



Texas Water Company Closes on Acquisitions of KT Water Development and KT Water Resources

Adds 570 service connections and increases water supply by approximately 40% in rapidly growing Comal County, Texas

CANYON LAKE, Texas — Aug. 15, 2023 — The Texas Water Company, a subsidiary of SJW Group (NYSE: SJW), today announced that it has closed on the acquisitions of KT Water Development Ltd. and KT Water Resources L.P. The acquisitions will add 570 residential water service connections and an approximately 40% increase in the systemwide water supply available for current customer needs and future growth.

“We are a pure-play water and wastewater utility, and we are eager to serve our new customers in Comal County, Texas, and deliver high-quality water and reliable service to them,” stated Eric W. Thornburg, SJW Group chair, president and CEO. Thornburg added, “One critical aspect of this acquisition is the substantial water supplies that come with KT Water Resources. Our Texas service area is experiencing sustained and rapid population growth. The approximately 40% increase in supply will enable us to serve growth in the region for years to come.”

KT Water Development Ltd. currently serves approximately 570 customers in southern Comal County, Texas, with potential expansion opportunities of 150 connections.

KT Water Resources L.P. is a wholesale groundwater resource supplier to KT Water Development Ltd. The acquisition of KT Water Resources L.P. significantly increases system resiliency and improves Texas Water’s position to provide ample water for projected customer growth estimated through 2070.

“Our customers will begin seeing the benefits of our acquisition of KT Water Resources in the next two to three years,” stated Thomas Hodge, president of Texas Water Resources LLC, a nonregulated subsidiary of SJW Group in Texas that acquired the assets of KT Water Resources. Hodge added, “Integrating additional water supply from KT Water Resources to the entirety of our service area will require a substantial investment in drinking water infrastructure in the form of water treatment, pumping, distribution, and storage facilities. The design work and planning are well underway.”

The Public Utilities Commission of Texas approved the acquisition of KT Water Development on July 24. The acquisition of KT Water Resources did not require PUCT approval.

The Texas Water Company requested an applied rate doctrine treatment for this acquisition through the PUCT, which would allow the existing rates of The Texas Water Company to be applied to KT Water Development. A decision on applied rate treatment is expected in the fourth quarter of 2023, when the PUCT is expected to issue its final approval.

The Texas Water Company, located in the growth pathway between San Antonio and Austin, serves customers in three of the five fastest-growing counties in the United States. The company has closed more than 20 acquisitions since 2006 and has more than quadrupled the number of customers it serves from 6,500 water connections to over 26,000 water and 900 wastewater connections.

About The Texas Water Company

The Texas Water Company, a subsidiary of SJW Group, is a public water utility situated in the Texas Hill Country between Austin and San Antonio, providing service to approximately 78,000 people through over 26,000 water and 900 wastewater service connections. With three of the five fastest-growing counties in the United States between 2010 and 2019, Texas Water serves customers in Comal, Blanco, Kendall, Bandera, Medina, Hays and Travis counties.

About SJW Group

SJW Group is among the largest investor-owned pure-play water and wastewater utilities in the United States, providing life-sustaining 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, The Connecticut Water Company in Connecticut, The Maine Water Company in Maine and SJWTX Inc. (dba The Texas Water Company) in Texas – possess the financial strength, operational expertise and technological innovation to safeguard the environment, deliver outstanding service to customers 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 stockholders. For more information about SJW Group, please visit www.sjwgroup.com.

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,” “estimates,” “anticipates,” “intends,” “seeks,” “plans,” “projects,” “may,” “should,” “will,” 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 regulatory 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) unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage; (4) the effect of the impact of climate change; (5) unexpected costs, charges or expenses; (6) our ability to successfully evaluate investments in new business and growth initiatives; (7) contamination of our water supplies and damage or failure of our water equipment and infrastructure; (8) the risk of work stoppages, strikes and other labor-related actions; (9) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic, or 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 market and economic conditions; and (12) legislative, and general market and economic developments. The risks, uncertainties and other factors may cause the actual results, performance or achievements of SJW Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. Other factors that may cause actual results, performance or achievements to materially differ are described in SJW Group'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 Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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