve rate increases to enable us to recover these additional compliance costs.

We are required to test our water quality and wastewater discharges for certain chemicals and potential contaminants on a regular basis. If the test results indicate that our water exceeds allowable limits, we may be required either to commence treatment to remove the contaminant or to develop an alternate water source. Either of these results may be costly. Although we would likely seek permission to recover these through rate increases, there can be no assurance that the Commissions would approve rate increases to enable us to recover these additional compliance costs.

Past events in the utility sector, including those in Flint, Michigan and those related to Pacific Gas and Electric Company in California, show that failure to meet one or more water quality, environmental, or safety standards can have severe effects on customer trust, reputation, regulatory treatment, or civil and criminal liability.

New and/or more stringent water quality regulations could increase our operating costs.

We are subject to water quality standards set by federal, state, and local authorities that have the power to issue new regulations. Compliance with new regulations that are more stringent than current regulations could increase our operating costs and capital expenditures, including requirements for increased monitoring, additional treatment of surface water and groundwater supplies, fluoridation of all supplies, more stringent performance standards for treatment plants, additional procedures to further reduce levels of disinfection by-products, and more comprehensive measures to monitor, reduce or eliminate known or newly identified contaminants. There are currently limited regulatory mechanisms and procedures available to us for the recovery of such costs and there can be no assurance that such costs will be fully recovered and failure to do so may adversely affect our operating results.

Attention is being given to contaminants of emerging concern, including, without limitation, chemicals and other substances that currently do not have any regulatory standard in drinking water or have been recently created or discovered. We believe these contaminants may form the basis for additional or increased federal or state regulatory initiatives and requirements in the future, which could significantly increase the cost of our operations.

For example, in April of 2024, the EPA finalized MCLs, for six PFAS in drinking water. Under the PFAS regulation, water utilities across the country are required to complete initial PFAS monitoring by 2027 and to implement treatment for sources exceeding the MCL by 2029. We estimate a capital investment of approximately $226.0 million will be required to comply with the regulation, but this amount could be higher or lower depending on factors out of our control such as unforeseen supply issues that may arise as public water systems across the country compete to procure necessary treatment supplies.

Legislation and regulation designed to mitigate or adapt to climate change may affect our operations.

Future legislation or regulation regarding climate change may restrict our operations or impose new costs on our business. Our operations depend on power provided by other public utilities and, in emergencies, power generated by our portable and fixed generators. If future legislation or regulation limits emissions from the power generation process, our cost of power may increase. Although any increase in the cost of power would be expected to be passed along to our California customers through the ICBA or included in our cost of service paid by our customers as requested in our GRC filings in California, we can give no assurance that such costs would be passed along to our California customers or that the CPUC would approve rate increases to enable us to recover such expenditures or costs.

Legislation and regulation regarding greenhouse gas emissions may also impose new costs on our business. For example, in October 2023, California enacted legislation addressing the disclosure of greenhouse gas emissions, climate-related risks, environmental claims, and the use or sale of voluntary carbon offsets. New and future laws and regulations, including related uncertainty from modifications to or reversals of such regulations, or inconsistency between requirements in different jurisdictions, could increase the complexity of and costs associated with compliance with such regulations, which could have a material adverse effect on our business, results of operations, and financial condition.

We have been and may in the future be party to environmental and service-related lawsuits, which could result in us paying damages not covered by insurance.

We have been and may be in the future, party to water contamination lawsuits, which may not be fully covered by insurance.

The number of environmental and service-related lawsuits against other water utilities has increased in frequency in recent years. If we are subject to additional environmental or service-related lawsuits, we might incur significant legal costs and it is uncertain whether we would be able to recover the legal costs from customers or other third parties. In addition, if current California law regarding CPUC's preemptive jurisdiction over regulated public utilities for claims about compliance with California State Water Resources Control Board and United States EPA water quality standards changes, our legal exposure may be significantly increased.

Risks Related to Our Business Operations

We are at risk for litigation under the principle of inverse condemnation for activities in the normal course of business that are deemed to have a damaging effect on private property.

The California constitution may allow compensation to property owners for a public utility taking or damaging private property, even when damage occurs through no fault of the utility and regardless of whether the damage could be foreseen by the utility. As a result, this doctrine, which is known as inverse condemnation and is routinely invoked in California, imposes strict liability for damages, including legal fees, because of the design, construction, maintenance and operation of utility facilities. In addition to claims that our water or wastewater systems damaged property, Cal Water has been and could in the future be sued under inverse condemnation, including pursuant to allegations or claims that our facilities or operations damage private property, or that we are unable to timely deliver sufficient quantities of water for firefighting because of system capacity limitations or water supply disruptions, including as a result of action taken by an electric utility pursuant to a PSPS program or other loss of power. For example, accelerated land movement in Cal Water's Rancho Dominguez District in southern California has given rise to claims and lawsuits against Cal Water, including among other allegations, inverse condemnation. Although the imposition of liability is premised on the assumption that utilities have the ability to recover these costs from their customers, there is no assurance that the CPUC would allow Cal Water to recover any such damage awards from customers. For example, in December 2017, the CPUC denied recovery of costs that San Diego Gas & Electric Company incurred because of inverse condemnation, holding that the inverse condemnation principles of strict liability are not relevant to the CPUC's prudent manager standard.

The effects of natural disasters, attacks by third parties, or poor water quality or contamination to our water supply or wastewater services may result in disruption in our services and litigation, which could adversely affect our business, operating results and financial condition.

We operate in areas that are prone to earthquakes, urban fires, wildfires, landslides, mudslides, and other natural disasters. A significant seismic event, urban or wildfire outbreak, or other natural disaster in California where our operations are concentrated could adversely affect our ability to deliver water and adversely affect our costs of operations. A major disaster could damage or destroy substantial capital assets. For example, wildfires in our service areas may have significant impacts on water supply and water system reliability. In addition, our infrastructure faces risks from landslides in our service areas, which can lead to leaks in water mains, impact our ability to deliver water and result in litigation. For example, in Cal Water's Rancho Dominguez District in southern California, land movement in the City of Rancho Palos Verdes has adversely impacted utility infrastructure including electric power poles and lines, natural gas mains and services and water mains and services. This land movement has impacted Cal Water assets, as well as structural, road and other property damage. The area is an active landslide complex with decades of land movement, and the Company and Cal Water believe that the recent accelerated rate of land movement is a result of an unusual and significant amount of rainfall in the area. Certain homeowners in this area have alleged Cal Water assets have contributed to ground oversaturation and land movement resulting in home and property damage. Some of these homeowners have brought claims and lawsuits against Cal Water as well as other defendants alleging inverse condemnation, among other things, and it is anticipated that other homeowners may bring similar claims in the future.

The CPUC has historically allowed utilities to establish a catastrophic event memorandum account as another possible mechanism to recover costs. However, we can give no assurance that the CPUC or any other Commission would allow any such cost recovery mechanism in the future.

Our water supplies are subject to contamination, including contamination from the development of naturally-occurring compounds, chemicals in groundwater systems, pollution resulting from fabricated sources, such as 1,2,3-Trichloropropane (TCP) and PFAS, seawater intrusion, and possible third-party attacks, including physical attacks, terrorist attacks, and cyber-attacks. If our water supply is contaminated, we may have to interrupt the use of that water supply until we are able to substitute the flow of water from an uncontaminated water source. In addition, we may incur significant costs in order to treat the contaminated source through expansion of our current treatment facilities, or development of new treatment methods. If we are unable to substitute water supply from an uncontaminated water source, or if we are unable to adequately treat the contaminated water source in a cost-effective manner, there may be an adverse effect on our revenues, operating results, and financial condition. The costs we incur to decontaminate a water source or an underground water system could be significant and may not be recoverable in rates. We could also be held liable for consequences arising out of human exposure to hazardous substances in our water supplies or other environmental damage. For example, private plaintiffs have the right to bring personal injury or other toxic tort claims arising from the presence of hazardous substances in our drinking water supplies. Our insurance policies may not be sufficient to cover the costs of these claims.

We have taken steps to increase security measures at our facilities and heighten employee awareness of threats to our water supply, to protect against third-party attacks, including physical attacks, terrorist attacks, and cyber-attacks. We have also improved our security measures regarding the delivery and handling of certain chemicals used in our business. We have and will continue to bear increased costs for security precautions to protect our facilities, operations, and supplies. These costs may be significant. Despite these improved security measures, we may not be able to prevent or deter third-party attacks or be in a position to control the outcome of third-party attacks should they occur.

We depend upon our skilled and trained workforce for water delivery. Actual or threatened public health emergencies, including disease outbreaks, may also lead to the closure of our facilities or to the illness of our employees. We can give no assurance that we will be able to maintain sufficient human resources to provide service in all of the districts that we serve.

If any of these catastrophic events were to occur, we can give no assurance that our emergency preparedness plans would be adequate and that we would respond effectively, which could result in public or employee harm or adversely affect our revenues, operating results, financial condition, and reputation.

Failure of critical elements of our infrastructure could result in interruption of service, damage to others, or injuries, and could adversely affect our business, operating results, and financial condition.

We own physical infrastructure, which was installed over a long period of time, both underground and above-ground. This infrastructure is subject to potential failure due to age, operating conditions, or other unknown factors. Failure of any of our facilities or infrastructure could cause flooding, loss of service to our customers, contamination from chemicals we use in operations, or other damages.

We operate a dam. If the dam were to fail for any reason, we would lose a water supply and flooding likely would occur. Whether or not we were responsible for the dam's failure, our reputation could be harmed, and we could be sued. We can give no assurance that we would be able to defend such a suit successfully.

We operate several water and wastewater treatment plants. If a major failure of these facilities were to occur, we would have an interruption in service, potential flooding, and could release potentially harmful material into the environment.

We operate over 7,000 miles of underground pipeline. Some failures of underground pipelines could release disinfection chemicals into the environment, which have a negative impact on sensitive habitats.

Any of these failures, whether or not we are responsible, could result in public or employee harm or adversely affect our revenues, operating results, financial condition and reputation.

We rely on our information technology (IT), operational technology (OT), and a number of complex business systems to assist with the management of our business and customer and supplier relationships, and a disruption of these systems, including from cyber-attacks, could adversely affect our business.

Our IT and OT systems are an integral part of our business, and a serious disruption of these systems could significantly limit our ability to manage and operate our business efficiently, which, in turn, could cause our business and competitive position to suffer and adversely affect our results of operations. We rely on our IT and OT networks and applications to bill customers, process orders, provide customer service, manage construction projects, manage our financial records, track assets, remotely monitor certain of our plants and facilities and manage human resources, inventory and accounts receivable collections. Our systems also enable us to purchase products from our suppliers and bill customers on a timely basis, maintain cost-effective operations, and provide service to our customers. Some of our mission and business critical systems are older and the steps we have taken to protect our systems may be insufficient to protect them from damage or interruption from:

- power loss, computer systems failures, including hardware equipment and software applications, and internet, telecommunications or data network failures;
- operator negligence or improper operation by, or supervision of, employees;
- physical and electronic loss of customer data due to security breaches, cyber-attacks, misappropriation, acts of violence, war or terrorism, and similar events;
- computer viruses;
- intentional security breaches, hacking, denial of services actions, misappropriation of data, and similar events, including intentional cybersecurity breaches aimed at disrupting and interfering with water treatment processes; and
- earthquakes, floods, fires, mudslides, and other natural disasters or physical attacks.

These events may result in physical and/or electronic loss of customer or financial data; security breaches; misappropriation; disruption of service to our customers; loss of revenues, response costs, and other financial loss; loss of management time, attention, and resources from our regular business operations; damage to our reputation; and other adverse consequences, including liability or regulatory penalties under data privacy laws and regulations. In addition, the lack of redundancy for certain of our IT systems, including billing systems, could exacerbate the impact of any of these events on us, all of which could have a negative impact on our business, results of operations, and cash flows. These types of events, either impacting our facilities or the industry in general, could also cause us to incur additional security and insurance related costs. In addition, in the ordinary course of business, we collect and retain sensitive information, including personally identifiable information, about our customers, employees, and vendors. In many cases, we outsource the administration of certain functions to vendors that have been and will continue to be targets of cyber-attacks. Any theft, loss or fraudulent use of customer, employee, vendor, or proprietary data as a result of a cyber-attack on us or a vendor could also subject us to significant litigation, liability, and costs, as well as adversely impact our reputation with customers and regulators, among others.

In addition, we may not be successful in developing or acquiring technology that is competitive and responsive to the needs of our business, and we might lack sufficient resources to make the necessary upgrades or replacements of our outdated existing technology to allow us to continue to operate at our current level of efficiency, all of which could adversely impact our business and competitive position. We maintain cybersecurity insurance to provide coverage for a portion of the losses and damages that may result from a security breach, but such insurance is subject to a number of exclusions and may not cover the total loss caused by a breach. Other costs associated with cyber events may not be covered by insurance or recoverable in rates. The market for cybersecurity insurance continues to evolve and may affect the future availability of cybersecurity insurance at reasonable rates.

The adequacy of our water supplies depends upon a variety of factors beyond our control. Interruption in the water supply may adversely affect our reputation and earnings.

We depend on an adequate water supply to meet the present and future needs of our customers. Whether we have an adequate supply varies depending upon a variety of factors, many of which are partially or completely beyond our control, including:

- the amount of rainfall;
- the amount of water stored in reservoirs;

- underground water supply from which well water is pumped;
- availability from water wholesalers;
- changes in the amount of water used by our customers;
- water quality and availability of appropriate treatment technology;
- legal limitations on water use such as rationing restrictions during a drought;
- changes in prevailing weather patterns and climate; and
- population growth.

We purchase our water supply from various governmental agencies and others, and, in many areas, purchased water is the only available source of water. Water supply availability may be affected by weather conditions, funding and other political and environmental considerations. In addition, our ability to use surface water is subject to regulations regarding water quality and volume limitations. If new regulations are imposed or existing regulations are changed or given new interpretations, the availability of surface water may be materially reduced. A reduction in surface water could result in the need to procure more costly water from other sources, thereby increasing our water production costs and adversely affecting our operating results if not recovered in rates on a timely basis.

We have entered into long-term water supply agreements, which commit us to making certain minimum payments whether or not we purchase any water. Therefore, if demand were insufficient to use our required purchases we would have to pay for water we did not receive.

From time to time, we enter into water supply agreements with third parties and our business is dependent upon such agreements in order to meet regional demand. For example, we have entered into a water supply contract with the SFPUC that expires on June 30, 2034. We can give no assurance that the SFPUC, or any of the other parties from whom we purchase water, will renew our contracts upon expiration, or that we will not be subject to significant price increases under any such renewed contracts.

The parties from whom we purchase water maintain significant infrastructure and systems to deliver water to us. Maintenance of these facilities is beyond our control. If these facilities are not adequately maintained or if these parties otherwise default on their obligations to supply water to us, we may not have adequate water supplies to meet our customers' needs.

If we are unable to access adequate water supplies, we may be unable to satisfy all customer demand, which could result in rationing. Rationing may have an adverse effect on cash flow from operations. We can make no guarantee that we will always have access to an adequate supply of water that will meet all required quality standards. Water shortages may affect us in a variety of ways. For example, shortages could:

- adversely affect our supply mix by causing us to rely on more expensive purchased water;
- adversely affect operating costs;
- increase the risk of contamination to our systems due to our inability to maintain sufficient pressure; and
- increase capital expenditures for building pipelines to connect to alternative sources of supply, new wells to replace those that are no longer in service or are otherwise inadequate to meet the needs of our customers and reservoirs and other facilities to conserve or reclaim water.

We may or may not be able to recover increased operating and construction costs on a timely basis, or at all, for our regulated systems through the ratemaking process. We can give no assurance, as to whether we may be able to recover certain of these costs from third parties that may be responsible, or potentially responsible, for any groundwater contamination.

Our water supplies and other aspects of our operations may be affected by climate change.

There is strong scientific consensus that human activity including carbon and methane emissions is impacting many planetary systems such as the heat-trapping capacity of the atmosphere; ocean temperature, circulation, acidity, and volume; weather patterns including the severity and frequency of severe weather events; ambient temperatures; and planetary ice cover. Because scientific investigations have been focused globally, there is tremendous uncertainty over the timing, extent, and types of impacts global climate change may have on our service areas and in our water supplies. Moreover, studies of tree ring data show long periods of drought conditions have occurred prior to significant human impacts in California and prior to our operation. Finally, in the last fifty years, California has experienced at least three severe multi-year droughts. We can give no assurance that any of our plans for water reliability and water shortages, including incorporating projected and potential climate change risks into our water supply planning activities, will be adequate or capable of effectively addressing any droughts or longer periods of drought conditions or other conditions affecting water quality and availability. Immediate physical risks could affect our operations and intensify over time as climate change worsens. More frequent flooding, wildfires, sea level rise, rising or falling groundwater levels, and uneven ground level sinking could damage our assets, including pressurized mains and other pipelines, wells, treatment facilities, and other infrastructure. Wildfires and changes in rainfall may also affect water quality, and both higher temperatures and wildfires can pose risks to employee safety. Farther into the mid-century and late-century horizon, temperature increases may cause declines in snowpack storage, and droughts could decrease surface water supply availability and groundwater recharge while causing increased outdoor demands, which, in each case, could adversely impact our ability to source adequate water supply to meet the needs of our customers.

Additional climate-related risks may influence our approach as we support the transition to a low-carbon economy. Transition risks include changes in the market and consumer demands, such as differences in generational behaviors, shifts in population locations due to different weather patterns, and variations in water needs and customer groups. Regulatory risks, such as emission trading systems and carbon taxes, may also financially affect our business. Additionally, federal and state regulations present requirements for managing water supplies and limiting impacts on local wildlife, while regional plans and legislation may directly affect how we address water issues.

We also periodically review the climate change plans of our wholesalers to determine whether alternative supplies may be necessary in the future. However, we can give no assurance that replacement water supplies will be available at a reasonable cost or a cost acceptable to our customers and Commissions.

Natural disasters, wildfires, climate change, economic conditions, and other factors may change the population in our service areas.

In the event that some outside factor such as a wildfire, flood, landslide, changed climate pattern, actual or threatened public health emergency, or change in the local economy reduces or eliminates our customer base in a service area, or negatively affects the ability of a customer to pay, we could face unrecoverable costs. In those circumstances, the remaining customers might not be able to pay for the operating costs or capital costs of the water system. We may not be able to recover capital costs of property that is no longer used or useful in utility service. For example, in 2024, the California Governor proclaimed the Rancho Palos Verdes landslide a state of emergency following an increase in ground movement due to significant rainfall over the past two years, and the Federal Emergency Management Agency and the California Governor's Office of Emergency Services instituted a voluntary property buyout program for impacted homeowners. We may also encounter an increase in bad debt expense in times of economic difficulty. For example, we experienced an increase in bad debt expense in 2022, which we believe was due to the economic impact of the COVID-19 pandemic. Although we would likely seek permission to recover any such future costs through rate increases on remaining customers or in statewide rates, we can give no assurance that the Commissions would approve rate increases to enable us to recover these costs.

Wastewater operations entail significant risks.

Wastewater collection and treatment involve many risks associated with damage to the environment, and we anticipate that wastewater collection and treatment will become an increasing significant part of our business. If collection or treatment systems fail or do not operate properly, untreated or partially treated wastewater could discharge onto property or into nearby streams and rivers, causing damage or injury to property, aquatic life, or human life. Our results of operations and financial condition could be materially and adversely affected by liabilities resulting from such damage.

Demand for our water is subject to various factors and is affected by seasonal fluctuations.

Demand for our water during the warmer, dry months is generally greater than during cooler or rainy months due primarily to additional requirements for water in connection with irrigation systems, swimming pools, cooling systems, and other outside water use. Throughout the year, and particularly during typically warmer months, demand will vary with temperature and rainfall levels. If temperatures during the typically warmer months are cooler than normal, or if there is more rainfall than normal, the demand for our water may decrease.

In addition, governmental restrictions on water usage during drought conditions may result in a decreased demand for our water, even if our water reserves are sufficient to serve our customers during these drought conditions. The Commissions may not allow surcharges to collect lost revenues caused by customers' conservation during a drought. Regardless of whether we may surcharge our customers during a conservation period, they may use less water even after a drought has passed because of conservation patterns developed during the drought. Furthermore, our customers may wish to use recycled water as a substitute for potable water. If rights are granted to others to serve our customers recycled water, there will likely be a decrease in demand for our water.

Finally, changes in prevailing weather patterns due to climate change may affect customer demand. If increased ambient temperatures affect our service areas, water used for irrigation and cooling may increase. If rainfall patterns change, our customers may change their patterns of water use including the amount of outdoor irrigation and the type of landscape they install. Government agencies may also mandate changes to customer irrigation or landscape patterns in response to changes in weather and climate.

Changes in water supply costs affect our operations.

The cost to obtain water for delivery to our customers varies depending on the sources of supply, wholesale suppliers' prices, the quality of water required to be treated and the quantity of water produced to fulfill customer water demand. Our source of supply varies among our operating districts. Certain districts obtain all of their supply from wells; some districts purchase all of their supply from wholesale suppliers; and other districts obtain their supply from a combination of wells and wholesale suppliers. A small portion of supply comes from surface sources and is processed through Company-owned water treatment plants. On average, slightly more than half of the water we deliver to our customers is pumped from wells or received from a surface supply with the remainder purchased from wholesale suppliers. Water purchased from suppliers usually costs us more than surface supplied or well pumped water. The cost of purchased water for delivery to customers represented 29.7% and 31.2% of our total operating costs in 2024 and 2023, respectively. Water purchased from suppliers will require renewal of our contracts upon expiration and may result in significant price increases under any such renewed contracts.

Wholesale water suppliers may increase their prices for water delivered to us based on factors that affect their operating costs. Purchased water rate increases are beyond our control. In California, our ability to recover increases in the cost of purchased water changed with the adoption of the ICBA, which was approved as part of the 2021 GRC. With this change, actual per-unit purchased water costs are compared to authorized per-unit purchased water costs, with variances added to or netted against the variances in purchased power and pump taxes being recorded as a cost recovery. The balance in the ICBA is collected/refunded in the future by billing the ICBA accounts receivable/payable balances over future periods, which may have a short-term negative impact on cash flow.

Dependency upon adequate supply of electricity, certain chemicals, and third-party suppliers of parts and skilled labor could adversely affect our results of operations.

Purchased electrical power is required to operate the wells and pumps needed to supply water to our customers. Although there are back-up power generators to operate a number of wells and pumps in emergencies, an extended interruption in power could affect the ability to supply water. In the past, California has been subject to rolling power blackouts due to insufficient power supplies. There is no assurance we will not be subject to power blackouts in the future. Additionally, we require sufficient amounts of certain chemicals in order to treat the water we supply. There are multiple sources for these chemicals but an extended interruption of supply could adversely affect our ability to adequately treat our water.

Purchased power is a significant operating expense. During 2024 and 2023, purchased power expense represented 5.9% and 6.4%, respectively, of our total operating costs. These costs are beyond our control and can change unpredictably and substantially. As with purchased water, purchased power costs are included in the ICBA. Cash flows between rate filings may be adversely affected until the Commission authorizes a rate change. Cost of chemicals used in the delivery of water is not an element of the ICBA, and therefore, variances in quantity or cost could affect the results of operations.

We rely on outside contractors to supply us with materials and parts critical to the operation of our systems. Should parts and material become unavailable, or should the cost of necessary supplies rise substantially, it could adversely affect our ability to operate or have financial effects that are not recoverable through a regulatory process.

We also rely on outside contractors to complete large construction projects and provide emergency maintenance services. In the event these contractors are unavailable or cannot meet the demands imposed on them, we may face significantly lengthy interruptions of service or delays in constructing capital projects. We may face additional costs to acquire more resources to complete these activities.

Our business requires significant capital expenditures to replace or improve aging infrastructure that are dependent on our ability to secure appropriate funding. If we are unable to obtain sufficient capital or if the rates at which we borrow increase, there would be a negative impact on our results of operations.

The water utility business is capital-intensive. We invest significant funds to replace or improve aging infrastructure such as property, plant, and equipment. In addition, water shortages may adversely affect us by causing us to rely on more purchased water. This could cause increases in capital expenditures needed to build pipelines to secure alternative water sources. In addition, we require capital to grow our business through acquisitions. We fund our capital requirements from cash received from operations, from funds received from developers, by raising equity through common stock issuances or by issuing debt obligations. We cannot give any assurance that these sources will continue to be adequate or that the cost of funds will remain at levels permitting us to earn a reasonable rate of return. In the event we are unable to obtain sufficient capital, our expansion efforts could be curtailed, which may affect our growth and may affect our future results of operations.

Our ability to access the capital markets is affected by the ratings of certain of our debt securities. Standard & Poor's Rating Agency issues a rating on Cal Water's ability to repay certain debt obligations. The credit rating agency could downgrade our credit rating based on reviews of our financial performance and projections or upon the occurrence of other events that could affect our business outlook. Lower ratings by the agency could restrict our ability to access equity and debt capital. We can give no assurance that the rating agency will maintain ratings that allow us to borrow under advantageous conditions and at reasonable interest rates. A future downgrade by the agency could also increase our cost of capital by causing potential investors to require a higher interest rate due to a perceived risk related to our ability to repay outstanding debt obligations.

While the majority of our debt is long term at fixed rates, we do have interest rate exposure in our short-term borrowings, which have variable interest rates. We are also subject to interest rate risks on new financings. However, if interest rates were to increase on a long-term basis, our management believes that customer rates would increase accordingly, subject to approval by the appropriate Commission. We can give no assurance that the Commission would approve such an increase in customer rates.

We are obligated to comply with specified debt covenants under certain of our loan and debt agreements. Failure to maintain compliance with these covenants could limit future borrowing, and we could face increased borrowing costs, litigation, acceleration of maturity schedules, and cross default issues. Such actions by our creditors could have a material adverse effect on our financial condition and results of operations.

Our inability to access the capital or financial markets could affect our ability to meet our liquidity needs at reasonable cost and our ability to meet long-term commitments. Changes in economic conditions in our markets could affect our customers' ability to pay for water services. Any of these could adversely affect our results of operations, cash flows, and financial condition.

We rely on our current credit facilities to fund short-term liquidity needs if internal funds are not available from operations. Specifically, given the seasonal fluctuations in demand for our water we commonly draw on our credit facilities to meet our cash requirements at times in the year when demand is relatively low. We also may occasionally use letters of credit issued under our revolving credit facilities. Disruptions in the capital and credit markets could adversely affect our ability to draw on our credit facilities. Our access to funds under our credit facilities is dependent on the ability of our banks to meet their funding commitments.

Many of our customers and suppliers also have exposure to risks that could affect their ability to meet payment and supply commitments. We operate in geographic areas that may be particularly susceptible to declines in the price of real property, which could result in significant declines in demand for our products and services. In the event that any of our significant customers or suppliers, or a significant number of smaller customers and suppliers, are adversely affected by these risks, we may face disruptions in supply, significant reductions in demand for our products and services, inability of customers to pay invoices when due, and other adverse effects that could negatively affect our financial condition, results of operations and/or cash flows.

Our operations and certain contracts for water distribution and treatment depend on the financial capability of state and local governments, and other municipal entities such as water districts. Major disruptions in the financial strength or operations of such entities, such as liquidity limitations, bankruptcy or insolvency, could have an adverse effect on our ability to conduct our business and/or enforce our rights under contracts to which such entities are a party.

We are a holding company that depends on cash flow from our subsidiaries to meet our obligations and to pay dividends on our common stock.

As a holding company, we conduct substantially all of our operations through our subsidiaries and our only significant assets are investments in those subsidiaries. In 2024, 92.3% of our total consolidated operating revenue was derived from the operations of Cal Water. As a result, we are dependent on cash flow from our subsidiaries, and Cal Water in particular, to meet our obligations and to pay dividends on our common stock.

Our subsidiaries are separate and distinct legal entities and generally have no obligation to pay any amounts due on our Company's debt or to provide our Company with funds for dividends. Although there are no contractual or regulatory restrictions on the ability of our subsidiaries to transfer funds to us, the reasonableness of our capital structure is one of the factors considered by state and local regulatory agencies in their ratemaking determinations. Therefore, transfer of funds from our subsidiaries to us for the payment of our obligations or dividends may have an adverse effect on ratemaking determinations. Furthermore, our right to receive cash or other assets upon the liquidation or reorganization of a subsidiary is generally subject to the prior claims of creditors of that subsidiary. If we are unable to obtain funds from our subsidiaries in a timely manner, we may be unable to meet our obligations or pay dividends.

We can make dividend payments only from our surplus (the excess, if any, of our net assets over total paid-in capital) or if there is no surplus, the net profits for the current fiscal year or the fiscal year before which the dividend is declared. In addition, we can pay cash dividends only if after paying those dividends we would be able to pay our liabilities as they become due. Owners of our capital stock cannot force us to pay dividends and dividends will only be paid if and when declared by our board of directors (Board). Our Board can elect at any time, and for an indefinite duration, not to declare dividends on our capital stock.

An important element of our growth strategy is the acquisition of water and wastewater systems. Risks associated with potential acquisitions, divestitures or restructurings may adversely affect us.

We seek to acquire or invest in other companies, technologies, services, or products that complement our business from time to time. The execution of our growth strategy exposes us to different risks than those associated with our utility operations. We can give no assurance that we will succeed in finding attractive acquisition candidates or investments, or that we would be able to reach mutually agreeable terms with such parties. In addition, as consolidation becomes more prevalent in the water and wastewater industries, the prices for suitable acquisition candidates may increase to unacceptable levels and limit our ability to grow through acquisitions. If we are unable to find acquisition candidates or investments, our ability to grow may be limited.

Acquisition and investment transactions may result in the issuance of our equity securities that could be dilutive if the acquisition or business opportunity does not develop in accordance with our business plan. They may also result in significant write-offs and an increase in our debt. The occurrence of any of these events could have a material adverse effect on our business, financial condition, and results of operations.

Any of these transactions could involve numerous additional risks, including one or more of the following:

- problems integrating the acquired operations, personnel, technologies, physical and cybersecurity processes, or products with our existing businesses and services;
- cybersecurity risks associated with acquired systems and infrastructure;
- liabilities inherited from the acquired companies' prior business operations;
- diversion of management time and attention from our core business to the acquired business;
- failure to retain key technical, management, and other personnel of the acquired business;
- difficulty in retaining relationships with suppliers and customers of the acquired business; and
- difficulty in obtaining required regulatory approvals and operating in new regulatory jurisdictions.

In addition, the businesses and other assets we acquire may not achieve the sales and profitability expected. The occurrence of one or more of these events may have a material adverse effect on our business. There can be no assurance that we will be successful in overcoming these or any other significant risks encountered.

We may not be able to increase or sustain our recent growth rate, and we may not be able to manage our future growth effectively.

We may be unable to continue to expand our business or manage future growth. To successfully manage our growth and handle the responsibilities of being a public company, we must effectively:

- hire, train, integrate, and manage additional qualified engineers for engineering design and construction activities, new business personnel, and financial and information technology personnel;
- retain key management, augment our management team, and retain qualified and certified water and wastewater system operators;
- implement and improve additional and existing administrative, financial and operations systems, procedures and controls;
- expand our technological capabilities; and
- manage multiple relationships with our customers, regulators, suppliers, and other third parties.

If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, satisfy customer requirements, execute our business plan, or respond to competitive pressures.

We have a number of large-volume commercial and industrial customers and a significant decrease in consumption by one or more of these customers could have an adverse effect on our operating results and cash flows.

Our billed revenues and cash flows from operations will decrease if a significant business or industrial customer terminates or materially reduces its use of our water. Approximately $210.4 million, or 23.2%, of our 2024 water utility revenues was derived from business and industrial customers. In Hawaii, we serve a number of large resorts, which if their water usage was reduced or ceased could have a material impact to our Hawaii operation. The delay between such date and the effective date of the rate relief may be significant and could adversely affect our operating results and cash flows.

Our operating cost and costs of providing services may rise faster than our revenues.

Our ability to increase rates over time is dependent upon approval of such rate increases by the Commissions, or in the case of the City of Hawthorne and the City of Commerce, the City Council, which may be inclined, for political or other reasons, to limit rate increases. However, our costs, which are subject to inflationary market conditions and other factors, may increase significantly. The second largest component of our operating costs after water production is made up of salaries and wages. These costs are affected by the local supply and demand for qualified labor. Other large components of our costs are general insurance, workers compensation insurance, employee benefits, and health insurance costs. These costs may increase disproportionately to rate increases authorized by the Commissions and may have a material adverse effect on our future results of operations.

Demand for our stock may fluctuate due to circumstances beyond our control.

We believe that stockholders invest in public utility stocks, in part, because they seek reliable dividend payments. If there is an over-supply of stock of public utilities in the market relative to demand by such investors, the trading price of our securities could decrease. Additionally, if interest rates rise above the dividend yield offered by our equity securities, demand for our stock, and consequently its market price, may decrease. Additional factors that could cause fluctuations in the trading price of our stock include regulatory developments, such as the delay in the CPUC's final decision regarding the 2021 GRC, general economic conditions and trends, including inflationary pressures, general economic slowdown or a recession, changes in monetary policy, adverse capital markets activity or macroeconomic conditions as a result of geopolitical conflicts, and the prospect of a shutdown of the U.S. federal government; price and volume fluctuations in the overall stock market; actual or anticipated changes or fluctuations in our results of operations; actual or anticipated changes in the expectations of investors or securities analysts; actual or anticipated developments in other utilities' businesses or the competitive landscape generally; litigation involving us or our industry; major catastrophic events, or sales of large blocks of our stock. A decline in demand for our stock may have a negative impact on our ability to finance capital projects.

Adverse investment returns and other factors may increase our pension liability and pension funding requirements.

A substantial number of our employees are covered by a defined benefit pension plan. At present, the pension plan is over funded because the aggregate fair value of our plan assets exceeds the projected pension benefit obligation, but the funded status of the plan can be affected by investment returns on plan assets, discount rates, mortality rates of plan participants, pension reform legislation, and a number of other factors. There can be no assurance that the value of our pension plan assets will continue to be sufficient to cover future liabilities. Although we contributed to our pension plan in recent years, it is possible that we could incur a pension liability adjustment, or could be required to make additional cash contributions to our pension plan, which would reduce the cash available for business and other needs. Under applicable law, we are required to make cash contributions to the extent necessary to comply with minimum funding levels imposed by regulatory requirements. The amount of such required cash contribution is based on an actuarial valuation of the plan.

Labor relations matters could adversely affect our operating results.

At December 31, 2024, 771 of our 1,278 total employees were union employees. Most of our unionized employees are represented by the UWUA, AFL-CIO, except certain engineering and laboratory employees who are represented by the IFPTE, AFL-CIO.

We believe our labor relations are good, but in light of rising costs for health care, pensions, and general inflation, our future contract negotiations may be difficult. Furthermore, changes in applicable law or regulations could have an adverse effect on management's negotiating position with respect to our currently unionized employees and/or employees that decide to unionize in the future. We are subject to a risk of work stoppages and other labor relations matters as we negotiate with the unions to address these issues, which could affect our results of operations and financial condition. We can give no assurance that issues with our labor forces will be resolved favorably to us in the future or that we will not experience work stoppages.

Our operations are geographically concentrated in California and this lack of diversification may negatively affect our operating results.

Although we own facilities in a number of states, 92.3% of our total consolidated operating revenue was generated by our operations located in California in 2024. As a result, we are largely subject to political, regulatory, economic, water supply, weather, labor, and energy cost risks affecting California.

We are also affected by the real property market in California. In order to grow our business, we may need to acquire additional real estate or rights to use real property owned by third parties, the cost of which tends to be higher and more volatile in California than in other states. The value of our assets in California may decline if there is a decline in the California real estate market that results in a significant decrease in real property values.

Our business and financial performance may be adversely affected by high inflation and other macroeconomic conditions.

Inflation has the potential to adversely affect our liquidity, business, financial condition, and results of operations by increasing our overall cost structure, particularly if we are unable to achieve increases in the rates we charge our customers. There is no guarantee that any future rate increase requests will be approved and granted in a timely manner and/or will be sufficient to cover costs for the impact of high inflation. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, shipping costs, supply shortages, increased costs of labor, and other similar effects. As a result of inflation, we have experienced, and may continue to experience, cost increases. Although we may take measures to mitigate the impact of this inflation, if these measures are not effective, our business, financial condition, results of operations, and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost of inflation is incurred.

We may also be similarly impacted by stagnating or worsening business and economic conditions, including general economic slowdown or a recession, tariffs on U.S. imports, such as those recently implemented on steel and aluminum, higher interest rates for a prolonged period of time, instability of certain financial institutions, changes in monetary policy, adverse capital markets activity or macroeconomic conditions as a result of geopolitical conflicts, and the prospect of a shutdown of the U.S. federal government.

Municipalities, water districts, and other public agencies may condemn our property by eminent domain action.

State statutes allow municipalities, water districts and other public agencies to own and operate water systems. These agencies are empowered to condemn water systems or real property owned by privately owned public utilities in certain circumstances and in compliance with California and federal law. Additionally, whenever a public agency constructs facilities to extend its utility system into the service area of a privately owned public utility, such an act may constitute the taking of property and require reimbursement to the public utility for its loss. If a public agency were to file an eminent domain lawsuit against us, we would incur substantial legal fees, consultant and expert fees, and other costs in considering a challenge to the right to take our utility property and/or its valuation for just compensation, as well as such fees and costs in any subsequent litigation if necessary. If the public agency prevailed and acquired our utility property, we would be entitled to just compensation for our loss, but we would no longer have access to the condemned property or water system. Neither would we be entitled to any portion of revenue generated from the use of such asset going forward.

General Risk Factors

We depend significantly on the services of the members of our management team, and the departure of any of those persons could cause our operating results to suffer.

Our success depends significantly on the continued individual and collective contributions of our management team. The loss of the services of any member of our management team could have an adverse effect on our business as our management team has knowledge of our industry and customers and would be difficult to replace.

We retain certain risks not covered by our insurance policies.

We evaluate our risks and insurance coverage annually or more frequently if circumstances dictate. Our evaluation considers the costs, risks, and benefits of retaining versus insuring various risks as well as the availability of certain types of insurance coverage. Accordingly, we have determined or may determine to self-insure or to not obtain insurance in certain cases, or insurance may not be available at commercially acceptable terms or at all. Furthermore, we are also affected by increases in prices for insurance coverage; in particular, we have been, and will continue to be, affected by rising health insurance costs. Retained risks are associated with deductible limits, partial self-insurance programs, and insurance policy coverage ceilings. If we suffer an uninsured loss, we may be unable to pass all or any portion of the loss on to customers, because our rates are regulated by Commissions. Consequently, uninsured losses may negatively affect our financial condition, liquidity, and results of operations. There can be no assurance that we will not face uninsured losses pertaining to the risks we have retained.

Our enterprise risk management processes may not be effective in identifying and mitigating the risks to which we are subject, or in reducing the potential for losses in connection with such risks.

Our enterprise risk management processes are designed to minimize or mitigate the risks to which we are subject, as well as any losses stemming from such risks. Although we seek to identify, measure, monitor, report, and control our exposure to such risks, and employ a broad and diversified set of risk monitoring and mitigation techniques in the process, those techniques are inherently limited in their ability to anticipate the existence or development of risks that are currently unknown and unanticipated. The ineffectiveness of our enterprise risk management processes in mitigating the impact of known risks or the emergence of previously unknown or unanticipated risks may result in our incurring losses in the future that could adversely affect our financial condition and results of operations.

The accuracy of our judgments and estimates about financial and accounting matters will affect our operating results and financial condition.

We make certain estimates and judgments in preparing our financial statements regarding, among others:

- the useful life of intangible rights;
- the number of years to depreciate certain assets;
- amounts to set aside for uncollectible accounts receivable, inventory obsolescence, and uninsured losses;
- our legal exposure and the appropriate accrual for claims, including medical claims and workers' compensation claims;
- future costs and assumptions for pensions and other postretirement benefits;
- regulatory recovery of regulatory assets;
- possible tax uncertainties; and
- projected collections of MWRAM and ICBA receivables.

The quality and accuracy of those estimates and judgments may have an impact on our operating results and financial condition.

In addition, we must estimate accrued and unbilled revenues and costs as of the end of each accounting period. If our estimates are not accurate, we would be required to make an adjustment in a future period. Accounting rules permit us to use expense balancing accounts and memorandum accounts that include cost changes to us that are different from amounts incorporated into the rates approved by the Commissions. These accounts result in expenses and revenues being recognized in periods other than in which they occurred.

Our commitments and stakeholder expectations relating to environmental, social, and governance (ESG) considerations may expose us to liabilities, increased costs, reputational harm, and other adverse effects on our business.

We have announced, and may from time to time announce, certain initiatives, including goals, targets, and other objectives, related to ESG matters. These statements reflect our current plans and do not constitute a guarantee that they will be achieved. Our failure to accomplish or accurately track and report on these goals on a timely basis, or at all, could adversely affect our reputation, financial performance, and growth, and expose us to increased scrutiny from the investment community as well as enforcement authorities. In addition, statements about our sustainability goals, targets, and other objectives, and progress against those goals, targets, and other objectives, are or may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Our selection of voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, have changed and may change from time to time, or differ from those of others. Methodologies for reporting this data have been and may from time to time be updated and previously reported data has been or may be adjusted, as applicable, to reflect improvement in availability and quality of third-party data, changing assumptions, changes in the nature and scope of our operations, and other changes in circumstances, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future.

Investor and political advocacy groups, certain institutional investors, investment funds, other market participants, stockholders, and customers have focused increasingly on ESG initiatives, including the goals, targets, and objectives that we announce, and our methodologies and timelines for pursuing them. At the same time, stakeholders and regulators have increasingly expressed or pursued opposing views, legislation, and investment expectations with respect to sustainability initiatives, including the enactment or proposal of "anti-ESG" legislation or policies. Implementing our ESG programs involves risks and uncertainties, including increased costs, required investments and often depends on third-party performance or data that is outside our control. For example, as a regulated utility, we must obtain approval from our Commissions for our cost structure and capital investments, including capital expenditures for implementing ESG programs, and any changes that may affect customer rates need to be approved within the rate case process with the Commissions. In our experience, U.S. state utilities commissions have prioritized water affordability and physical climate change risk adaptation over emissions reductions. Additionally, in many areas, purchased water, which is a contributor to our emissions inventory, is the only available water source, and a large majority of these single-source suppliers have not published emission reduction targets. We cannot guarantee that we will achieve our announced ESG targets and commitments, satisfy all stakeholder expectations, or that the benefits of implementing or achieving these goals and initiatives will not surpass their projected costs. Any failure, or perceived failure, to achieve ESG goals and initiatives, as well as to manage ESG risks, adhere to public statements, comply with federal or state ESG laws and regulations or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition, and stock price. Even if we achieve our goals, targets, and objectives, we may not realize all of the benefits that we expected at the time they were established.

Our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired by a material weakness in our internal control over financial reporting, which could result in loss of investor confidence in the accuracy and completeness of our financial reports and materially adversely affect our results of operations and stock price.

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. We are required to provide a report from management to our stockholders on our internal control over financial reporting that includes an assessment of the effectiveness of these controls, and management has in the past concluded that our internal control over financial reporting was not effective, which was remediated.

Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, and fraud. Because of these inherent limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. If we are unable to maintain effective internal control over financial reporting or disclosure controls and procedures, we could suffer harm to our reputation, incur incremental compliance costs, fail to meet our public reporting requirements on a timely basis, be unable to properly report on our business and our results of operations, or be required to restate our financial statements, which could result in loss of investor confidence in the accuracy and completeness of our financial reports, subject us to litigation or investigations requiring management resources and payment of legal and other expenses, and our results of operations and our stock price could be materially adversely affected.

Item 1B. ***Unresolved Staff Comments.***

None.

Item 1C. *Cybersecurity.*

Governance

The Board and Audit Committee are responsible for overseeing IT and OT risks from cybersecurity threats. The Board recognizes the importance of maintaining the trust and confidence of our customers, employees, regulators, and stockholders and the need to protect information stored on our and our vendors' systems, including personal and proprietary data.

Our Senior Vice President of Corporate Services & Chief Risk Officer (SVP & CRO), who reports directly to our Chairman, President & CEO leads a team that is responsible for managing our enterprise-wide information security strategy, policy, standards, architecture, and processes, including the prevention, detection, mitigation, and remediation of cybersecurity incidents. The team is also responsible for overseeing any third-party firms used as part of our information security strategy. Our SVP & CRO holds a Master's Degree in Business Administration and a Bachelor's Degree in Management Information Systems, has over 25 years of information and operational technology experience, is a certified Project Management Professional, and is a Certified Information Security Manager from the Information Systems Audit and Control Association. He served for one year as the President of the Bay Area InfraGard chapter and four years on its Board. InfraGard is a collaboration between the Federal Bureau of Investigation (FBI) and members of the private sector that promotes the protection of U.S. critical infrastructure and enables the exchange of important information. Our Director of IT Security and Chief Information Security Officer (CISO), who reports to the SVP & CRO, has over 25 years of information technology and 15 years of cybersecurity experience and holds a Certified Information Systems Security Professional certification from the International Information System Security Certification Consortium.

The Board and Audit Committee receive regular but no less than quarterly reports from management, and on an ad hoc basis, on information and operational technology risks, including cybersecurity and data security risks, as well as on the status of projects to strengthen our information security systems, assessments of our security program, and the emerging threat landscape.

The SVP & CRO receives reports on cybersecurity threats from the CISO who regularly reviews threat intelligence from various sources including the FBI and Department of Homeland Security (DHS). The SVP & CRO, in conjunction with management, also regularly reviews risk management measures implemented by us to identify and mitigate data security and cybersecurity risks. The significance of these threats is assessed by the SVP & CRO and his team and reported, as appropriate depending on the significance, to the Audit Committee.

Risk Management and Strategy

Our cybersecurity risk management approach is informed in part by multiple standards and regulations for cybersecurity and data privacy, including the following:

- National Institute of Standards and Technology (NIST) Cybersecurity Framework
- NIST 800-171 and Cybersecurity Maturity Model Certification (NIST 800-171 CMMC)
- Payment Card Industry Data Security Standard
- California Privacy Rights Act
- Health Insurance Portability and Accountability Act
- Defense Federal Acquisition Regulations Supplement (DFARS)

We regularly assess our adherence to these standards and maintain programs designed to support our compliance with these requirements. External firms audit our compliance with NIST 800-171 CMMC and DFARS every three years. In addition, our cybersecurity processes have been integrated into our overall enterprise risk management system and specific cybersecurity-focused disclosure controls and procedures have been developed. Management continues to support a variety of practices that are intended to align with recognized frameworks and reflect our approach to assess, identify, and manage material risks from cybersecurity threats:

- Incident response: We have adopted a Cybersecurity Incident Response Plan (IRP) that applies in the event of a cybersecurity threat or incident to provide a standardized framework for investigating, containing, documenting, and mitigating incidents, including reporting findings and keeping senior management and other key stakeholders informed and involved as appropriate. The IRP applies to all Company personnel and third-party contractors, vendors, and partners that perform functions or services that require access to secure information, and to all devices and network services that are owned or managed by the Company.

- Regular testing: We engage a third-party cybersecurity firm to conduct an annual network penetration test on our corporate and supervisory control and data acquisition networks. The annual penetration test enables us to assess our existing security controls to identify weaknesses and eliminate vulnerabilities to defend against cybersecurity threats proactively. Our IT team also conducts rehearsals of our IRP to test and enhance our ability to respond to cybersecurity incidents.
- Monitoring for risks: We engage a third-party cybersecurity firm to manage our Security Operations Center (SOC), which is responsible for monitoring our network traffic 24/7. Our SOC helps to identify and respond to cybersecurity issues in real time by assessing the level of threats and making recommendations on appropriate actions.
- Security controls: We incorporate physical- and software-based preventive, detective, and corrective security controls to prevent or detect unauthorized activities and proactively alert us should an unauthorized activity occur within the organization. Early detection can enable the security team to quickly contain and eradicate the unauthorized activity to reduce the time exposure window and the impact of the incident. Our Security Incident Event Management tool monitors security logs, includes detective controls, and helps to identify irregular activities.
- Detection and preventative technology: We have implemented multiple technologies designed to help protect our systems from cybersecurity threats, including an intrusion prevention system, next-generation antivirus program, end point protection system, and a data loss prevention security tool.
- Regular improvements: We regularly work to enhance our systems and integrate new information and technology to upgrade our systems. We review and approve software and hardware acquisitions to enhance our ability to detect and manage cybersecurity threats. We also engage the FBI, DHS, and fusion centers for incident response support and collaborate to share critical information.

Management also shares knowledge to protect our infrastructure and learn from recent developments. In addition to InfraGard, our SVP & CRO is a member of The Northern California Regional Intelligence Center, which is part of the California State Threat Assessment System supporting public safety as an intelligence and information sharing nexus in Northern California. Our CISO also actively participates on the Safety and Security Committee of the National Association of Water Companies to collaborate with members of our industry and learn best practices.

Our employees represent the foundation of cybersecurity protection and are a key line of defense, and we seek to strengthen their ability to target risks by proactively training active employees and contractors each year. We update our online security awareness training annually to review key policies and practices for security. To engage our workforce and inform employees of applicable security topics, we provide a monthly internal cybersecurity newsletter. Our monthly campaign on mock phishing emails is designed to serve as a reminder to employees to refrain from clicking on fraudulent emails disguised as safe content. We also assign enhanced cybersecurity training to employees who have access to potentially sensitive government information.

Since the beginning of the last fiscal year, we have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, but we face certain ongoing cybersecurity risks threats that, if realized, are reasonably likely to materially affect us. Additional information on cybersecurity risks we face is discussed in Part I, Item 1A, "Risk Factors," under the heading "We rely on our information technology (IT), operational technology (OT), and a number of complex business systems to assist with the management of our business and customer and supplier relationships, and a disruption of these systems, including from cyber-attacks, could adversely affect our business."

Item 2. ***Properties.***

Our physical properties consist of offices and water and wastewater facilities to accomplish the production, storage, treatment, and distribution of water and the collection, treatment, and discharge of wastewater. These properties are located in or near the geographic service areas listed above in Item 1, "Business—Geographical Service Areas and Number of Customer Connections at Year-end." Our headquarters, which houses accounting, engineering, information systems, human resources, legal, purchasing, regulatory, water quality, and executive staff, is located in San Jose, California.

The real properties owned are held in fee simple title. Properties owned by Cal Water are subject to the lien of an Indenture of Mortgage and Deed of Trust dated October 22, 2024, May 11, 2021, June 11, 2019, November 22, 2010, and April 17, 2009 (the California Indenture), securing Cal Water's First Mortgage Bonds, of which $1,175.0 million was outstanding at December 31, 2024. The California Indenture contains certain restrictions common to such types of instruments regarding the disposition of property and includes various covenants and restrictions. At December 31, 2024, our California utility was in compliance with the covenants of the California Indenture.

Cal Water owns 587 wells and operates ten leased wells. There are 417 owned storage tanks with a capacity of 291 million gallons, one leased storage tank with a capacity of 0.25 million gallons, 29 managed storage tanks with a capacity of 32 million gallons, and three surface water reservoirs with a capacity of 241 million gallons. Cal Water owns and operates six surface water treatment plants with a combined capacity of 46 million gallons per day. There are 6,775 miles of supply and distribution mains in the various owned and managed systems.

In the leased City of Hawthorne and City of Commerce systems or in systems that are operated under contract for municipalities or private companies, title to the various properties is held exclusively by the municipality or private company.

Hawaii Water owns 29 wells and manages three potable and five irrigation wells. There are 38 storage tanks with a storage capacity of 35.8 million gallons. There are 246 miles of supply and distribution mains. Hawaii Water operates seven wastewater treatment facilities with a combined capacity to process approximately 4.8 million gallons per day. There are 89.7 miles of sewer collection mains including force mains.

Washington Water owns 468 wells and manages 5 wells. There are 194 owned storage tanks with a storage capacity of 20.3 million gallons. There are 773 miles of supply and distribution mains. Washington Water operates one wastewater treatment plant with 1.3 miles of sewer collection mains.

New Mexico Water owns 28 wells. There are 29 storage tanks with a storage capacity of 11.0 million gallons. There are 210 miles of supply and distribution mains. New Mexico operates two wastewater treatment facilities with a combined capacity to process 0.62 million gallons per day. There are eight lift stations and 35 miles of sewer collection mains.

Texas Water, through its majority ownership of BVRT, owns and operates 7 wastewater treatment plants. The plants have a treatment capacity of 915,000 gallons per day.

Item 3. ***Legal Proceedings.***

Information with respect to this item may be found under the subheading “Contingencies and Commitments” in Note 15 of the Notes to Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

PART II

Item 5. ***Market for Registrant’s Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

Our common stock is traded on the New York Stock Exchange under the symbol “CWT.” At December 31, 2024, there were 59,484,145 common shares outstanding. There were 1,680 common stockholders of record as of February 10, 2025.

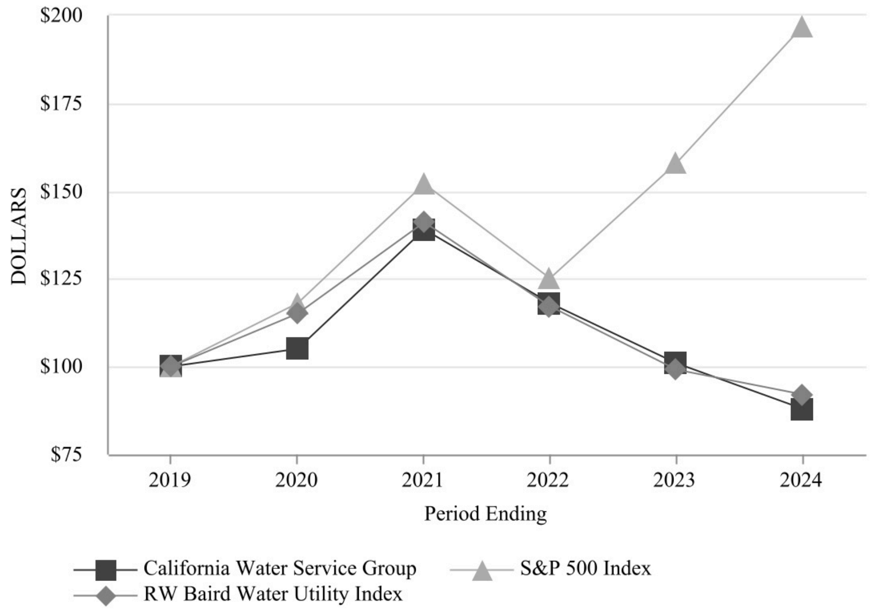
During 2024, we paid a cash dividend of $1.12 per common share, or $0.28 per quarter. During 2023, we paid a cash dividend of $1.04 per common share, or $0.26 per quarter. On January 29, 2025, the Board declared a quarterly cash dividend of $0.30 per common share and a one-time special dividend in the amount of $0.04 per common share. Both the quarterly dividend and the special one-time dividend will be payable on February 21, 2025, to stockholders of record on February 10, 2025. This represents an indicated annual cash dividend of $1.24, and would be our 58th consecutive year of increasing the annual dividend and marks the 320th consecutive quarterly dividend.

We presently intend to pay quarterly cash dividends in the future consistent with past practices, subject to our earnings and financial condition, restrictions set forth in our debt instruments, regulatory requirements and such other factors as our Board may deem relevant.

Five-Year Performance Graph

The following performance graph compares the changes in the cumulative shareholder return on California Water Service Group’s common stock with the cumulative total return on the Robert W. Baird Water Utility Index (which is comprised of Artisan Resources Corporation, American Water Works Company, Inc, American States Water Company, Essential Utilities, SJW Group, and York Water) and the Standard & Poor’s 500 Index during the last five years ended December 31, 2024. The comparison assumes $100 was invested on December 31, 2019, in California Water Service Group’s common stock and in each of the forgoing indices and assumes reinvestment of dividends.

Performance Graph Data



The following descriptive data is supplied in accordance with Rule 304(d) of Regulations S-T:

	2019	2020	2021	2022	2023	2024
California Water Service Group	100	105	139	118	101	88
S&P 500	100	118	152	125	158	197
RW Baird Water Utility Index	100	115	141	117	99	92

An initial $100 investment in the common stock of California Water Service Group on December 31, 2019 including reinvestment of dividends would be worth $88 at the end of the 5-year period ending December 31, 2024.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. [Reserved]

Not applicable.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

The following sections include a discussion of results for fiscal 2024 compared to fiscal 2023 as well as certain 2022 results. The comparative results for fiscal 2023 with fiscal 2022 generally have not been included in this Form 10-K, but may be found in "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Overview

Net Income Attributable to California Water Service Group

In 2024 and 2023, net income attributable to California Water Service Group was $190.8 million and $51.9 million, respectively. Earnings per diluted common share increased $2.34 from $0.91 to $3.25 or 257.1% in 2024.

The $138.9 million increase in net income was primarily due to an increase in operating revenue of $242.2 million primarily as a result of the cumulative adjustment for the impacts of the 2021 GRC, retroactive to January 1, 2023, and higher rates and increased consumption. The revenue increase was partially offset by an increase in total operating expenses of $94.3 million. The total operating expense increase was primarily due to an increase in water production costs, which include purchased water, purchased power, and pump tax expenses, of $22.1 million, increases in other operations expenses of $6.0 million, an increase in income tax expense of $51.1 million, an increase in depreciation and amortization expenses of $10.7 million, and an increase in property and other taxes of $4.3 million. Additionally, net other income decreased by $1.5 million and net interest expense increased by $7.7 million.

The net income benefit of the 2021 GRC from 2023 interim rate relief was approximately $64.0 million included in 2024 results.

California Extended Water and Wastewater Arrearages Payment Program

The California Water and Wastewater Arrearages Payment Program was created by the California Legislature to be administered by the Water Board in order to provide relief to community water and wastewater systems for unpaid bills (arrearages) related to the COVID-19 pandemic.

In 2023, the California Extended Water and Wastewater Arrearages Payment Program (Extended Program) was established and extended the relief period to include arrearages accrued from June 16, 2021 to December 31, 2022. In response to the Extended Program, Cal Water submitted an application for $82.0 million in eligible customer arrearages and $1.0 million in program administrative costs, which was approved by the Water Board. Cal Water received the funds in April of 2024 and applied $57.5 million of the funds to eligible past due customer balances during the second quarter of 2024. The remaining balance was returned to the Water Board in the third quarter of 2024 in accordance with the program terms.

Critical Accounting Policies and Estimates

We maintain our accounting records in accordance with accounting principles generally accepted in the United States of America and as directed by the Commissions to which our operations are subject. The process of preparing financial statements requires the use of estimates on the part of management. The estimates used by management are based on historic experience and an understanding of current facts and circumstances. A summary of our significant accounting policies is listed in Note 2 of the Notes to Consolidated Financial Statements. The following sections describe those policies where the level of subjectivity, judgment, and variability of estimates could have a material impact on the financial condition, operating performance, and cash flows of the business.

Regulated Utility Accounting

Because our primary business is operating a regulated business, we are subject to the accounting rules and standards for regulated utilities. The Commissions in the states in which we operate establish rates that are designed to permit the recovery of the cost of service and a return on investment. We capitalize and record regulatory assets for costs that would otherwise be charged to expense if it is probable that the incurred costs will be recovered in future rates. Regulatory assets are amortized over the future periods that the costs are expected to be recovered. If costs expected to be incurred in the future are currently being recovered through rates, we record those expected future costs as regulatory liabilities. In addition, we record regulatory liabilities when it is probable the Commissions will require a refund to be made to our customers over future periods.

Determining probability requires significant judgment by management and includes, but is not limited to, consideration of testimony presented in regulatory hearings, proposed regulatory decisions, final regulatory orders, and the strength or status of applications for rehearing or state court appeals.

If we determine that a portion of our assets used in utility operations is not recoverable in customer rates, we would be required to recognize the loss of the disallowed assets.

Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. We measure deferred tax assets and liabilities at enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We recognize the effect on the deferred tax assets and liabilities of a change in tax rate in the period that includes the enactment date. We also assess the likelihood that deferred tax assets will be recovered in future taxable income and, to the extent recovery is not probable, a valuation allowance would be recorded.

We anticipate that future rate actions by the regulatory commissions will reflect revenue requirements for the tax effects of temporary differences recognized, which have previously been passed through to customers. The regulatory commissions have granted the Company permission to reflect the normalization of the tax benefits of the federal accelerated methods and available Investment Tax Credits (ITCs) for all assets placed in service after 1980. ITCs are deferred and amortized over the lives of the related properties for book purposes. The CPUC requires flow through accounting for state deferred taxes.

On June 27, 2024, California Senate Bill 167 (SB 167) was enacted into law. SB 167 provides for a three-year suspension of net operating losses under the California Corporation tax. Among other things, this new law temporarily disallows the use of state net operating losses for years beginning in 2024 through 2026.

On December 22, 2017, the U.S. government enacted expansive tax legislation commonly referred to as the TCJA. Among other provisions, the TCJA reduces the federal income tax rate from 35 percent to 21 percent beginning on January 1, 2018 and eliminated bonus depreciation for utilities. The TCJA required the Company to re-measure all existing deferred income tax assets and liabilities to reflect the reduction in the federal tax rate.

As of December 31, 2024, the TCJA tax liability was $76.5 million. We continue working with state regulators to finalize the TCJA tax liability to confirm compliance with the federal normalization rules.

Pensions, which include the supplemental executive retirement plan (SERP), and Postretirement Benefits Other Than Pensions (PBOP)

We incur costs associated with our pensions and PBOP plans. To measure the expense of these benefits, our management must estimate compensation increases, mortality rates, future health cost increases and discount rates used to value related liabilities and to determine appropriate funding. Different estimates used by our management could result in significant variances in the cost recognized for pension and PBOP plans. The estimates used are based on historical experience, current facts, future expectations, and recommendations from independent advisors and actuaries. We use an investment advisor to provide advice in managing the plans' investments. We anticipate any increases in funding for the pension, except for the SERP for Cal Water, and PBOP plans will be recovered in future rate filings, thereby mitigating the financial impact. We believe it is probable that future costs will be recovered in future rates and therefore have recorded a regulatory asset in accordance with generally accepted accounting principles. As a result of Cal Water's 2021 GRC decision that was issued in March of 2024, SERP expenses were disallowed to be recovered from our customers. At this time, we believe it is not probable that SERP costs will be recovered in rates for the three-year period in which the 2021 GRC is in effect. As a result, we have reclassified our SERP regulatory asset, net of associated deferred income taxes, for Cal Water to other comprehensive loss in accordance with generally accepted accounting principles.

Changes to pension benefits actuarial assumptions can significantly affect pension costs, regulatory assets, and liabilities. The following table reflects the sensitivity of pension amounts reported for the year ended December 31, 2024, to changes in actuarial assumptions:

	Increase/(Decrease) in Pension Benefits Actuarial Assumption	Increase/(Decrease) in 2024 Net Periodic Benefit Cost	Increase/(Decrease) in Projected Benefit Obligation as of December 31, 2024
		Dollars in thousands	
Discount rate	(0.5)%	$ 3,042	$ 54,170
Long-term rate of return on plan assets	(0.5)%	3,372	—
Rate of compensation increases	(0.5)%	(3,047)	(13,630)
Cost of living adjustment (1)	(0.2)%	(2,460)	(14,233)
Discount rate	0.5 %	(5,736)	(48,220)
Long-term rate of return on plan assets	0.5 %	(3,372)	—
Rate of compensation increases	0.5 %	2,534	14,368
Cost of living adjustment	0.5 %	4,237	37,622

1. The cost of living adjustment was assumed at 2.20% and has a floor of 2.0%.

Results of Operations

Operating Revenue

Operating revenue in 2024 was $1,036.8 million, an increase of $242.2 million, or 30.5%, over 2023. Operating revenue in 2023 was $794.6 million, a decrease of $51.8 million, or 6.1%, over 2022. The sources of change in operating revenue were:

	2024	2023
	Dollars in millions	
Net change due to rate changes, usage, and other (1)	$ 122.1	$ 17.9
IRMA revenue (2)	88.6	—
MWRAM revenue (3)	35.3	—
WRAM revenue	—	(74.3)
MCBA revenue	—	7.4
Other balancing account revenue	—	4.9
Deferral of revenue (4)	(3.8)	(7.7)
Net change	$ 242.2	$ (51.8)

(1) In 2024, the net change due to rate changes, usage, and other items in the above table was primarily due to rate increases of $98.5 million and an increase in consumption and new customers of $17.5 million.

(2) Due to the delay in the resolution of the 2021 GRC, the CPUC authorized Cal Water to track in an IRMA the variances between actual customer billings and those that would have been billed assuming the 2021 GRC had been effective January 1, 2023. Such variances are recorded as regulatory balancing account revenue. The 2021 GRC was approved in March of 2024 and final rates for the 2021 GRC were implemented on May 31, 2024. Cal Water recorded IRMA revenue of $88.6 million in 2024, of which $67.6 million is attributable to 2023.

(3) MWRAM revenue is the variance between actual metered sales billed through the tiered volumetric rate and the revenue that would have been received with the same actual metered sales if a uniform rate had been in effect. In March of 2024, Cal Water received approval of the 2021 GRC which authorized the use of the MWRAM effective January 1, 2023. As a result, Cal Water recorded MWRAM revenue of $35.3 million for 2024 of which $17.4 million is attributable to 2023.

(4) Deferred revenue consists of amounts that are expected to be collected from customers beyond 24 months following the end of the accounting period in which the sales transaction has already occurred. Deferred revenue for 2024 increased due to an increase in the balancing account revenue expected to be collected beyond 24 months.

Water Production Costs

Water production costs, which consist of purchased water, purchased power, and pump taxes, comprise the largest segment of total operating expenses. Water production costs accounted for 38.3% and 40.2%, of total operating costs in 2024 and 2023, respectively. The rates charged for wholesale water supplies, electricity, and pump taxes are established by various public agencies and utilities. As such, these rates are beyond our control.

The table below provides the change in water production costs during the past 2 years:

	2024			2023		
	Amount	Change	% Change	Amount	Change	% Change
	Dollars in millions					
Purchased water	$ 241.2	$ 17.4	7.8 %	$ 223.8	$ (0.7)	(0.3)%
Purchased power	47.7	2.0	4.4 %	45.7	1.1	2.5 %
Pump taxes	21.8	2.8	14.7 %	19.0	2.8	17.3 %
Total water production costs	$ 310.7	$ 22.2	7.7 %	$ 288.5	$ 3.2	1.1 %

The principal factors affecting water production costs are the quantity, price, and source of the water. Generally, water pumped from wells costs less than water purchased from wholesale suppliers. The 2021 GRC approved an ICBA for purchased water, purchased power, and pump taxes. The ICBA mechanism is designed to recover changes in supplier prices from authorized amounts and has been recorded as part of the associated water production expense type.

The table below provides the amounts, percentage change, and source mix for the respective years:

	2024			2023		
	MG	% of Total	% change from prior year	MG	% of Total	% change from prior year
	Millions of gallons (MG)					
Source:						
Wells	54,546	51.3 %	8.3 %	50,363	48.6 %	(4.1)%
Purchased	47,665	44.8 %	(0.4)%	47,865	46.3 %	(5.2)%
Surface	4,163	3.9 %	(20.8)%	5,256	5.1 %	33.5 %
Total	106,374	100.0 %	2.8 %	103,484	100.0 %	(3.2)%

For 2024, the $17.4 million increase in purchased water expenses is mostly due to a blended purchased water wholesaler rate increase of 8.2% partially offset by a 0.4% decrease in purchased quantities. In 2024, Cal Water recorded $8.3 million of ICBA expense, of which $6.9 million was attributable to 2023.

For 2024, the $2.8 million increase in pump taxes is primarily due to increases in pump tax rates. In 2024, Cal Water recorded a reduction to pump taxes of $0.8 million for the ICBA, of which $0.1 million was attributable to 2023.

Purchased power expenses are affected by the quantity of water pumped from wells and moved through the distribution system, rates charged by electric utility companies, and rate structures applied to usage during peak and non-peak times of the day or season. In 2024, purchased power expenses increased $2.0 million to $47.7 million mainly due to an increase in rates from our power providers. In 2024, Cal Water recorded a reduction to purchased power of $4.8 million for the ICBA, of which $0.3 million was attributable to 2023.

Changes associated with climate change regulations could increase the cost of power that in turn would result in an increase in the rates our power suppliers charge us. Any change in pricing of our purchased power in California would be recovered from our customers through the ICBA mechanism. Any change in power costs in other states would be requested to be recovered by the customers in those states. The impact of such regulations is dependent upon the enacted date, the factors that affect our suppliers' cost structure, and their ability to pass the costs to us in their approved tariffs. These items are not known at this time.

Other Operations Expenses

The components of other operations expenses include payroll, material and supplies, and contract service costs of operating the regulated water systems, including the costs associated with water transmission and distribution, pumping, water quality, meter reading, billing, operations of district offices, and water conservation programs.

For 2024, other operations expense increased $6.0 million, or 5.3%, compared to 2023. The increase was primarily due to an increase in employee wage expense of $2.3 million, water treatment costs of $1.8 million primarily related to the HOH Water Utilities system acquisition that closed in December of 2023, and software licensing fees of $1.3 million.

Depreciation and Amortization

For 2024, depreciation and amortization increased $10.7 million, or 8.8%, to $131.9 million compared to 2023 primarily due to utility plant placed in service in 2023.

Income Taxes

For 2024, income tax expense increased $51.1 million, or 336.6%, to $35.9 million compared to an income tax benefit of $15.2 million for 2023. The increase in 2024 was primarily due to an increase in pre-tax operating income in 2024 attributable to the recognition of income related to the 2021 GRC decision in 2024.

Property and Other Taxes

For 2024, property and other taxes increased $4.3 million, or 11.8%, compared to 2023. The increase was mostly due to an increase in our assessed property values for utility plant placed in service during the year.

Other Income and Expenses

For 2024, net other income and expenses decreased $1.5 million, or 6.1%, to $22.6 million compared to 2023. The decrease was due primarily to a $4.4 million decrease in other components of net periodic benefit credit and a $1.3 million decrease in the unrealized gains from certain non-qualified benefit plan investments due to market conditions, which was partially offset by a $1.4 million increase in allowance for equity funds used during construction and an increase in interest income of $1.0 million.

Net Interest Expense

For 2024, net interest expense increased $7.7 million, or 15.5%, compared to 2023. The increase was primarily due to higher average short-term borrowing rates and higher outstanding borrowings on our short-term credit facilities.

Rates and Regulation

The following is a summary of 2024 rate filings that impacted revenue requirement. A description of the "Type of Filing" can be found in the "Item 1 - Rates and Regulation" section above. California decisions and resolutions may be found on the CPUC website at www.cpuc.ca.gov.

Type of Filing	Decision/Resolution	Effective Date	Increase in Annual Revenue	CA District/ Subsidiary
GRC and Offset Filings				
2024 Expense Offset	AL 2501	Jan. 2024	$5.1 million	6 Districts
Cost of Capital	AL 2502	Jan. 2024	$10.0 million	All Districts
2024 Rate Base Offset	AL 2514	May 2024	$5.8 million	All Districts
2021 GRC and 2024 Escalations*	AL 2515	May 2024	$42.5 million	All Districts

* AL 2515 includes the revenue increase from AL 2514, AL 2502, and AL 2501.

Water Supply

Information with respect to Water Supply may be found under the subheading "Water Supply" in Part I - Item 1 above.

Liquidity and Capital Resources

Cash Flow from Operating Activities

During 2024, we generated cash flow from operations of $290.9 million, compared to $217.8 million during 2023. The increase in 2024 was due to an increase in net income primarily due to the recording of $123.9 million of operating revenue for the MWRAM and IRMA due to the resolution of the 2021 GRC. There was an associated increase to regulatory assets related to MWRAM and IRMA operating revenue. The Company has started billing for the recovery of these regulatory assets in the fourth quarter of 2024. Additionally, the increase is related to the net receipt of $57.9 million from the Extended Program, as discussed above.

The water business is seasonal. Billed revenue is lower in the cool, wet winter months when less water is typically used compared to the warm, dry summer months when water use is typically the highest. This seasonality results in the possible need for short-term borrowings under the bank lines of credit in the event cash is not sufficient to cover operating costs during the winter period. The increase in cash flow during the summer allows for a pay down of short-term borrowings. Customer water usage can be lower than normal in years when more than normal precipitation falls in our service areas or temperatures are lower than normal, especially in the summer months. The reduction in water usage reduces cash flow from operations and increases the need for short-term bank borrowings.

Cash Flow from Investing Activities

During 2024 and 2023, we used $470.8 million and $383.7 million, respectively, of cash for capital expenditures, both Company-funded and developer-funded. Cash used in investing activities fluctuates each year largely due to the availability of construction resources and our ability to obtain construction permits in a timely manner.

Cash Flow from Financing Activities

During 2024, we borrowed $505.0 million, and paid down $480.0 million on our unsecured revolving credit facilities for general corporate purposes. We also received $30.4 million of advances and contributions in aid of construction, which was reduced by refunds to developers of $9.4 million. In addition, we issued $89.0 million of Company common stock through our at-the-market equity plan and our employee stock purchase plan.

On October 22, 2024, Cal Water completed the sale and issuance of $125.0 million in First Mortgage Bonds (the Bonds) in a private placement. The Bonds, relating to Series 2, bear an interest rate of 5.22% per annum payable quarterly, and mature on October 22, 2054. The Bonds rank equally with all of Cal Water's other First Mortgage Bonds and are secured by liens on Cal Water's properties, subject to certain exceptions and permitted liens. Cal Water used the net proceeds from the sale of the Bonds to refinance existing indebtedness and for general corporate purposes. The Bonds were not registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

On March 31, 2023, the Company and Cal Water entered into the Company and Cal Water credit facilities, which provide for unsecured revolving credit facilities of up to an initial aggregate amount of $600.0 million for a term of five years. The Company and subsidiaries that it designates may borrow up to $200.0 million under the Company's revolving credit facility (the Company facility). Cal Water may borrow up to $400.0 million under the Cal Water revolving credit facility (the Cal Water facility). Additionally, the credit facilities may be increased by up to an incremental $150.0 million under the Cal Water facility and $50.0 million under the Company facility, subject in each case to certain conditions.

The net IRMA, MWRAM, WRAM and MCBA regulatory asset balances were $113.4 million and $64.2 million as of December 31, 2024 and 2023, respectively. The receivable balances were primarily financed by Cal Water using short-term financing arrangements to meet operational cash requirements. Interest on the receivable balances, which represents the interest recoverable from customers, is limited to the then-current 90-day commercial paper rates, which typically are significantly lower than Cal Water's short-term financing rates.

At the January 2025 meeting, the Board declared the quarterly dividend, increasing it for the 58th consecutive year, and a one-time special dividend in the amount of $0.04 per common share. The quarterly dividend was raised from $0.28 to $0.30 per common share. This represents an indicated annual rate of $1.24 per common share. Dividends have been paid for 79 consecutive years. The annual dividends paid per common share in 2024, 2023, and 2022 were $1.12, $1.04 and $1.00, respectively. Earnings not paid as dividends are reinvested in the business for the benefit of stockholders. The dividend payout ratio was 34.3% in 2024, 113.8% in 2023, and 56.5% in 2022 for an average of 68.2% over the 3-year period. Our long-term targeted dividend payout ratio is 60%.

Short-Term Financing

Short-term liquidity is provided by the bank lines of credit described above and by internally generated funds. As of December 31, 2024, there were borrowings of $205.0 million outstanding on our unsecured revolving lines of credit, compared to $180.0 million outstanding on our unsecured revolving lines of credit as of December 31, 2023.

Given our ability to access our lines of credit on a daily basis, cash balances are managed to levels required for daily cash needs and excess cash is invested in short-term or cash equivalent instruments. Minimal operating levels of cash are maintained for Washington Water, New Mexico Water, Hawaii Water, and Texas Water.

The Company and subsidiaries that it designates may borrow up to $200.0 million under the Company facility. Cal Water may borrow up to $400.0 million under the Cal Water facility; however, all of Cal Water's borrowings under the Cal Water facility must be repaid within 24 months as authorized by the CPUC. The proceeds from the Company and Cal Water facilities may be used for working capital purposes.

The Company and Cal Water facilities contain affirmative and negative covenants and events of default customary for credit facilities of this type including, among other things, limitations and prohibitions relating to additional indebtedness, liens, mergers, and asset sales. Also, the Company and Cal Water facilities contain financial covenants that require the Company and its subsidiaries' debt portion of the Company's consolidated total capitalization ratio not to exceed 66.7% and an interest coverage ratio of three or more to one (each as defined in the respective credit agreements). As of December 31, 2024, our consolidated total capitalization ratio was 45.8% and the interest coverage ratio was greater than seven to one. In summary, as of such date, we are in compliance with all of the covenant requirements and are eligible to use the full amount of the undrawn portion of the Company and Cal Water facilities.

Long-Term Financing

Long-term financing is accomplished using both debt and equity. Cal Water was authorized to issue $1.3 billion of new debt and equity to finance capital projects and operations by a CPUC decision dated August 2, 2024. In addition, the decision retained approximately $179.0 million of prior financing authority and determined that refinancing long-term debt did not count against the authorization. The CPUC requires that any loans from Cal Water to the Company be at arm's length. This restriction did not materially affect the Company's ability to meet its cash obligations in 2024. Management does not expect this restriction to have a material impact on the Company's ability to meet its cash obligations in 2025 and beyond.

Long-term financing, which includes First Mortgage Bonds, other debt securities, and common stock, has typically been used to replace short-term borrowings and fund capital expenditures. Internally generated funds, after making dividend payments, provide positive cash flow, but have not been at a level to meet the needs of our capital expenditure requirements. Management expects this trend to continue given our capital expenditure plans for the next five years. Some capital expenditures are funded by payments received from developers for contributions in aid of construction or advances for construction. Funds received for contributions in aid of construction are non-refundable, whereas funds classified as advances in construction are refundable. Management believes long-term financing is available to meet our cash flow needs through issuances in both debt and equity instruments.

Additional information regarding the bank borrowings and long-term debt is presented in Notes 7 and 8 in the Notes to Consolidated Financial Statements.

Equity Issuance

On April 29, 2022, we entered into an equity distribution agreement to sell shares of our common stock having an aggregate gross sales price of up to $350.0 million from time to time depending on market conditions through an at-the-market equity program over the next three years. We intend to use the net proceeds from these sales, after deducting commissions and offering expenses, for general corporate purposes, which may include working capital, construction and acquisition expenditures, investments and repurchases, and redemptions of securities. Additional information regarding this program is presented in Note 6 of the Notes to Consolidated Financial Statements.

Summarized Financial Information for Guarantors and the Issuer of Guaranteed Securities.

On April 17, 2009, Cal Water (Issuer) issued $100.0 million aggregate principal amount of 5.5% First Mortgage Bonds due 2040, all of which are fully and unconditionally guaranteed by the Company (Guarantor). Certain subsidiaries of the Company do not guarantee the security and are referred to as Non-guarantors. The Guarantor fully, absolutely, irrevocably and unconditionally guarantees the due and punctual payment when due, whether at stated maturity, by acceleration, by notice of prepayment or otherwise, of the principal of, premium, if any, and interest on the bonds. The bonds rank equally among Cal Water's other first mortgage bonds.

The following tables present summarized financial information of the Issuer and the Guarantor. The information presented below excludes eliminations necessary to arrive at the information on a consolidated basis. In presenting the summarized financial statements, the equity method of accounting has been applied to the Guarantor interests in the Issuer. The summarized information excludes financial information of the Non-issuers, including earnings from and investments in these entities.

Summarized Statement of Operations

(in thousands)	2024		2023	
	Issuer	Guarantor	Issuer	Guarantor
Net sales	$ 956,447	$ —	$ 720,577	$ —
Gross profit	$ 663,270	$ —	$ 449,221	$ —
Income (loss) from operations	$ 228,066	$ (2,120)	$ 82,157	$ 590
Equity in earnings of guarantor	$ —	$ 174,979	$ —	$ 49,998
Net income	$ 193,485	$ 179,022	$ 57,168	$ 51,376

Summarized Balance Sheet Information

(in thousands)	As of December 31, 2024		As of December 31, 2023	
	Issuer	Guarantor	Issuer	Guarantor
Current assets	$ 239,632	$ 7,146	$ 213,469	$ 10,126
Intercompany receivable from guarantor & non-issuer subsidiaries	6,031	53,969	3,664	44,882
Other assets	650,395	1,337,468	479,642	1,190,076
Long-term intercompany receivable from non-issuer subsidiaries	—	110,802	—	82,610
Net utility plant	3,816,513	—	3,487,788	—
Total assets	$ 4,712,571	$ 1,509,385	$ 4,184,563	$ 1,327,694
Current liabilities	$ 471,432	$ 42,987	$ 351,964	$ 53,069
Intercompany payable to non-issuer subsidiaries	1,001	—	—	—
Long-term debt	1,104,454	—	1,052,350	—
Other liabilities	1,799,854	3,146	1,595,852	3,068
Total Liabilities	$ 3,376,741	$ 46,133	$ 3,000,166	$ 56,137

Off-Balance Sheet Arrangements

We do not have commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have, or are reasonably likely to have, a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements, or capital resources even when the arrangement results in no obligation being reported in our Consolidated Balance Sheets.

Contractual Obligations

The contractual obligations presented in the table below represent our estimates of future payments under fixed contractual obligations and commitments. Changes in our business needs, cancellation provisions and changes in interest rates, as well as action by third parties and other factors, may cause these estimates to change. Therefore, our actual payments in future periods may vary from those presented in the table below.

The following table summarizes our contractual obligations as of December 31, 2024. We generally expect to satisfy these commitments with cash on hand and cash provided by operating activities. In 2025, we expect to issue First Mortgage Bonds to pay off bonds maturing during the year.

	Total	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years
Long-term debt (a)	$ 1,179,019	$ 70,354	$ 690	$ 120,615	$ 987,360
Interest payments	1,092,669	50,645	95,039	91,975	855,010
Advances for construction	202,614	9,966	18,850	17,919	155,879
Pension and postretirement benefits (b)	417,948	29,846	67,072	77,709	243,321
Finance lease obligations (c)	2,938	2,233	705	—	—
Operating lease obligations	15,406	2,485	4,299	3,132	5,490
Water supply contracts (d)	684,413	39,650	79,309	79,304	486,150
Total contractual obligations	$ 3,595,007	$ 205,179	$ 265,964	$ 390,654	$ 2,733,210

a. Long-term debt payments include maturities of long-term debt and annual payments on other long-term obligations, exclusive of unamortized debt issuance costs of $4.8 million.
b. Pension and postretirement benefits include $3.1 million of short-term pension obligations.
c. Finance lease obligations represent total cash payments to be made in the future and includes interest expense of $0.2 million.
d. Estimated annual contractual obligations are based on the same payment levels as 2024.

For pension and postretirement benefits other than pensions obligations, see Note 11 of the Notes to Consolidated Financial Statements.

Advances for construction represent annual contract refunds to developers for the cost of water systems paid for by the developers. The contracts are non-interest bearing, and refunds are generally on a straight-line basis over a 40-year period. System and facility leases include obligations associated with leasing water systems and rents for office space.

For finance and operating lease obligations, see Note 15 of the Notes to Consolidated Financial Statements.

Cal Water has water supply contracts with wholesale suppliers in 13 of its operating districts and for the two leased systems in Hawthorne and Commerce. For each contract, the cost of water is established by the wholesale supplier and is generally beyond our control. The amount paid annually to the wholesale suppliers is charged to purchased water expense on our Consolidated Statements of Operations. Most contracts do not require minimum annual payments and vary with the volume of water purchased. For more details related to water supply contracts, see Note 15 of the Notes to Consolidated Financial Statements.

Capital Requirements

Capital requirements consist primarily of new construction expenditures for expanding and replacing utility plant facilities and the acquisition of water systems. They also include refunds of advances for construction.

Utility plant expenditures in 2024 were $470.8 million, including Company-funded of $450.4 million and developer-funded of $20.4 million. Utility plant expenditures in 2023 were $383.7 million, including Company-funded of $366.4 million and developer-funded of $17.3 million.

A majority of capital expenditures was associated with mains and water treatment equipment.

For 2025, the Company is estimating its capital expenditures to be between $450.0 million and $550.0 million based on the 2024 GRC in California and normal capital needs in the other subsidiaries. We expect our annual capital expenditure to increase during the next five years due to increasing needs to replace and maintain infrastructure.

Management expects there will be developer-funded expenditures in 2025 and expects that these expenditures will be financed by developers through refundable advances for construction and non-refundable contributions in aid of construction. Developers are required to deposit the cost of a water construction project with us prior to our commencing construction work, or the developers may construct the facilities themselves and deed the completed facilities to us. Funds are generally received in advance of incurring costs for these projects. Advances are normally refunded over a 40-year period without interest. Future payments for advances received are listed under contractual obligations above. Because non-Company-funded construction activity is solely at the discretion of developers, we cannot predict the level of future activity. The cash flow impact is expected to be minor due to the structure of the arrangements.

Capital Structure

Total equity was $1,638.3 million at December 31, 2024, compared to $1,430.3 million at December 31, 2023. The Company sold 1,638,977 and 2,025,891 shares of its common stock in 2024 and 2023, respectively through its at-the-market equity program.

Total capitalization, including the current portion of long-term debt, was $2,815.3 million at December 31, 2024 and $2,483.8 million at December 31, 2023. In future periods, the Company intends to issue common stock and long-term debt to finance our operations. The capitalization ratios will vary depending upon the method we choose to finance our operations.

At December 31, capitalization ratios were:

	2024	2023
Equity	59.7 %	57.6 %
Long-term debt	40.3 %	42.4 %

The return (from both regulated and non-regulated operations) on average equity was 12.5% in 2024 compared to 3.8% in 2023. Cal Water does not include construction work in progress in its regulated rate base; instead, Cal Water was authorized to record allowance for funds used during construction (or AFUDC) on construction work in progress, effective January 1, 2017. Construction work in progress for Cal Water was $260.8 million at December 31, 2024 and $253.9 million at December 31, 2023.

Acquisitions

There were no significant acquisitions in 2024 or 2023.

Real Estate Program

We own real estate. From time to time, certain parcels are deemed no longer used or useful for water utility operations. Most surplus properties have a low-cost basis. We developed a program to realize the value of certain surplus properties through sale or lease of those properties. The program will be ongoing for a period of several years. There were no significant sales in 2024 and 2023. As sales are dependent on real estate market conditions, future sales, if any, may or may not be at prior year levels.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk.*

We do not participate in hedge arrangements, such as forward contracts, swap agreements, options, or other contractual agreements to mitigate the impact of market fluctuations on our assets, liabilities, production, or contractual commitments. We operate only in the United States and, therefore, are not subject to foreign currency exchange rate risks.

Interest Rate Risk

We are subject to interest rate risk, although this risk is lessened because we operate in a regulated industry. If interest rates were to increase, management believes customer rates would increase accordingly, subject to Commission approval in future GRC filings. The majority of our debt is long-term at a fixed rate. Interest rate risk does exist on short-term borrowings within our credit facilities, as these interest rates are variable. We also have interest rate risk on new financing, as higher interest cost may occur on new debt if interest rates increase.

Over the next 12 months, $70.0 million of the $1,177.0 million of existing long-term debt instruments are expected to mature. Applying a hypothetical 10 percent increase in the rate of interest charged on those borrowings would not have a material effect on our earnings.

Item 8. ***Financial Statements and Supplementary Data.***

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of California Water Service Group

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of California Water Service Group and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities - Regulated Utility Accounting— Refer to Notes 2 and 4 to the financial statements

Critical Audit Matter Description

The Company provides regulated utility services under the rules and regulations of the California Public Utilities Commission (the "Commission") in California. The Commission establishes rates that are designed to permit the recovery of the cost of service and a return on investment. The Company's rates are subject to regulatory rate-setting processes including a General Rate Case proceeding. Because the Company operates almost exclusively in a regulated business, the Company is subject to the accounting standards for regulated entities.

The Company capitalizes and records regulatory assets for costs that would otherwise be charged to expense if it is probable that the incurred costs will be recovered in future rates. If costs expected to be incurred in the future are currently being recovered through rates, the Company records those expected future costs as regulatory liabilities. In addition, the Company records regulatory liabilities when it is probable the Commission will require a refund to be made to the Company's customers over future periods. Determining probability requires significant judgment by management and includes, but is not limited to, consideration of testimony presented in regulatory hearings, proposed regulatory decisions, final regulatory orders, and the strength or status of applications for rehearing or state court appeals. If the Company determines that a portion of the Company's assets used in utility operations is not recoverable in customer rates, the Company would be required to recognize the loss of the disallowed assets.

We identified regulated utility accounting as a critical audit matter due to the significant judgments made by management in (1) determining the probability that incurred costs will be recovered in future rates and (2) determining the probability the Commission will require a refund to be made to the Company's customers over future periods. Given that management considers regulatory hearings, proposed decisions, and final orders in making significant regulatory utility accounting judgments, auditing these judgments required specialized knowledge of regulatory utility accounting.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the significant regulatory utility accounting judgments in determining the probability that incurred cost will be recovered in future rates and in determining the probability the Commission will require a refund to be made to the Company's customers over future periods included the following, among others:

- We tested the effectiveness of management's controls over the determination of regulatory assets or liabilities and the evaluation of (1) the probability determination of recovery in future rates of costs incurred as regulatory assets, and (2) the probability of a refund over future periods that should be reported as regulatory liabilities.
- We read relevant regulatory orders issued by the Commission for the Company, procedural filings, and other publicly available information, if applicable, to evaluate management's judgments in determining the probability that incurred cost will be recovered in future rates and in determining the probability the Commission will require a refund to be made to the Company's customers over future periods in accounting for regulatory assets and liabilities.
- For regulatory matters in process, we inspected the Company's filings with the Commission, if applicable, that may impact the Company's future rates, to evaluate whether information in such filings was consistent with the significant judgments made by management.
- We evaluated the Company's disclosures related to regulated utility accounting, including the balances recorded and regulatory developments.

/s/ DELOITTE & TOUCHE LLP

San Francisco, California

February 27, 2025

We have served as the Company's auditor since 2008.

CALIFORNIA WATER SERVICE GROUP
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)

	December 31, 2024	December 31, 2023
ASSETS		
Utility plant:		
Land	$ 56,621	$ 47,002
Depreciable plant and equipment	4,977,217	4,557,964
Construction work in progress	329,439	287,596
Intangible assets	37,212	32,921
Total utility plant	5,400,489	4,925,483
Less accumulated depreciation and amortization	(1,241,785)	(1,152,228)
Net utility plant	4,158,704	3,773,255
Current assets:		
Cash and cash equivalents	50,121	39,591
Restricted cash	45,566	45,375
Receivables:		
Customers, net	58,585	59,349
Regulatory balancing accounts	55,917	64,240
Other, net	33,976	16,431
Accrued and unbilled revenue, net	39,718	36,999
Materials and supplies	20,511	16,170
Taxes, prepaid expenses, and other assets	19,742	18,130
Total current assets	324,136	296,285
Other assets:		
Regulatory assets	357,406	257,621
Goodwill	37,063	37,039
Other	302,974	231,333
Total other assets	697,443	525,993
TOTAL ASSETS	$ 5,180,283	$ 4,595,533
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, $0.01 par value; 136,000 shares authorized, 59,484 and 57,724 outstanding in 2024 and 2023, respectively	$ 595	$ 577
Additional paid-in capital	966,975	876,583
Retained earnings	674,918	549,573
Accumulated other comprehensive loss	(7,217)	—
Noncontrolling interest	3,015	3,579
Total equity	1,638,286	1,430,312
Long-term debt, net	1,104,571	1,052,768
Total capitalization	2,742,857	2,483,080
Current liabilities:		
Current maturities of long-term debt, net	72,422	672
Short-term borrowings	205,000	180,000
Accounts payable	167,533	157,305
Regulatory balancing accounts	22,648	21,540
Accrued other taxes	6,084	4,591
Accrued interest	8,406	6,625
Other accrued liabilities	56,271	59,606
Total current liabilities	538,364	430,339
Deferred income taxes	411,083	352,762
Regulatory liabilities	814,551	683,717
Pension	81,665	82,920
Advances for construction	202,614	199,448
Contributions in aid of construction	294,970	286,491
Other long-term liabilities	94,179	76,776
Contingencies and commitments (Note 15)		
TOTAL CAPITALIZATION AND LIABILITIES	$ 5,180,283	$ 4,595,533

See accompanying Notes to Consolidated Financial Statements.

CALIFORNIA WATER SERVICE GROUP
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	For the Years Ended December 31,		
	2024	2023	2022
Operating revenue	$ 1,036,806	$ 794,632	$ 846,431
Operating expenses:			
Operations:			
Purchased water	241,201	223,833	224,529
Purchased power	47,690	45,656	44,566
Pump taxes	21,757	19,023	16,169
Administrative and general	139,515	142,235	132,718
Other operations	118,457	112,481	116,172
Maintenance	34,753	31,975	31,715
Depreciation and amortization	131,901	121,212	114,575
Income tax expense (benefit)	35,938	(15,189)	3,262
Property and other taxes	40,540	36,271	35,065
Total operating expenses	811,752	717,497	718,771
Net operating income	225,054	77,135	127,660
Other income and expenses:			
Non-regulated revenue	20,628	18,509	21,276
Non-regulated expenses	(14,201)	(11,807)	(24,821)
Other components of net periodic benefit credit	15,803	20,215	14,476
Allowance for equity funds used during construction	6,902	5,551	4,127
Income tax expense on other income and expenses	(6,551)	(8,408)	(3,113)
Net other income	22,581	24,060	11,945
Interest expense:			
Interest expense	60,698	52,809	46,686
Allowance for borrowed funds used during construction	(3,148)	(2,990)	(2,344)
Net interest expense	57,550	49,819	44,342
Net income	190,085	51,376	95,263
Net loss attributable to noncontrolling interest	(722)	(535)	(748)
Net income attributable to California Water Service Group	$ 190,807	$ 51,911	$ 96,011
Earnings per share:			
Basic	$ 3.26	$ 0.91	$ 1.77
Diluted	$ 3.25	$ 0.91	$ 1.77
Weighted average number of common shares outstanding:			
Basic	58,612	56,952	54,320
Diluted	58,647	56,983	54,363

See accompanying Notes to Consolidated Financial Statements.

CALIFORNIA WATER SERVICE GROUP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	For the Years Ended December 31,		
	2024	2023	2022
Net income	$ 190,085	$ 51,376	$ 95,263
Other comprehensive income (loss):			
Unrecoverable defined pension benefit plan costs, net of taxes of $3,823, $0, and $0, respectively	(9,840)	—	—
Amortization of defined benefit pension plans, net of taxes of $456, $0, and $0, respectively	1,175	—	—
Unrealized actuarial gain, net of taxes of $563, $0, and $0, respectively	1,448	—	—
Other comprehensive loss, net of tax	(7,217)	—	—
Comprehensive income	182,868	51,376	95,263
Comprehensive loss attributable to noncontrolling interest	(722)	(535)	(748)
Comprehensive income attributable to California Water Service Group	$ 183,590	$ 51,911	$ 96,011

See accompanying Notes to Consolidated Financial Statements.

CALIFORNIA WATER SERVICE GROUP
CONSOLIDATED STATEMENTS OF EQUITY
For the Years Ended December 31, 2024, 2023 and 2022

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Equity
	Shares	Amount					
				(In thousands)			
Balance at December 31, 2021	53,716	$ 537	$ 651,121	$ 514,873	$ —	$ 5,386	$ 1,171,917
Net income (loss)	—	—	—	96,011	—	(748)	95,263
Issuance of common stock	1,916	19	111,742	—	—	—	111,761
Repurchase of common stock	(34)	—	(2,013)	—	—	—	(2,013)
Dividends paid on common stock ($1.00 per share)	—	—	—	(54,186)	—	—	(54,186)
Acquisition of business with noncontrolling interest	—	—	(514)	—	—	514	—
Investment in business with noncontrolling interest	—	—	—	—	—	(348)	(348)
Balance at December 31, 2022	55,598	556	760,336	556,698	—	4,804	1,322,394
Net income (loss)	—	—	—	51,911	—	(535)	51,376
Issuance of common stock	2,159	21	117,866	—	—	—	117,887
Repurchase of common stock	(33)	—	(1,844)	—	—	—	(1,844)
Dividends paid on common stock ($1.04 per share)	—	—	—	(59,036)	—	—	(59,036)
Investment in business with noncontrolling interest	—	—	225	—	—	(225)	—
Distribution to noncontrolling interest	—	—	—	—	—	(465)	(465)
Balance at December 31, 2023	57,724	577	876,583	549,573	—	3,579	1,430,312
Net income (loss)	—	—	—	190,807	—	(722)	190,085
Issuance of common stock	1,791	18	92,474	—	—	—	92,492
Repurchase of common stock	(31)	—	(1,435)	—	—	—	(1,435)
Dividends paid on common stock ($1.12 per share)	—	—	—	(65,462)	—	—	(65,462)
Other comprehensive loss, net of tax	—	—	—	—	(7,217)	—	(7,217)
Investment in business with noncontrolling interest	—	—	(647)	—	—	647	—
Distribution to noncontrolling interest	—	—	—	—	—	(489)	(489)
Balance at December 31, 2024	59,484	$ 595	$ 966,975	$ 674,918	$ (7,217)	$ 3,015	$ 1,638,286

See accompanying Notes to Consolidated Financial Statements.

CALIFORNIA WATER SERVICE GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31,		
	2024	2023	2022
	(In thousands)		
Operating activities:			
Net income	$ 190,085	$ 51,376	$ 95,263
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	134,139	123,124	117,364
Amortization of debt premium and expenses	246	262	369
Changes in normalized deferred income taxes	40,445	35,627	26,880
Change in value of life insurance contracts	(3,578)	(4,919)	7,161
Allowance for equity funds used during construction	(6,902)	(5,551)	(4,127)
Stock-based compensation	3,746	2,993	5,161
Write-off (recovery) of capital costs	1,313	(536)	702
Changes in operating assets and liabilities:			
Receivables	(42,276)	42,711	(40,687)
Water Arrearages Payment Program cash received	83,039	—	20,836
Water Arrearages Payment Program cash returned	(25,173)	—	(3,609)
Accrued and unbilled revenue	(2,719)	(3,859)	(381)
Taxes, prepaid expenses, and other assets	(5,393)	654	(5,104)
Accounts payable	1,743	9,896	(7,626)
Other current liabilities	2,767	(346)	7,941
Other changes in noncurrent assets and liabilities	(80,615)	(33,615)	23,629
Net cash provided by operating activities	290,867	217,817	243,772
Investing activities:			
Utility plant expenditures	(470,800)	(383,747)	(327,757)
Business acquisitions, net of cash acquired	(1,609)	(175)	—
Asset acquisitions	—	(2,816)	(7,766)
Purchase of life insurance	(3,935)	(2,681)	(6,688)
Life insurance proceeds	1,426	—	6,688
Other	48	—	—
Net cash used in investing activities	(474,870)	(389,419)	(335,523)
Financing activities:			
Short-term borrowings	505,000	227,792	150,000
Repayment of short-term borrowings	(480,000)	(120,000)	(115,000)
Issuance of long-term debt, net of debt issuance costs of $184	124,816	—	—
Advances and contributions in aid of construction	30,389	21,156	25,822
Refunds of advances for construction	(9,399)	(9,355)	(9,468)
Retirement of long-term debt	(889)	(1,811)	(5,423)
Repurchase of common stock	(1,435)	(1,844)	(2,013)
Issuance of common stock	89,033	115,106	106,739
Dividends paid	(65,462)	(59,036)	(54,186)
Distribution to noncontrolling interest	(489)	(465)	(348)
Other	3,160	—	—
Net cash provided by financing activities	194,724	171,543	96,123
Change in cash, cash equivalents, and restricted cash	10,721	(59)	4,372
Cash, cash equivalents, and restricted cash at beginning of year	84,966	85,025	80,653
Cash, cash equivalents, and restricted cash at end of year	$ 95,687	$ 84,966	$ 85,025
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest (net of amounts capitalized)	$ 55,656	$ 49,145	$ 43,768
Income taxes (net of refunds)	27,000	(3,532)	—
Supplemental disclosure of investing and financing non-cash activities:			
Accrued payables for investments in utility plant	56,836	54,382	51,511
Utility plant contributed by developers	30,445	24,203	20,379

See accompanying Notes to Consolidated Financial Statements.

CALIFORNIA WATER SERVICE GROUP
Notes to Consolidated Financial Statements
December 31, 2024, 2023, and 2022
Dollar amounts in thousands unless otherwise stated

NOTE 1. ORGANIZATION AND OPERATIONS

California Water Service Group (Company) is a holding company that provides water utility and other related services in California, Washington, New Mexico, Hawaii and Texas through its wholly-owned and non-wholly owned subsidiaries. California Water Service Company (Cal Water), Washington Water Service Company (Washington Water), New Mexico Water Service Company (New Mexico Water), and Hawaii Water Service Company, Inc. (Hawaii Water) provide regulated utility services under the rules and regulations of their respective state's regulatory commissions (jointly referred to as the Commissions). CWS Utility Services and HWS Utility Services LLC provide non-regulated water utility and utility-related services. TWSC, Inc. (Texas Water) indirectly holds regulated and contracted wastewater utilities. Regulated wastewater utilities held by Texas Water's investment in a joint venture with BVRT Utility Holding Company (BVRT) provide services under the rules and regulation of the Texas Public Utilities Commission.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the Company's accounts and those of its wholly and non-wholly owned subsidiaries. The non-wholly owned subsidiary refers to BVRT, a 94.7% owned subsidiary of Texas Water that is consolidated using the voting interest model as the Company owns a majority of the voting interests in the non-wholly owned subsidiary. All intercompany transactions and balances have been eliminated from the consolidated financial statements. In the opinion of management, the consolidated financial statements reflect all adjustments that are necessary to provide a fair presentation of the results for the periods covered.

The preparation of the Company's consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the consolidated balance sheet dates and the reported amounts of revenues and expenses for the periods presented. These include, but are not limited to, estimates and assumptions used in determining the Company's regulatory asset and liability balances based upon probability assessments of regulatory recovery, utility plant useful lives, revenues earned but not yet billed, asset retirement obligations, allowance for credit losses, pension and other employee benefit plan liabilities, and income tax-related assets and liabilities. Actual results could differ from these estimates.

Noncontrolling Interest

Noncontrolling interest in the Company's consolidated financial statements represents the 5.3% interest not owned by Texas Water in BVRT. Texas Water obtained control over BVRT on May 1, 2021. Since the Company controls BVRT, its financial statements are consolidated with those of the Company, and the noncontrolling owner's 5.3% share of BVRT's net assets and results of operations is deducted and reported as noncontrolling interest on the consolidated balance sheets and as net loss attributable to noncontrolling interest in the consolidated statements of operations. The Company reports noncontrolling interest in consolidated entities as a component of equity separate from the Company's equity. The Company's net income attributable to California Water Service Group excludes the net loss attributable to the noncontrolling interest. The Company's comprehensive income attributable to California Water Service Group excludes the comprehensive loss attributable to the noncontrolling interest.

Dollar amounts in thousands unless otherwise stated

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operating Revenue

The following table disaggregates the Company's operating revenue by source for the years ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Revenue from contracts with customers	$ 905,623	$ 790,334	$ 772,616
Regulatory balancing account revenue	131,183	4,298	73,815
Total operating revenue	$ 1,036,806	$ 794,632	$ 846,431

Revenue from contracts with customers

The Company principally generates operating revenue from contracts with customers by providing regulated water and wastewater services at tariff-rates authorized by the Commissions in the states in which they operate and non-regulated water and wastewater services at rates authorized by contracts with government agencies and other third parties. Revenue from contracts with customers reflects amounts billed for the volume of consumption at authorized per unit rates, for a service charge, and for other authorized charges.

The Company satisfies its performance obligation to provide water and wastewater services over time as services are rendered. The Company applies the invoice practical expedient and recognizes revenue from contracts with customers in the amount for which the Company has a right to invoice. The Company has a right to invoice for the volume of consumption, for the service charge, and for other authorized charges.

The measurement of sales to customers is generally based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, the Company estimates consumption since the date of the last meter reading and a corresponding accrued and unbilled revenue is recognized. The estimate is based upon the number of unbilled days that month and the average daily customer billing rate from the previous month (which fluctuates based upon customer usage).

Contract terms are generally short-term and at will by customers and, as a result, no separate financing component is recognized for the Company's collections from customers, which generally require payment within 30 days of billing. The Company applies judgment, based principally on historical payment experience, in estimating its customers' ability to pay.

Certain customers are not billed for volumetric consumption, but are instead billed a flat rate at the beginning of each monthly service period. The amount billed is initially deferred and subsequently recognized over the monthly service period, as the performance obligation is satisfied. The deferred revenue balance or contract liability, which is included in "other accrued liabilities" on the Consolidated Balance Sheets, is inconsequential.

In the following table, revenue from contracts with customers is disaggregated by class of customers for the years ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Residential	$ 538,234	$ 463,417	$ 458,448
Business	180,032	159,050	153,570
Multiple residential	76,835	67,703	64,481
Industrial	30,399	28,055	26,622
Public authorities	49,162	40,811	41,150
Other*	30,961	31,298	28,345
Total revenue from contracts with customers	$ 905,623	$ 790,334	$ 772,616

* Other includes accrued and unbilled revenue

Dollar amounts in thousands unless otherwise stated

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory balancing account revenue

Regulatory balancing account revenue is revenue related to revenue mechanisms authorized in California by the California Public Utilities Commission (CPUC). For certain revenue mechanisms, the Company recognizes revenue when it is objectively determinable, probable of recovery and expected to be collected within 24 months following the end of the accounting period. To the extent that revenue is estimated to be collectible beyond 24 months, recognition is deferred. These mechanisms include the Monterey-Style Water Revenue Adjustment Mechanism (MWRAM), which was approved in Cal Water's 2021 General Rate Case (GRC) filing (2021 GRC) in March of 2024. The MWRAM tracks the difference between the revenue received for actual metered sales through the tiered volumetric rate and the revenue that would have been received with the same actual metered sales if a uniform rate had been in effect. The MWRAM is effective retroactive to January 1, 2023. The MWRAM fluctuates with the seasonality of the water business. During the warm, dry summer months when water use is typically highest, the MWRAM will reflect an overcollection of revenue compared to the cool, wet winter months when less water is typically used, the MWRAM will reflect an undercollection of revenue. In 2024, the Company recorded $35.3 million of MWRAM revenue.

These mechanisms also include the Water Revenue Adjustment Mechanism (WRAM), which decoupled revenue from the volume of sales and allowed the Company to recognize the adopted level of volumetric revenues. The variance between adopted volumetric revenues and actual billed volumetric revenues for metered accounts was recorded as regulatory balancing account revenue. The WRAM concluded on December 31, 2022; however, the Company has a net WRAM receivable balance for which the Company continues to defer revenue recognition for amounts estimated to be collected beyond 24 months following the end of the accounting period. The Company applied a portion of the proceeds from the California Extended Water and Wastewater Arrearages Payment Program (Extended Program) to eligible customer WRAM balances as discussed below under Allowance for Credit Losses.

Regulatory balancing accounts also include revenue that is recognized for balancing and memorandum accounts when it is probable that future recovery of previously incurred costs or future refunds that are to be credited to customers will occur through the ratemaking process. As a result of the delay in the approval of the 2021 GRC, the CPUC authorized Cal Water to track the effect of the delay on customer billings in an Interim Rates Memorandum Account (IRMA) effective January 1, 2023. Variances between actual customer billings and those that would have been billed assuming the 2021 GRC had been implemented on January 1, 2023 were recorded as regulatory balancing account revenue. The 2021 GRC was approved in March of 2024 and final authorized rates were implemented effective May 31, 2024; as a result, Cal Water calculated and recorded this difference for all of 2023 and the first five months of 2024. Cal Water determined that the IRMA met regulatory asset recognition criteria under accounting standards for regulated utilities. In 2024, the Company recorded $88.6 million of revenue for the IRMA. No IRMA revenue was recorded in 2023.

The Modified Cost Balancing Account (MCBA), Conservation Expense Balancing Account (CEBA), Pension Cost Balancing Account (PCBA), and Health Cost Balancing Account (HCBA), generally provide for recovery of the adopted levels of expenses for purchased water, purchased power, pump taxes, water conservation program costs, pension, and health care. Variances between adopted and actual costs were recorded as regulatory balancing account revenue in 2022. In 2023, in connection with the CPUC's decision to discontinue the use of the WRAM, the variances for CEBA, HCBA, and PCBA are recorded against the originating expense. The MCBA concluded on December 31, 2022.

Non-Regulated Revenue

The following tables disaggregate the Company's non-regulated revenue by source for the years ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Operating and maintenance revenue	$ 13,818	$ 12,499	$ 12,860
Other non-regulated revenue	4,400	3,506	5,774
Non-regulated revenue from contracts with customers	18,218	16,005	18,634
Lease revenue	2,410	2,504	2,642
Total non-regulated revenue	$ 20,628	$ 18,509	$ 21,276

Operating and maintenance services are provided for non-regulated water and wastewater systems owned by private companies and municipalities. The Company negotiates formal agreements with the customers under which they provide operating, maintenance and customer billing services related to the customers' water systems. The formal agreements outline the fee schedule for the services provided. The agreements typically call for a fee-per-service or a flat-rate amount per month.

Dollar amounts in thousands unless otherwise stated

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company satisfies its performance obligation of providing operating and maintenance services over time as services are rendered; as a result, the Company employs the invoice practical expedient and recognizes revenue in the amount that it has the right to invoice. Contract terms are generally short-term and, as a result, no separate financing component is recognized for its collections from customers, which generally require payment within 30 days of billing.

Other non-regulated revenue primarily relates to services for the design and installation of water mains and other water infrastructure for customers outside the regulated service areas and insurance program administration.

Lease revenue is not considered revenue from contracts with customers and is recognized following operating lease standards. The Company is the lessor in operating lease agreements with telecommunications companies under which cellular phone antennas are placed on the Company's property. The Company provides the lessee the right to ingress and egress across lessor property to access the antennas. The minimum rents are recognized on a straight-line basis over the terms of the leases, which may span multiple years. The excess rents are recognized over amounts contractually due pursuant to the underlying leases and is included in a deferred receivable account in the accompanying balance sheet. The leases generally have terms of 5 to 10 years, with lessee options to extend the lease for up to 15 years. The exercise of lease renewal options is at the lessee's sole discretion. Most of the Company's lease agreements contain mutual termination options that require prior written notice by either lessee or lessor. A subset of the Company's leases contains variable lease payments that depend on changes in the consumer price index (CPI).

The Company determines if an arrangement is a lease at inception. Generally, a lease agreement exists if the Company determines that the arrangement gives the lessee control over the use of an identified asset and obtains substantially all of the benefits from the identified asset.

Maturities of lease payments to be received are as follows:

Year Ending December 31,	Operating Leases
2025	$ 2,821
2026	1,498
2027	588
2028	192
2029	—

Allowance for Credit Losses

The Company measures expected credit losses for Customer Receivables, Other Receivables, and Accrued and Unbilled Revenue on an aggregated level. These receivables are generally trade receivables due in one year or less or expected to be billed and collected in one year or less. The expected credit losses for Other Receivables and Accrued and Unbilled Revenue are inconsequential. Customer Receivables include receivables for water and wastewater services provided to residential customers, business, industrial, public authorities, and other customers. The expected credit losses for business, industrial, public authorities, and other customers are inconsequential. The overall risks related to the Company's receivables are low as water and wastewater services are seen as essential services. The estimate for the allowance for credit losses is based on a historical loss ratio, in conjunction with a qualitative assessment of elements that impact the collectability of receivables to determine if the allowance for credit losses should be further adjusted in accordance with the accounting guidance for credit losses. Management contemplates available current information such as changes in economic factors, regulatory matters, industry trends, payment options and programs available to customers, and methods that the Company is able to use to ensure payment.

The Company reviews its allowance for credit losses using a quantitative assessment, which includes a trend analysis of customer billings and collections, agings by customer class, and unemployment rates. The Company also uses a qualitative assessment, which considers the future collectability on customer outstanding balances, management's estimate of the cash recovery, and a general assessment of the economic conditions in the locations the Company serves. Based on these assessments, the Company adjusts its allowance for credit losses. The Company has also taken into account $82.0 million of funds that the Company received in April of 2024 from the Extended Program for eligible customers in California of which $57.5 million was applied to eligible past due customer balances during the second quarter of 2024. The remaining balance was returned to the State Water Resources Control Board (Water Board) in the third quarter of 2024 as required by the Extended

Dollar amounts in thousands unless otherwise stated

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program terms. The Extended Program was created by the California Legislature and is administered by the Water Board to provide relief to community water and wastewater systems for unpaid bills – arrearages – related to the COVID-19 pandemic. Based on the above assessments, the Company determines its allowance for credit losses.

The following table presents the activity in the allowance for credit losses for the periods ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Beginning Balance	$ 2,854	$ 5,629	$ 3,743
Provision for credit loss expense	5,890	2,480	5,887
Write-offs	(5,054)	(5,795)	(4,380)
Recoveries	438	540	379
Total ending allowance balance	$ 4,128	$ 2,854	$ 5,629

Other Receivables

As of December 31, 2024 and 2023, other receivables were:

	2024	2023
Accounts receivables from developers	$ 5,255	$ 6,391
Income tax receivables	15,984	1,378
Other	12,737	8,662
Total other receivables	$ 33,976	$ 16,431

Utility Plant

Utility plant is carried at original cost when first constructed or purchased, or at fair value when acquired through acquisition. When depreciable plant is retired, the cost is eliminated from utility plant accounts and such costs are charged against accumulated depreciation. Maintenance of utility plant is charged to operating expenses as incurred. Maintenance projects are not accrued for in advance.

Intangible assets acquired as part of water systems purchased are recorded at fair value. All other intangibles have been recorded at cost and are amortized over their useful life.

The following table represents depreciable plant and equipment as of December 31:

	2024	2023
Equipment	$ 1,039,109	$ 976,704
Office buildings and other structures	382,032	354,628
Transmission and distribution plant	3,556,076	3,226,632
Total	$ 4,977,217	$ 4,557,964

Depreciation of utility plant is computed on a straight-line basis over the assets' estimated useful lives including cost of removal of certain assets as follows:

	Useful Lives
Equipment	5 to 50 years
Transmission and distribution plant	40 to 65 years
Office Buildings and other structures	50 years

The provision for depreciation expressed as a percentage of the aggregate depreciable asset balances was 2.81% in 2024, 2.81% in 2023, and 2.90% in 2022.

Dollar amounts in thousands unless otherwise stated

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Funds Used During Construction (AFUDC)

AFUDC represents the capitalized cost of funds used to finance the construction of the utility plant. In general, AFUDC is applied to Cal Water construction projects requiring more than one month to complete. No AFUDC is applied to projects funded by customer advances for construction, contributions in aid of construction, or state-revolving fund loans. AFUDC includes the cost of the authorized return on equity and long-term debt, and is recovered through water rates as the utility plant is depreciated.

The amount of AFUDC related to equity funds and to borrowed funds for 2024, 2023, and 2022 are shown in the table below:

	2024	2023	2022
Allowance for equity funds used during construction	$ 6,902	$ 5,551	$ 4,127
Allowance for borrowed funds used during construction	3,148	2,990	2,344
Total	$ 10,050	$ 8,541	$ 6,471

Asset Retirement Obligation

The Company has a legal obligation to retire wells in accordance with Water Board regulations. In addition, upon decommission of a wastewater plant or lift station, certain wastewater infrastructure would need to be retired in accordance with Water Board regulations. An asset retirement cost and corresponding retirement obligation is recorded when a well or waste water infrastructure is placed into service. As of December 31, 2024 and 2023, the retirement obligation is estimated to be $42.5 million and $39.0 million, respectively. The retirement obligation is recorded as part of “Other long-term liabilities” within the Consolidated Balance Sheets. Changes in the retirement obligation only impact the Consolidated Balance Sheets as the Company recognizes a regulatory asset or liability for the timing differences between the recognition of expenses and costs recovered through the ratemaking process.

The following is a reconciliation of the beginning and ending aggregate carrying amount of asset retirement obligations, which are included in other long-term liabilities on the Consolidated Balance Sheets as of December 31, 2024 and 2023:

	2024	2023
Obligation at beginning of the year	$ 39,035	$ 36,692
Additional liabilities incurred	2,049	262
Liabilities settled	(892)	(128)
Accretion	2,278	2,209
Obligation at the end of the year	$ 42,470	$ 39,035

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include highly liquid investments with remaining maturities of three months or less at the time of acquisition. In 2024 and 2023, restricted cash included $0.4 million of proceeds collected through a surcharge on certain customers’ bills plus interest earned on the proceeds and is used to service California Safe Drinking Water Bond obligations. In 2024 and 2023, restricted cash also included $43.8 million of committed cash in Texas Water for a pipeline project (see Note 15).

Dollar amounts in thousands unless otherwise stated

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following table provides a reconciliation of cash, cash equivalents, and restricted cash within the Consolidated Balance Sheets that total to the amounts shown on the Consolidated Statements of Cash Flows as of December 31:

	2024	2023
Cash and cash equivalents	$ 50,121	$ 39,591
Restricted cash	45,566	45,375
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	$ 95,687	$ 84,966

Regulatory Assets and Liabilities

Because the Company operates almost exclusively in a regulated business, the Company is subject to the accounting standards for regulated utilities. The Commissions in the states in which the Company operates establish rates that are designed to permit the recovery of the cost of service and a return on investment. The Company capitalizes and records regulatory assets for costs that would otherwise be charged to expense if it is probable that the incurred costs will be recovered in future rates. Regulatory assets are amortized over the future periods that the costs are expected to be recovered. If costs expected to be incurred in the future are currently being recovered through rates, the Company records those expected future costs as regulatory liabilities. In general, the Company does not earn a return on regulatory assets if the related costs do not accrue interest. Accordingly, the Company earns a return only on its regulatory assets for MWRAM, net WRAM and MCBA, and IRMA receivables. In addition, the Company records regulatory liabilities when it is probable the Commissions will require a refund to be made to the Company's customers over future periods.

Determining probability requires significant judgment by management and includes, but is not limited to, consideration of testimony presented in regulatory hearings, proposed regulatory decisions, final regulatory orders, and the strength or status of applications for rehearing or state court appeals.

If the Company determines that a portion of the Company's assets used in utility operations is not recoverable in customer rates, the Company would be required to recognize the loss of the assets disallowed.

See Note 4 - "Regulatory Assets and Liabilities" for details of the Company's regulatory assets and liabilities.

Impairment of Long-Lived Assets, Intangibles and Goodwill

The Company's long-lived assets include transmission and distribution plant, equipment, land, buildings, and intangible assets. Long-lived assets, other than land, are depreciated or amortized over their estimated useful lives, and are reviewed for impairment whenever changes in circumstances indicate the carrying value of the assets may not be recoverable. Such circumstances would include items such as a significant decrease in the market value of a long-lived asset, a significant adverse change in the manner in which the asset is being used or is planned to be used or in its physical condition, or a history of operating or cash flow losses associated with the uses of the asset. In addition, changes in the expected useful life of these long-lived assets may also be an impairment indicator. When such events or changes occur, the Company estimates the fair value of the asset from future cash flows expected to result from the use and, if applicable, the eventual disposition of the assets, and compares that to the carrying value of the asset. If the carrying value is greater than the fair value, then an impairment loss is recognized equal to the amount by which the asset's carrying value exceeds its fair value. The key variables that must be estimated include assumptions regarding sales volume, rates, operating costs, labor and other benefit costs, capital additions, assumed discount rates and other economic factors. These variables require significant management judgment and include inherent uncertainties since they are forecasting future events. A variation in the assumptions used could lead to a different conclusion regarding the realizability of an asset and, thus could have a significant effect on the consolidated financial statements.

Goodwill is measured as the excess of the cost of an acquisition over the sum of the amounts assigned to identifiable assets acquired less liabilities assumed. Goodwill is not amortized but instead is reviewed annually in the fourth quarter for impairment or more frequently if impairment indicators arise. The impairment test is performed at the reporting unit level using fair-value based approach in which the fair value of the reporting unit is compared to the reporting unit's carrying value. If the fair value of the reporting unit is less than its carrying amount, then an impairment loss is recognized equal to the difference. The Company recorded no goodwill impairments in 2024, 2023, and 2022.

Dollar amounts in thousands unless otherwise stated

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Debt Premium, Discount and Expense

The premiums, discounts, and issuance expenses on long-term debt are amortized over the original lives of the related debt on a straight-line basis which approximates the effective interest method. Premiums paid on the early redemption of certain debt and the unamortized original issuance discount and expense are amortized over the life of new debt issued in conjunction with the early redemption. Amortization expense included in interest expense was $0.2 million, $0.3 million and $0.4 million in 2024, 2023 and 2022, respectively.

Advances for Construction

Advances for construction consist of payments received from developers for installation of water production and distribution facilities to serve new developments. Advances are excluded from rate base for rate setting purposes. Annual refunds are made to developers without interest. Advances of $202.6 million and $199.4 million, at December 31, 2024 and 2023, respectively, will be refunded primarily over a 40-year period from the date the advance was received in equal annual amounts.

Estimated refunds of advances are shown in the table below.

Year Ending December 31,	Refunds of Advances
2025	$ 9,966
2026	9,564
2027	9,286
2028	9,077
2029	8,842
Thereafter	155,879
Total refunds	$ 202,614

Contributions in Aid of Construction

Contributions in aid of construction represent payments received from developers, primarily for fire protection purposes, which are not subject to refunds. Facilities funded by contributions are included in utility plant, but excluded from rate base. Depreciation related to assets acquired from contributions is charged to the Contributions in Aid of Construction liability account.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Measurement of the deferred tax assets and liabilities is at enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. The Company evaluates the need for a valuation allowance on deferred tax assets based on historical taxable income and projected taxable income for future tax years.

Historically the Commissions have reduced revenue requirements for the tax effects of certain originating temporary differences and have allowed recovery of these tax costs as the related temporary differences reverse. The Commissions have granted the Company rate increases to reflect the normalization of the tax benefits of the federal accelerated methods and available Investment Tax Credits (ITC) for all assets placed in service after 1980. ITCs are deferred and amortized over the lives of the related properties for book purposes. The CPUC sets rates utilizing the flow through method of accounting for state income taxes.

With the enactment of the Tax Cuts and Jobs Act (TCJA), contributions in aid of construction received from developers after December 22, 2017 became fully taxable for federal income tax purposes. On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law, which reverses the TCJA treatment of CIAC. Effective January 1, 2021, only the service portion of CIAC is taxable for federal income tax purpose.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounting standards for accounting for uncertainty in income taxes allows the inclusion of interest and penalties related to uncertain tax positions as a component of income taxes (see Note 10 - Income Taxes).

Workers' Compensation

For workers' compensation, the Company estimates the liability associated with claims submitted and claims not yet submitted based on historical data. Expenses for workers compensation insurance are included in rates on a pay-as-you-go basis. Therefore, a corresponding regulatory asset has been recorded.

Earnings per Share

The computations of basic and diluted earnings per share are noted below. Basic earnings per share are computed by dividing net income attributable to California Water Service Group by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts were exercised or converted into common stock. Restricted Stock Awards (RSAs) are included in the common shares outstanding because the shares have all the same voting and dividend rights as issued and unrestricted common stock.

	2024	2023	2022
	(In thousands, except per share data)		
Net income	$ 190,085	$ 51,376	$ 95,263
Net loss attributable to noncontrolling interest	(722)	(535)	(748)
Net income attributable to California Water Service Group	$ 190,807	$ 51,911	$ 96,011
Weighted average common shares, basic	58,612	56,952	54,320
Weighted average common shares, diluted	58,647	56,983	54,363
Earnings per share—basic	$ 3.26	$ 0.91	$ 1.77
Earnings per share—diluted	$ 3.25	$ 0.91	$ 1.77

Stock-based Compensation

Stock-based compensation cost is measured at the grant date based on the fair value of the award. The Company recognizes compensation expense on a straight-line basis over the requisite service period, which is the vesting period.

New Accounting Standards

In November 2023, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for the Company's annual periods beginning January 1, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. The guidance requires retrospective presentation of all prior periods presented in the financial statements. The Company adopted the standard retrospectively on January 1, 2024. See Note 16 - "Segment Information" for expanded disclosures required by this ASU.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for the Company's annual periods beginning January 1, 2025, with early adoption permitted. The guidance is applied prospectively with the option of retrospective application for each period presented. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures and does not expect to adopt early.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses, which requires disaggregation of certain Consolidated Statement of Operations' expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 is effective for the Company's annual periods beginning January 1, 2027, with early adoption permitted. The guidance is applied prospectively with the option of retrospective application for each period presented. The Company is evaluating the requirements of the guidance to determine the impact on the Company's financial statement disclosures upon adoption.

Dollar amounts in thousands unless otherwise stated

NOTE 3. OTHER INCOME AND EXPENSES

The Company conducts various non-regulated activities as reflected in the table below:

	2024		2023		2022	
	Revenue	Expense	Revenue	Expense	Revenue	Expense
Operating and maintenance	$ 13,818	$ 12,289	$ 12,499	$ 10,786	$ 12,860	$ 11,959
Leases	2,410	38	2,504	26	2,642	46
Design and construction	715	503	652	536	416	328
Meter reading and billing	48	—	198	2	534	123
Interest income	1,260	—	303	—	177	—
Loss (gain) from non-qualified benefit plan investments	—	(3,578)	—	(4,919)	—	7,161
Other non-regulated income and expenses	2,377	4,949	2,353	5,376	4,647	5,204
Total	$ 20,628	$ 14,201	$ 18,509	$ 11,807	$ 21,276	$ 24,821

Operating and maintenance services and meter reading and billing services are provided for water and wastewater systems owned by private companies and municipalities. The agreements typically call for a fee-per-service or a flat-rate amount per month. Leases have been entered into with telecommunications companies for cellular phone antennas placed on the Company's property. Design and construction services are for the design and installation of water mains and other water infrastructure for others outside the Company's regulated service areas. Third-party insurance program gains and losses are included in other non-regulated income and expenses.

Dollar amounts in thousands unless otherwise stated

NOTE 4. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities were comprised of the following as of December 31:

	Recovery Period	2024	2023
Regulatory Assets			
Property-related temporary differences (tax benefits flowed through to customers)	Indefinite	$ 178,279	$ 158,486
IRMA long-term accounts receivable	Various	46,278	3,430
Asset retirement obligations, net	Indefinite	28,883	26,686
Other accrued benefits	Indefinite	25,439	25,363
Tank coating	Various	21,477	19,602
MWRAM long-term regulatory asset	1-2 years	16,353	—
Customer assistance program (CAP) and Rate support fund (RSF) accounts receivable	1 year	9,910	2,459
General district balancing account receivable	Various	9,393	390
Incremental cost balancing accounts (ICBA)	1 year	8,251	—
Net WRAM and MCBA long-term accounts receivable	Various	3,633	10,738
Recoverable property losses	Various	2,633	3,121
PCBA	Various	—	4,182
Other regulatory assets	Various	6,877	3,164
Total Regulatory Assets		$ 357,406	$ 257,621
Regulatory Liabilities			
Cost of removal		$ 483,108	$ 447,356
Pension and retiree group health		174,708	88,728
Future tax benefits due to customers		106,184	118,051
Other components of net periodic benefit cost		18,287	10,348
PCBA		14,143	8,972
ICBA		6,003	—
HCBA		3,630	3,242
CEBA		3,294	1,200
Net WRAM and MCBA long-term payable		3,064	2,071
RSF regulatory liability		—	2,116
Other regulatory liabilities		2,130	1,633
Total Regulatory Liabilities		$ 814,551	$ 683,717

The property-related temporary differences are primarily due to: (i) the difference between book and federal income tax depreciation on utility plant that was placed in service before the regulatory Commissions adopted normalization for rate making purposes; and (ii) certain (state) deferred taxes for which flow through accounting continues to be applied to originating deferred taxes. The regulatory asset will be recovered in rates in future periods as the tax effects of the temporary differences previously flowed-through to customers reverse.

The IRMA regulatory asset increase was for the additional amount the Company would have billed customers in 2023 and the first five months of 2024 had the 2021 GRC been approved on time.

The asset retirement obligation regulatory asset represents the difference between costs associated with asset retirement obligations and amounts collected in rates. Tank coating represents the maintenance costs for tank coating projects that are recoverable from customers.

NOTE 4. REGULATORY ASSETS AND LIABILITIES (Continued)

Other accrued benefits are accrued benefits for vacation, self-insured workers' compensation, and directors' retirement benefits.

The MWRAM regulatory asset represents the difference between the revenue received for actual metered sales through the tiered volumetric rate and the revenue that would have been received with the same actual metered sales if a uniform rate had been in effect.

The CAP and RSF are two programs offered by Cal Water that assist qualifying customers with their monthly water bill. The programs are funded by the customers who do not qualify for the assistance. The CAP and RSF regulatory assets represent the amounts due from customers to fund the CAP and RSF credits that were provided to assist qualifying customers. The RSF regulatory liability represents RSF credits that will be provided to assist qualifying customers. The liability was funded by customers.

The general district balancing account represents the residual balances from memorandum and balancing accounts that have been aggregated into one balancing account for future recovery.

The ICBA tracks differences between the authorized prices of water production costs and actual prices of water production costs by ratemaking area.

The net WRAM and MCBA long-term accounts receivable is the under-collected portion of recorded revenues that are not expected to be collected from customers within 12 months.

Cost of removal represents the cumulative differences between the recorded costs to remove assets and amounts collected in rates for expected costs to remove assets at the end of their estimated useful life.

The pension and retiree group health regulatory liability represents the over funded obligation of the Company's postretirement benefit plans which the Company expects to refund to customers in the future. These plans are discussed in further detail in Note 11. The other components of net periodic benefit cost regulatory liabilities are authorized by the Commissions and are probable for customer refund through the capital program.

The future tax benefits due to customers primarily resulted from federal tax law changes enacted by the TCJA on December 22, 2017. The TCJA reduced the federal corporate income tax rate from 35 percent to 21 percent beginning on January 1, 2018, and GAAP requires the Company to re-measure all existing deferred income tax assets and liabilities to reflect the reduction in the federal tax rate on the enactment date.

The PCBA regulatory asset/liability and the HCBA regulatory liability represent incurred pension and healthcare costs that exceeded/were below the cost recovery in rates and is recoverable/refundable from/to customers.

The CEBA regulatory liability is for incurred conservation costs that were below the cost recovery in rates and is refundable to customers.

Short-term regulatory assets and liabilities are excluded from the above table. The short-term regulatory assets as of December 31, 2024 and 2023 were $55.9 million and $64.2 million, respectively. The short-term regulatory assets, as of December 31, 2024 primarily consisted of IRMA and MWRAM receivables. As of December 31, 2023, the short-term regulatory assets primarily consisted of net WRAM and MCBA, and PCBA receivables.

The short-term portion of regulatory liabilities as of December 31, 2024 and 2023 were $22.6 million and $21.5 million, respectively. The short-term regulatory liabilities as of December 31, 2024 primarily consisted of TCJA regulatory liabilities, ICBA regulatory liabilities, and IRMA regulatory liabilities. As of December 31, 2023, the short-term regulatory liabilities primarily consisted of TCJA regulatory liabilities and HCBA liabilities.

Dollar amounts in thousands unless otherwise stated

NOTE 5. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

As of December 31, 2024 and 2023, intangible assets that will continue to be amortized and those not amortized were:

	Weighted Average Amortization Period (years)	2024			2023		
		Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Amortized intangible assets:							
Water pumping rights	usage	$ 2,296	$ 142	$ 2,154	$ 1,084	$ 137	$ 947
Water planning studies	13	22,534	11,015	11,519	19,470	10,214	9,256
Leasehold improvements and other	18	5,104	1,952	3,152	5,128	1,837	3,291
Total		$ 29,934	$ 13,109	$ 16,825	$ 25,682	$ 12,188	$ 13,494
Unamortized intangible assets:							
Perpetual water rights and other		$ 7,278	$ —	$ 7,278	$ 7,239	$ —	$ 7,239

Water pumping rights usage is the amount of water pumped from aquifers to be treated and distributed to customers.

For the year ended December 31, 2024, 2023, and 2022 amortization of intangible assets was $2.1 million, $1.5 million, and $1.5 million, respectively.

Estimated future amortization expense related to intangible assets are shown in the table below:

Year Ending December 31,	Estimated Future Amortization Expense Related to Intangible Assets
2025	$ 2,124
2026	1,792
2027	1,553
2028	1,464
2029	1,274
Thereafter	8,618
Total	$ 16,825

Goodwill

Changes in the carrying amount of goodwill for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Beginning balance	$ 37,039	$ 36,814
Acquisitions	24	225
Total ending goodwill balance	$ 37,063	$ 37,039

NOTE 6. EQUITY

As of December 31, 2024 and 2023, common stock issued and outstanding were 59,484,145 and 57,723,738 shares, respectively.

Effective January 1, 2019, the Company implemented an Employee Stock Purchase Plan (ESPP). Under the ESPP, qualified employees are permitted to purchase the Company's common stock at 90% of the market value of the common stock on the specified stock purchase date. The ESPP is deemed compensatory and compensation costs will be accounted for under ASC 718, Stock Compensation. Employees' payroll deductions for common stock purchases may not exceed 10% of their salaries. Employees may purchase up to 2,000 shares per period provided that the value of the shares purchased in any calendar year may not exceed $25,000, as calculated pursuant to the ESPP. The Company recorded expense of $0.3 million, $0.3 million, and $0.2 million for 2024, 2023, and 2022, respectively. The Company issued 56,825, 50,319, and 40,095 shares of common stock related to the ESPP in 2024, 2023, and 2022, respectively.

On April 29, 2022, the Company entered into an equity distribution agreement to sell shares of its common stock having an aggregate gross sales price of up to $350.0 million from time to time depending on market conditions through an at-the-market equity program over the following three years. The Company intends to use the net proceeds from these sales, after deducting commissions and offering expenses, for general corporate purposes, which may include working capital, construction and acquisition expenditures, investments and repurchases, and redemptions of securities. In 2024, the Company sold 1,638,977 shares of common stock through its at-the-market equity program and raised proceeds of $86.5 million, net of $0.9 million in commissions paid under the equity distribution agreement. In 2023, the Company sold 2,025,891 shares of common stock through its at-the-market equity program and raised proceeds of $112.7 million, net of $1.1 million in commissions paid. The Company also incurred $0.3 million and $0.2 million of equity issuance costs in 2024 and 2023, respectively.

NOTE 7. SHORT-TERM BORROWINGS

On March 31, 2023, the Company and Cal Water entered into syndicated credit agreements, which provide for unsecured revolving credit facilities of up to an initial aggregate amount of $600.0 million for a term of five years. The Company and subsidiaries that it designates may borrow up to $200.0 million under the Company's revolving credit facility (the Company facility). Cal Water may borrow up to $400.0 million under its revolving credit facility (the Cal Water facility). Additionally, the credit facilities may be increased by up to an incremental $150.0 million under the Cal Water facility and $50.0 million under the Company facility, subject in each case to certain conditions. At the Company's or Cal Water's option, as applicable, borrowings under the Company and Cal Water facilities, as applicable, will bear interest annually at a rate equal to (i) the base rate, plus an applicable margin of 0.00% to 0.25%, depending on the Company and its subsidiaries' consolidated total capitalization ratio, or (ii) Term SOFR, plus an applicable margin of 0.80% to 1.25%, depending on the Company and its subsidiaries' consolidated total capitalization ratio.

The Company and Cal Water facilities contain affirmative and negative covenants and events of default customary for credit facilities of this type including, among other things, limitations and prohibitions relating to additional indebtedness, liens, mergers, and asset sales. Also, the Company and Cal Water facilities contain financial covenants governing the Company and its subsidiaries' consolidated total capitalization ratio and interest coverage ratio. As of December 31, 2024, the Company and Cal Water are in compliance with all of the covenant requirements and are eligible to use the full amount of the undrawn portion of the Company and Cal Water facilities, as applicable.

As of December 31, 2024 and 2023, the outstanding borrowings on the Company lines of credit were $40.0 million and $50.0 million, respectively. Outstanding borrowings on the Cal Water lines of credit as of December 31, 2024 were $165.0 million and $130.0 million as of December 31, 2023. The average borrowing rate for borrowings on the Company and Cal Water lines of credit during 2024 was 6.27% compared to 6.09% for the same period during the prior year.

Dollar amounts in thousands unless otherwise stated

NOTE 8. LONG-TERM DEBT

As of December 31, 2024 and 2023, long-term debt outstanding was:

	Series	Interest Rate	Maturity Date	2024	2023
First Mortgage Bonds	ZZZ	2.87 %	2051	$ 130,000	$ 130,000
	1	3.02 %	2061	150,000	150,000
	2	5.22 %	2054	125,000	—
	YYY	4.17 %	2059	200,000	200,000
	WWW	4.07 %	2049	100,000	100,000
	VVV	3.40 %	2029	100,000	100,000
	TTT	4.61 %	2056	10,000	10,000
	SSS	4.41 %	2046	40,000	40,000
	QQQ	3.33 %	2025	50,000	50,000
	RRR	4.31 %	2045	50,000	50,000
	PPP	5.50 %	2040	100,000	100,000
	AAA	7.28 %	2025	20,000	20,000
	BBB	6.77 %	2028	20,000	20,000
	CCC	8.15 %	2030	20,000	20,000
	DDD	7.13 %	2031	20,000	20,000
	EEE	7.11 %	2032	20,000	20,000
	OOO	6.02 %	2031	20,000	20,000
Total First Mortgage Bonds				1,175,000	1,050,000
California Department of Water Resources Loans		1.30% - 1.69%	2027 - 2039	3,872	4,195
Other long-term debt				2,933	4,102
Unamortized debt issuance costs				(4,812)	(4,857)
Total long-term debt, net of unamortized debt issuance costs				1,176,993	1,053,440
Less current maturities of long-term debt, net				72,422	672
Long-term debt, net				$ 1,104,571	$ 1,052,768

Dollar amounts in thousands unless otherwise stated

NOTE 8. LONG-TERM DEBT (Continued)

Maturities of long-term debt as of December 31, 2024 are as follows:

Year Ending December 31,	Long-term debt*
2025	$ 70,354
2026	357
2027	333
2028	20,318
2029	100,297
Thereafter	987,360

* Excludes maturities for finance lease obligations. See Note 15 for maturities for finance lease obligations.

On October 22, 2024, Cal Water completed the sale and issuance of $125.0 million in First Mortgage Bonds (the Bonds) in a private placement. The Bonds, relating to Series 2, bear an interest rate of 5.22% per annum payable quarterly, and mature on October 22, 2054. The Bonds rank equally with all of Cal Water's other First Mortgage Bonds and are secured by liens on Cal Water's properties, subject to certain exceptions and permitted liens. Cal Water used the net proceeds from the sale of the Bonds to refinance existing indebtedness and for general corporate purposes. The Bonds were not registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

On October 4, 2011, Cal Water entered into a finance lease arrangement with the City of Hawthorne to operate the City's water system for a 15-year period. The $1.6 million and $2.4 million finance lease liability as of December 31, 2024 and 2023, respectively, is included in other long-term debt and current maturities set forth above.

NOTE 9. OTHER ACCRUED LIABILITIES

As of December 31, 2024 and 2023, other accrued liabilities were:

	2024	2023
Accrued and deferred compensation	$ 24,328	$ 22,512
Unearned revenue and customer deposits	12,517	13,488
Accrued benefits and workers' compensation claims	7,665	8,276
Uninsured loss reserve	2,405	5,954
Due to contracts and agencies	3,447	2,992
Current portion of operating lease	1,218	962
Other	4,691	5,422
Total other accrued liabilities	$ 56,271	$ 59,606

Dollar amounts in thousands unless otherwise stated

NOTE 10. INCOME TAXES

Income tax expense (benefit) consisted of the following:

	Federal	State	Total
2024			
Current	$ 4,179	$ 8,630	$ 12,809
Deferred	31,095	(1,415)	29,680
Total income tax	$ 35,274	$ 7,215	$ 42,489
2023			
Current	$ —	$ 3	$ 3
Deferred	508	(7,292)	(6,784)
Total income tax	$ 508	$ (7,289)	$ (6,781)
2022			
Current	$ 1,857	$ 3	$ 1,860
Deferred	4,726	(211)	4,515
Total income tax	$ 6,583	$ (208)	$ 6,375

The Company's December 31, 2024, 2023, and 2022 qualified tax repairs and maintenance deductions totaled $193.5 million, $169.7 million, and $128.0 million, respectively.

At December 31, 2024, the Company had U.S. federal and U.S. state tax net operating loss carry-forwards of approximately $30.5 million and $187.8 million respectively. The U.S. federal and U.S. state net operating loss carry-forwards will both expire at various dates beginning in tax year 2028.

On June 27, 2024, California Senate Bill 167 (SB 167) was enacted into law. SB 167 provides for a three-year suspension of net operating losses under the California Corporation tax. Among other things, this new law temporarily disallows the use of state net operating losses for years beginning in 2024 through 2026.

The difference between the recorded and the statutory income tax expense is reconciled in the table below:

	2024	2023	2022
Statutory income tax	$ 48,840	$ 9,365	$ 21,344
Increase (reduction) in taxes due to:			
State income taxes net of federal tax benefit	16,234	3,718	7,383
Effect of regulatory treatment of fixed asset differences	(11,053)	(9,478)	(6,274)
Investment tax credits	(71)	(74)	(74)
AFUDC equity	(1,931)	(1,553)	(1,155)
Stock based stock compensation	962	677	455
TCJA refund	(11,508)	(11,618)	(13,919)
Other	1,016	2,182	(1,385)
Total income tax	$ 42,489	$ (6,781)	$ 6,375

The effect of regulatory treatment of fixed asset differences includes estimated repair and maintenance deductions and asset related flow through items.

On December 22, 2017, the U.S. government enacted expansive tax legislation commonly referred to as the TCJA. Among other provisions, the TCJA reduces the federal income tax rate from 35 percent to 21 percent beginning on January 1,

Dollar amounts in thousands unless otherwise stated

NOTE 10. INCOME TAXES (Continued)

2018 and eliminated bonus depreciation for utilities. The TCJA required the Company to re-measure all existing deferred income tax assets and liabilities to reflect the reduction in the federal tax rate.

As of December 31, 2024, the TCJA tax liability was $76.5 million. The Company continues working with state regulators to finalize the TCJA tax liability to confirm compliance with the federal normalization rules.

The deferred tax assets and deferred tax liabilities as of December 31, 2024 and 2023, are presented in the following table:

	2024	2023
Deferred tax assets:		
Developer deposits for contributions in aid of construction	$ 34,353	$ 33,244
Net operating loss carry-forward and tax credits	14,183	29,406
Pension liability	18,993	16,896
Income tax regulatory liability	13,893	18,364
Operating leases liabilities	3,778	3,796
Other	2,019	3,614
Total deferred tax assets	87,219	105,320
Deferred tax liabilities:		
Property related basis and depreciation differences	482,124	437,224
WRAM/MCBA and interim rates balancing accounts	—	4,875
Operating lease-right to use asset	3,722	3,746
Other	12,456	12,237
Total deferred tax liabilities	498,302	458,082
Net deferred tax liabilities	$ 411,083	$ 352,762

Based on historical taxable income and future taxable income projections over the period in which the deferred assets are deductible, management believes it is more likely than not that the Company will realize the benefits of the deductible differences.

The following table reconciles the changes in unrecognized tax benefits for the periods ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Balance at beginning of year	$ 16,291	$ 13,606	$ 15,850
Additions for tax positions taken during current year	3,019	2,685	1,955
Lapse of statute of limitations	—	—	(4,199)
Balance at end of year	$ 19,310	$ 16,291	$ 13,606

The Company does not expect a material change in its unrecognized tax benefits within the next 12 months. The component of unrecognized tax benefits that, if recognized, would affect the effective tax rate as of December 31, 2024, was $5.6 million, with the remaining balance representing the potential deferral of taxes to later years.

The Company's federal income tax years subject to an examination are from 2017 to 2024 and the state income tax years subject to an examination are from 2013 to 2024.

Dollar amounts in thousands unless otherwise stated

NOTE 11. EMPLOYEE BENEFIT PLANS

Savings Plan

The Company sponsors a 401(k) qualified defined contribution savings plan that allows participants to contribute up to 50% of pre-tax compensation. Effective January 1, 2010, the Company matches 75 cents for each dollar contributed by the employee up to a maximum Company match of 6.0% of eligible earnings. Company contributions were $8.5 million, $8.2 million, and $7.1 million for the years 2024, 2023, and 2022, respectively.

Pension Plans

The Company provides a qualified, defined-benefit, non-contributory pension plan for substantially all employees. The accumulated benefit obligations of the pension plan were $524.0 million and $534.7 million as of December 31, 2024 and 2023, respectively. The fair value of pension plan assets was $750.0 million and $716.3 million as of December 31, 2024 and 2023, respectively.

The Company also maintains an unfunded, non-qualified, supplemental executive retirement plan (SERP). The unfunded SERP accumulated benefit obligations were $71.9 million and $74.1 million as of December 31, 2024 and 2023, respectively. Benefit payments under the SERP are paid currently. As a non-qualified plan, the SERP has no plan assets, however, the Company has a Rabbi trust designated to provide funding for SERP obligations. The Rabbi trust holds investments in marketable securities and corporate-owned life insurance. The recorded value of these investments was approximately $73.1 million and $66.7 million at December 31, 2024 and 2023, respectively, and is included in other noncurrent assets on the Consolidated Balance Sheets.

Expected payments to be made for the pension and SERP plans are shown in the table below:

Year Ending December 31,	Pension	SERP	Total
2025	$ 22,139	$ 3,136	$ 25,275
2026	23,923	3,409	27,332
2027	25,731	3,707	29,438
2028	27,667	4,083	31,750
2029	29,565	4,434	33,999
2030-2034	178,009	27,421	205,430
Total payments	$ 307,034	$ 46,190	$ 353,224

The expected benefit payments are based upon the same assumptions used to measure the Company’s benefit obligation at December 31, 2024, and include estimated future employee service.

The costs of the pension and retirement plans are charged to expense and utility plant. The Company makes annual contributions to fund the amounts accrued for pension cost.

Other Postretirement Plan

The Company provides substantially all active, permanent employees with medical, dental, and vision benefits through a self-insured plan. Employees retiring at or after age 58, along with their spouses and dependents, continue participation in the plan by payment of a premium. Plan assets are invested in mutual funds, short-term money market instruments and commercial paper based upon a similar asset mix to the pension plan. Retired employees are also provided with a $10,000 dollar life insurance benefit.

The Company records the costs of postretirement benefits other than pensions (PBOP) during the employees’ years of active service. In 2024 and 2022, the Company recorded postretirement benefit expense of $0.6 million and $0.1 million, respectively. In 2023, postretirement benefit income of $2.9 million was recorded.

Dollar amounts in thousands unless otherwise stated

NOTE 11. EMPLOYEE BENEFIT PLANS (Continued)

The expected benefit payments, net of retiree premiums and Medicare Part D subsidies, are shown in the table below.

Year Ending December 31,	Expected Benefit Payments Before Medicare Part D Subsidy	Effect of Medicare Part D Subsidy on Expected Benefit Payments	Expected Benefit Payments Net of Medicare Part D Subsidy
2025	$ 4,833	$ (262)	$ 4,571
2026	5,229	(292)	4,937
2027	5,687	(322)	5,365
2028	6,166	(357)	5,809
2029	6,545	(394)	6,151
2030-2034	40,376	(2,485)	37,891
Total payments	$ 68,836	$ (4,112)	$ 64,724

Benefit Plan Assets

The Company actively manages pension and PBOP trust (Plan) assets. The Company's investment objectives are:

- Maximize the return on the assets, commensurate with the risk that the Company deems appropriate to meet the obligations of the Plan, minimize the volatility of the pension expense, and account for contingencies;
- Generate a rate of return for the total portfolio that equals or exceeds the actuarial investment rate assumption.

Additionally, the rate of return of the total fund is measured periodically against an index comprised of 60% MSCI AC World Investable Market Index and 40% Custom Fixed Income Benchmark that is a mix of U.S. Government and Corporate Bonds (50% Bloomberg Long Corporate/10% Long Treasury Index, 25% Bloomberg U.S. Government Long Term Bond Index, and 25% Bloomberg U.S. Treasury STRIPs 20+ Year Index). The index is consistent with the Company's rate of return objective and indicates the Company's long-term asset allocation objective.

The Company applies a risk management framework for managing the risks associated with employee benefit plan trust assets. The guiding principles of this risk management framework are the clear articulation of roles and responsibilities, appropriate delegation of authority, and proper accountability and documentation. Trust investment policies and investment manager guidelines include provisions to ensure prudent diversification, manage risk through appropriate use of physical direct asset holdings and derivative securities, and identify permitted and prohibited investments. The Company retains an investment manager to be the Company's Outsourced Chief Investment Officer (OCIO) and the OCIO was required to make investment decisions for Plan assets within the parameters of the Company's investment policies and guidelines.

The Company's target asset allocation percentages for major categories of the Plan assets are reflected in the table below:

	Minimum Exposure	Target	Maximum Exposure
Fixed Income	35 %	40 %	45 %
Domestic Equity	35 %	40 %	45 %
Emerging markets	3 %	6 %	9 %
Non-U.S. Equities	11 %	14 %	17 %

The fixed income category includes money market funds, short-term bond funds, and cash. The majority of fixed income investments range in maturities from less than 1 to 5 years.

The Company's target allocation percentages for the PBOP trust is similar to the pension plan.

The Company uses the following criteria to select investment funds:

- Fund past performance;

Dollar amounts in thousands unless otherwise stated

NOTE 11. EMPLOYEE BENEFIT PLANS (Continued)

- Fund meets criteria of Employee Retirements Income Security Act (ERISA);
- Timeliness and completeness of fund communications and reporting to investors;
- Stability of fund management company;
- Fund management fees; and
- Administrative costs incurred by the Plan.

Plan Fair Value Measurements

The fair value measurements standard establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2—Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following tables present the fair value of plan assets by major asset category at December 31, 2024 and 2023:

	December 31, 2024							
	Pension Benefits				Other Benefits			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fixed Income	$ 288	$ —	$ —	$ 288	$ 21,769	$ —	$ —	$ 21,769
Domestic Equity	—	—	—	—	7,039	—	—	7,039
Non U.S. Equities	—	—	—	—	7,390	—	—	7,390
Emerging markets	—	—	—	—	3,151	—	—	3,151
Assets measured at net asset value (NAV)	—	—	—	749,759	—	—	—	135,005
Total Plan Assets	$ 288	$ —	$ —	$ 750,047	$ 39,349	$ —	$ —	$ 174,354

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Notes to Consolidated Financial Statements (Continued)
December 31, 2024, 2023, and 2022
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NOTE 11. EMPLOYEE BENEFIT PLANS (Continued)

	December 31, 2023							
	Pension Benefits				Other Benefits			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fixed Income	$ 407	$ —	$ —	$ 407	$ 21,891	$ —	$ —	$ 21,891
Domestic Equity	—	—	—	—	6,437	—	—	6,437
Non U.S. Equities	—	—	—	—	7,268	—	—	7,268
Emerging markets	—	—	—	—	3,090	—	—	3,090
Assets measured at NAV	—	—	—	715,866	—	—	—	124,681
Total Plan Assets	$ 407	$ —	$ —	$ 716,273	$ 38,686	$ —	$ —	$ 163,367

The pension benefits fixed income category includes $0.3 million and $0.4 million of money market fund investments as of December 31, 2024 and 2023, respectively. The other benefits fixed income category includes $0.5 million and $0.3 million of money market fund investments as of December 31, 2024 and 2023, respectively.

Assets measured at NAV include investments in commingled funds that are comprised of fixed income and equity securities. These commingled funds are not publicly traded, and therefore no publicly quoted market price is readily available. The values of the commingled funds are measured at estimated fair value, which is determined based on the unit value of the funds and have not been classified in the fair value hierarchy tables above. There are no restrictions on the terms and conditions upon which the investments may be redeemed.

Changes in Plan Assets, Benefits Obligations, and Funded Status

The following table reconciles the funded status of the plans with the accrued pension liability and the net postretirement benefit liability as of December 31, 2024 and 2023:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Change in projected benefit obligation:				
Beginning of year	$ 710,769	$ 685,254	$ 134,733	$ 101,752
Service cost	23,421	22,159	6,048	4,489
Interest cost	36,244	34,190	6,900	5,219
Actuarial (gain) loss	(54,744)	(8,532)	(17,131)	27,208
Benefits paid, net of retiree premiums	(23,599)	(22,302)	(2,281)	(3,935)
End of year	$ 692,091	$ 710,769	$ 128,269	$ 134,733
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 716,273	$ 637,330	$ 163,367	$ 144,686
Actual return on plan assets	53,687	95,280	13,269	22,133
Employer contributions	3,686	5,965	—	189
Retiree contributions and Medicare part D subsidies	—	—	2,446	2,449
Benefits paid	(23,599)	(22,302)	(4,906)	(6,557)
Other adjustments	—	—	178	467
Fair value of plan assets at end of year	$ 750,047	$ 716,273	$ 174,354	$ 163,367
Funded status (1)	$ 57,956	$ 5,504	$ 46,085	$ 28,634
Unrecognized actuarial gain	(123,431)	(66,073)	(44,685)	(26,764)
Unrecognized prior service cost	2,154	2,680	1,273	1,428
Net amount recognized	$ (63,321)	$ (57,889)	$ 2,673	$ 3,298

Dollar amounts in thousands unless otherwise stated

NOTE 11. EMPLOYEE BENEFIT PLANS (Continued)

1. The short-term portion of the pension benefits was $3.1 million as of December 31, 2024 and $2.8 million as of December 31, 2023 and was recorded as part of other accrued liabilities on the Company's Consolidated Balance Sheets.

Amounts recognized on the balance sheet consist of:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Noncurrent assets (1)	$ 142,607	$ 91,051	$ 46,085	$ 28,634
Accrued benefit costs	—	—	(1)	(1)
Accrued benefit liability (2)	(84,651)	(85,547)	—	—
Regulatory liabilities (3)	(131,297)	(63,393)	(43,411)	(25,335)
Accumulated other comprehensive loss (4)	10,020	—	—	—
Net amount recognized	$ (63,321)	$ (57,889)	$ 2,673	$ 3,298

1. Noncurrent assets represent the overfunded status of the employee pension plan and PBOP plan in 2024 and 2023. The amounts are included in other noncurrent assets on the Consolidated Balance Sheets.
2. Accrued benefit liability represents the underfunded status of the SERP plan in 2024 and 2023. The amounts are included in pension on the Consolidated Balance Sheets.
3. Changes in the funded status of the plans that would be recorded in accumulated other comprehensive income for an unregulated entity are recorded as regulatory assets and liabilities as the Company believes it is probable that an amount equal to the regulatory asset or liability will be collected or refunded through the setting of future rates.
4. As a result of Cal Water's 2021 GRC decision that was issued in March of 2024, SERP expenses were disallowed to be recovered from Cal Water's customers. At this time, the Company believes it is not probable that SERP costs will be recovered in rates for the three-year period in which the 2021 GRC is in effect. As a result, the Company has reclassified its SERP regulatory asset for Cal Water to accumulated other comprehensive loss in accordance with generally accepted accounting principles.

Valuation Assumptions

Below are the actuarial assumptions used in determining the benefit obligation for the benefit plans:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Weighted average assumptions as of December 31:				
Discount rate - employee pension plan	5.89 %	5.25 %	—	—
Discount rate - SERP	5.82 %	5.19 %	—	—
Discount rate - other benefits	—	—	5.88 %	5.25 %
Long-term rate of return on plan assets	7.59 %	7.56 %	7.43 %	7.41 %
Rate of compensation increases - employee pension plan	4.25 %	4.25 %	—	—
Rate of compensation increases - SERP	5.00 %	5.00 %	—	—
Cost of living adjustment	2.20 %	2.23 %	—	—

The long-term rate of return assumption is the expected rate of return on a balanced portfolio invested roughly 60% in equities and 40% in fixed income securities. Returns on equity investments were estimated based on estimates of dividend yield and real earnings added to a 2.20% long-term inflation rate. For the pension plans and other benefits, the assumed long-term rate of return was 8.31% for domestic equities and 9.08% for foreign equities. Returns on fixed income investments were

Dollar amounts in thousands unless otherwise stated

NOTE 11. EMPLOYEE BENEFIT PLANS (Continued)

projected based on investment maturities and credit spreads added to a 2.20% long-term inflation rate. For the pension and other benefit plans, the assumed long-term rate of return was 5.42% and 5.10%, respectively, for fixed income investments. The Company is using a long-term rate of return of 7.59% for the pension plan and 7.43% for the other benefit plan.

Components of Net Periodic Benefit Cost

Net periodic benefit costs for the pension and other postretirement plans for the years ended December 31, 2024 and 2023, included the following components:

	Pension Plan			Other Benefits		
	2024	2023	2022	2024	2023	2022
Service cost	$ 23,421	$ 22,159	$ 34,847	$ 6,048	$ 4,489	$ 6,830
Interest cost	36,244	34,190	25,596	6,900	5,219	4,009
Expected return on plan assets	(52,941)	(53,684)	(45,228)	(11,949)	(10,543)	(9,927)
Net amortization and deferral	2,394	(3,043)	5,781	(375)	(2,019)	(824)
Net periodic (income) cost	$ 9,118	$ (378)	$ 20,996	$ 624	$ (2,854)	$ 88

Service cost portion of the pension plan and other postretirement benefits is recognized in administrative and general within the Consolidated Statements of Operations. Other components of net periodic benefit costs include interest costs, expected return on plan assets, amortization of prior service costs, and recognized net actuarial loss and are reported together as other components of net periodic benefit cost within the Consolidated Statements of Operations.

Below are the actuarial assumptions used in determining the net periodic benefit costs for the benefit plans, which uses the end of the prior year as the measurement date:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Weighted average assumptions as of December 31:				
Discount rate - employee pension plan	5.25 %	5.27 %	—	—
Discount rate - SERP	5.19 %	5.24 %	—	—
Discount rate - other benefits	—	—	5.25 %	5.27 %
Long-term rate of return on plan assets	7.56 %	7.50 %	7.41 %	7.36 %
Rate of compensation increases - employee pension plan	4.25 %	4.28 %	—	—
Rate of compensation increases - SERP	5.00 %	5.00 %	—	—
Cost of living adjustment	2.23 %	2.25 %	—	—

The health care cost trend rate assumption has a significant effect on the amounts reported. For 2024 measurement purposes, the Company assumed a 7.0% annual rate of increase in the per capita cost of covered benefits with the rate decreasing to 6.8% by 2025, then gradually grading down to 4.0% by 2062.

The Company intends to make annual contributions that meet the funding requirements of ERISA. The Company estimates in 2025 that the annual contribution to the pension plans will be $5.2 million and no annual contribution to the other postretirement plan.

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE LOSS

In Cal Water’s 2021 GRC decision that was issued in March of 2024, supplemental executive retirement plan (SERP) expenses were not approved to be recovered from customers for the years 2023, 2024 and 2025. Without regulatory recovery, Cal Water no longer meets the regulatory asset recognition criteria to record the unrecognized prior service costs and actuarial gain and loss amounts related to the SERP as a regulatory asset. Beginning in 2024, the Company has applied compensation recognition guidance and recorded the unrecognized prior service costs and actuarial gains and losses to other comprehensive loss.

Dollar amounts in thousands unless otherwise stated

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE LOSS (Continued)

The table below presents changes in Accumulated Other Comprehensive Loss (AOCL), net of tax, by component:

	2024	2023
Beginning balance	$ —	$ —
Other comprehensive loss before reclassifications	(8,392)	—
Amounts reclassified from AOCL	1,175	—
Ending balance	$ (7,217)	$ —

The table below presents amounts reclassified out of AOCL by component and the Consolidated Statements of Operations location of those amounts reclassified as of December 31, 2024 and 2023.

	Amounts Reclassified from AOCL	
	2024	2023
Amortization of defined benefit pension items (1)		
Prior service cost	$ (81)	$ —
Net actuarial loss	1,712	—
Total before tax	1,631	—
Tax benefit (2)	(456)	—
Total reclassification for the period, net of tax	$ 1,175	$ —

(1) Amortization of these items is included in other components of net periodic benefit cost in other income and expenses on the Consolidated Statements of Operations.

(2) The tax benefit is included within income tax expense on the Consolidated Statements of Operations.

NOTE 13. STOCK-BASED COMPENSATION

The Company's 2024 Equity Incentive Plan (2024 Plan) was adopted by the Board of Directors and approved by stockholders on May 29, 2024. The Company reserved 1,600,000 shares of common stock for awards the Company is authorized to issue pursuant to the 2024 Plan. In addition, the Company has 158,950 shares available for issuance from the legacy equity incentive plan.

In 2024, the Company granted RSAs to Officers and members of the Board of Directors (Directors). Generally, an RSA represents the right to receive a share of the Company's common stock and is valued based on the fair market value of the Company's common stock at the date of grant. The 2024 RSAs granted to Officers vest over 33 months with the first 9 months cliff vesting. RSAs granted to the Directors in 2024 vest at the end of 9 months. The 2024 RSAs are recognized as expense evenly over 33 months for the shares granted to Officers and 9 months for the shares granted to the Directors. As of December 31, 2024, there was approximately $2.1 million of total unrecognized compensation cost related to RSAs. The cost is expected to be recognized over a weighted average period of 1.3 years.

A summary of the status of the outstanding RSAs as of December 31, 2024 is presented below:

	Number of RSA Shares	Weighted-Average Grant-Date Fair Value
RSAs at January 1, 2024	53,303	$ 55.48
Granted	58,556	$ 49.62
Vested	(40,879)	$ 55.44
Forfeited	(631)	$ 55.62
RSAs at December 31, 2024	70,349	$ 50.63

In 2024, the Company granted performance-based Restricted Stock Units (RSUs) to Officers. Generally, an RSU represents the right to receive a share of the Company's common stock, cash or a combination of both. The 2024 RSU awards

Dollar amounts in thousands unless otherwise stated

NOTE 13. STOCK-BASED COMPENSATION (Continued)

may be earned upon the completion of a 33 months performance period. Whether RSUs are earned at the end of the performance period will be determined based on the achievement of certain performance objectives set by the Organization and Compensation Committee of the Board of Directors in connection with the issuance of the RSUs. The performance objectives are based on the Company's business plan covering the performance period. The performance objectives include achieving the budgeted return on equity, growth in stockholders' equity, and application submission targets of grant funding. Depending on the results achieved during the 33 months performance period, the actual number of shares that a grant recipient receives at the end of the performance period may range from 0% to 200% of the target RSUs granted, provided that the grantee is continuously employed by the Company through the vesting date. If prior to the vesting date employment is terminated by reason of death, disability or normal retirement, then a pro rata portion of this award will vest. The RSUs are recognized as expense ratably over the 33 months performance period using a fair market value of the Company's common stock at the date of grant and an estimated number of RSUs earned during the performance period. As of December 31, 2024, there was approximately $3.6 million of total unrecognized compensation cost related to RSUs. The cost is expected to be recognized over a weighted average period of 1.5 years.

A summary of the status of the outstanding RSUs as of December 31, 2024 is presented below:

	Number of RSU Shares	Weighted-Average Grant-Date Fair Value
RSUs at January 1, 2024	93,078	$ 55.41
Granted	66,821	$ 49.62
Performance share award adjustment	13,735	$ 53.96
Vested	(36,394)	$ 53.96
Forfeited	(3,574)	$ 55.89
RSUs at December 31, 2024	133,666	$ 52.75

The Company has recorded compensation costs for the RSAs and RSUs which are included in administrative and general operating expenses in the amount of $3.5 million for 2024 and $2.7 million for 2023.

Dollar amounts in thousands unless otherwise stated

NOTE 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The accounting guidance for fair value measurements and disclosures provides a single definition of fair value and requires certain disclosures about assets and liabilities measured at fair value. A hierarchical framework for disclosing the observability of the inputs utilized in measuring assets and liabilities at fair value is established by this guidance. The three levels in the hierarchy are described in Note 11 - Employee Benefit Plans.

Specific valuation methods include the following:

Cash, Accounts receivable, short-term borrowings, and accounts payable carrying amounts approximated the fair value because of the short-term maturity of the instruments.

Long-term debt fair values were estimated using the published quoted market price, if available, or the discounted cash flow analysis, based on the current rates available using a risk-free rate (a U.S. Treasury securities yield curve) plus a risk premium of 0.7%.

	December 31, 2024				
		Fair Value			
	Cost	Level 1	Level 2	Level 3	Total
Long-term debt, including current maturities, net	$ 1,176,993	$ —	$ 998,401	$ —	$ 998,401

	December 31, 2023				
		Fair Value			
	Cost	Level 1	Level 2	Level 3	Total
Long-term debt, including current maturities, net	$ 1,053,440	$ —	$ 965,444	$ —	$ 965,444

NOTE 15. CONTINGENCIES AND COMMITMENTS

Contingencies

From time to time, the Company is involved in various disputes and litigation matters that arise in the ordinary course of business. The status of each significant matter is reviewed and assessed for potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount of the range of loss can be estimated, a liability is accrued for the estimated loss in accordance with the accounting standards for contingencies. Legal proceedings are subject to uncertainties, and the outcomes are difficult to predict. Because of such uncertainties, accruals are based on the best information available at the time.

Groundwater Contamination

The Company has undertaken litigation against third parties to recover past and future costs related to ground-water contamination in its service areas. The cost of litigation is generally expensed as incurred and any settlement is first offset against such costs. The CPUC's general policy requires all proceeds from contamination litigation to be used first to pay transactional expenses, then to make customers whole for water treatment costs to comply with the CPUC's water quality standards. The CPUC allows for a risk-based consideration of contamination proceeds which exceed the costs of the remediation described above and may result in some sharing of proceeds with the shareholder, determined on a case-by-case basis. The CPUC has authorized various memorandum accounts that allow the Company to track significant litigation costs to request recovery of these costs in future filings.

Dollar amounts in thousands unless otherwise stated

NOTE 15. CONTINGENCIES AND COMMITMENTS (Continued)

Other Legal Matters

While the probable outcome of disputes and litigation matters, including those concerning groundwater contamination, cannot be predicted with any certainty, management does not believe when taking into account existing reserves the ultimate resolution of these matters will materially affect the Company's financial position, results of operations, or cash flows. The Company has recognized a liability of $2.4 million for all known legal matters as of December 31, 2024 primarily due to potable water main leaks and other work related legal matters. The cost of litigation is expensed as incurred and any settlement is first offset against such costs. Any settlement in excess of the cost to litigate is accounted for on a case-by-case basis, dependent on the nature of the settlement.

Commitments

Water Supply Contracts

The Company has long-term commitments to purchase water from water wholesalers. The commitments are noted in the table below.

	Water Supply Contracts*
2025	$ 39,650
2026	39,654
2027	39,655
2028	39,652
2029	39,652
Thereafter	486,150

* Estimated annual contractual obligations are based on the same payment levels as 2024.

The Company has a long-term contract with Valley Water that requires the Company to purchase minimum annual water quantities. Purchases are priced at the districts then-current wholesale water rate. The Company operates to purchase sufficient water to equal or exceed the minimum quantities under the contract. The total paid to Valley Water was $15.2 million in 2024, $12.6 million in 2023, and $11.3 million in 2022.

The Company also has a water supply contract with Stockton East Water District (SEWD) that requires a fixed monthly payment. Each year, the fixed monthly payment is adjusted for changes to SEWD's costs. The total paid under the contract was $14.3 million in 2024, $11.5 million in 2023, and $15.3 million in 2022.

On September 21, 2005, the Company entered into an agreement with Kern County Water Agency (Agency) to obtain treated water for the Company's operations. The term of the agreement is to January 1, 2035, or until the repayment of the Agency's bonds (described hereafter) occurs. Under the terms of the agreement, the Company is obligated to purchase approximately 20,500 acre feet of treated water per year. The Company is obligated to pay the capital facilities charge and the treated water charge regardless of whether it can use the water in its operation, and is obligated for these charges even if the Agency cannot produce an adequate amount to supply the 20,500 acre feet in the year. This agreement supersedes a prior agreement with the Agency for the supply of 11,500 acre feet of water per year.

Three other parties, including the City of Bakersfield, are also obligated to purchase a total of 32,500 acre feet per year under separate agreements with the Agency. Further, the Agency has the right to proportionally reduce the water supply provided to all of the participants if it cannot produce adequate supplies. If any of the other parties does not use its allocation, that party is obligated to pay its contracted amount.

If any of the parties were to default on making payments of the capital facilities charge, then the other parties are obligated to pay for the defaulting party's share on a pro-rata basis. If there is a payment default by a party and the remaining parties have to make payments, they are also entitled to a pro-rata share of the defaulting party's water allocation.

NOTE 15. CONTINGENCIES AND COMMITMENTS (Continued)

The Company expects to use all its annual entitled water in its operations. In addition, if the Company were to pay for and receive additional amounts of water due to a default of another participating party; the Company believes it could use this additional water in its operations without incurring substantial incremental cost increases. If additional treated water is available, all parties have an option to purchase this additional treated water, subject to the Agency's right to allocate the water among the parties.

The total obligation of all parties, excluding the Company, is approximately $82.4 million to the Agency. Based on the credit worthiness of the other participants, which are government entities, it is believed to be highly unlikely that the Company would be required to assume any other parties' obligations under the contract due to their default.

The Company pays a capital facilities charge and charges related to treated water that together total $12.8 million annually, which equates to $624.27 dollars per acre foot. Total treated water charge for 2024 was $4.4 million. As treated water is being delivered, the Company will also be obligated for the Company's portion of the operating costs; that portion is currently estimated to be $105.49 dollars per acre foot. The actual amount will vary due to variations from estimates, inflation, and other changes in the cost structure. Our overall estimated cost of $624.27 dollars per acre foot is less than the estimated cost of procuring untreated water (assuming water rights could be obtained) and then providing treatment.

On August 16, 2022, BVRT Utility Holding Company (BVRT), a majority owned subsidiary of Texas Water, entered into a long-term water supply agreement with the Guadalupe Blanco River Authority (GBRA) through its wholly owned subsidiary, Camino Real Utility (Camino Real). The Company has provided a limited guarantee to GBRA for the agreed upon obligations. GBRA is a water conservation and reclamation district established by the Texas Legislature that oversees water resources for 10 counties. Under the terms of the agreement with GBRA, Camino Real is contracted to receive up to 2,419 acre-feet of potable water annually. The GBRA agreement involves four off-takers, including Camino Real, and GBRA plans to extend a potable water pipeline from the City of Lockhart to the City of Mustang Ridge and surrounding areas. Camino Real is contracted to be the utility service provider in this area of the Austin metropolitan region and to provide potable water, recycled water, and wastewater services to portions of the City of Mustang Ridge and surrounding areas. In 2022, Camino Real committed $21.5 million for its share of the cost of the pipeline project. In 2023, Camino Real committed an additional $22.3 million for its share of the cost of the pipeline project. As of December 31, 2024, this committed cash has not been transferred to GBRA and is classified as part of restricted cash on the Consolidated Balance Sheets. The Company currently expects this committed cash to be transferred to GBRA in the first half of 2025.

Leases

The Company has operating and finance leases for water systems, offices, land easements, licenses, equipment, and other facilities. The leases generally have remaining lease terms of 1 year to 50 years, some of which include options to extend the lease for up to 25 years. The exercise of lease renewal options is at the Company's sole discretion. Most of the Company's lease agreements contain mutual termination options that require prior written notice by either lessee or lessor. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Certain leases include options to purchase the leased property. The depreciable life of the assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option that is reasonably certain of exercise. Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets as the Company applied the short-term lease exception allowed by FASB guidance. Lease expense for these leases is recognized on a straight-line basis over the lease term. A subset of the Company's leases contains variable lease payments that depend on changes in the CPI.

The Company determines if an arrangement is a lease at contract inception. Generally, a lease agreement exists if the Company determines that the arrangement gives the Company control over the use of an identified asset and obtains substantially all of the benefits from the identified asset.

The right-of-use (ROU) assets that are recorded represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's operating leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset and lease liability may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Variable lease payments that are based on changes in CPI are included in the measurement of ROU asset and lease

Dollar amounts in thousands unless otherwise stated

NOTE 15. CONTINGENCIES AND COMMITMENTS (Continued)

liability on the basis of the rate at lease commencement. Subsequent changes to the payments as a result of changes to the CPI rate are recognized in the period in which the obligation of these payments is incurred.

Supplemental balance sheet information related to leases was as follows:

	As of December 31, 2024	As of December 31, 2023
Operating leases		
Other assets: Other	$ 13,301	$ 13,387
Other accrued liabilities	$ 1,218	$ 962
Other long-term liabilities	12,285	12,605
Total operating lease liabilities	$ 13,503	$ 13,567
Finance leases		
Depreciable plant and equipment	$ 18,761	$ 19,087
Accumulated depreciation and amortization	(16,102)	(14,339)
Net utility plant	$ 2,659	$ 4,748
Current maturities of long-term debt, net	$ 2,099	$ 844
Long-term debt, net	688	3,057
Total finance lease liabilities	$ 2,787	$ 3,901
Weighted average remaining lease term		
Operating leases	100 months	112 months
Finance leases	17 months	29 months
Weighted average discount rate		
Operating leases	3.8 %	3.6 %
Finance leases	5.6 %	5.5 %

Dollar amounts in thousands unless otherwise stated

NOTE 15. CONTINGENCIES AND COMMITMENTS (Continued)

The components of lease expense were as follows:

	2024	2023
Operating lease cost	$ 2,540	$ 2,520
Finance lease cost:		
Amortization of right-of-use assets	$ 1,788	$ 1,609
Interest on lease liabilities	181	190
Total finance lease cost	$ 1,969	$ 1,799
Short-term lease cost	$ 1,216	$ 1,442
Variable lease cost	553	549
Total lease cost	$ 6,278	$ 6,310

Supplemental cash flow information related to leases was as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 2,553	$ 2,534
Operating cash flows from finance leases	$ 181	$ 190
Financing cash flows from finance leases	$ 1,120	$ 1,400
Non-cash activities: right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 1,881	$ 558
Finance leases	$ —	$ (61)

Maturities of lease liabilities as of December 31, 2024 are as follows:

Year Ending December 31,	Operating Leases	Finance Leases
2025	$ 2,485	$ 2,233
2026	2,266	705
2027	2,033	—
2028	1,604	—
2029	1,528	—
Thereafter	5,490	—
Total lease payments	15,406	2,938
Less imputed interest	(1,903)	(151)
Total	$ 13,503	$ 2,787

NOTE 16. SEGMENT INFORMATION

The Company principally provides water and water-related utility services in California, Washington, New Mexico, Hawaii, and Texas. The Company's operating segments were aggregated into one reportable segment as the operating segments provide similar services and operate in similar regulatory environments. The Company defines its segments on the basis of the way in which internally reported financial information is regularly reviewed by the chief operating decision maker (CODM) to analyze financial performance, make decisions, and allocate resources.

The Company's CODM is the Chairman, President and Chief Executive Officer. The CODM assesses performance of the segment and decides how to allocate resources on a consolidated basis based on consolidated net income. The CODM uses consolidated net income to evaluate income generated from the segment in making operating, capital, and business decisions.

The CODM is regularly provided with only the consolidated operating expenses at the same level of detail as noted on the face of the Consolidated Statements of Operations. Total assets are also provided as noted on the face of the Consolidated Balance Sheets.

No single customer comprised 10% or more of the Company's consolidated operating revenue from billings in 2024, 2023, or 2022. In addition, the receivables balance attributable to any single customer did not comprise 10% or more of the Company's total customer accounts receivables as of December 31, 2024 or December 31, 2023.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.*

None.

Item 9A. *Controls and Procedures.*

Management's Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management, including the Chief Executive Officer and Chief Financial Officer, recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Accordingly, our disclosure controls and procedures have been designed to provide reasonable assurance of achieving these objectives.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, have concluded that our disclosure controls and procedures were effective at a reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended). Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control—Integrated Framework (2013)". Management has concluded that, as of December 31, 2024 our internal control over financial reporting is effective based on these criteria. Our independent registered public accounting firm, Deloitte & Touche LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2024, as stated in their report, which is included in Item 8 and incorporated herein.

Changes to Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the fourth quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*.

(b) Trading Plans

During the last fiscal quarter, no director or Section 16 officer of the Company adopted or terminated any Rule 10b5-1 or non-Rule 10b5-1 trading arrangement (as defined under SEC rules).

Item 9C. *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections*.

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

The information required by this Item as to directors of the Company and the Company's Audit Committee is contained in the sections captioned "Board Structure and Independence," "Proposal No. 1—Election of Directors," "Transactions Involving Stock—Insider Trading Policy" and, as applicable, "Delinquent Section 16(a) Reports" of the definitive Proxy Statement for our Annual Meeting of Stockholders to be held on or about May 28, 2025 (the "2025 Proxy Statement"), and is incorporated herein by reference.

Information required by this Item regarding executive officers is included in a separate section captioned "Information About Our Executive Officers" contained in Part I of this annual report.

We have adopted codes of ethics that apply to all of our directors, officers, and employees, including our principal executive, financial and accounting officers, or persons performing similar functions. Our codes of ethics are posted on our corporate governance website located at http://www.calwatergroup.com. In addition, amendments to the codes of ethics and any grant of a waiver from a provision of the codes of ethics requiring disclosure under applicable SEC and NYSE rules will be disclosed at the same location as the codes of ethics on our corporate governance website located at http://www.calwatergroup.com within four business days of such amendment or waiver.

Item 11. ***Executive Compensation.***

The information required by this Item is contained under the captions "Compensation Discussion and Analysis," "Report of the Organization and Compensation Committee of the Board on Executive Compensation," and "Organization and Compensation Committee Interlocks and Insider Participation" of the 2025 Proxy Statement and is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The information required by this Item regarding security ownership of certain beneficial owners and management is contained in the section captioned "Stock Ownership of Management and Certain Beneficial Owners" of the 2025 Proxy Statement and is incorporated herein by reference.

The following table represents securities authorized to be issued under our equity compensation plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Rights (a) (1)	Weighted-Average Exercise Price of Outstanding Rights (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (2)
Equity compensation plans approved by security holders	133,666	$ 52.75	2,861,972
Equity compensation plans not approved by security holders	—	—	—
Total	133,666	$ 52.75	2,861,972

1. Represents restricted stock units, which have no exercise price and are not included in the weighted-average exercise price of outstanding rights.
2. Includes issuable shares from the Company's Equity Incentive Plan and employee stock purchase plan.

Item 13. ***Certain Relationships and Related Transactions and Director Independence.***

The information required by this Item is contained in the sections captioned "Certain Related Persons Transactions" and "Board Structure" of the 2025 Proxy Statement and is incorporated herein by reference.

Item 14. ***Principal Accountant Fees and Services.***

Information about aggregate fees billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) will be presented in the sections captioned "Report of the Audit Committee" and "Relationship with the Independent Registered Public Accounting Firm" of the 2025 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules.***

(a) As part of this Form 10-K, the following documents are being filed:

1. *Financial Statement:* See "Index to Consolidated Financial Statements" in Part II, Item 8 of this Form 10-K.
2. *Financial Statement Schedules:* No financial statement schedules are being included since the information otherwise required is included in the financial statements and the notes thereto.
3. *Exhibits:* The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference.

EXHIBIT INDEX

Unless filed with this Form 10-K, the documents listed are incorporated by reference to the filings referred to:

Exhibit Number	
1.1	Equity Distribution Agreement, dated as of April 29, 2022, between California Water Service Group and Morgan Stanley & Co. LLC, Robert W. Baird & Co. Incorporated, Blaylock Van, LLC, Wells Fargo Securities, LLC, Janney Montgomery Scott LLC and Samuel A. Ramirez & Company, Inc. (incorporated by reference to the Company's Form 8-K filed April 29, 2022)
3.1	Certificate of Incorporation of California Water Service Group (Exhibit 3.1 to the Quarterly Report on Form 10-Q filed August 9, 2006)
3.2	Certificate of Amendment to Certificate of Incorporation of California Water Service Group (Exhibit 3.1 to the Current Report on Form 8-K filed June 10, 2011)
3.3	Certificate of Amendment to Amended Certificate of Incorporation of California Water Service Group (Exhibit 3.3 to the Quarterly Report on Form 10-Q filed July 28, 2022)
3.4	Certificate of Amendment to Amended Certificate of Incorporation of California Water Service Group (Exhibit 3.4 to the Quarterly Report on Form 10-Q filed July 27, 2023)
3.5	Amended and Restated Bylaws of California Water Service Group, as amended on February 28, 2024 (Exhibit 3.5 to the Annual Report on Form 10-K filed February 29, 2024)
4.1	Certificate of Designations regarding Series D Participating Preferred Stock, as filed with Delaware Secretary of State on September 16, 1999 (Exhibit 4.2 to Annual Report on Form 10-K for the year ended December 31, 2003)
4.2	Certificate of Elimination of the Series D Participating Preferred Stock, as filed with Delaware Secretary of State on February 27, 2019 (Exhibit 4.2 to Annual Report on Form 10-K for the year ended December 31, 2018)
4.3	Thirty-Ninth Supplemental Indenture dated as of April 17, 2009, between California Water Service Company and U.S. Bank National Association, as Trustee (Exhibit 4.1 to Current Report on Form 8-K filed April 21, 2009)
4.4	Forty-Third Supplemental Indenture dated as of April 17, 2009, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 7.28% First Mortgage Bonds due 2025, Series AAA. (Exhibit 4.5 to Current Report on Form 8-K filed April 21, 2009)
4.5	Forty-Fourth Supplemental Indenture dated as of April 17, 2009, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 6.77% First Mortgage Bonds due 2028, Series BBB. (Exhibit 4.6 to Current Report on Form 8-K filed April 21, 2009)
4.6	Forty-Fifth Supplemental Indenture dated as of April 17, 2009, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 8.15% First Mortgage Bonds due 2030, Series CCC. (Exhibit 4.7 to Current Report on Form 8-K filed April 21, 2009)
4.7	Forty-Sixth Supplemental Indenture dated as of April 17, 2009, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 7.13% First Mortgage Bonds due 2031, Series DDD. (Exhibit 4.8 to Current Report on Form 8-K filed April 21, 2009)
4.8	Forty-Seventh Supplemental Indenture dated as of April 17, 2009, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 7.11% First Mortgage Bonds due 2032, Series EEE. (Exhibit 4.9 to Current Report on Form 8-K filed April 21, 2009)
4.9	Fifty-Seventh Supplemental Indenture dated as of April 17, 2009, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 6.02% First Mortgage Bonds due 2031, Series OOO. (Exhibit 4.19 to Current Report on Form 8-K filed April 21, 2009)
4.10	Fifty-Eighth Supplemental Indenture dated as of November 22, 2010, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 5.50% First Mortgage Bonds due 2040, Series PPP. (Exhibit 4.1 to Current Report on form 8-K filed November 22, 2010).
4.11	Sixty-Second Supplemental Indenture dated as of June 11, 2019, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 3.40% First Mortgage Bonds due 2029, Series VVV, 4.07% First Mortgage Bonds due 2049, Series WWW, and 4.17% First Mortgage Bonds due 2059, Series YYY (Exhibit 10.1 to the Current Report on Form 8-K filed June 18, 2019)
4.12	Sixty-Third Supplemental Indenture dated as of May 11, 2021, between California Water Service Company and U.S. Bank National Association, as Trustee, covering 2.87% First Mortgage Bonds due 2051, Series ZZZ and 3.02% First Mortgage Bonds due 2061, Series 1 (Exhibit 10.1 to the Current Report on Form 8-K filed May 11, 2021)

Exhibit Number	
4.13	Sixty-Fourth Supplemental Indenture dated as of October 22, 2024, between California Water Service Company and U.S. Bank Trust Company, National Association, as trustee, covering 5.22% First Mortgage Bonds due 2054, Series 2 (Exhibit 10.1 to the Current Report on Form 8-K filed October 22, 2024)
4.14	The Company agrees to furnish upon request to the Securities and Exchange Commission a copy of each instrument defining the rights of holders of long-term debt of the Company.
4.15	Description of securities (Exhibit 4.15 to the Annual Report on Form 10-K filed February 29, 2024)
10.1	Water Supply Contract between Cal Water and County of Butte relating to Cal Water's Oroville District; Water Supply Contract between Cal Water and the Kern County Water Agency relating to Cal Water's Bakersfield District; Water Supply Contract between Cal Water and Stockton East Water District relating to Cal Water's Stockton District. (Exhibits 5(g), 5(h), 5(i), 5(j), Registration Statement No. 2-53678, which exhibits are incorporated by reference to Annual Report on Form 10-K for the year ended December 31, 1974)
10.2	Water Supply Contract between the City and County of San Francisco and wholesale customers in Alameda County, San Mateo County and Santa Clara County for a term of twenty-five years beginning on July 1, 2009 and ending on June 30, 2034. The agreement was dated June 24, 2009. (Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ending September 30, 2009).
10.3	Water Supply Contract dated July 1, 2009 between the City and County of San Francisco and California Water Service Company to provide water to Bear Gulch and Bayshore service areas for a term of twenty-five years beginning July 1, 2009 and ending June 30, 2034. (Exhibit 10.4 to Quarterly Report on Form 10-Q for the quarter ending September 30, 2009).
10.4	Water Supply Contract dated January 27, 1981, between Cal Water and the Santa Clara Valley Water District relating to Cal Water's Los Altos District (Exhibit 10.3 to Annual Report on Form 10-K for the year ended December 31, 1992)
10.5	Amendments No. 3, 6 and 7 and Amendment dated June 17, 1980, to Water Supply Contract between Cal Water and the County of Butte relating to Cal Water's Oroville District. (Exhibit 10.5 to Annual Report on Form 10-K for the year ended December 31, 1992)
10.6	Amendment dated May 31, 1977, to Water Supply Contract between Cal Water and Stockton East Water District relating to Cal Water's Stockton District. (Exhibit 10.6 to Annual Report on Form 10-K for the year ended December 31, 1992)
10.7	Second Amended Contract dated September 25, 1987, among Stockton East Water District, California Water Service Company, the City of Stockton, the Lincoln Village Maintenance District, and the Colonial Heights Maintenance District Providing for the Sale of Treated Water. (Exhibit 10.7 to Annual Report on Form 10-K for the year ended December 31, 1987)
10.8	Water Supply Contract dated April 19, 1927, and Supplemental Agreement dated June 5, 1953, between Cal Water and Pacific Gas and Electric Company relating to Cal Water's Oroville District. (Exhibit 10.9 to Annual Report on Form 10-K for the year ended December 31, 1992)
10.9	Water Supply Agreement dated September 25, 1996, between the City of Bakersfield and California Water Service Company. (Exhibit 10.18 to Quarterly Report on Form 10-Q for the quarter ended September 30, 1996)
10.10	Water Supply Contract dated November 16, 1994, between California Water Service Company and Alameda County Flood Control and Water Conservation District relating to Cal Water's Livermore District (Exhibit 10.15 to Annual Report on Form 10-K for the year ended December 31, 1994)
10.11	California Water Service Group Directors' Retirement Plan (As amended and restated on February 22, 2006) (Exhibit 10.14 to the Annual Report on Form 10-K for the year ended December 31, 2005)
10.12	Credit Agreement dated as of March 31, 2023 among California Water Service Group and certain of its subsidiaries from time to time party thereto, as borrowers, Bank of America, N.A., as administrative agent, swing line lender and letter of credit issuer, BofA Securities, Inc., as sole lead arranger and sole bookrunner, CoBank, ACB, and U.S. Bank National Association as co-syndication agents, Bank of China, Los Angeles Branch as documentation agent, and the other lender parties thereto (Exhibit 10.2 to the Current Report on Form 8-K filed April 5, 2023)
10.13	Credit Agreement dated as of March 31, 2023 among California Water Service Company as borrower, Bank of America, N.A., as administrative agent, swing line lender and letter of credit issuer, BofA Securities, Inc., as sole lead arranger and sole bookrunner, CoBank, ACB, and U.S. Bank National Association as co-syndication agents, Bank of China, Los Angeles Branch as documentation agent, and the other lender parties thereto (Exhibit 10.1 to the Current Report on Form 8-K filed April 5, 2023)
10.14	Executive Severance Plan (Exhibit 10.24 to Annual Report on Form 10-K for the year ended December 31, 1998)*
10.15	California Water Service Group Deferred Compensation Plan effective January 1, 2001 (Exhibit 10.22 to Annual Report on Form 10-K for the year ended December 31, 2000)*

Exhibit Number	
10.16	California Water Service Company Supplemental Executive Retirement Plan effective January 1, 2001 (Exhibit 10.23 to Annual Report on Form 10-K for the year ended December 31, 2000)*
10.17	Amendment No. 1 to California Water Service Company Supplemental Executive Retirement Plan effective January 1, 2001 (Exhibit 10.22 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2004)*
10.18	Water Supply Contract 99-73 between the City of Bakersfield and California Water Service Company, dated March 31, 1999 (Exhibit 10.25 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2003)
10.19	Amendment No. 1 to Water Supply Contract between the City of Bakersfield and California Water Service Company, dated October 3, 2001 (Exhibit 10.26 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2003)
10.20	Amendment No. 2 to California Water Service Company Supplemental Executive Retirement Plan effective January 1, 2001 (Exhibit 10.27 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2004)*
10.21	California Water Service Group 2024 Equity Incentive Plan (Exhibit 99.1 to the Registration Statement on Form S-8 filed May 29, 2024)*
10.22	The registrant's policy on option repricing under its Equity Incentive Plan (incorporated by reference to Item 8.01 Other Events in the registrant's Current Report on Form 8-K dated April 7, 2005)*
10.23	Water Supply Contract dated September 21, 2005, between Cal Water and the Kern County Water Agency. (Exhibit 10.1 to Current Report on Form 8-K filed on September 21, 2005)
10.24	Form of Restricted Stock Award Grant Notice under the California Water Service Group Equity Incentive Plan. (Exhibit 10.36 to the Annual Report on Form 10-K for the year ended December 31, 2005)
10.25	Form of Restricted Stock Award Agreement under the California Water Service Group Equity Incentive Plan with Assignment Separate From Certificate and Joint Escrow Instructions. (Exhibit 10.38 to the Annual Report on Form 10-K for the year ended December 31, 2005)
10.26	Form of Indemnification Agreement to be entered between California Water Service Group and its directors and officers. (Exhibit 10.44 to the Annual Report on Form 10-K for the year ended December 31, 2006)
19	California Water Service Group Insider Trading Policy
21.0	Subsidiaries of the Registrant
22.1	List of Subsidiary Issuers and Guarantors
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Chief Executive Officer certification of financial statements pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer certification of financial statements pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.0	Chief Executive Officer and Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	Incentive Compensation Clawback Policy (Exhibit 97 to the Annual Report on Form 10-K filed February 29, 2024)
101	The following materials from this Annual Report on Form 10-K formatted in iXBRL (Inline extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity and (v) the Notes to the Consolidated Financial Statements.
104	The cover page from this Annual Report on Form 10-K, formatted in iXBRL (included as exhibit 101).

* Management contract or compensatory plan or arrangement.

Item 16. ***Form 10-K Summary.***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

CALIFORNIA WATER SERVICE GROUP

By /s/ MARTIN A. KROPELNICKI

MARTIN A. KROPELNICKI,
Chairman, President and Chief Executive Officer

Date: February 27, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The members of the Board of Directors who have signed below constitute a majority of the Board of the Directors.

/s/ MARTIN A. KROPELNICKI MARTIN A. KROPELNICKI	President and Chief Executive Officer; Principal Executive Officer; Chairman, Board of Directors	Date: February 27, 2025
/s/ GREGORY E. ALIFF GREGORY E. ALIFF	Member, Board of Directors	Date: February 27, 2025
/s/ SHELLY M. ESQUE SHELLY M. ESQUE	Member, Board of Directors	Date: February 27, 2025
/s/ JEFFREY KIGHTLINGER JEFFREY KIGHTLINGER	Member, Board of Directors	Date: February 27, 2025
/s/ THOMAS M. KRUMMEL THOMAS M. KRUMMEL, M.D.	Member, Board of Directors	Date: February 27, 2025
/s/ YVONNE A. MALDONADO YVONNE A. MALDONADO, M.D.	Member, Board of Directors	Date: February 27, 2025
/s/ SCOTT L. MORRIS SCOTT L. MORRIS	Member, Board of Directors	Date: February 27, 2025
/s/ CHARLES R. PATTON CHARLES R. PATTON	Member, Board of Directors	Date: February 27, 2025
/s/ CAROL M. POTTENGER CAROL M. POTTENGER	Member, Board of Directors	Date: February 27, 2025
/s/ LESTER A. SNOW LESTER A. SNOW	Member, Board of Directors	Date: February 27, 2025
/s/ PATRICIA K. WAGNER PATRICIA K. WAGNER	Member, Board of Directors	Date: February 27, 2025
/s/ JAMES P. LYNCH JAMES P. LYNCH	Senior Vice President, Chief Financial Officer, Principal Financial Officer, and Treasurer	Date: February 27, 2025
/s/ THOMAS A. SCANLON THOMAS A. SCANLON	Corporate Controller, Principal Accounting Officer	Date: February 27, 2025

Exhibit 4.15

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following description of the common stock of California Water Service Group (the "Group," "us," "our" or "we") does not purport to be complete and is subject to, and qualified in its entirety by, our certificate of incorporation, as amended ("certificate"), and our amended and restated bylaws ("bylaws"), each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part.

General

Our authorized capital stock consists of 136,000,000 shares of common stock, $0.01 par value, and 241,000 shares of preferred stock, $0.01 par value per share. We have one class of securities registered under Section 12 of the Securities Exchange Act of 1934, our common stock, which is listed on the New York Stock Exchange under the symbol "CWT." There are no shares of preferred stock outstanding.

Common Stock

Voting rights. The holders of our common stock are entitled to one vote per share on all matters submitted to a vote of stockholders. A majority of the votes cast is required for stockholders to elect directors (except that directors are elected by a plurality of the votes cast in a contested director election). All other matters put to a stockholder vote generally require the approval of a majority of the votes entitled to be cast by the shares represented at a meeting of the stockholders, except as otherwise provided by our certificate or bylaws or required by law. Stockholders do not have cumulative voting rights.

Dividends. The holders of our common stock have the right to receive any dividends we declare and pay on our common stock, subject to the rights, privileges, preferences, restrictions and conditions attaching to any other class or series of our securities. After all cumulative dividends are declared and paid or set apart on any series of our preferred stock which may be outstanding, the board may declare any additional dividends on our common stock out of our surplus (the excess, if any, of our net assets over total paid-in capital) or if there is no surplus, the net profits for the current fiscal year or the fiscal year before which the dividend is declared. Our board may only declare cash dividends if after paying those dividends we would be able to pay our liabilities as they become due.

Liquidation. The holders of our common stock have the right to receive our remaining assets and funds upon liquidation, dissolution or winding-up, if any, after we pay to the holders of any series of our preferred stock the amounts they are entitled to, and after we pay all our debts and liabilities.

Preemptive, subscription and conversion rights. Our common stock is not redeemable and has no preemptive, subscription or conversion rights.

Transfer agent. The transfer agent and registrar for our common stock is Computershare Limited.

Our common stock is subject and subordinate to any rights and preferences granted under our certificate and any rights and preferences which may be granted to any series of preferred stock by our board pursuant to the authority conferred upon our board under our certificate.

Anti-Takeover Provisions

Some provisions of our certificate, bylaws and Delaware law may have the effect of delaying, discouraging or preventing a change in control of us or changes in our management. Pursuant to our certificate and bylaws:

- the board of directors is authorized to issue "blank check" preferred stock without stockholder approval;
- the board of directors is expressly authorized to make, alter or repeal any provision of our bylaws;
- stockholders may not cumulate votes in the election of directors;

- stockholders may take action only at a duly called meeting of the stockholders, and stockholders are not permitted to act by written consent;
- special meetings of the stockholders may be called by the stockholders only upon the request of stockholders owning shares representing 10% or more of the voting power of the then outstanding shares of capital stock entitled to vote on the matter or matters to be brought before the proposed special meeting;
- stockholders must satisfy advance notice procedures to submit proposals or nominate directors for consideration at a stockholders meeting; and
- we will indemnify officers and directors against losses that they may incur as a result of investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law ("DGCL"). In general, the statute prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date that the person became an interested stockholder unless, with some exceptions, the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the stockholder, and an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation's outstanding voting stock. This provision may have the effect of delaying, deferring or preventing a change in control without further action by the stockholders.

Exclusive Forum

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for any stockholder (including any beneficial owner) to bring: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to us or our stockholders; (c) any action asserting a claim arising pursuant to any provision of the DGCL, our certificate or our bylaws; (d) any action asserting a claim governed by the internal affairs doctrine; or (e) any other action asserting an internal corporate claim, as defined in Section 115 of the DGCL; in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. It is possible that a court of law could rule that the choice of forum provision contained in our bylaws is inapplicable or unenforceable if it is challenged in a proceeding or otherwise. Such exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended.

Exhibit 19.0

CALIFORNIA WATER SERVICE GROUP POLICY

Subject:	Department:		Number:
Insider Trading Policy	**Corporate Secretary**		210
	( ) Complete Revision (X) Partial Revision ( ) New	Supersedes: **210 dated 02/24/2021**	Page: 1

Purpose: To promote compliance with all applicable U.S. securities laws and regulations regarding insider trading.

Scope: This policy applies to all directors, officers, and employees within California Water Service Group.

Introduction:

Federal and state laws prohibit buying, selling, gifting or making other transfers of securities by persons who have material information about a company that is not generally known or available to the public. Even if not security owners, these laws prohibit persons with such material nonpublic information ("**MNPI**") from disclosing it to others who may trade. Trading while in possession of MNPI is often referred to as "insider trading."

California Water Service Group (together with its subsidiaries, the "**Company**") is a publicly traded company on The New York Stock Exchange ("**NYSE**"). It is the Company's policy to be in compliance with all applicable U.S. securities laws at all times. Accordingly, the Company has adopted the following policy (this "**Policy**") regarding trading in securities by its directors, officers, and employees (together, "**Company Personnel**") as well as their family members who reside with them, anyone else who lives in their household, and any family members who do not live in their household but whose transactions in Company securities (as defined below) are directed by them or are subject to their influence or control (collectively, "**Family Members**"), and corporations or other business entities controlled, influenced or managed by them or their Family Members, and trusts for which such persons are a trustee or in which they have a beneficial or pecuniary interest (collectively, "**Controlled Entities**," and together with "**Company Personnel**" and "**Family Members**," "**Insiders**"). The SEC and federal prosecutors may presume that trading by Family Members or Controlled Entities is based on information you supplied and may treat any such transactions as if you had traded yourself. Unless otherwise indicated, all references to "you" in this Policy should be read to include all of your Family Members and Controlled Entities who have MNPI.

No Exceptions. The prohibition against trading while in possession of MNPI is absolute and unconditional. The securities laws do not recognize any mitigating circumstances. For example, there is no exception for small transactions or transactions that may seem necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure. In any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to high standards of conduct.

Individual Responsibility. You, as a director, officer or employee, are responsible for seeing to it that you (as well as your Family Members and Controlled Entities) do not violate federal or state securities laws or this Policy. We designed this Policy to promote compliance with the federal securities laws and to protect the Company and you from the serious liabilities and penalties that can result from violations of these laws. Even if you do not own Company securities, this Policy still applies to you.

Issue Date:	Effective Date:	Prepared by/Business Owner:	Approved by:
01/29/2025	01/29/2025	s/Michelle R. Mortensen	S/Michelle R. Mortensen

CALIFORNIA WATER SERVICE GROUP POLICY

Subject:	Department:		Number:
Insider Trading Policy	**Corporate Secretary**		210
	( ) Complete Revision (X) Partial Revision ( ) New	Supersedes: **210 dated 02/24/2021**	Page: 2

Consequences for Violating Insider Trading Laws. If you violate insider trading laws, you could be subject to prosecution by federal and/or state regulators as well as face civil lawsuits. You may be subject to civil fines of up to three times the profit gained or loss avoided by such trading, as well as criminal fines of up to $5 million. Furthermore, a jail sentence of up to 20 years could be imposed. In addition, the Company could be subject to a civil fine of up to the greater of $1.425 million (subject to adjustment for inflation), and three times the profit gained or loss avoided as a result of your insider trading violations, as well as a criminal fine of up to $25 million.

The Securities and Exchange Commission ("**SEC**"), NYSE and state regulators (as well as the N.Y. Attorney General and the Department of Justice) are very effective at detecting and pursuing insider trading cases. The SEC has successfully prosecuted cases against employees trading through foreign accounts, trading by family members and friends, and trading involving only a small number of shares. Therefore, it is important that you understand the breadth of activities that constitute illegal insider trading. This Policy sets out the Company's policy in the area of insider trading and should be read carefully and complied with fully.

Administrative Provisions. This Policy will be reviewed, evaluated and revised by the Company from time to time in light of regulatory changes, developments in the Company's business and other factors.

If you have any questions, please contact the Corporate Secretary, General Counsel or a person he/she may designate.

Issue Date:	Effective Date:	Prepared by/Business Owner:	Approved by:
01/29/2025	01/29/2025	[s/Michelle R. Mortensen]	[S/Michelle R. Mortensen]

CALIFORNIA WATER SERVICE GROUP POLICY

Subject:	Department:		Number:
Insider Trading Policy	**Corporate Secretary**		210
	( ) Complete Revision (X) Partial Revision ( ) New	Supersedes: **210 dated 02/24/2021**	Page: 3

Definitions

What is a Security?

This Policy applies to transactions in the Company's securities (collectively referred to in this policy as "Company securities") or the securities of a Company Counterparty (as defined below), including a company's common stock, options to purchase common stock, or any other type of securities that a company may issue, including but not limited to preferred stock, convertible debentures and warrants, as well as derivative securities, such as exchange-traded put or call options or swaps relating to a company's securities.

What is "Material Nonpublic Information"?

Material Information

Material information generally means information that there is a likelihood a reasonable investor would consider important in making an investment decision to buy, hold, or sell securities. Any information that could be expected to affect a company's stock price (including any information relating to a company's operations or financials that is not in the public domain), whether positive or negative, should be considered material. There is no bright-line standard for assessing materiality. Rather, materiality is based on an assessment of all the facts and circumstances, and is often evaluated by enforcement authorities, such as federal, state and NYSE investigators, with the benefit of hindsight, so you should always err on the side of concluding that the information is material and not trade. The mere fact that a person is aware of MNPI is a bar to trading. It is no excuse that such person's reasons for trading were not based on the MNPI.

Depending on the circumstances, common examples of information that may be material include:

- earnings, revenue or similar financial information;
- efforts underway to buy or bid on a water system, asset or other company; unexpected financial results;
- unpublished financial reports or projections, including knowledge of changes of research analyst views or ratings;
- extraordinary borrowing or liquidity problems;
- the interruption of production or service or other aspects of a company's business as a result of an accident, fire, natural disaster, cybersecurity incident or breakdown of labor negotiations or any major shut-down;
- labor negotiations;
- major environmental incidents;
- data breaches or cybersecurity incidents;
- changes in control of the company;
- changes in directors, senior management or auditors;
- information about potential or proposed actions by a public utilities commission, or contemplated transactions, regulatory filings with state public utilities commissions, business plans, financial restructurings, acquisition targets or significant expansions or contractions of operations;
- changes in dividend policies or the declaration of a stock split or the proposed or contemplated issuance, redemption, or repurchase of securities;
- public or private debt or equity securities offerings;
- material defaults under agreements or actions by creditors, clients, or suppliers relating to the Company's credit rating;
- information about major contracts;
- gain or loss of a significant customer or supplier;

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- major new products or designs or significant advances in product development or price changes on major products;
- major changes in services rendered, markets or methods of distribution;
- marketing changes;
- water quality issues;
- impending financial problems, such as bankruptcy or liquidity concerns or developments;
- institution of, or developments in, major litigation, investigations, or regulatory actions or proceedings;
- information about Company affiliates and Company Counterparties; and
- the imposition of a trading "blackout" by the Company in transactions in Company securities or the securities of a Company Counterparty.

Please direct questions regarding specific transactions to the Corporate Secretary or General Counsel.

Nonpublic Information

Nonpublic information is information that is not generally known by or available to the public. The Company considers information to be available to the public only when:

- it has been released to the public by the Company through appropriate channels (e.g., by means of a press release, a filing with the SEC or a widely disseminated statement from a senior officer); and
- enough time has elapsed to permit the investment market to absorb and evaluate the information. You should generally consider information to be nonpublic until three full trading days have lapsed following the time of public disclosure. For example, if the Company discloses MNPI before the market opens on July 22, 2024, you may not trade until July 25, 2024 (three full trading days after the Company's release), so long as you do not have any additional MNPI after such release. If, however, the Company discloses MNPI after the market opens on July 22, 2024, you may not trade until July 26, 2024 (three full trading days after the Company's release), so long as you do not have any additional MNPI after such release.

- The fact that rumors, speculation or statements attributed to unidentified sources are public is insufficient to be considered "generally available to the public" even when the information is accurate.

Trading / Transactions

For purposes of this policy, references to "trading" and "transactions" include, among other things:

- purchases and sales of Company securities in public markets, including sales of the Company stock held in the Company's 401(k) plan and employee stock purchase plan (ESPP);
- sales of Company securities obtained through the exercise of employee stock options granted by the Company;
- making gifts of Company securities (including charitable donations); or
- using Company securities to secure a loan.

Conversely, references to "trading" and "transactions" <u>do not include</u>:

- the exercise of Company stock options if no shares are to be sold or if there is a "net exercise" (as defined below); or
- the vesting of the Company stock options, restricted stock or restricted stock units.

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Therefore, you may freely exercise your stock options or engage in "net exercises" without violating this policy. Note that a "net exercise" (which is permitted) is the use of the underlying shares to pay the exercise price, whereas a broker-assisted cashless exercise (which is not permitted) involves the broker selling some or all of the shares underlying the option on the open market.

Transactions in mutual funds that are invested in Company or Company Counterparty securities are not transactions subject to this Policy as long as (a) the Insider does not control the investment decisions on individual stocks within the fund and (b) Company or Company Counterparty securities do not represent a substantial portion of the assets of the fund.

In addition, transactions pursuant to a Rule 10b5-1 Trading Plan (as defined below) are subject to certain exceptions and requirements set forth below.

Policies and Procedures

Unless otherwise specified, the policies and procedures in this Policy apply to all Insiders.

Trading Policy

General Prohibition. You may not buy, sell, gift or otherwise transact in securities of the Company or a Company Counterparty when you are aware of MNPI. This Policy against "insider trading" applies to trading in Company securities, as well as to trading in the securities of other companies with whom the Company has a preexisting or prospective business relationship, such as the Company's customers, distributors, suppliers, and companies with which the Company may be negotiating a major transaction, such as a joint venture or material acquisition or disposition (a "**Company Counterparty**" or "**Company Counterparties**").

No Tipping. You may not convey MNPI about the Company or a Company Counterparty to others, including family members, or suggest that anyone purchase or sell such company's securities while you are aware of MNPI. This practice, known as "tipping", also violates U.S. securities laws and can result in the same civil and criminal penalties that apply if you engage in insider trading directly, even if you do not receive any money or derive any benefit from trades made by persons to whom you passed MNPI. This Policy against "tipping" applies to information about the Company and its securities, as well as to information about Company Counterparties. Persons with whom you have a history, pattern or practice of sharing confidences—such as family members, close friends and financial and personal counselors—may be presumed to act on the basis of information known to you; therefore, special care should be taken so that MNPI is not disclosed to such persons. This policy does not restrict legitimate business communications to Company personnel who require the information in order to perform their business duties. MNPI, however, should not be disclosed to persons outside the Company unless you are specifically authorized to disclose such information and the person receiving the information has agreed, in writing, if appropriate, to keep the information confidential.

Company Transactions. From time to time, the Company may engage in transactions in its own securities. When engaging in transactions in Company securities, it is the Company's policy to comply with all applicable securities laws and regulations and state corporate laws. This includes consultation, as appropriate, with the CEO, CFO, GC, Corporate Secretary and outside counsel, and, if required or advisable, approval by the Board of Directors or appropriate board committee.

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Policy Regarding Speculative Transactions, Hedging, Pledging and Trading on Margin

If you are a director or officer, including a director or officer of any of the Company's subsidiaries, a department head, general manager or district manager of the Company, you are subject to the restrictions set forth below regarding speculative transactions, hedging of Company securities, and pledging and trading Company securities on margin.

Speculative Transactions

It is against company policy for you to engage in speculative transactions in Company securities. As such, it is against company policy for you to trade in put or call options in Company securities, or sell Company securities short.

Hedging Transactions

Because certain forms of hedging transactions in certain instances involve the establishment of a short position (or an equivalent position) in Company securities and limit or eliminate the ability to profit from an increase in the value of Company securities, engaging in any hedging transactions (such as "zero cost" or "cashless" collars, forward sales, equity swaps and other similar arrangements) involving Company securities is prohibited.

Pledging and Trading on Margin

Securities held on margin (or margined) or pledged as collateral for a loan may be sold without your consent if you fail to meet a margin call or default on a loan. Because a margin sale or foreclosure sale may occur a time when you are aware of MNPI, commencing with the effective date of this Policy, you are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan (any securities held on margin or pledged prior to the effective date of this Policy are not subject to the foregoing restriction, but no additional securities may be margined or pledged after the date hereof).

Unauthorized Disclosure

All Company Personnel must maintain the confidentiality of Company information for competitive, security and other business reasons, as well as to comply with securities laws. All information about the Company or its business plans is potentially MNPI until publicly disclosed. This information should be treated as confidential and proprietary to the Company, and may not be disclosed to others outside the Company, such as family members, other relatives, or business or social acquaintances.

In addition, you are prohibited from participating as an "expert," consultant, advisor and/or in any capacity for an "expert network" and/or any other outside firm which compensates individuals for speaking with investors and other investment professionals. This prohibition is designed to protect the Company, its stockholders and you. Indeed, United States criminal authorities and the SEC have prosecuted numerous public company employees who received monetary compensation by expert networks to speak with investors and disclose confidential company information which investors then used for trading purposes.

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Also, legal rules govern the timing and nature of the Company's disclosure of material information to outsiders or the public. Violation of these rules could result in substantial liability for you, the Company and its management. For this reason, only specifically designated representatives of the Company are permitted to discuss the Company with the news media, securities analysts and investors. If you receive inquiries of this nature, the person inquiring should be referred to the Chief Financial Officer or Corporate Secretary.

When and How to Trade Company Securities

Overview

Directors and officers of the Company, including directors and officers of the Company's subsidiaries, and other employees who are so designated from time to time by the Chief Financial Officer [and Corporate Secretary?] (such employees, "**Restricted Employees**") are for purposes of this Policy required to comply with the restrictions covered below. Even if you are not a director, officer or Restricted Employee, following the procedures listed below may assist you in complying with this Policy. These restrictions also apply, to the extent applicable to a director, officer or Restricted Employee, to such person's Family Members and Controlled Entities.

Blackout Period

Directors, officers and Restricted Employees may not trade in Company securities (subject to the exceptions set forth in Exceptions or pursuant to an approved Rule 10b5-1 Trading Plan, in each case as discussed below) during the period beginning on the 23rd day of the last month of each calendar quarter and continuing until the third full trading day after the Company's release of quarterly or annual financial results, as applicable (such period, the "**Blackout Period**"). **However, even if the Company is not in a blackout period, directors, officers and Restricted Employees may not trade in Company securities at a time when they are aware of MNPI about the Company. In addition, all transactions in Company securities must be precleared even if initiated when trading is permitted.**

From time to time the Company may institute special blackout periods (such period being a "**Special Blackout Period**") due to MNPI developments about the Company or a Company Counterparty. However, it is not the Company's policy to impose special blackout periods every time that MNPI exists or every time that an Insider may be in the possession of MNPI. In such events, the Company may notify particular individuals that they should not engage in any transactions involving the purchase or sale of Company securities or the securities of a Company Counterparty, as applicable (subject to the exceptions set forth in Exceptions or pursuant to an approved Rule 10b5-1 Trading Plan, in each case as discussed below), and you should not trade in the applicable company's securities during such time and should not disclose to others the fact that a special blackout period has been instituted or the fact that you are prohibited from trading, as the existence of a special blackout period may, itself, be deemed MNPI.

Even if the Company is in a blackout period, Company stock options may be exercised. However, stock issued upon the exercise of stock options may not be sold (including same-day sales and cashless exercises). Generally, all pending purchase and sale orders regarding Company securities or the securities of a Company Counterparty that could be executed while trading is permitted must be executed or cancelled before the blackout or special blackout period commences.

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In light of these restrictions, if you are a director or officer and expect a need to sell Company securities at a specific time in the future, including executing sales to satisfy tax withholding obligations in connection with the exercise of stock options, vesting of restricted stock or settlement of restricted stock units in the future, you may wish to consider entering into a prearranged Rule 10b5-1 Trading Plan, as discussed below.

Preclearance

The Company requires its directors, officers and Restricted Employees to contact the Corporate Secretary in advance of effecting any purchase, sale, gift or other trading of Company securities (including a stock plan transaction such as an option exercise, a loan, a contribution to a trust or any other transfer) and obtain prior approval of the transaction from the Corporate Secretary. All requests must be submitted to the Corporate Secretary (or, in the case of the Corporate Secretary, to the Chief Financial Officer) or, in his or her absence, to the Chief Financial Officer at least two business days in advance of the proposed transaction. The Corporate Secretary (or the Chief Financial Officer, as applicable) will then determine whether the transaction may proceed. **This preclearance policy applies even if you are initiating a transaction while trading is permitted (i.e., during a non-blackout or non-special blackout period).**

If a transaction is approved under the preclearance policy, the transaction must be executed within five trading days after the approval is obtained, but regardless may not be executed if you acquire MNPI concerning the Company during that time. If a transaction is not completed within the period described above, the transaction must be approved again before it may be executed.

If a proposed transaction is not approved under the preclearance policy, a transaction involving Company securities should not be initiated, and no one within or outside of the Company should be informed about the restriction. Any transaction under a Rule 10b5-1 Trading Plan will not require preclearance at the time of the transaction, but the adoption, amendment, modification or termination of any such Rule 10b5-1 Trading Plan is subject to pre-clearance and other restrictions discussed below.

Exceptions

The restrictions contained in this Policy shall not apply to:

- the exercise of Company stock options if (a) no shares are to be sold to third parties or (b) there is only a "net exercise" (defined as the Company withholding shares to satisfy your tax obligations or to cover the exercise price or equivalent);
- "sell to cover" transactions involving a sale of shares of common stock directed by the Company in its sole discretion in order to cover the Company's or such individual's or entity's withholding tax obligations in connection with the grant, vesting or settlement of equity awards pursuant to the Company's equity incentive plans and agreements, for example, from the vesting or settlement of restricted stock units under such plans;
- the vesting of Company stock options, restricted stock, restricted stock units or other equity incentive awards according to their terms;
- the withholding of shares to satisfy the exercise price or a tax withholding obligation upon the grant, vesting or settlement of equity awards pursuant to the Company's equity incentive plans and agreements, for example, from the vesting or settlement of restricted stock units under such plans;
- purchases of shares through the ESPP in accordance with your pre-established participation elections;

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- transferring shares to an entity that does not involve a change in the beneficial ownership of the shares (for example, transferring shares from one brokerage account to another brokerage that you control);
- sales of Company securities as a selling stockholder in a registered public offering, including a "synthetic secondary" offering, in accordance with applicable securities laws; or
- any other purchase of Company securities from the Company or sale of Company securities to the Company in accordance with applicable securities and state laws.

To the extent applicable and such elections are permitted, your elections regarding (1) participation in "net exercise" or "sell to cover" transactions or (2) participation in or an increase in contributions to the ESPP, in each case including changes from any defaults established by the Company, may only be made when you are not subject to a blackout period and are not in possession of MNPI.

Rule 10b5-1 Trading Plans

Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), provides for an affirmative defense against insider trading liability if trades occur pursuant to a prearranged "trading plan" that meets specified conditions (a "***Rule 10b5-1 Trading Plan***"). A Rule 10b5-1 Trading Plan is a written trading plan between you and your broker and must either specify the number of securities to be bought or sold, along with the price and the date, or provide a written formula for determining this information. Alternatively, such Rule 10b5-1 Trading Plan can delegate investment discretion to a third party, such as a broker, who then makes trading decisions without further input from the person implementing the plan. A Rule 10b5-1 Trading Plan must be established at a time when you are not aware of any MNPI and must not permit you to exercise any subsequent control or influence over how, when or whether the purchases or sales are made. **Because of the trading restrictions imposed on directors and officers under this Policy, the Company will allow you, if you are a director or officer only, to enter into a Rule 10b5-1 Trading Plan.** Under this Policy, the adoption, amendment, modification or termination of a Rule 10b5-1 Trading Plan must meet the requirements set forth in Appendix A, "California Water Service Group Guidelines for Rule 10b5-1 Trading Plans," including applicable preclearance procedures.

Because the SEC rules on trading plans are complex, if you are a director or officer and wish to enter into a Rule 10b5-1 Trading Plan, you should consult with your broker and be sure you fully understand the limitations and conditions of the rules before you establish a Rule 10b5-1 Trading Plan (or a transaction that is intended to constitute a "non-Rule 10b5-1 trading arrangement" within the meaning of SEC rules).

All Rule 10b5-1 Trading Plans are required to be reviewed and approved by the Corporate Secretary for compliance with the requirements set forth in Appendix A, "California Water Service Group Guidelines for Rule 10b5-1 Trading Plans." In addition, all amendments, modifications and terminations of an existing Rule 10b5-1 Trading Plan must be reviewed and approved by the Corporate Secretary prior to effecting any such amendments, modifications or terminations.

Applicability

Unless otherwise specified, this Policy covers all Insiders.

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Noncompliance

It is the Company's policy to be in full compliance with all securities laws at all times. Each director, officer, department head, district manager and employee who fails to comply with this policy or who refuses to certify that he or she has complied with it will be subject to disciplinary action up to and including termination of employment.

Post-Termination Transactions

This Policy will continue to apply to your transactions in Company securities and the securities of a Company Counterparty after your employment or service has terminated with the Company until such time as you are no longer aware of MNPI or until that information has been publicly disclosed or is no longer material. If you are an officer or director, certain Company stock transactions may also be required to be reported following the termination of your employment or retirement. Please contact the Corporate Secretary for guidance if you an officer or director who is retiring or terminating employment.

Additional Securities Law Matters

Section 16

Directors, officers, as defined in Rule 16a-1(f) under the 1934 Act (such officers, "Section 16 Officers", and together with directors, "Section 16 Persons"), and greater than 10% beneficial owners of the Company's common stock (together with Section 16 Persons, "**Section 16 Insiders**") will also be required to comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the 1934 Act. The practical effect of these provisions is that (a) Section 16 Insiders will be required to report transactions in Company securities (usually within two business days of the date of the transaction) and (b) Section 16 Insiders who purchase and sell Company securities within a six-month period will be required to disgorge all profits to the Company whether or not they had knowledge of any MNPI. The Company has provided separate materials to officers and directors regarding compliance with Section 16 and its related rules.

Rule 144

If you are a director or executive officer, you may be deemed to be an "affiliate" of the Company. Consequently, shares of the Company common stock held by you may be considered to be "control securities," the sale of which are subject to compliance with Rule 144 under the Securities Act of 1933, as amended (or any other applicable exemption under the federal securities laws). If this is the case, note that Rule 144 places limits on the number of shares you may be able to sell and provides that certain procedures must be followed before you can sell shares of the Company common stock. Contact the Corporate Secretary for more information on Rule 144.

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APPENDIX A

California Water Service Group Guidelines for Rule 10b5-1 Trading Plans

As discussed in the Policy, Rule 10b5-1 under the 1934 Act provides an affirmative defense from insider trading liability. In order to be eligible to rely on this affirmative defense, you must enter into a Rule 10b5-1 Trading Plan for transactions in Company securities that meets certain conditions specified in Rule 10b5-1, including the guidelines set forth below. These guidelines generally do not apply to any transactions that are intended to constitute “non-Rule 10b5-1 trading arrangements” within the meaning of SEC rules. Capitalized terms used in these guidelines without definition have the meaning set forth in the Policy.

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. The Corporate Secretary will interpret and administer these guidelines for compliance with Rule 10b5-1 and the Policy. No personal legal or financial advice is being provided by the Corporate Secretary or other members of the Company regarding any Rule 10b5-1 Trading Plan or proposed trades. You remain ultimately responsible for ensuring that your Rule 10b5-1 Trading Plans and contemplated transactions fully comply with applicable securities laws. It is recommended that you consult with your own attorney or other advisor about any contemplated Rule 10b5-1 Trading Plan. Note that for any Section 16 Persons, the Company is required to disclose the material terms of his or her (and any Family Members’ and Controlled Entities’) Rule 10b5-1 Trading Plan, other than with respect to price, in its periodic report for the quarter in which the Rule 10b5-1 Trading Plan is adopted or terminated or modified (as described below).

1. **Preclearance Requirement.** The Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Corporate Secretary (or, in the case of the Corporate Secretary, by the Chief Financial Officer) at least five trading days prior to the entry into the plan in accordance with the procedures set forth in the Policy and these guidelines. The Company may require that you use a standardized form of Rule 10b5-1 Trading Plan.

2. **Time of Adoption.** Subject to preclearance requirements described above, the Rule 10b5-1 Trading Plan must be adopted at a time:

    - when you are not aware of any MNPI; and
    - when you are not subject to a blackout period.

3. **Plan Instructions.** Any Rule 10b5-1 Trading Plan must be in writing, signed and either:

    - specify the amount, price and date of the sales (or purchases) of Company securities to be effected;
    - provide a formula, algorithm or computer program for determining when to sell (or purchase) the Company’s securities, the quantity to sell (or purchase) and the price; or
    - delegate decision-making authority with regard to these transactions to a broker or other agent without any MNPI about the Company or its securities.

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For the avoidance of doubt, you may not subsequently influence how, when or whether to effect purchases or sales with respect to the securities subject to an approved and adopted Rule 10b5-1 Trading Plan.

4. **No Hedging.** You may not have entered into or alter a corresponding or hedging transaction or position with respect to the securities subject to the Rule 10b5-1 Trading Plan and must agree not to enter into any such transaction while the Rule 10b5-1 Trading Plan is in effect.

5. **Good Faith Requirements.** You must enter into the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rules 10b-5 and 10b5-1 under the 1934 Act. You must act in good faith with respect to the Rule 10b5-1 Trading Plan for the entirety of its duration.

6. **Certifications for Section 16 Persons.** Section 16 Persons and their Family Members and Controlled Entities that enter into Rule 10b5-1 Trading Plans must certify that they are: (1) not aware of any MNPI about the Company or Company securities; and (2) adopting the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rules 10b-5 and 10b5-1 under the 1934 Act.

7. **Cooling Off Periods.** The first trade under the Rule 10b5-1 Trading Plan may not occur until the expiration of a cooling-off period as follows:

   - For Section 16 Persons (as well as their Family Members and Controlled Entities), the later of (1) two business days following the filing of the Company's Form 10-Q or Form 10-K for the completed fiscal quarter in which the Rule 10b5-1 Trading Plan was adopted and (2) 90 calendar days after adoption of the Rule 10b5-1 Trading Plan; provided, however, that the required cooling-off period shall in no event exceed 120 days.
   - For other Insiders that are not Section 16 Persons, 30 days after adoption of the Rule 10b5-1 Trading Plan.

8. **No Overlapping Rule 10b5-1 Trading Plans.** You may not enter into overlapping Rule 10b5-1 Trading Plans (subject to certain exceptions). Please consult with the Corporate Secretary for any questions regarding overlapping Rule 10b5-1 Trading Plans.

9. **Single Transaction Plans.** You may not enter into more than one Rule 10b5-1 Trading Plan designed to effect the open-market purchase or sale of the total amount of securities as a single transaction during any rolling 12-month period (subject to certain exceptions). A single-transaction plan is "designed to effect" the purchase or sale of securities as a single transaction when the terms of the plan would, for practical purposes, directly or indirectly require execution in a single transaction.

10. **Modifications and Terminations.** Modifications, amendments and terminations of an existing Rule 10b5-1 Trading Plan are strongly discouraged due to legal risks and can affect the validity of trades that have taken place under the plan prior to such modification, amendment or termination. Under Rule 10b5-1 and these guidelines, any modification or amendment to the amount, price or timing of the purchase or sale of the securities underlying the Rule 10b5-1 Trading Plan (a "***Material Modification***") will be deemed to be a termination of the current Rule 10b5-1 Trading Plan and creation of a new Rule 10b5-1 Trading Plan.

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As such, the modification or amendment of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Corporate Secretary in accordance with the preclearance procedures set forth in the Policy and these guidelines, and any Material Modification will be subject to all the other requirements set forth in these guidelines regarding the adoption of a new Rule 10b5-1 Trading Plan.

The termination (other than through an amendment or modification) of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Corporate Secretary in accordance with the preclearance procedures set forth in the Policy and these guidelines. Except in limited circumstances, the Corporate Secretary will not approve the termination of a Rule 10b5-1 Trading Plan unless:

- you are not aware of any MNPI; and
- you are not subject to a blackout period.

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Exhibit 21

Subsidiaries of the Registrant

Subsidiary Name	State of Incorporation	Business Name
California Water Service Company	California	California Water Service Company
CWS Utility Services	California	CWS Utility Services
New Mexico Water Service Company	New Mexico	New Mexico Water Service Company
Washington Water Service Company	Washington	Washington Water Service Company
Hawaii Water Service Company, Inc.	Hawaii	Hawaii Water Service Company
HWS Utility Services LLC	Hawaii	HWS Utility Services
TWSC, Inc.	Texas	TWSC, Inc.

Exhibit 22.1

List of Subsidiary Issuers and Guarantors

As of December 31, 2024, the Company is the guarantor of the registered mortgage bonds issued by the following entities. The Company owns, directly or indirectly, 100% of each such entity.

California Water Service Company

a. 5.50% First Mortgage Bonds due 2040, Series PPP, issued in 2010

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-234389, 333-158484, and 333-181329 on Form S-3 and Registration Statement Nos. 333-60810, 333-127495, 333-228824, and 333-279793 on Form S-8 of our report dated February 27, 2025, relating to the financial statements of California Water Service Group and the effectiveness of California Water Service Group's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ DELOITTE & TOUCHE LLP

San Francisco, California

February 27, 2025

Exhibit 31.1

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
CERTIFICATION

I, Martin A. Kropelnicki, certify that:

1. I have reviewed this annual report on Form 10-K of California Water Service Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

By: /s/ MARTIN A. KROPELNICKI

Martin A. Kropelnicki
Chairman, President and Chief Executive Officer

Exhibit 31.2

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
CERTIFICATION

I, James P. Lynch, certify that:

1. I have reviewed this annual report on Form 10-K of California Water Service Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

By: /s/ James P. Lynch

James P. Lynch
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION OF CEO AND CFO
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned hereby certifies, in his capacity as an officer of California Water Service Group, that the Annual Report of California Water Service Group on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of California Water Service Group.

Date: February 27, 2025 By: /s/ MARTIN A. KROPELNICKI

MARTIN A. KROPELNICKI
Chairman, President and Chief Executive Officer
California Water Service Group

Date: February 27, 2025 By: /s/ JAMES P. LYNCH

JAMES P. LYNCH
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)