

## **SJW Group Announces That Its Texas Subsidiary Has Completed the Acquisition of the Clear Water Estates Water System in Canyon Lake, Texas**

The acquisition is the first under Texas's Fair Market Value provision

**SAN JOSE, Calif. — April 13, 2021** — SJW Group (NYSE: SJW) today announced that its Texas subsidiary, SJWTX Inc., which does business as Canyon Lake Water Service Company, has completed the acquisition of the Clear Water Estates Water System in Canyon Lake, Texas. The Public Utilities Commission of Texas (PUCT) approved the sale and transfer of all Clear Water Estates facilities to SJWTX on March 1. This was the first application to the PUCT to request treatment under Texas's new Fair Market Value legislation.

Eric W. Thornburg, chairman, president and CEO of SJW Group, stated, "We are pleased to be the first to use the new fair market value process in Texas. We brought on board 230 new customers and valuable water resources to serve current and future customers while adding rate base that reflects market value for future rate-making purposes." Mr. Thornburg added, "While this was a smaller acquisition, it demonstrated that the fair market value process worked as envisioned." The PUCT took the average of three market appraisals when determining the fair market price of approximately \$1 million.

Thomas Hodge, president of SJWTX, stated, "We have been serving customers at Clear Water Estates as contract operations and have been eagerly waiting to make them SJWTX customers. The Clear Water Estates Water System has water resources above and beyond what is needed to meet the water needs of the system, and these resources can be used for future growth of our systems." Comal and Hays counties in Texas, which are in SJWTX's service area, are two of the four fastest-growing counties in the nation according to 2019 data from the U.S. Census Bureau.

This is a "tuck-in" acquisition, with the Clear Water Estates Water System bordering the SJWTX's water system to the north and south. The Clear Water Estates Water System is less than 40 years old. It has no employees and has been operated under contract by Canyon Lake Water Service Company. The transaction will not affect the rates or service for customers of Canyon Lake Water Service Company or Clear Water Estates.

This is the 13th acquisition by SJWTX since 2006. Over the past 15 years, the company has more than tripled in size from 6,500 to 20,000 connections, so it now serves approximately 59,000 people.

### **About SJWTX dba Canyon Lake Water Service Company**

SJWTX, a subsidiary of SJW Group, is a public water utility providing service to approximately 59,000 people through approximately 20,000 service connections in a service area comprising about 246 square miles in Comal, Blanco, Hays and Travis counties; it is located between Austin and San Antonio.

(More)

## **About SJW Group**

SJW Group is the second-largest investor-owned pure play water and wastewater utility based on estimated rate base in the United States, providing lifesaving and high-quality water service to nearly 1.5 million people. SJW Group's locally led and operated water utilities — San Jose Water Company in California, Connecticut Water Company in Connecticut, Maine Water Company in Maine and SJWTX Inc. (dba Canyon Lake Water Service Company) in Texas — possess the financial strength, operational expertise and technological innovation to deliver outstanding service to customers, safeguard the environment and provide opportunities to employees. SJW Group remains focused on investing in its operations, remaining actively engaged in its local communities and delivering continued sustainable value to its shareholders. For more information about SJW Group, please visit [www.sjwgroup.com](http://www.sjwgroup.com).

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### Media contact

Larry Jackson

Director of Customer Service and Communications

[Larry.Jackson@clwsc.com](mailto:Larry.Jackson@clwsc.com)

830.312.4566

### Investor contact

Andrew Walters

Chief Corporate Development Officer and Integration Executive

860.664.6268

## **Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "projects," "strategy," or "anticipates," or the negative of those words or other comparable terminology. These forward looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict.

These forward-looking statements involve a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the effect of water, utility, environmental and other governmental policies and regulations, including actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures and other decisions; (2) changes in demand for water and other services; (3) the impact of the Coronavirus ("COVID-19") pandemic on our business operation and financial results; (4) unanticipated weather conditions and changes in seasonality; (5) climate change and the effects thereof; (6) unexpected costs, charges or expenses; (7) our ability to successfully evaluate investments in new business and growth initiatives; (8) contamination of our water supplies and damage or failure of our water equipment and infrastructure; (9) the risk of work stoppages, strikes and other labor-related actions; (10) catastrophic events such as fires, earthquakes, explosions, floods,

ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemics, pandemics or similar occurrences; (11) changes in general economic, political, business and financial market conditions; (12) the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, changes in interest rates, compliance with regulatory requirements, compliance with the terms and conditions of our outstanding indebtedness, and general market and economic conditions; and (13) legislative and general market and economic developments. The risks, uncertainties and other factors may cause the actual results, performance or achievements of SJW to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Other factors that may cause actual results, performance or achievements to materially differ are described in SJW's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Forward-looking statements are not guarantees of performance, and speak only as of the date made. SJW undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.