

This is not a widget.



California Water Service Group 2008 Annual Report

It's a life-sustaining resource, needed yesterday, today, and tomorrow.

California Water Service Group
Annual Report for 2008



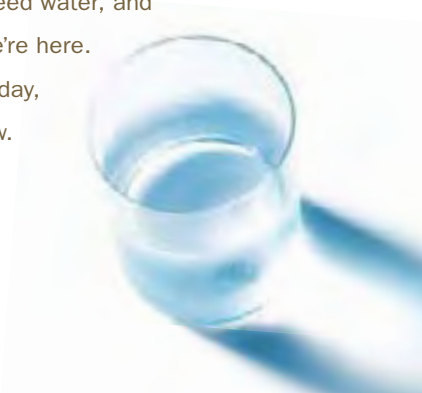
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NYSE: CWT

California Water Service Group (NYSE: CWT) is the third largest investor-owned water utility in the United States, providing high-quality water utility services to approximately two million people in more than 100 communities through six subsidiaries: California Water Service Company (Cal Water), Hawaii Water Service Company, Inc. (Hawaii Water), New Mexico Water Service Company (New Mexico Water), Washington Water Service Company (Washington Water), CWS Utility Services (CWSUS), and HWS Utility Services (HWSUS). Cal Water, Hawaii Water, New Mexico Water, and Washington Water provide regulated water and wastewater utility services, while CWSUS and HWSUS conduct the Company's non-regulated business, which includes providing billing, water quality testing, and water and wastewater system operations and management services to cities and other companies.

No widgets.
No launch parties.
No glamour.

We don't want to make a better widget, and we're not preparing to launch the next "must have" gizmo. What we are doing is providing life's key ingredient — good, clean water. We may lack the excitement of Wall Street's latest darling, but we'll never lack purpose. Our customers will always need water, and that's why we're here. Yesterday, today, and tomorrow.



Financial Highlights

Year ended December 31	2008	2007	2006	2005	2004
Market price at year-end	\$ 46.43	\$ 37.02	\$ 40.40	\$ 38.23	\$ 37.65
Book value per share	19.44	18.66	18.31	15.98	15.66
Earnings per share (diluted)	1.90	1.50	1.34	1.47	1.46
Dividend per share	1.17	1.16	1.15	1.14	1.13
Revenue*	410,312	367,082	334,717	320,728	315,567
Net income*	39,805	31,159	25,580	27,223	26,026

*Dollars in thousands

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To Our Stockholders

Times change. Markets fluctuate. New products come, and many go. But whatever happens, people always have needed—and always will need—good, clean water.

That's why we are here. We meet a basic, fundamental need that neither fads nor trends nor world events can change. More than that, we provide something of incalculable value to our customers and communities, something that both makes life possible and enhances it beyond measure.

Granted, some say our business isn't particularly glamorous or exciting. But in 2008, which saw more than its share of turbulence on Wall Street, we remained focused on our strategy and continued to produce steady, positive results for our stockholders.



Chairman of the Board Robert W. Foy

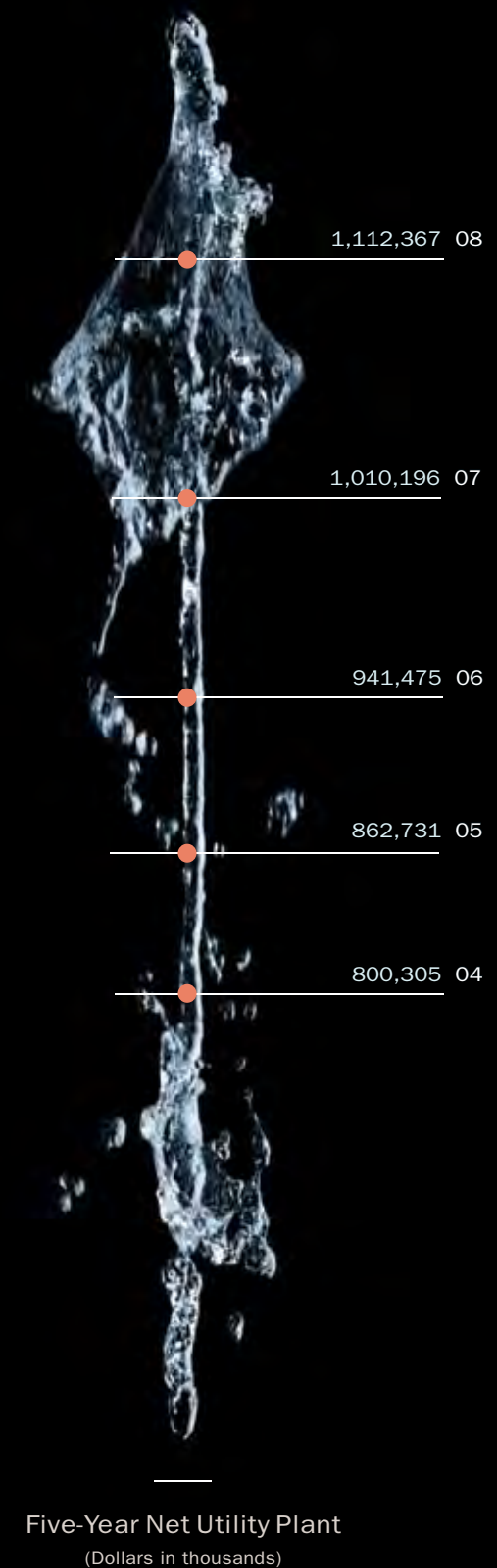
Peter C. Nelson President and Chief Executive Officer

| 2008 Financial Results |

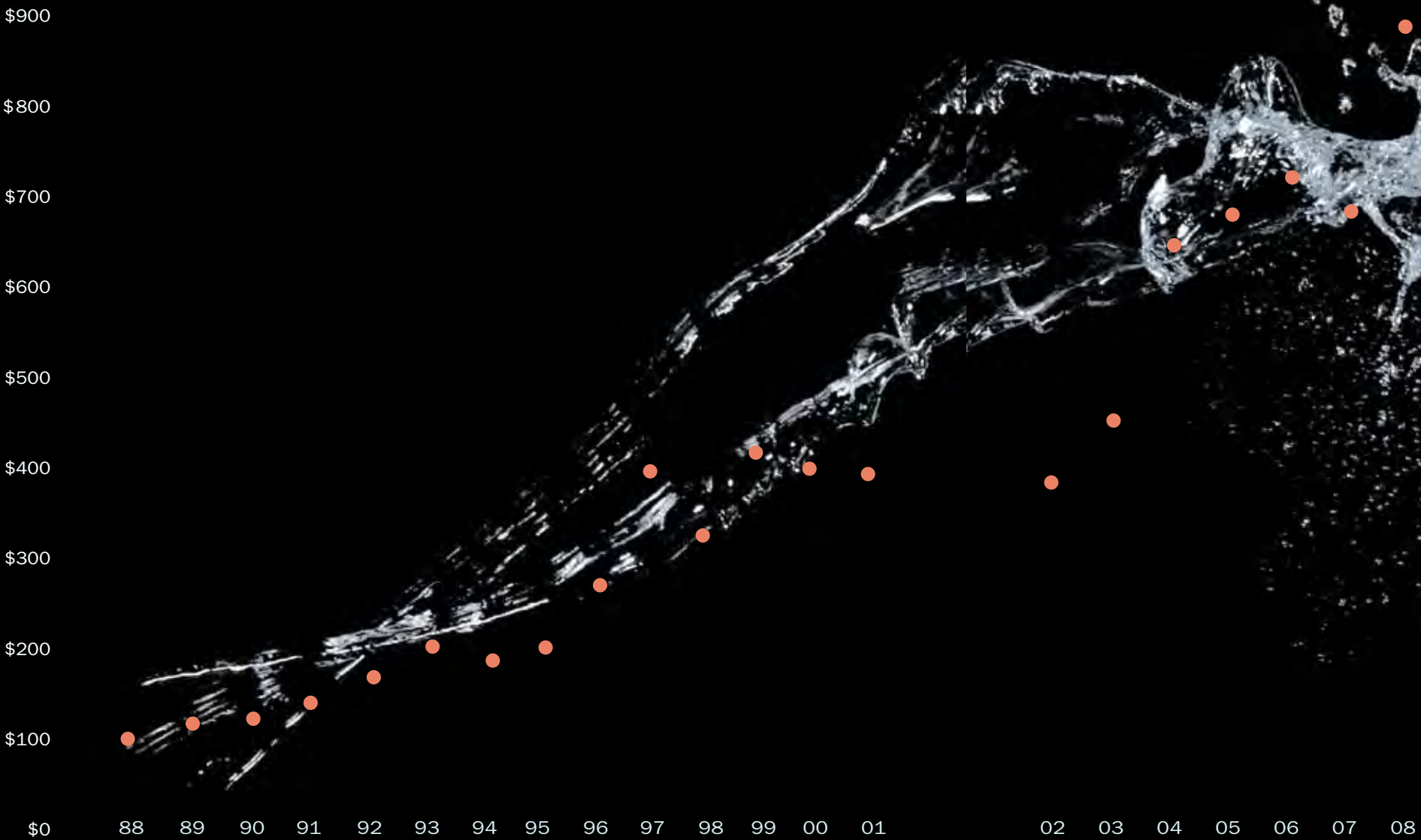
- Net income was up 28% to \$39.8 million.
- Earnings per share rose 27% to \$1.90.
- Revenues increased 11.8% to \$410.3 million.
- Dividends were increased for the 41st consecutive year and paid for the 255th consecutive quarter.
- Stock price at year-end was \$46.43, bringing total stockholder return for the year to 29.4%.

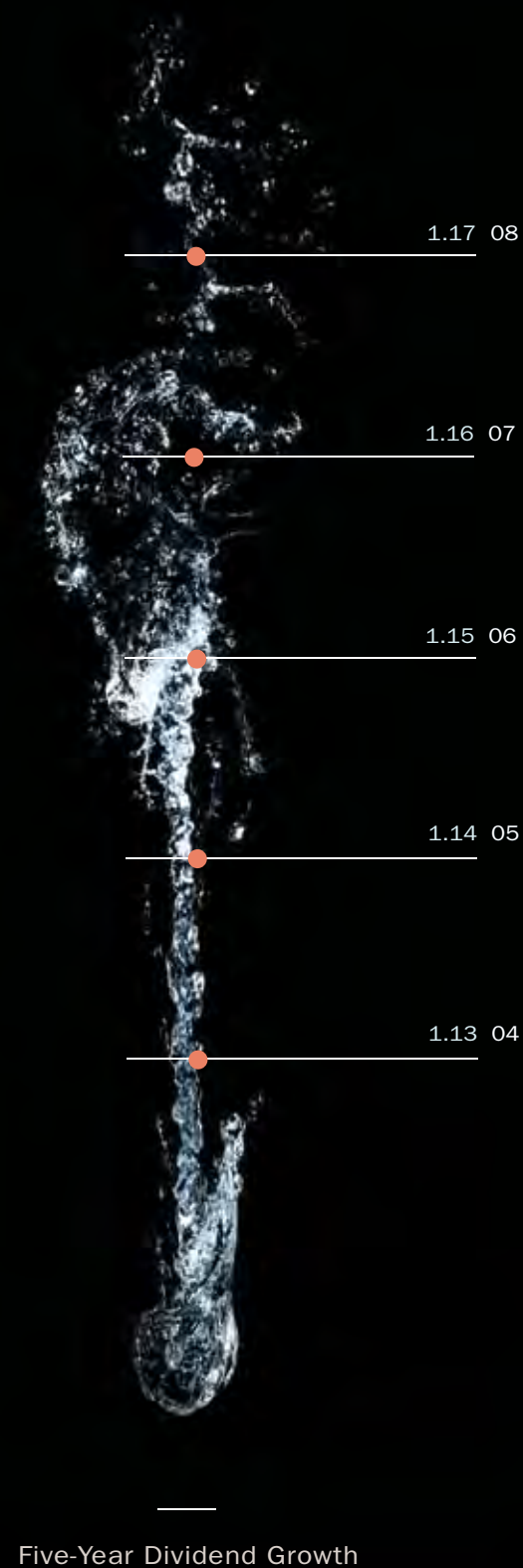
| Our Strategy for Success |

If you've owned stock in our Company for any length of time, you know that our strategy is based upon excellent customer service and water quality, prudent fiscal management, disciplined growth, and constructive, professional regulatory relations. While we remained focused on these areas, we saw some important, even exciting, changes occur in 2008....



CWT 20-Year Total Return on Investment
(On stock purchased December 31, 1988, with dividends reinvested)





| Constructive, Professional Regulatory Relations |

We continued to be on the forefront in working with the California Public Utilities Commission (Commission) to implement its California Water Action Plan (Plan). Intended to reflect best practices in water utility regulation, the Plan expresses the Commission’s commitment to strengthening water conservation programs, streamlining Commission decision-making, and promoting infrastructure investment. Several regulatory decisions in 2008 marked excellent progress. The Commission:

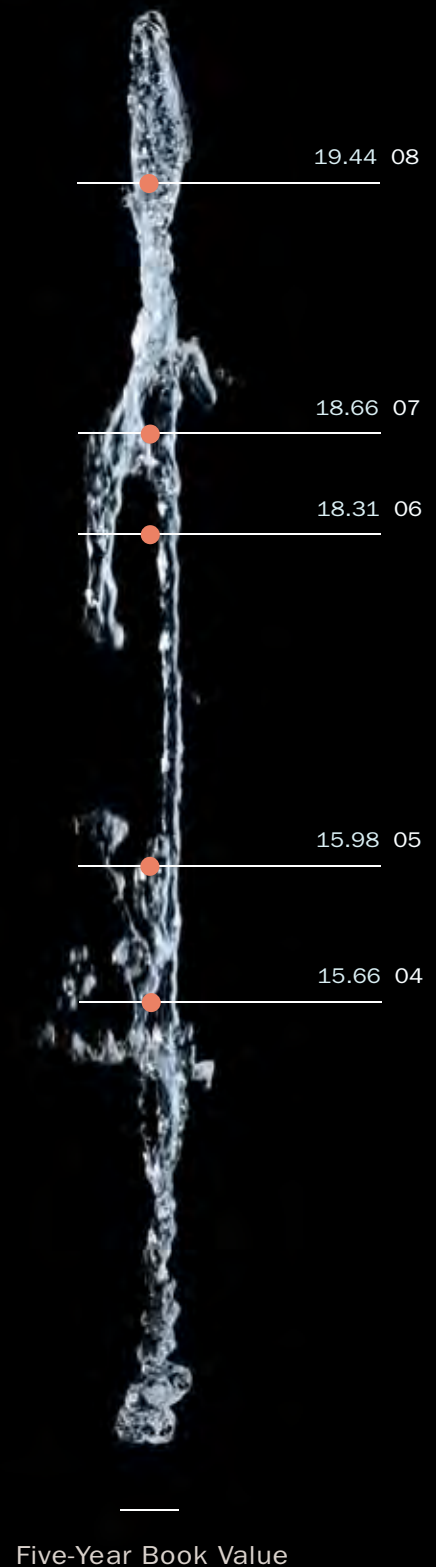
- Approved a Water Revenue Adjustment Mechanism (WRAM), which decouples water sales from recorded revenue by enabling Cal Water to track and recover or refund any changes in revenue resulting from conservation or other sales changes, thereby removing financial disincentives for achieving greater water-use efficiencies;
- Authorized tiered or increasing block water rates to encourage customers to conserve water;

- Established a Modified Cost Balancing Account (MCBA) to enable Cal Water to track and recover or refund any changes in costs resulting from use of different water sources, including changes in the prices of water, power, and pump taxes;
- Approved \$33.4 million in annual revenue increases in Cal Water’s 2007 General Rate Case for eight California districts; and
- Allowed recovery of an additional \$13.7 million in reasonable centralized services costs, such as engineering, water quality, accounting, billing, and employee health care and benefits.

We will file our next General Rate Case for all California districts and statewide centralized services costs in July of 2009, with a scheduled effective date of January 2011. Subsequent General Rate Cases will be filed every three years, beginning in 2012.

| Excellent Service and Quality |

One reason we have stayed on the leading edge in implementing the Commission’s Plan is because we share the Commission’s commitment to ensuring that our customers receive a reliable supply of high-quality water, excellent service, and effective conservation programs.





In 2008, the Company continued to invest diligently in infrastructure projects to increase water supplies and enhance water quality. In addition to projects undertaken to increase security, replace aging water mains, and enhance computer monitoring and operation of water facilities, we constructed new wells and storage tanks and purchased properties on which to locate additional supply projects. And, a reflection of the depth of our expertise in water quality, we constructed a variety of water treatment plants in 2008, including a membrane-filtration surface water treatment plant. By continuing to make wise investments in our infrastructure, we will ensure that we can meet our customers' needs for a reliable water supply that meets or surpasses stringent water quality standards.

As for service, we continued to receive high marks from customers. We attribute this result in large measure to our Continuous Improvement approach to the business, which keeps every employee engaged in improving service and increasing efficiency. New in 2008, we partnered with Home Emergency Insurance Solutions on an optional program that protects participating customers if their home water or sewer lines fail. Finally, in our effort to be responsive to customer requests, we piloted a no-fee VISA® credit card payment option.

Our new, more robust conservation program expanded opportunities to interact with and serve customers in 2008. In addition to introducing a new conservation mascot (“Mr. Fish”) and slogan (“Use Water Wisely—It’s Essential”), we began a more aggressive public outreach campaign that included radio and television announcements and use of more creative outlets such as advertisements on restaurant tables and grocery shopping carts. We continued to be the only investor-owned water utility to partner with The Walt Disney Company on its EnvironmentalTM Challenge program, which teaches children about the importance of protecting the environment and conserving water. We also completed an innovative direct-install program targeted at our low-income customers, through which we arranged to have high-efficiency toilets, showerheads, and faucet aerators installed in participating customers’ homes.

| Disciplined Growth |

In addition to agreeing to acquire a 465-connection system adjacent to our Bear Gulch District in California and adding two small systems and multiple operation-and-maintenance contracts in Washington, we achieved significant growth in Hawaii in 2008. On the island of Maui, we acquired an 800-connection wastewater system, and on the island of Hawaii, we completed three acquisitions:

- A non-regulated company with multiple water and wastewater contracts in various locations on the Big Island;
- Waikoloa Resort Utilities, Waikoloa Water Company, Inc., and Waikoloa Sanitary Sewer Company, Inc. (collectively known as West Hawaii Utilities), which together provide water utility services to 1,970 customers and wastewater services to 300 customers in Waikoloa; and
- Water and wastewater systems serving approximately 250 customers in the Kukio resort area on the North Kona Coast.

As for future growth, we will pursue only those opportunities that are prudent for our stockholders and customers. This disciplined approach has allowed us to grow at a steady, moderate pace, and it is the strategy that we will continue to execute as we identify and evaluate opportunities in the months and years ahead.

| Prudent Fiscal Management |

Defined broadly, “prudent fiscal management” is taking every opportunity to increase stockholder and customer value, and we do this routinely when we file rate cases, invest in capital projects, acquire new water and wastewater systems, and operate within budget. Defined more narrowly, “prudent fiscal management” is the detailed

and specific work we do to strengthen our financial position. In the midst of a very difficult year for the economy, we worked to ensure sufficient capital for operations and expanded our outreach to institutional investors. We also retired our Series C preferred stock, selected a new audit firm known to be a leader in the water utility field, and took the Water Revenue Adjustment Mechanism from theory to practice, becoming the first water utility in California to decouple water sales from revenues.

In addition, we received \$32.4 million in proceeds from methyl tertiary-butyl ether (MTBE) litigation, in which we were a major plaintiff. We entered into the lawsuit to ensure that neither our customers nor stockholders would bear the costs of replacing water supplies lost due to MTBE contamination. Upon receiving Commission approval, we plan to reinvest the proceeds in water system infrastructure.

In closing, we want to thank our 929 employees, each of whom played an integral role in our success in 2008. We believe that it is their dedication to being the industry leader that enables us to deliver excellent results to you, our valued stockholder.

We wish you the best in 2009 and thank you for your continued investment in California Water Service Group.



Peter C. Nelson
President and Chief Executive Officer



Robert W. Foy
Chairman of the Board



A Timeless Resource
1926 through 2008 and beyond

It's been said that the only constant in life is change, and it's true that many things have changed since we began serving our first customer in 1926.

But one thing that hasn't changed in the past 83 years: our focus on providing our customers with life's key ingredient.

Imagine traveling back in time and walking into the home of one of our first customers. Whisperin' Jack Smith's "Baby Face" plays on the family phonograph. Sister is reading A.A. Milne's new book *Winnie the Pooh*, Brother is playing with his Buddy L Ice Truck, Dad is reading the latest news about Prohibition, and Mom is looking at an advertisement for the first toaster capable of browning both sides of a slice of bread at the same time. You can only guess what they think about President Calvin Coolidge's latest State of the Union address, but you need not wonder how they quench their thirst, keep clean, or grow their food.

Fast forward to 2008 and walk into the same house. Soft jazz flows from a docked MP3 player on the kitchen counter. Sister is listening to an audio book through tiny pink earphones, Brother is in front of a flat-screen television playing a new video game, Dad is checking the latest stock market news on his laptop computer, and Mom is on the phone ordering a vacuum that runs by itself. You might not know how they voted in this year's presidential election, but you do know that they, too, need life's key ingredient for drinking, washing, growing their food, and manufacturing the products they buy.

Indeed, much has transpired since we began serving our first customer. From the Great Depression in the thirties to the Civil Rights Movement in the fifties and sixties to the dot-com boom in the nineties, life has changed dramatically over the years for our customers. One constant through all this change is the precious resource that we've delivered, 24 hours per day, seven days per week, through good times and bad. And as we look to the future, we intend to continue being a constant in the lives of our customers by meeting a fundamental, basic need.

> Service in 2008

Hemlines are rising and the economy is booming. Although our customers have just two payment options—dropping by our office to pay in person or buying a two-cent stamp to mail the payment—customer service is still our top priority. In an interview with *Magazine of Western Finance*, Cal Water executive C.B. Jackson is quoted as saying, “Please do not think we are boasting, but I may aver that the California Water Service Company has many times provided its worth and usefulness to these communities by more efficient operations and a higher class of service to its many patrons.”



Today, we offer a range of payment options to suit our customers' various lifestyles. Of course, customers can still pay in person or send a check by mail; they can also pay via computer or telephone using their bank account or credit card, or sign up for our automatic bill pay option, which enables us to debit a checking or savings account each month. Beyond payment options, we continuously seek ways to improve our service. We gather feedback from customers through periodic surveys and carefully monitor the time it takes us to answer customer calls and dispatch employees to respond to service requests. We sincerely care about those we serve; in addition to participating in local charitable and community organizations, we offer a Low-Income Rate Assistance program in California for customers who are having difficulty making ends meet.



Treatment Plant Operator Bob Porter calibrates the new automatic controls on an ultraviolet treatment and filtration plant. At this plant, ultraviolet light treatment is an added safeguard to protect customers and ensure that the surface water treated here meets rigorous water quality standards.



The country is at war, automobile production is halted, and food supplies are being rationed. The average annual salary is about \$1,300, and a half-gallon of milk costs about 30 cents. Having lived through the Great Depression, our customers are keenly aware of the need to squeeze the most out of every penny. For stockholders, in just two years, the Company will declare the first of at least 64 consecutive annual dividends. And for customers, Cal Water delivers all the water they need for roughly \$2.90 per month.





In 2008, customers still pay much less than a penny for each gallon of water delivered to their homes and businesses. Our rates are set by independent regulatory commissions in each of our four states. Because they are based upon the actual costs of providing utility services, our efforts to operate as efficiently as possible translate into lower water rates for our customers. That's why Continuous Improvement employee teams throughout California Water Service Group identify opportunities and implement projects each year to increase our efficiency. For a fraction of the cost of bottled water, we secure an adequate water source; design, build, and maintain the infrastructure needed to deliver the water; treat the water for safety; test the water daily to ensure that it meets all federal and state water quality standards; offer programs to support customers' conservation efforts; and provide routine and around-the-clock emergency services.



Treatment Plant Operator Dan Prinvale adjusts the packing on a vertical turbine water pump. This type of maintenance prolongs the life of our equipment, increasing our efficiency and enabling us to provide a reliable water supply to our customers.

Rock and roll is here to stay, and anti-war and civil rights demonstrations occur almost daily. Still reeling from the assassination of a beloved president, the public is looking forward to achieving his goal of putting a man on the moon. On the water front, in the face of continuing industrial growth and contamination of public water sources, the federal government passes the Water Quality Act, known today as the Clean Water Act. An amendment to pollution control legislation passed in 1948, the 1965 law requires states to set water quality standards for lakes, rivers, and public waterways, many of which are sources of public drinking water supplies.





Today, we meet stringent water quality standards set by the United States Environmental Protection Agency (EPA) as part of the Safe Drinking Water Act, which is enforced by public health departments in California, Washington, New Mexico, and Hawaii. The EPA has established limits for more than 90 compounds; it is also required by law to identify and study unregulated compounds that may require limits in the future. Committed to meeting or surpassing these standards, our scientists test thousands of water samples each year from our sources and distribution systems using highly advanced technology in state-certified laboratories. We can now detect compounds in the water at levels as low as one part per billion; to put that in perspective, one part per billion is the equivalent of one drop of water in all of the water that a family of four drinks in 34 years, assuming each person drinks one liter per day.





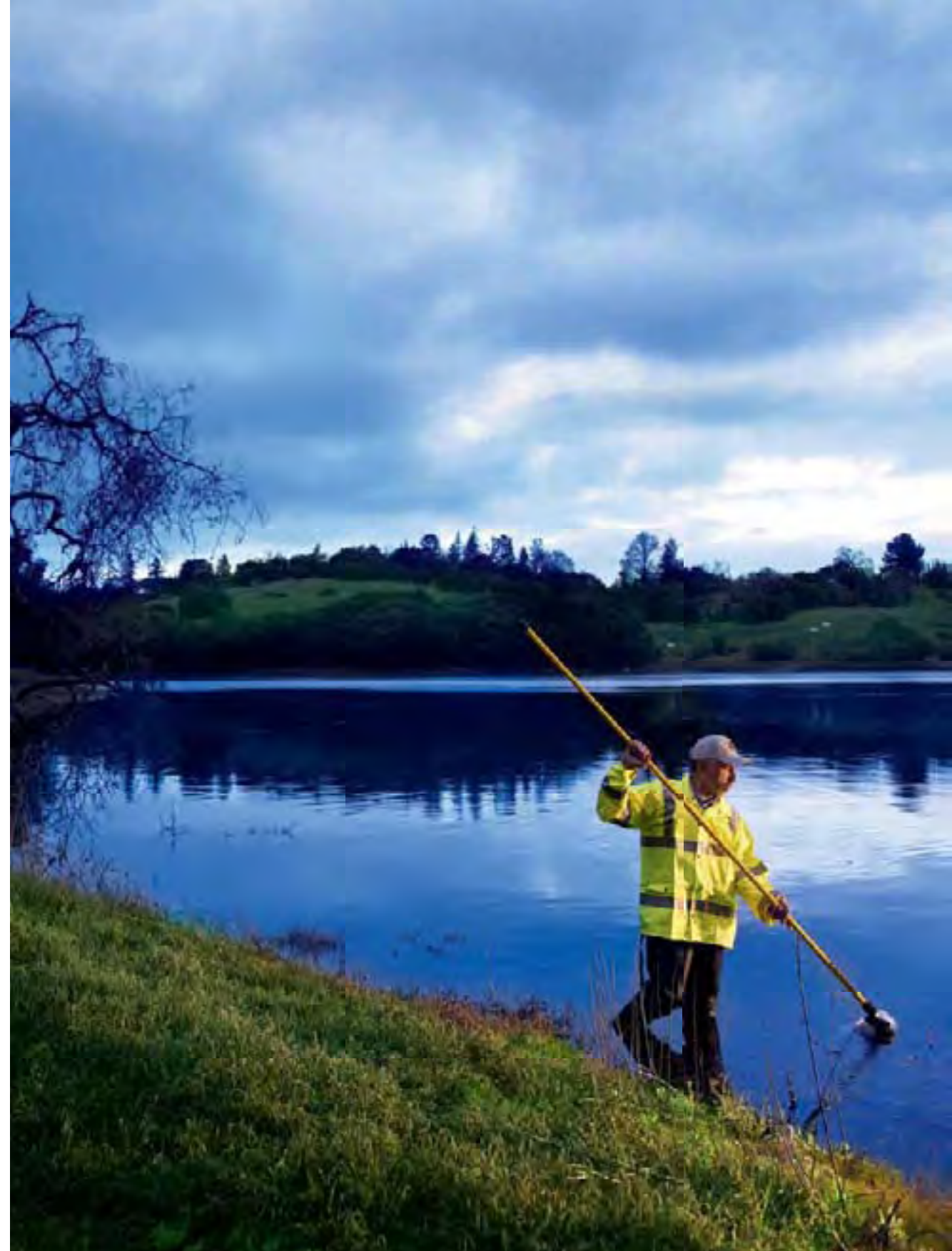
Hairstyles are big and shoulder pads are bigger. Personal computers are replacing typewriters, the “Just Say No” anti-drug campaign is underway, and the AIDS epidemic is sweeping the nation. Environmental activism is growing with the formation of Earth First! and Greenpeace, both considered to be more extreme than the Sierra Club and the National Wildlife Association. As for water conservation, water-efficient landscaping is introduced under the trademarked name Xeriscape, and water and energy providers begin to distribute plumbing fixture “retrofit kits.”



> Conservation in 2008

The year 2008 is a milestone for Cal Water, because it marks the first time in history that the Company can aggressively promote water conservation without adversely affecting revenues, thanks to a new ratemaking mechanism approved by the California Public Utilities Commission.

Going beyond traditional water conservation programs such as toilet and water-efficient appliance rebates, home water use audits, and public education campaigns, Cal Water introduces a kid-friendly conservation mascot, Mr. Fish, and a new tagline, “Use Water Wisely- It’s Essential.” The Company also partners with The Walt Disney Company on a school education initiative, broadcasts conservation messages on radio and television, and offers entire bathroom retrofits to low-income customers.





Everyone is getting comfortable with the World Wide Web, and some pioneers even own early iterations of the laptop computer. For the first time in history, the Dow Jones Industrial Average closes above 6,000, a female serves as the U.S. Secretary of State, and a mammal is cloned. Although sales of bottled water reach \$3.4 billion, Cal Water employees remain focused on providing high-quality water and excellent service for a fraction of the price to the 376,100 customers they serve in California.





Since 1996, California Water Service Group has increased its customer connections by 114,400, expanded into three new states, and completed the largest water utility acquisition in California history. The Company now offers both water and wastewater utility services to its regulated customers and to other utilities and cities. In 2008, Group's Hawaii subsidiary purchases an 800-customer wastewater system on Maui and expands its presence to the island of Hawaii, completing two acquisitions that together add 2,220 water customers and 550 wastewater customers. On the non-regulated side of the business, CWSUS reaches an agreement with Home Emergency Insurance Solutions to offer optional extended pipeline and plumbing protection to Cal Water customers.





Things change, but there is one constant—our customers' need for good, clean water. By staying focused on meeting that need regardless of what may be changing around us, we intend to be here for them. Yesterday, today, and tomorrow.



In 1926, we operated seven water systems in four California communities: Chico, Visalia, Bakersfield, and Fresno.

Today, we operate 366 water systems and 10 wastewater systems serving approximately two million people in more than 100 California, Hawaii, New Mexico, and Washington communities.

Hawaii Operations/Customer Centers

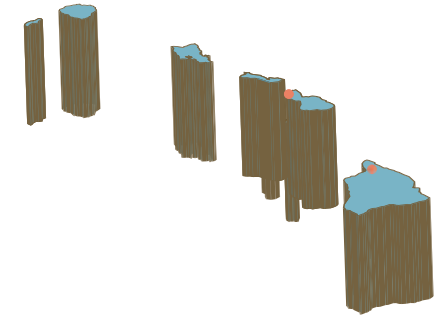
(Maui) Ka'anapali • (Hawaii) Waikoloa

----- Serving the communities of Ka'anapali, Pukalani, Waimea, Waikoloa, North Kona Coast, and Kohala Coast on the islands of Maui and Hawaii.

Regulated Customer Connections

2007	700*
2008	3,700*

* Includes several large resorts and condominium complexes.



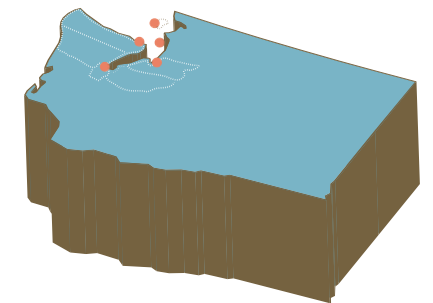
Washington Operations/Customer Centers

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.

Regulated Customer Connections

2007	15,800
2008	15,800



California Districts & Communities

	2008	2007
Antelope Valley • Fremont Valley, Lake Hughes, Lancaster & Leona Valley	1,400	1,400
Bakersfield	65,500	65,400
Bear Gulch • Atherton, Woodside, Portola Valley & portions of Menlo Park	18,100	18,000
Chico • Hamilton City	27,400	27,300
Dixon	2,800	2,900
Dominguez • Carson and portions of Compton, Harbor City, Long Beach, Los Angeles County & Torrance	33,700	33,700
East Los Angeles • City of Commerce	27,900	27,800
Hawthorne	6,200	6,200
Hermosa-Redondo • Hermosa Beach, Redondo Beach & a portion of Torrance	26,500	26,300
Kern River Valley • Bodfish, Kernville, Lakeland, Mountain Shadows, Onyx, Squirrel Valley, South Lake & Wofford Heights	4,300	4,300
King City	2,500	2,500
Livermore	18,200	18,200
Los Altos • Portions of Cupertino, Los Altos Hills, Mountain View & Sunnyvale	18,600	18,600
Marysville	3,700	3,800
Mid-Peninsula • San Mateo & San Carlos	36,200	36,100
Oroville	3,600	3,600
Palos Verdes • Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills & Rolling Hills Estates	24,000	24,000
Redwood Valley • Lucerne & portions of Duncans Mills, Guerneville, Dillon Beach, Noel Heights & Santa Rosa	1,900	2,000
Salinas	27,800	28,000
Selma	6,100	6,100
South San Francisco • Colma & Broadmoor	16,800	16,800
Stockton	41,500	42,200
Visalia	39,200	38,900
Westlake • Westlake Village & a portion of Thousand Oaks	7,100	7,100
Willows	2,400	2,400

California Districts

Antelope Valley • Bakersfield • Bear Gulch • Chico • Dixon • Dominguez • East Los Angeles • Hawthorne • Hermosa-Redondo • Kern River Valley • King City • Livermore • Los Altos • Marysville • Mid-Peninsula • Oroville • Palos Verdes • Redwood Valley • Salinas • Selma • South San Francisco • Stockton • Visalia • Westlake • Willows

Regulated Customer Connections*

2007 463,600

2008 463,400

* Numbers include Hawthorne.



New Mexico Operations/Customer Centers

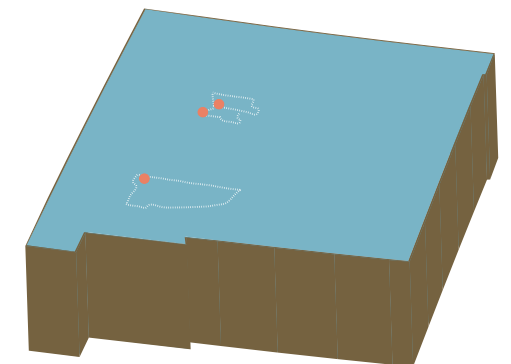
Elephant Butte • Belen • Cedar Crest

----- Serving the communities of Meadow Lake, Cypress Gardens, Rio Communities, Rio Del Oro, Elephant Butte, Sandia Knolls, and Cedar Crest in the counties of Sierra, Valencia, and Bernalillo.

Regulated Customer Connections

2007 7,500

2008 7,600



Eight-Year Financial Review

(Dollars in thousands, except common share data)

	2008	2007	2006	2005	2004	2003	2002	2001
Summary of Operations								
Operating revenue	410,312	367,082	334,717	320,728	315,567	277,128	263,151	246,820
Operating expenses	352,843	322,912	294,411	278,903	273,488	244,167	230,301	218,963
Interest expense, other income and expenses, net	17,664	13,011	14,726	14,602	16,053	13,544	13,777	12,892
Net income	\$39,805	\$31,159	\$25,580	\$27,223	\$26,026	\$19,417	\$19,073	\$14,965
Common Share Data								
Earnings per share - diluted	\$1.90	\$1.50	\$1.34	\$1.47	\$1.46	\$1.21	\$1.25	\$0.97
Dividend declared	1.170	1.160	1.150	1.140	1.130	1.125	1.120	1.115
Dividend payout ratio	62%	77%	86%	78%	77%	93%	90%	115%
Book value	\$19.44	\$18.66	\$18.31	\$15.98	\$15.66	\$14.44	\$13.12	\$12.95
Market price at year-end	46.43	37.02	40.40	38.23	37.65	27.40	23.65	25.75
Common shares outstanding at year-end (in thousands)	20,723	20,666	20,657	18,390	18,367	16,932	15,182	15,182
Return on average common stockholders' equity	10.2%	8.1%	8.2%	9.3%	9.8%	9.1%	9.7%	7.6%
Long-term debt interest coverage	4.72	3.70	3.17	3.61	3.38	2.78	2.73	2.64
Balance Sheet Data								
Net utility plant	\$1,112,367	\$1,010,196	\$941,475	\$862,731	\$800,305	\$759,498	\$696,988	\$624,342
Total assets	1,418,107	1,184,499	1,165,019	996,945	942,853	873,035	798,478	710,214
Long-term debt including current portion	290,316	291,921	293,592	275,275	275,921	273,130	251,365	207,981
Capitalization ratios:								
Common stockholders' equity	58.1%	56.9%	56.0%	51.4%	50.8%	47.0%	44.0%	48.8%
Preferred stock	–	0.5%	0.5%	0.6%	0.6%	0.7%	0.7%	0.9%
Long-term debt	41.9%	42.6%	43.5%	48.0%	48.6%	52.3%	55.3%	50.3%
Other Data								
Water production (million gallons)	137,757	141,238	132,414	129,453	139,039	131,680	132,225	126,626
Customers at year-end, including Hawthorne	490,500	487,600	483,893	479,001	473,155	466,422	458,988	450,427
New customers added	2,938	3,662	4,892	5,846	6,733	7,434	8,561	6,081
Revenue per customer	\$837	\$753	\$692	\$670	\$667	\$594	\$579	\$552
Utility plant per customer	3,228	2,968	2,778	2,578	2,418	2,313	2,182	2,020
Employees at year-end	929	891	869	840	837	813	802	783

Board of Directors



Robert W. Foy
Chairman of the Board



Peter C. Nelson
President and Chief Executive Officer



George A. Vera
Vice President and Chief Financial Officer,
the David and Lucile Packard Foundation



Linda R. Meier
Member of the National Board of the Institute
of International Education



Douglas M. Brown
Former Treasurer, State of New Mexico



Bonnie G. Hill
President of B. Hill Enterprises, L.L.C.



Richard P. Magnuson
Private Venture Capital Investor



Edwin A. Guiles
Former Executive Vice President of
Corporate Development, Sempra Energy



Edward D. Harris, Jr., M.D.
Professor of Medicine, Emeritus,
Stanford University Medical Center

Officers

California Water Service Company

Peter C. Nelson ^{1, 2, 3}
President and Chief Executive Officer

Paul G. Ekstrom ³
Vice President, Customer Service,
Human Resources and Information Technology

Francis S. Ferraro ^{2, 4}
Vice President, Corporate Development

Robert R. Guzzetta ²
Vice President, Operations

Martin A. Kropelnicki ^{1, 2, 3}
Vice President, Chief Financial Officer
and Treasurer

Christine L. McFarlane ³
Vice President, Chief Administrative Officer

Michael J. Rossi ³
Vice President, Engineering
and Water Quality

Thomas F. Smegal III ⁴
Vice President, Regulatory Matters
and Corporate Relations

Calvin L. Breed ^{1, 2, 3}
Controller, Assistant Secretary
and Assistant Treasurer

Lynne P. McGhee ^{1, 2, 3}
Corporate Secretary

Washington Water Service Company

Michael P. Ireland
President

Stock Transfer, Dividend Disbursing, and Reinvestment Agent

American Stock Transfer & Trust Company
57 Maiden Lane
New York, NY 10038
(800) 937-5449

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, stock brokers, savings and loan associations, and credit unions with membership in approved signature medallion programs) pursuant to SEC Rule 17Ad-15. A notary's acknowledgement is not acceptable. This certificate should then be sent to American Stock Transfer & Trust Company, 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 American Stock Transfer & Trust Company.

Bond Registrar

US 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 27, 2009 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 13, 2009.

Anticipated Dividend Dates For 2009

Quarter	Declaration	Record Date	Payment Date
First	January 28	February 9	February 20
Second	April 22	May 4	May 15
Third	July 29	August 10	August 21
Fourth	October 28	November 9	November 20

Annual Report For 2008 On Form 10-K

A copy of the Company's report for 2008 filed with the Securities and Exchange Commission (SEC) on Form 10-K will be available in April 2009 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 web site.

Executive Office and Stockholder Information

California Water Service Group
Attn: Stockholder Relations
1720 North First Street
San Jose, CA 95112-4598
(408) 367-8200 or (800) 750-8200
<http://www.calwatergroup.com>

¹ Holds the same position with California Water Service Group.

² Also an officer of CWS Utility Services.

³ Also an officer of Washington Water Service Company, New Mexico Water Service Company, and Hawaii Water Service Company, Inc.

⁴ Holds the same position with New Mexico Water Service Company and Hawaii Water Service Company, Inc.