

August 6, 2018

Dear Elected Official, Staff, and Community Leader:

San Jose Water's success has and will continue to be measured by our ability to deliver safe, high quality, and reliable water coupled with exceptional customer service. Connecticut Water Service, Inc. (Connecticut Water) shares in this vision of success, which is one of the core reasons why our parent company, SJW Group, has chosen to partner with them. Since the announcement of our merger in March, we have never wavered in our belief in the benefits of the combination for our employees, customers, and the communities we serve.

Reaffirming that commitment, I write to share an exciting development for our customers, communities and employees. SJW Group and Connecticut Water have amended the terms of our transaction agreement in order to facilitate the unique combination of our two companies, enabling us to create a leading national water utility that will better position us to continue our long history of delivering safe and reliable water to the Silicon Valley community and our other local service areas. Under the revised terms, SJW Group will acquire all of the outstanding common shares of Connecticut Water for \$70.00 per share in cash, instead of the original stock-for-stock transaction structure. A copy of this morning's press release and the fact sheet are attached for your reference.

Our combination will create a leading national water utility with complementary technology, operations and customer service capabilities and the financial strength and capacity to continue our substantial local infrastructure investments, while retaining the service-focused, customer-first culture both organizations share. Importantly, we will fund our acquisition of Connecticut Water with a conservative mix of equity and debt that will allow us to maintain an attractive, strong investment grade credit rating of at least "A-", enabling our continued focus on superior operations, sustainable infrastructure investments, and exceptional customer service.

Furthermore, we will be able to provide all of our employees, including over 360 that work in the Silicon Valley, with more opportunities as part of a larger, more diverse company. All of our employees are excited about the opportunities that lie ahead, and the combination is supported by both unions representing the majority of San Jose Water's workforce.

Much of the material terms of the transaction agreement remain the same, including the fact that the combined company's headquarters will be located in San Jose and Eric Thornburg will continue to serve as Chairman, President and Chief Executive Officer.

The revised transaction continues to be at the holding company level – SJW Group – and will have no impact on rates established by the California Public Utilities Commission and charged through to customers of San Jose Water.

We are excited about the incredible potential and compelling benefits that this combination will provide for our employees and the over one million customers we serve in the greater San Jose metropolitan area – and we hope you are too.

As always, please contact me if you have any questions or require further information.

Best,

John Tang