

SJW Group Announces That Its Texas Subsidiary Has Filed Applications to Acquire the Kendall West Utility in Kendall County and Bandera East Utility in Bandera and Medina Counties, Texas

The applications have been filed with the Public Utilities Commission of Texas

SAN JOSE, Calif. — June 28, 2021 — SJW Group (NYSE: SJW) today announced that its Texas subsidiary, SJWTX Inc., which does business as Canyon Lake Water Service Company, is planning to acquire the Kendall West Utility operating in Kendall County and the Bandera East Utility in Bandera and Medina Counties, Texas. The companies have filed applications with the Public Utilities Commission of Texas (“PUCT”) for approval of the transactions.

Eric W. Thornburg, chairman, president and CEO of SJW Group, stated, “We are eager to serve the customers of Kendall West and Bandera East Utilities as part of our Canyon Lake Water Service Company. This transaction, if approved by the PUCT, will benefit all of our customers through increased scale and greater resources. We look forward to delivering exceptional drinking water and wastewater services to them in the future.”

Thomas Hodge, president of SJWTX, stated, “The combination of Kendall West and Bandera East Utilities with SJWTX brings together two fast growing utilities in adjacent counties which both rely on water from Canyon Lake and the Trinity Aquifer. The Kendall West and Bandera East Utilities provide water to approximately 4,000 people through over 1,300 service connections in a service area approximately 20 square miles. The merger will increase efficiency of operations and bring SJWTX’s experience of managing and supporting rapid growth to Kendall, Bandera and Medina Counties.”

Included with Kendall West are wastewater services that recycle water for landscape irrigation at a local golf course, stretching the use of scarce water resources in this drought prone area. A combination of groundwater wells and surface water from Canyon Lake provide Kendall West Utility and Bandera East Utility with their water supply. The transaction will not affect the rates or service for customers of Canyon Lake Water Service Company, Kendall West Water System, nor Bandera East Water System.

Combining Kendall West and Bandera East Water Systems with SJWTX will make for a larger, more efficient water utility with access to capital and management resources needed for this fast growing area. After PUCT review and public comment, the acquisition is expected to be final by the end of 2021. If approved by the PUCT, this would become the 14th acquisition by SJWTX since 2006 and expand its footprint in Texas across seven counties in total. Over the past 15 years, the company has nearly tripled in size from 6,500 to 21,500 connections and now serves approximately 65,000 people. With the addition of Kendall West, SJWTX will serve three of the top ten fastest growing counties in the United States, according to the U.S. Census Bureau.

(More)

About SJWTX dba Canyon Lake Water Service Company

SJWTX, a subsidiary of SJW Group, is a public water utility providing service to approximately 65,000 people through approximately 21,500 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.

About Kendall West Utility LLC and Bandera East Utility, LLC

Kendall West Utility, LLC and Bandera East Utility, LP are public water utilities providing water to approximately 4,000 people through over 1,300 service connections in a service area consisting of approximately 20 square miles in Kendall, Bandera, and Medina Counties in Texas.

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.

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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.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the risk that the conditions to the closing of the proposed transaction between SJWTX, Inc., Kendall West Utility, LLC and Bandera East Utility, LP may not be satisfied or waived, (2) the risk that the regulatory approval required for the proposed transaction is not obtained, or that in order to obtain such regulatory approval, conditions are imposed that adversely affect the anticipated benefits from the proposed transaction and cause SJWTX, Inc. to abandon the proposed transaction, (3) 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*; (4) changes in demand for water and other services; (5) the impact of the Coronavirus ("COVID-19") pandemic on the business operation and financial results of SJWTX, Inc.; (6) unanticipated weather conditions and changes in seasonality; (7) climate change and the effects thereof; (8) our ability to successfully evaluate investments in new business and growth initiatives; (9) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, or other similar occurrences; (10) changes in general economic, political, business and financial market conditions; (11) 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 stock and debt market conditions; and (12) legislative and general market and economic developments.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to our overall business, including those more fully described in our filings with the SEC, including our most recent reports on Form 10-K, Form 10-Q and Form 8-K. Forward-looking statements are not guarantees of performance, and speak only as of the date made, and we undertake no obligation to update or revise any forward-looking statements except as required by law.