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California Water Service Receives CPUC Approval to Acquire Palm Mutual Water Company

SAN JOSE, Calif., Dec. 11, 2025 (GLOBE NEWSWIRE) -- In another step toward providing safe, reliable water to Palm Mutual Water company (Palm Mutual) customers long-term, California Water Service (Cal Water) has received California Public Utilities Commission (CPUC) approval of its pending acquisition of Palm Mutual. Cal Water is the largest subsidiary of California Water Service Group (NYSE: CWT).

Palm Mutual, located two miles from Cal Water's Northeast Bakersfield Treatment Plant, currently serves 63 residential customers. Cal Water already serves Palm Mutual through a master meter interconnection, since the latter does not own or operate its own sources of supply. Cal Water intends to upgrade the system's infrastructure over time to help provide consistent and high-quality operations to Palm Mutual customers.

"We appreciate the CPUC, along with the State Water Resources Control Board's Division of Drinking Water, for their diligence and efforts to help provide safe, reliable water to Palm Mutual's customers long-term," said Martin A. Kropelnicki, Cal Water Chairman and Chief Executive Officer. "We look forward to working through the final steps, completing the acquisition, and officially welcoming Palm Mutual's customers to the Cal Water family."

When the acquisition is finalized, Palm Mutual customers will be served by Cal Water's Bakersfield District. The Bakersfield District provides safe, clean, reliable water to about 445,600 people currently through approximately 120,000 service connections in its system along with the City of Bakersfield water system, which it operates. The purchase remains subject to customary closing conditions and is expected to close in the first quarter of 2026.

About California Water Service

California Water Service provides high-quality, reliable water utility services to more than 2.1 million people statewide through 499,400 service connections. Cal Water's purpose is to enhance the quality of life for customers and communities. To do so, it invests responsibly in water and wastewater infrastructure, sustainability initiatives, and community well-being. The company's 1,200 employees live by a set of strong core values and share a commitment to protecting the planet, caring for people, and operating with the utmost integrity. The utility has been named one of "America's Most Responsible Companies" and one of the "World's Most Trustworthy Companies" by *Newsweek*, a USA Top Workplace, and a Great Place to Work[®]. More information is available at www.calwater.com.

This news release contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 (PSLRA). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the PSLRA. Forward-looking statements in this news release 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, commits or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this news release include, but are not limited to, statements describing Cal Water's expectations for closing the Palm Mutual acquisition and operating and investing in the Palm Mutual water system. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks. Consequently, actual results or outcomes may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results or outcomes to be different than those expected or anticipated include but are not limited to our ability to satisfy closing conditions for the Palm Mutual acquisition and integrate the business and operate the Palm Mutual water system in an effective and accretive manner as well as those described under the section titled "Risk Factors" and elsewhere in our most recent Annual Report on Form 10-K, our subsequent Quarterly Reports on Form 10-Q and our other Securities and Exchange Commission filings. In light of these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this news release. We are not under any obligation, and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

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Source: California Water Service Group