

We go beyond



**California Water Service Group
2018 Annual Report**

California Water Service Group (NYSE: CWT) is the third-largest publicly traded water utility in the United States, providing high-quality water and wastewater services to about two million people through four regulated subsidiaries: California Water Service (Cal Water), Hawaii Water Service (Hawaii Water), New Mexico Water Service (New Mexico Water), and Washington Water Service (Washington Water).

We are committed to improving the quality of life for our customers, communities, employees, and stockholders. We do this by living our core values and delivering on our promise to provide quality, service, and value.

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When our customers turn on their taps, they get the water that touches every aspect of their lives, from their morning coffee to their evening showers. Parents getting kids ready for school, firefighters responding to a call, and workers making everything from beer to gasoline all expect the same thing: clean, safe water where they need it, when they need it. And we deliver that. But we also go beyond what's expected of us, whether we're investing in infrastructure, responding to emergencies, taking care of the environment, serving our customers, or giving back to our communities. Why? Because by going beyond, we make life better. It's as simple as that.



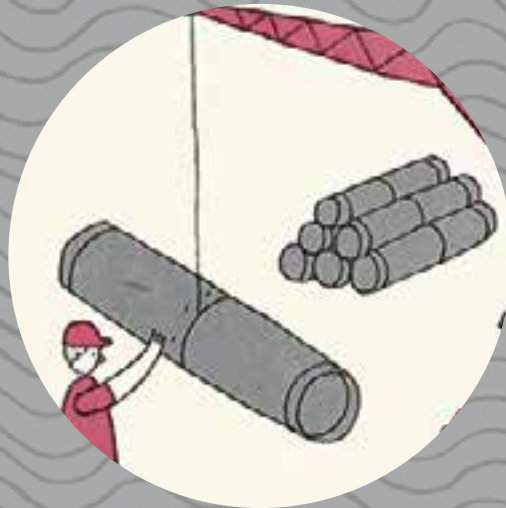
Beyond the pipes

Water pipes are the unsung heroes of infrastructure. Sure, bridges are flashy, and highways are important. But the underground pipelines that carry water from the source to the tap are essential to ensuring a reliable, uninterrupted supply. That's why we have a strategic and methodical plan for replacing aging water pipes and other water infrastructure that most people never see, including wells, pumps, treatment plants, and computer monitoring and control systems.

Rather than waiting for equipment to fail, we take a proactive approach to preventing problems for our customers and communities — problems like sinkholes, road and property damage, water-quality issues, and water outages. We invested \$271.7 million in water infrastructure in 2018, including \$63.8 million to replace 143,175 feet of water pipe. This benefits customers, who receive safe water whenever and wherever they need it, and stockholders, who earn a return on the investment.

The Waze app. Stables for horses. Sound barriers.

When we began a project to install seven miles of new water pipe as part of our Palos Verdes Peninsula Water Reliability Project, we knew it would be critical to go above and beyond to minimize the impact of the massive project on the community. ➔



Palos Verdes Peninsula Water Reliability Project

"I am in awe of the planning and coordination, manpower, sensitivity to the equestrians in the area, and traffic control for all, plus the coordinated updates via text. You guys are doing an amazing job... Many thanks for your work under these challenging conditions."

Madeline Ryan, Resident

News Flash

We're providing residents with regular updates via text, email, and social media, and real-time detour information via Google Maps, Apple Maps, and Waze.

Hello, Neighbor

We're going door-to-door to discuss the construction timeline and route and answer customer questions.

Get Out the Shovel

When construction was scheduled close to a beloved earpod tree, we hand-dug a trench around its base to keep it safe.



No Horsing Around

For horse owners and local equestrian groups, we are temporarily relocating and boarding horses for their comfort and safety.

Sweet Relief

We scheduled construction at Dapplegray Elementary School during summer break and thanked the PTA for its support by providing popsicles for students and staff.

Let's Meet

We've held more than 130 community meetings with residents, businesses, and schools to discuss upcoming construction.

Room Service

We scheduled night work to minimize traffic impacts and offered hotel rooms to those most affected by the sound of construction.

thank you!

Beyond the source

If serving our customers were as simple as finding a water source and moving that water from point A to point B, our job would be easy. But it's also our responsibility to find the most economical source of water to help keep customer bills as low as possible. That's why, in many communities, we maximize the use of local water supplies, which are generally less expensive than purchasing water from outside the service area. Once we've identified the best local source for water, we take good care of it. For example, we engage in a range of conservation programs and actively participate in the implementation of California's Sustainable Groundwater Management Act. Then, before delivering a drop, we analyze the water quality and use the best available treatment technology to ensure the water is clean and safe to drink.

We recognize the importance of protecting the environment around our water sources. We go to great lengths to be good stewards and make a positive impact on our surroundings wherever we operate.

Steelhead trout. Adjustable dam. Fish ladder.

When we determined that our use of the Bear Gulch Creek could be inhibiting the ability of steelhead trout to migrate and spawn, we partnered with the California Department of Fish and Wildlife and the National Marine Fisheries Service to come up with a plan to allow us to continue drawing water from the source while ensuring optimum flows for the fish. ↻



Bear Gulch Fish Ladder

Smart Source

We built a structure called a fish ladder that gives threatened steelhead trout the chance to thrive at every life stage — while allowing us to continue to use water from the creek.

On the Move

Before construction began, we hired a biologist to move 200 fish to another part of the creek so they wouldn't be harmed by the project.

Nice Working with You

We worked closely with our neighbors on this project to get the necessary easements, make the site aesthetically pleasing, and, most importantly, retain our friendships.

R-E-S-P-E-C-T

Bear Gulch Creek is a habitat for threatened and endangered species, including the Dusky-Footed Woodrat, Central California Coast Steelhead, California Red-Legged Frog, San Francisco Garter Snake, and the Western Pond Turtle, so we carefully surveyed for them.

Beyond the source

“The careful planning and thoughtful design that went into this project are truly impressive. The project also showcases your environmental stewardship, and we are fortunate to have Cal Water as a partner in our efforts to recover steelhead in the San Francisco Watershed. Stellar job with the Upper Bear Gulch fish passage project.”

Gary Stern, NOAA

Let It Flow

To keep the creek bed in optimum condition, we built an adjustable dam that allows gravel and sediment to move downstream naturally.

Let's Make This Happen

To successfully complete the fish ladder, we forged partnerships with the Town of Woodside, San Mateo County, California Department of Fish and Wildlife, Regional Water Quality Control Board, National Oceanic and Atmospheric Administration (NOAA), U.S. Army Corps of Engineers, and the U.S. Fish and Wildlife Service.

Beyond the hydrant

When firefighters need water, we deliver, thanks to the diligent investments we make in our infrastructure. That's because the equipment we use to meet our customers' daily needs is the same equipment that provides water for fire protection. During a fire emergency, we must be able to meet higher-than-normal demand for water and be ready to face potential power outages and evacuations. Being prepared for these challenges takes careful planning, which begins by designing our water systems the right way and working with local fire agencies to test and improve our fire-flow capabilities. Then, when a fire emergency occurs, we put our emergency response training to good use. This means activating our Emergency Operations Center and bringing in operational, engineering, water quality, and other statewide experts and resources — including portable generators, booster pumps, and emergency response trailers — to keep water flowing.

But sometimes it's the actions we take after the emergency has passed that mean the most, whether we're suspending billing and collections activities for customers, raising funds to help those affected, or being there to step in and help provide whatever the community needs.

Air purifiers. Computer technology. Food and water.

Our response to the Mendocino Complex Fire — the largest recorded wildfire in California history — showcased our preparedness, emergency response capabilities, and tireless dedication to serving our customers. ➔



Mendocino Complex Fire

Let's Get It Done

In order to be as helpful as possible, we deployed people from many departments — engineering, operations, government relations — and from many locations around the state.

Remote Operation

While the fires burned, we used computer technology to control our water system and treatment plant from our Emergency Operations Center about 85 miles away.

"I would consider Cal Water to be a teammate. The water they supply for us allows us to go in and fight fires safely and effectively."

Ken Pensavento, Firefighter



ACTION!

85-MILE REACH

thank you!

woof!

Smooth Operators

With a mandatory evacuation order in place, a team of treatment plant operators was escorted back to the plant by law enforcement to ensure that firefighters had sufficient water supplies and pressure to fight the blaze.

Clean Air, Please

To combat the poor air quality caused by smoke from the fire, we donated face masks and air purifiers to local shelters.

Care Stations

As soon as the evacuation order was lifted, we set up two care stations to provide returning residents with food and water.

We're in This Together

After the fire, we gave bill credits to customers to cover water that was used to protect their properties during the fire and to flush their pipes after their return.

Beyond the call

Our team members continually “answer the call” and go above and beyond what’s expected of them, both literally and figuratively. Our customer service professionals, whose job it is to answer incoming customer calls, nearly always pick up within 30 seconds and satisfy customers’ needs on the first attempt — just two of the metrics we use to ensure our service is better than the industry standard. But no matter their job title, all of our employees are dedicated to providing exceptional customer service whenever and however they can, from the meter reader who takes time to help an elderly customer carry her groceries into the house to the treatment plant operator who sees a stranded car, sets up traffic control, and helps to change a flat tire.

Of course, many customers never call us because they’re already getting everything they need: an uninterrupted supply of clean water, convenient bill-paying options, a user-friendly website and customer service portal, and a variety of conservation programs and rebates. But when they do call, we are committed to making that personal interaction count.

Hamburgers. Elevated tanks. Hardship grants.

While most customer calls are straightforward, such as requests to make payment arrangements or start service at a new address, others present an opportunity for us to show what it really means to go beyond. ➔



Answering the Call



Water on Wheels

When our foreman got a call about a leak at the local hamburger stand, he knew he needed to make the repair without impacting the restaurant's lunch service to hungry high school students. So he brought in "Water on Wheels," a portable water supply that was the result of an employee-driven Continuous Improvement project. It's used to make repairs and water systems upgrades without interrupting water service.



Going the Distance

When an elderly customer called about a higher-than-usual water bill, our customer service rep discovered the customer's usage had tripled. After sending out a service person to rule out leaks, the rep kept looking for answers. Eventually, she determined that the customer had a new irrigation system, which turned out to be the problem. Hearing that the customer was on a fixed income, the rep helped to get her assistance from the Cal Water Cares Grant Program.



Beyond the call

Help

Responding to a report of water waste at a home in Bakersfield, our employee heard someone calling for help. He went to a window and found a woman who had fallen the night before and couldn't get up. After calling 911, he talked to the woman until help arrived.



Lost and Found

One of our meter readers found a wallet filled with cash, credit cards, and a driver's license, and immediately went to the address on the license to return it to the owner.

Responding to Community Input

When we made plans to remove some elevated water tanks due to earthquake safety concerns, the Chico Heritage Association asked us to reconsider. Turns out the community loved the tanks, so we went out of our way to keep the two oldest while ensuring safety.



Thankful Indeed

One of our service people located and repaired a leak at 11:30 p.m. the night before Thanksgiving so our customer could host her family's dinner the next day.

Beyond the water

“To enhance the quality of life for our customers, communities, employees, and stockholders.” Some might say that’s a pretty lofty purpose for a water utility. We say it’s just right. Why? Because we deliver the lifeblood of every community we serve and literally keep our customers clean, safe, and healthy.

But there’s more to it than that. The fact is, we care about people as much as we care about pipes. We care about our customers, so we do more than provide high-quality water and service — we also offer assistance to low-income customers and have established a stockholder-funded hardship grant program to help those in need. We care about our employees, so we provide competitive pay and benefits, professional-development opportunities, and safety training. We care about our stockholders, so we work hard to provide them with a steady, reliable return on their investment. And we care about our communities, so we contribute time and resources to make life better for everybody in it.

H2O Challenge. Walk 4 Water. Operation Gobble.

We collect coats for the homeless, mentor at-risk youth, raise funds for veterans, and construct wells in Third World countries. Basically, we do good ... every day, in every community we serve, and beyond. ➔



Making Life Better in Our Communities



Reaching Higher

Our scholarship program assists students in our communities who plan to continue their education in college or vocational school.



Water I.Q.

Our H2O Challenge is a project-based, environmentally focused competition for grades 4-6 that's designed to help kids better understand water as a local and global resource. Grand Prize: a tent-camping trip to Yosemite National Park for the winning class!



Grab a Bucket

For Chico's Walk 4 Water fundraiser, employees fill a bucket of water from the Chico Creek and walk a 2K or 5K to help African villages gain access to clean water.

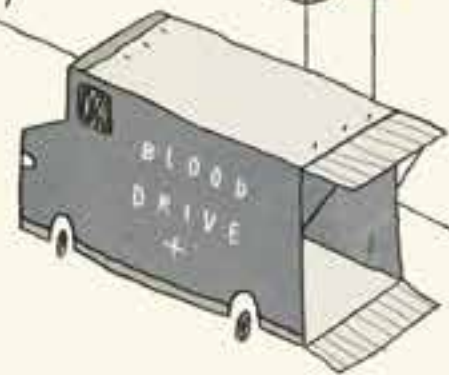


Helping Our Furry Friends

Employees from our Salinas District regularly volunteer at the ASPCA, and Selma District employees volunteer at a local animal shelter.



thank you!



Giving the Gift of Life

Our Livermore District employees give back to the community by holding quarterly blood drives through the American Red Cross.

Toys, Toys, Toys

Every year, hundreds of kids find toys under their Christmas trees that might not otherwise be there, thanks to our participation in the California Highway Patrol's annual toy drive in East Los Angeles.



A Meal and a Smile

Employees from the Stockton District volunteer at St. Mary's Dining Room, an organization that provides nutritious meals to the community's homeless and working poor populations.



Hope During the Holidays

For 30 years, we've contributed hundreds of thousands of holiday meals to those in need through Operation Gobble, which supports charities that serve the most vulnerable in our communities.



turkey!



Letter to Stockholders

Dear Fellow Stockholder,

What does it mean to “go beyond”? For us, it means doing everything our customers, communities, employees, and stockholders expect us to do, and then some. It means pulling out all the stops. It means going all out. That’s why we make every business decision with our purpose in mind: to improve the quality of life for our customers, communities, employees, and stockholders.

Executing our strategy meant focusing on three major areas in 2018: our emergency preparedness and response, California General Rate Case, and infrastructure investment program.

Emergency Preparedness & Response

In 2018, the Mendocino Complex, Woolsey, and Camp Fires put our emergency preparedness and response to the test. Thanks to our robust training program, our teams were able to jump into action and partner with other first responders to activate emergency operations centers and provide the services our communities needed.

As illustrated on previous pages, the Mendocino Complex Fire necessitated evacuation of our Lucerne, California, service area. As the fire approached our facilities, we provided the only local water supply available to fight the fire, thanks in part to the brave water treatment plant operators who went back into the fire zone to make the adjustments needed to keep our water system running. In the end, the Mendocino Complex Fire burned over 410,203 acres.

The Woolsey and Camp Fires, which both began on November 8, 2018, were more damaging for our customers, communities, and employees, together injuring six firefighters and taking the lives of 89 people. The only one of the three fires to actually burn into our service area, the Woolsey Fire tested our water system. Fortunately, we quickly brought personnel and equipment in from our other districts to keep the water flowing. In the end, the Woolsey Fire burned 96,949 acres in Ventura and Los Angeles Counties, destroying 1,500 structures and damaging 341 more.

The historically destructive and deadly Camp Fire hit even harder, devastating the Town of Paradise, neighbor to our Chico service area and home to many of our Chico-based employees. It burned 153,336 acres and destroyed 18,793 structures, including 11 of our employees' homes. In addition to providing immediate assistance to our employees, we partnered with the Utility Workers Union of America to set up a corporate-match fundraiser that brought in more than \$300,000 to assist people affected by the disaster. At this writing, we continue to provide emergency aid to Paradise Irrigation District in an effort to restore water service to Paradise.

California General Rate Case

If you've owned stock in our company for any length of time, you probably know that the rates for our largest subsidiary, California Water Service, are established through a triennial proceeding of the California Public Utilities Commission called a General Rate Case. In 2018, we began the three-year process with an initial filing in July.

Recognizing the public's growing interest in the cost of water and the importance of maintaining a strong brand, we conducted research to better understand how to effectively communicate the value of the services we provide. The result of that undertaking is a campaign called "Reliability Runs Deep," which uses videos, infographics, and interviews with

Financial Highlights

(Dollars in thousands, except per common share data)

Year ended December 31	2018	2017 ¹	2016	2015	2014
Market price at year end	\$47.66	\$45.35	\$33.90	\$23.27	\$24.61
Book value per share	\$15.19	\$14.56	\$13.75	\$13.41	\$13.11
Earnings per share (diluted)	\$1.36	\$1.52	\$1.01	\$0.94	\$1.19
Dividend per share	\$0.750	\$0.720	\$0.690	\$0.670	\$0.650
Operating Revenue	\$698,196	\$676,113	\$609,370	\$588,368	\$597,499
Net Income	\$65,584	\$72,940	\$48,675	\$45,017	\$56,738

¹The 2017 reported financial data was adjusted to reflect an immaterial computational error that resulted in an understatement of operating revenue, net income, and earnings per share.

front-line employees to educate customers about our infrastructure improvement program and how critical it is for fire protection, health and safety, and quality of life. This ongoing campaign has helped to lay a foundation for our public discussions about the General Rate Case, which we refer to publicly as our Infrastructure Improvement Plan and Budget Filing.

In the filing itself, we focused on three main areas: increasing infrastructure investment, reducing expenses, and designing rates for affordability. We proposed \$828.5 million in new capital investments over three years and included expense reductions resulting from lower costs related to employee health and pension plans and savings resulting from the Tax Cuts and Jobs Act. And, to improve affordability, we proposed to reduce the cost for the first units of water used and increase the cost for higher tiers of usage. We also proposed an additional rate consolidation for districts in the central part of the state, which helps mitigate increases in smaller service areas.

Overall, we requested an additional \$115.2 million in operating revenue, while holding first-year monthly increases to \$5 or less for the average residential customers in 75% of our districts. According to the published schedule, the Commission plans to issue a decision on the filing in the fourth quarter of 2019 with new rates becoming effective in January 2020.

Infrastructure Investment Program

The cornerstone of our growth is our capital investment program, because it is the basis of our stockholder return. In 2018, we continued to focus on investing diligently in the infrastructure that is critical to providing our customers a reliable, high-quality water supply.

The two largest capital projects in 2018 were the 36 treatment plants constructed to meet the new water quality standard for 1,2,3-trichloropropane, which were completed in the first quarter of 2018, and the Palos Verdes Peninsula Water Reliability Project, which is still underway. In total, we invested \$271.7 million in capital projects in 2018, completing a variety of projects to improve reliability, safety, and quality, including water quality treatment facilities, wells, and new pipelines in California, Washington, Hawaii, and New Mexico.

Looking Back, Moving Forward

A few personal notes before we conclude: Director George A. Vera retired in 2018 after 20 years of service on the Board. We dearly miss him and his insightful leadership, and we wish him all the best. Shelly M. Esque joined the Board in June 2018 and has already proven a valuable addition; we are so pleased to have someone with her unique perspective and expertise at the table. In addition, at the beginning of 2019, two new officers joined our leadership team: Michael S. Mares, Jr. became Vice President, California Operations, and Greg A. Milleman assumed the role of Vice President, California Rates.

We also updated the Group logo and added the tagline, "Investing for Life." (See it on the back cover.) Though our customers and most other stakeholders know us under the brands of our subsidiary utility service companies, the new corporate logo will be used to identify the company with stockholders and partners who conduct business with our parent company.

It's been an eventful year, and we're excited about all the future holds for us. We thank you for your continued support and investment in California Water Service Group.



Martin A. Kropelnicki

Martin A. Kropelnicki
President and Chief Executive Officer



Peter C. Nelson

Peter C. Nelson
Chairman of the Board

Fast Track to Compliance

Our Engineering, Operations, and Water Quality teams planned, designed, constructed, and installed 36 treatment plants in order to meet the new standard for 1,2,3-trichloropropane (TCP), with most of the work taking place before the new limit was even established.

PLANNING FOR THE UNKNOWN

Well before the State of California set a new standard for TCP, Cal Water certified its water quality lab to detect TCP at lower levels and began the planning process.



MASSIVE PROJECT GETS UNDERWAY

In August 2016, we began a massive effort to conduct site surveys, establish monitoring protocols, design treatment plants, purchase equipment, and obtain necessary permits. One year later, we started construction on 36 treatment plants — all before the new standard was even set.



COMPANY MEETS COMPLIANCE DEADLINE

The State set the new standard in December 2017, and just one month later, Cal Water began monitoring for TCP.

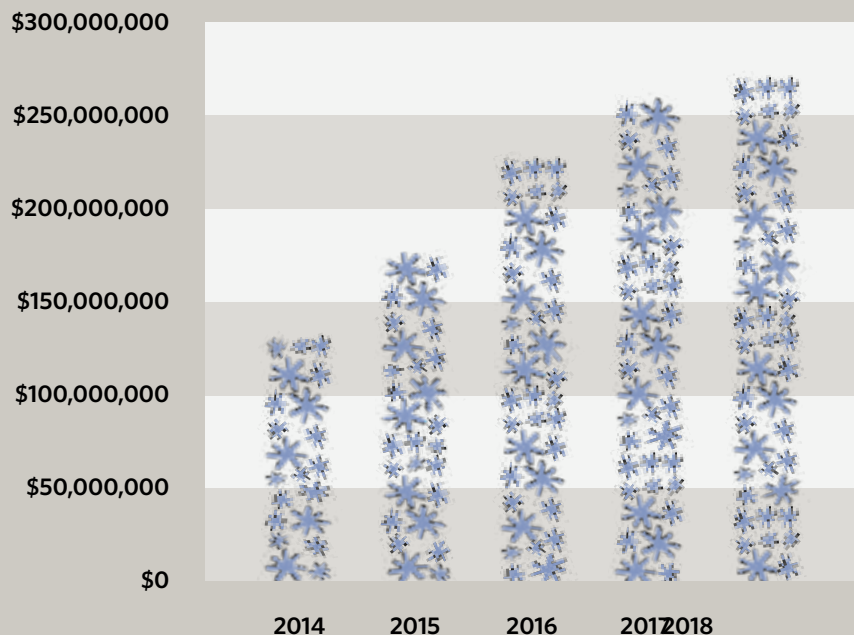


AWARDS FOLLOW

The project received awards from the American Society of Civil Engineers and the National Association of Water Companies.





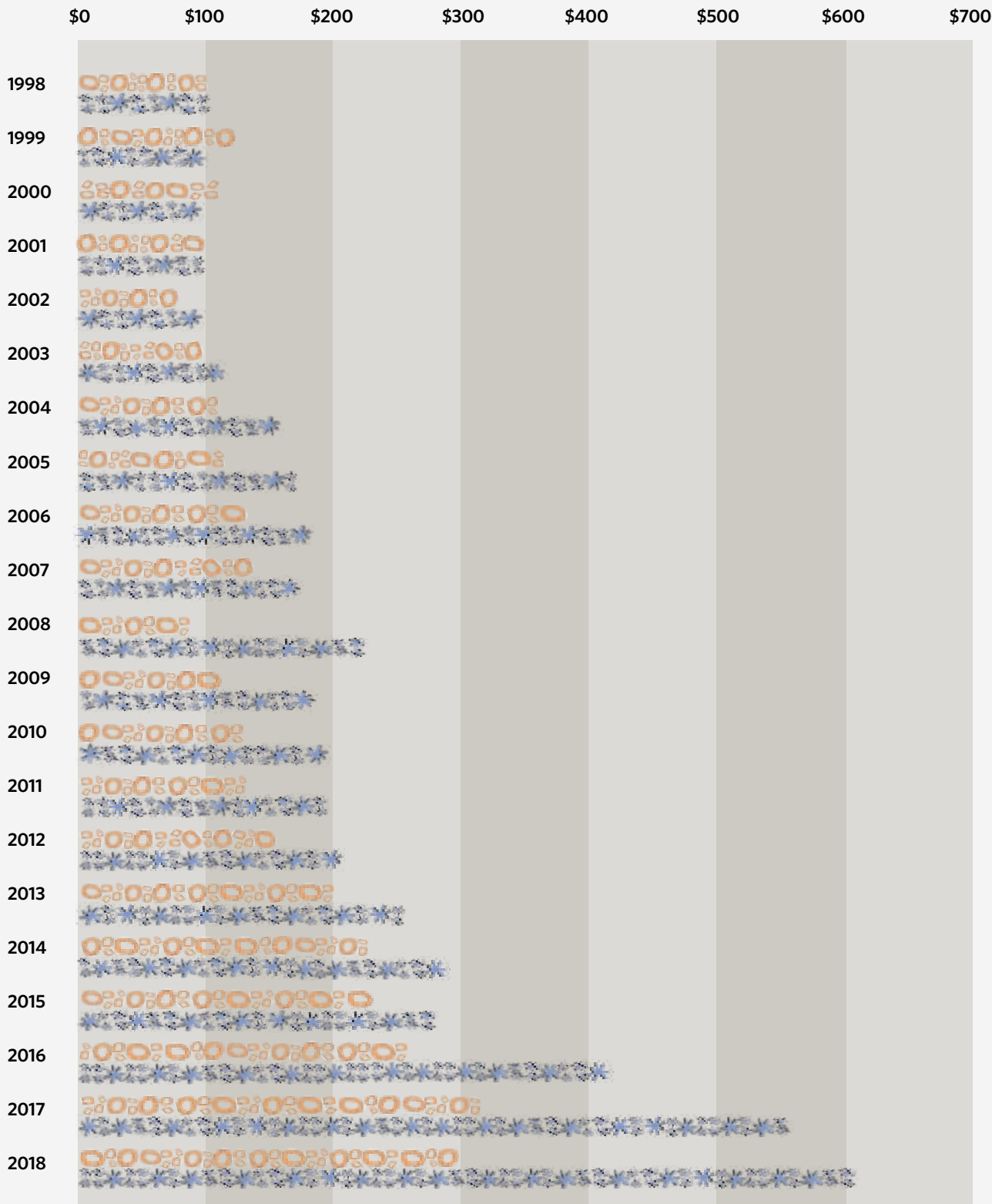
Increasing Infrastructure Investments



CWT 20-Year Total Return on Investment

(On \$100 stock purchase on December 31, 1998, with dividends reinvested)

 = S&P 500  = CWT



Eight-Year Financial Review

(Dollars in thousands, except per common share and other data)

Summary of Operations	2018	2017	2016	2015
Operating revenue ¹	\$698,196	\$676,113	\$609,370	\$588,368
Operating expenses ^{1,2}	\$587,656	\$569,030	\$526,734	\$506,803
Interest expense, other income and expenses, net ²	\$44,956	\$34,143	\$33,961	\$36,548
Net income ¹	\$65,584	\$72,940	\$48,675	\$45,017
Common Share Data				
Earnings per share (diluted) ¹	\$1.36	\$1.52	\$1.01	\$0.94
Dividend declared	\$0.750	\$0.720	\$0.690	\$0.670
Dividend payout ratio	55%	47%	68%	71%
Book value	\$15.19	\$14.56	\$13.75	\$13.41
Market price at year end	\$47.66	\$45.35	\$33.90	\$23.27
Common shares outstanding at year end (in thousands)	48,065	48,012	47,965	47,875
Return on average common stockholders' equity	9.2%	10.7%	7.5%	7.1%
Long-term debt interest coverage	3.57	4.58	3.45	3.67
Balance Sheet Data				
Net utility plant	\$2,232,723	\$2,047,965	\$1,859,277	\$1,701,768
Total assets	\$2,837,704	\$2,744,710	\$2,411,745	\$2,241,253
Long-term debt, including current portion	\$814,938	\$531,713	\$557,953	\$514,045
Capitalization ratios:				
Common stockholders' equity	47.3%	56.8%	54.2%	55.5%
Long-term debt	52.7%	43.2%	45.8%	44.5%
Other Data				
Water production (in million gallons)	107,589	104,986	99,096	98,899
Customers at year end, including Hawthorne and Commerce	517,500	514,300	511,500	509,000
New customers added	3,200	2,800	2,500	2,900
Operating revenue per customer	\$1,394	\$1,315	\$1,191	\$1,156
Utility plant per customer	\$6,240	\$5,775	\$5,312	\$4,925
Employees at year end	1,184	1,176	1,163	1,155

¹The 2017 reported financial data was adjusted to reflect an immaterial computational error that resulted in an understatement of operating revenue, operating expenses, net income, and earnings per share.

Eight-Year Financial Review (cont'd)

(Dollars in thousands, except per common share and other data)

Summary of Operations	2018	2014	2013	2012	2011
Operating revenue ¹	\$698,196	\$597,499	\$584,103	\$559,966	\$501,814
Operating expenses ^{1,2}	\$587,656	\$508,631	\$510,098	\$486,123	\$434,647
Interest expense, other income and expenses, net ²	\$44,956	\$32,130	\$26,751	\$25,015	\$29,455
Net income ¹	\$65,584	\$56,738	\$47,254	\$48,828	\$37,712
Common Share Data					
Earnings per share (diluted) ¹	\$1.36	\$1.19	\$1.02	\$1.17	\$0.90
Dividend declared	\$0.750	\$0.650	\$0.640	\$0.630	\$0.615
Dividend payout ratio	55%	55%	63%	54%	68%
Book value	\$15.19	\$13.11	\$12.54	\$11.30	\$10.76
Market price at year end	\$47.66	\$24.61	\$23.07	\$18.35	\$18.26
Common shares outstanding at year end (in thousands)	48,065	47,806	47,741	41,908	41,817
Return on average common stockholders' equity	9.2%	9.3%	8.8%	10.6%	8.5%
Long-term debt interest coverage	3.57	4.29	3.42	3.45	3.11
Balance Sheet Data					
Net utility plant	\$2,232,723	\$1,590,431	\$1,515,831	\$1,457,056	\$1,381,119
Total assets	\$2,837,704	\$2,182,711	\$1,954,741	\$1,990,333	\$1,848,517
Long-term debt, including current portion	\$814,938	\$421,200	\$428,936	\$475,659	\$482,094
<i>Capitalization ratios:</i>					
Common stockholders' equity	47.3%	59.80%	58.30%	49.90%	48.30%
Long-term debt	52.7%	40.20%	41.70%	50.10%	51.70%
Other Data					
Water production (in million gallons)	107,589	118,282	126,363	125,892	120,353
Customers at year end, including Hawthorne and Commerce	517,500	506,100	502,900	500,700	499,500
New customers added	3,200	3,200	2,200	1,200	1,600
Operating revenue per customer	\$1,394	\$1,181	\$1,161	\$1,118	\$1,005
Utility plant per customer	\$6,240	\$4,628	\$4,401	\$4,187	\$3,925
Employees at year end	1,184	1,105	1,125	1,132	1,132

¹The 2017 reported financial data was adjusted to reflect an immaterial computational error that resulted in an understatement of operating revenue, operating expenses, net income, and earnings per share.

²The five-year financial review for 2017, 2016, 2015, and 2014 reflect the retrospective adoption of new pension accounting requirements (ASU 2017-07). The Company adopted this guidance on January 1, 2018.

Our Service Areas

California

Districts

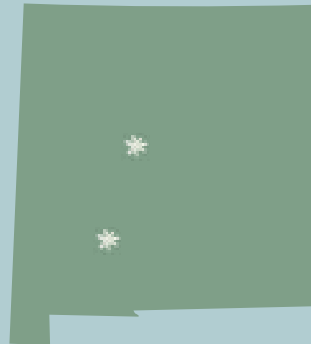
- Bakersfield
- Bay Area Region
- Bear Gulch
- Chico
- Commerce
- Dixon
- Dominguez
- East Los Angeles
- Hawthorne
- Hermosa-Redondo
- Kern River Valley
- Livermore
- Los Altos
- Los Angeles County Region
- Marysville
- Monterey Region
- Oroville
- Selma
- Stockton
- Visalia
- Westlake
- Willows

New Mexico

Operations/Customer Centers

- Elephant Butte
- Rio Communities

Serving the communities of Meadow Lake, Cypress Gardens, Rio Communities, Rio Del Oro, Elephant Butte, Sandia Knolls, Indian Hills, Woodland Hills, Squaw Valley, and Cedar Crest in the counties of Sierra, Valencia, Torrance, and Bernalillo



CUSTOMER CONNECTIONS 2018 → 486,900
2017 → 484,900

CUSTOMER CONNECTIONS 2018 → 8,200
2017 → 8,100

Including Hawthorne and Commerce operation and maintenance agreements



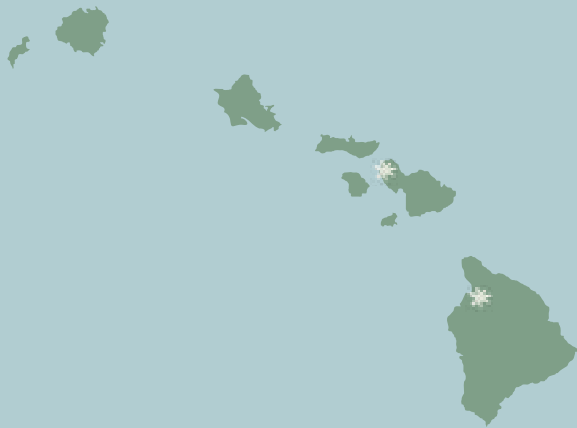
Our Service Areas

Hawaii

Operations/Customer Centers

- Ka`anapali (Maui)
- Waikoloa (Hawaii)

Serving the communities of Ka`anapali, Pukalani, Waikoloa, North Kona Coast, and Kohala Coast on the islands of Maui and Hawaii



CUSTOMER CONNECTIONS

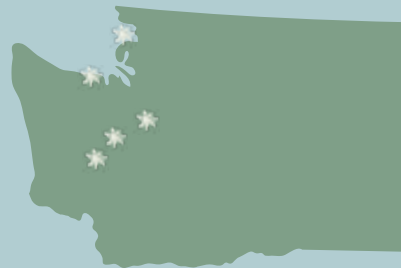
2018 → 4,800
2017 → 4,500

Washington

Operations/Customer Centers

- Olympia (S.W. Regional Office)
- Gig Harbor (N.W. Regional Office and Customer Center)
- Sequim
- Issaquah
- Orcas Island (Field Offices)

Serving more than 425 neighborhoods and small communities in the counties of Clallam, Jefferson, Kitsap, Mason, Pierce, King, San Juan, and Thurston



CUSTOMER CONNECTIONS

2018 → 17,600
2017 → 16,800



California Districts and Communities

	2018	2017
Bakersfield	71,900	71,600
Bay Area Region South San Francisco, Colma, Broadmoor, San Mateo, San Carlos, Lucerne, Duncans Mills, Guerneville, Dillon Beach, Noel Heights, and portions of Santa Rosa	55,800	55,700
Bear Gulch Atherton, Woodside, Portola Valley, and a portion of Menlo Park	18,900	18,900
Chico Hamilton City	30,100	29,700
Dixon	3,000	2,900
Dominguez Carson and portions of Compton, Harbor City, Long Beach, Los Angeles County, and Torrance	34,200	34,100
East Los Angeles Portions of Montebello, Commerce, Monterey Park, and Vernon	26,800	26,800
Hawthorne and Commerce (Operation and maintenance agreements)	7,600	7,600
Hermosa-Redondo Hermosa Beach, Redondo Beach, and a portion of Torrance	27,000	26,900
Kern River Valley Bodfish, Kernville, Lakeland, Mountain Shadows, Onyx, Squirrel Valley, South Lake, and Wofford Heights	3,900	4,000



California Districts and Communities

	2018	2017
Los Angeles County Region Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, Fremont Valley, Lake Hughes, Lancaster, and Leona Valley	25,600	25,600
Livermore	18,800	18,800
Los Altos Portions of Cupertino, Los Altos Hills, Mountain View, and Sunnyvale	19,000	19,000
Marysville	3,800	3,800
Monterey Region Salinas and King City	31,400	31,300
Oroville	3,600	3,600
Selma	6,500	6,400
Stockton	44,200	44,000
Visalia	45,300	44,700
Westlake Westlake Village and a portion of Thousand Oaks	7,100	7,100
Willows	2,400	2,400



Board of Directors



Gregory E. Aliff

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

Director since 2015. Member of the following committees: Audit and Finance/Risk Management.

Terry P. Bayer

Former Chief Operating Officer, Molina Healthcare, Inc.

Director since 2014. Member of the following committees: Organization/Compensation, Nominating/Corporate Governance, and Audit.

Shelly M. Esque

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

Director since 2018.

Edwin A. Guiles

Former Chairman/CEO of San Diego Gas & Electric Company and Southern California Gas Company, Sempra Energy Utilities

Director since 2008. Member of the following committees: Organization/Compensation, Finance/Risk Management, and Audit.

Board of Directors



Martin A. Kropelnicki

President and Chief Executive Officer

Director since 2013.

Thomas M. Krummel, M.D.

Professor and Chair Emeritus, Surgery Department, Stanford University School of Medicine

Director since 2010. Member of the following committees: Nominating/Corporate Governance and Organization/Compensation.



Richard P. Magnuson

Lead Director and Private Venture Capital Investor

Director since 1996. Member of the following committees: Audit, Finance/Risk Management, and Nominating/Corporate Governance.

Peter C. Nelson

Chairman of the Board

Director since 1996.



Carol M. Pottenger

Principal and Owner of CMP Global, LLC, and Retired U.S. Navy Vice Admiral

Director since 2017. Member of the following committee: Nominating/Corporate Governance.

NOT PICTURED

Lester A. Snow

Former Director of the California Department of Water Resources

Director since 2011. Member of the following committees: Organization/Compensation and Finance/Risk Management.

Corporate Officers



Shannon C. Dean

Vice President,
Corporate Communications
and Community Affairs

David B. Healey

Vice President, Controller
and Assistant Treasurer

Martin A. Kropelnicki

President and
Chief Executive Officer

Robert J. Kuta

Vice President, Engineering
and Environmental Affairs

Corporate Officers



Michael B. Luu

Vice President,
Customer Service and
Chief Information Officer

Elissa Y. Ouyang

Chief Procurement and
Lead Continuous
Improvement Officer

Paul G. Townsley

Vice President, Regulatory
Matters and Corporate
Development

Lynne P. McGhee

Vice President,
General Counsel

Gerald A. Simon

Chief Safety and Emergency
Preparedness Officer

Timothy D. Treloar

Vice President, Water
Quality and Chief Utility
Operations Officer

Michelle R. Mortensen

Corporate Secretary

Thomas F. Smegal, III

Vice President, Chief Financial
Officer and Treasurer

Ronald D. Webb

Vice President,
Human Resources

Corporate Information

Computershare Investor Services

462 South 4th Street
Suite 1600
Louisville, KY 40202

To Transfer Stock

A change of ownership of shares (such as when stock is sold or gifted or when owners are deleted from or added to stock certificates) requires a transfer of stock. To transfer stock, the owner must complete the assignment on the back of the certificate and sign it exactly as his or her name appears on the front. This signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in approved signature medallion programs) pursuant to SEC Rule 17Ad-15. A notary's acknowledgment is not acceptable. This certificate should then be sent to Computershare Investor Services (Computershare) by registered or certified mail with complete transfer instructions. Alternatively, the Direct Registration System can be utilized, which allows electronic share transactions between your broker or dealer and Computershare.

Bond Registrar

U.S. Bank Trust, N.A.
One California Street
San Francisco, CA 94111-5402
415.273.4580

Annual Meeting

The Annual Meeting of Stockholders will be held on Wednesday, May 29, 2019, at 9:30 a.m. at the Company's Executive Office, located at 1720 North First Street in San Jose, California. Details of the business to be transacted during the meeting will be contained in the proxy material, which will be mailed to stockholders on or about April 17, 2019.

Anticipated Dividend Dates for 2018

QUARTER	DECLARATION	RECORD DATE	PAYMENT DATE
First	January 30	February 11	February 22
Second	April 24	May 6	May 17
Third	July 31	August 12	August 23
Fourth	October 30	November 11	November 22

Annual Report for 2018 on Form 10-K

A copy of the Company's report for 2018 filed with the Securities and Exchange Commission (SEC) on Form 10-K is available and can be obtained by any stockholder at no charge upon written request to the address below. The Company's filings with the SEC can be viewed via the link to the SEC's EDGAR system on the Company's website.

Executive Office and Stockholder Information

California Water Service Group
Attn: Stockholder Relations
1720 North First Street
San Jose, CA 95112-4508
408.367.8200 or 800.750.8200
www.calwatergroup.com



CALIFORNIA
WATER SERVICE GROUP
INVESTING FOR LIFE



1720 North First Street, San Jose, California 95112-4508
408.367.8200 www.calwatergroup.com

NYSE: CWT