

# Corporate Presentation



**American States**  
Water Company

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**Robert J. Sprowls** – President & CEO

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September 2025

**NYSE: AWR**

# Forward-Looking Statement

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This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can often be identified by words such as “anticipate,” “estimate,” “expect,” “intend,” “may,” “should” and similar phrases and expressions, and variations or negatives of these words. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them.

The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors, including those described in greater detail in the company’s filings with the Securities and Exchange Commission (SEC), particularly those described in the company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Readers are encouraged to review the company’s filings with the SEC for a more complete discussion of risks and other factors that could affect any forward-looking statements. The statements made herein speak only as of the date of this presentation and except as required by law, the company does not undertake any obligation to publicly update or revise any forward-looking statement.

# Non-GAAP Financial Measures

- ❑ This presentation includes a discussion of certain financial measures that are not prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States, and constitute "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures are derived from consolidated financial information but are not presented in our financial statements that are prepared in accordance with GAAP.
- ❑ Non-GAAP financial measures in this presentation include references to diluted earnings per share by business subsidiary/segment, which is based on each business segment's net income divided by the company's weighted average number of diluted shares. Furthermore, when presenting historical consolidated diluted EPS, certain adjustments have been made to the current year and some of prior years' diluted EPS to help facilitate comparisons of performance from period to period, including the impact of delays in various CPUC proceedings and the significant impact in certain years of the gains or losses on investments held to fund a retirement plan.
- ❑ Non-GAAP financial measures supplement our GAAP disclosures and should not be considered as alternatives to the GAAP measures. Furthermore, the non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of other registrants. The company uses non-GAAP measures in evaluating its operating results and believes these measures are useful internal benchmarks in evaluating the performance of its operating segments. The company reviews these measures regularly and compares them to historical periods and to the operating budget. The computations and reconciliations of recently used non-GAAP measures to the most directly comparable GAAP measures are presented in the company's most recently filed Form 10-K with the SEC.

AWR is a low volatility water utility with a secure and growing dividend, operating in a constructive regulatory environment in California, along with a growing unregulated contracted services business serving military bases under 50-year contracts<sup>(1)</sup>

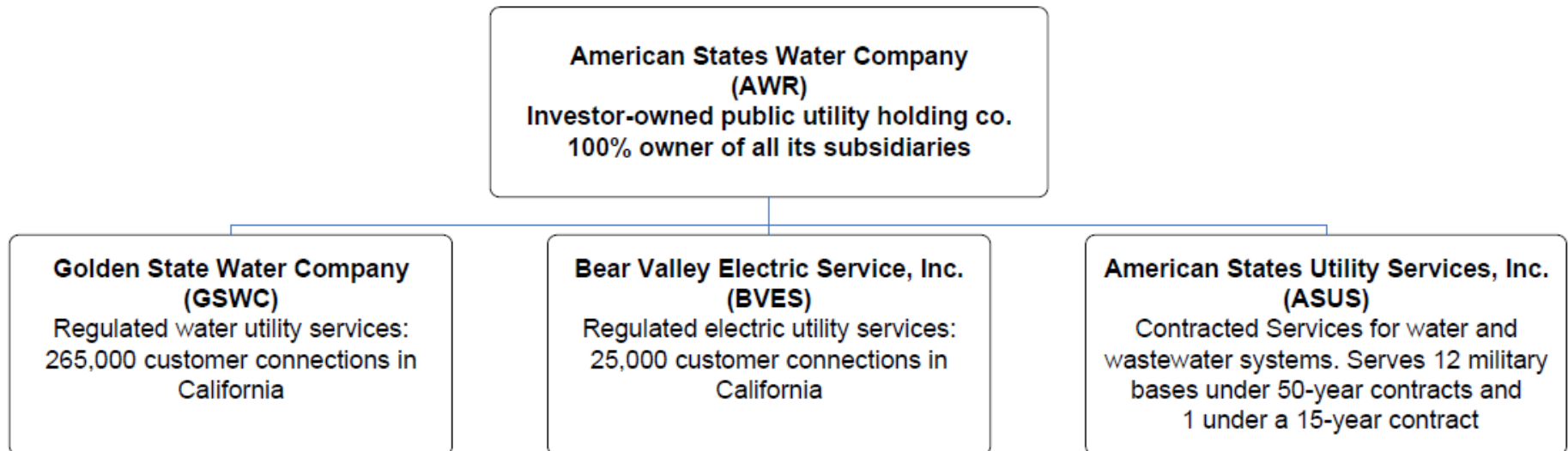
- ❑ Listed on the NYSE: AWR
- ❑ AWR debt rating → A Stable
- ❑ GSWC debt ratings → A+ Stable
- ❑ As of September 12, 2025:
  - ~38.5 million common shares outstanding
  - Institutional Ownership → ~83%<sup>(2)</sup>
  - 52-week low/high → \$70.30/\$87.50<sup>(2)</sup>
  - Average daily volume → ~230,830 shares (3 months)<sup>(2)</sup>
  - Market capitalization → ~\$2.8 billion<sup>(2)</sup>
  - Dividend yield → 2.76%<sup>(2)</sup>



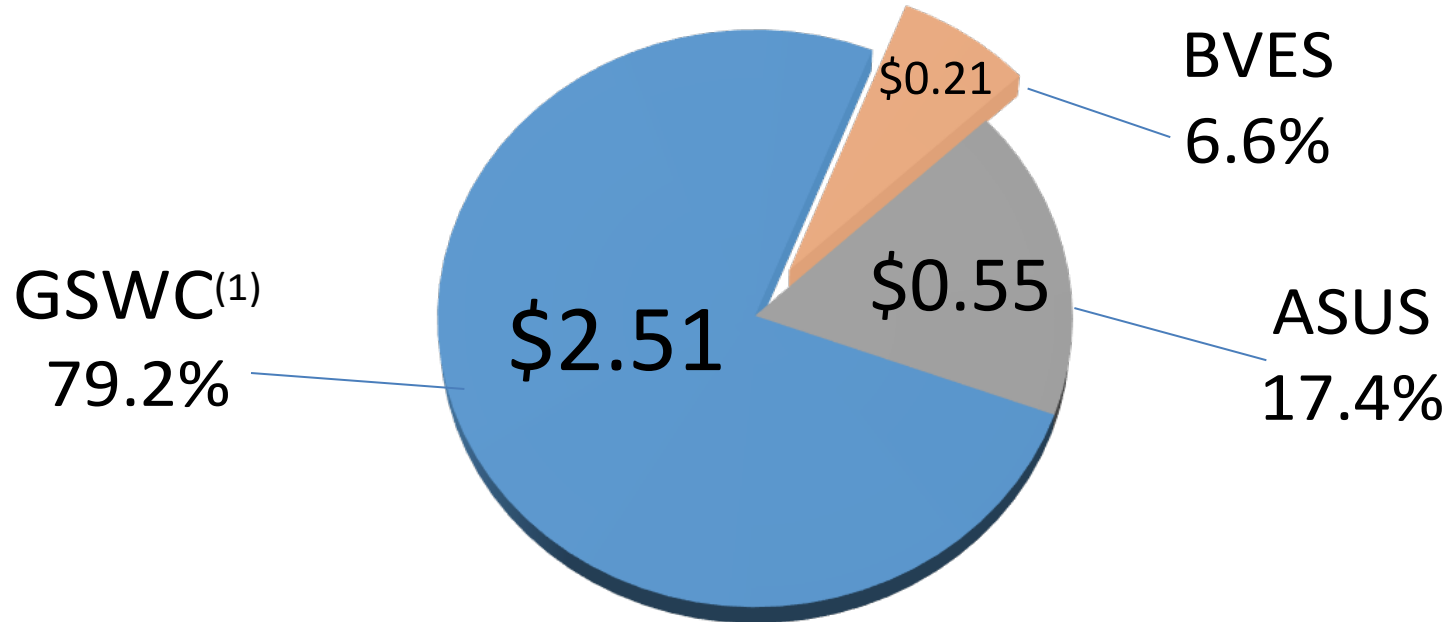
(1) The contracted services business has one 15-year contract that was awarded in September 2023

(2) Source: Yahoo! Finance

# Company Organizational Structure



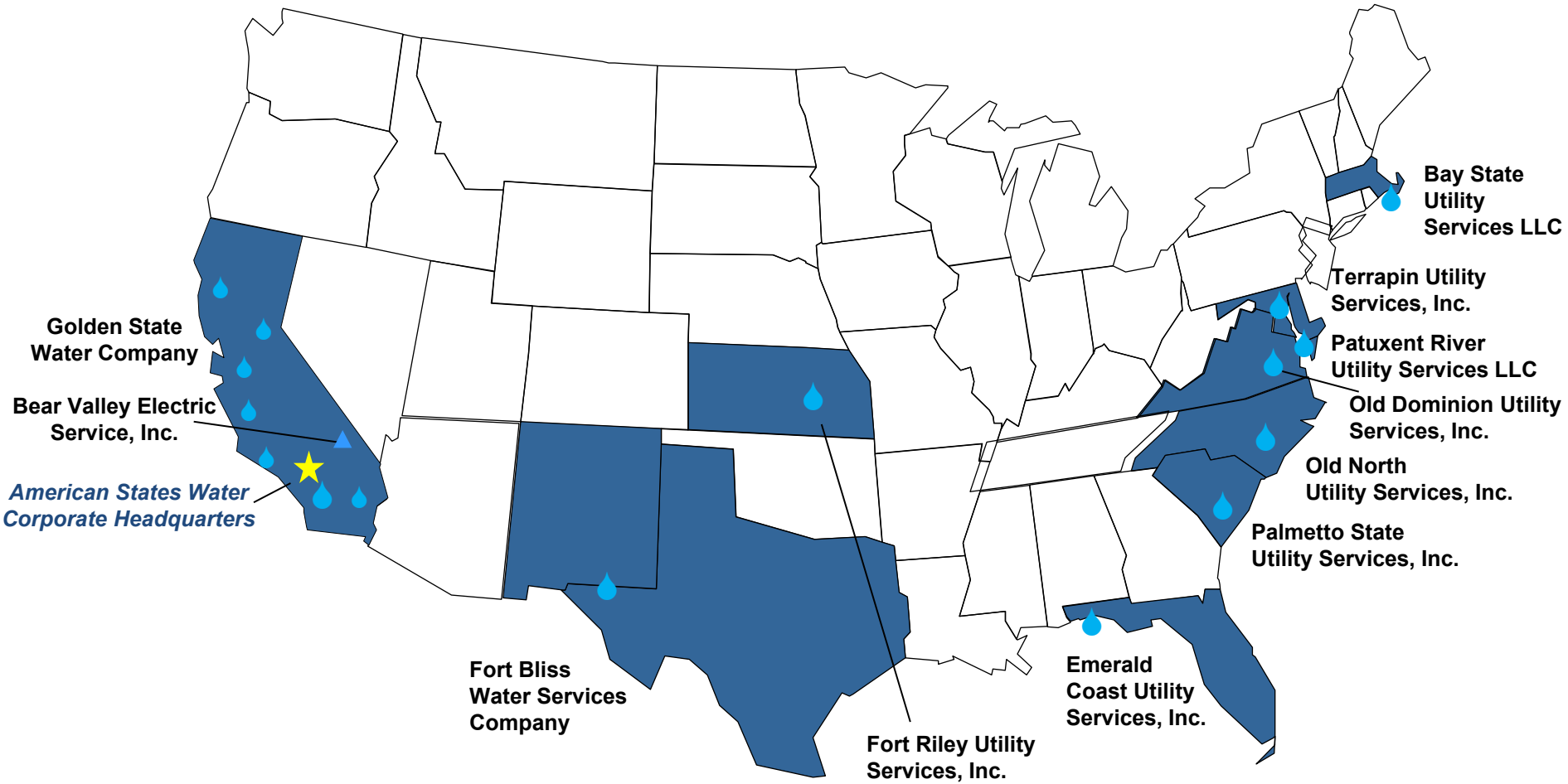
# 2024 Earnings per Share by Subsidiary



Note: AWR consolidated fully diluted earnings per share **as reported** for 2024 were **\$3.17 per share**. The pie chart above sets forth the recorded diluted earnings per share contribution by business subsidiary/segment, but **excludes** a negative \$0.10 per share reported at AWR (parent) in 2024. Consolidated diluted earnings in 2024 were negatively impacted by approximately \$0.04 per share due to the dilutive effects from the issuance of equity under AWR's ATM offering program.

- (1) GSWC's fully diluted earnings per share **as reported** for 2024 included a tax benefit of \$0.13 per share recorded as a result of receiving the final decision in GSWC's recent general rate case proceeding.

# AWR Service Area Map



# Regulated Utilities Service Area Map



## Golden State Water Company

- Serves more than 80 communities in 11 counties
- Operates 40 water systems

## Bear Valley Electric Service, Inc.

- Operates one electric system that serves the City of Big Bear Lake and surrounding areas

## ❑ The Company's **regulated utilities (GSWC and BVES)**:

- Represented 79% and 86% of AWR revenues and net income, respectively, in 2024
  - ✓ The regulated **water utility** under GSWC represented 70% and 79% of AWR consolidated revenues and net income, respectively, in 2024
- GSWC and BVES have a stable customer base, with about 90% of revenues derived from residential and commercial customers

## ❑ GSWC & BVES are separately regulated by the California Public Utilities Commission (CPUC)

- **Revenue Requirement includes:**
  - ✓ Dollar for dollar recovery of projected operating expenses, plus
  - ✓ Rate of return on rate base (including projected CapEx)
- **GSWC and BVES recover their capital investment from customers** over the life of the asset through annual depreciation and a return on their undepreciated capital assets

- ❑ **ASUS**, the company's **contracted services subsidiary** was established in 1998 and provides the company with:
  - A relatively low risk, growth investment
    - ✓ Allows AWR to capitalize on its competencies in operating water systems and in offering related services
  - Opportunities to improve companywide returns
  - A vehicle to diversify risk
    - ✓ By investing in high-growth states, similar to the way an investment manager diversifies risk by owning several different securities
  - A contributor to funding AWR's dividend to shareholders and covering the cost of being a publicly-traded company

- ❑ **ASUS** provides operations, maintenance and construction management services for water distribution and wastewater collection and treatment facilities at **12 military bases in nine states under 50-year privatization contracts and one military base under a 15-year contract** with the U.S. government:

- Fort Bliss in El Paso, Texas (parts in New Mexico)
- Joint Base Andrews in Maryland
- Fort Gregg-Adams (formerly Fort Lee) in Virginia (wastewater only)
- Joint Expeditionary Base Little Creek – Fort Story and Joint Base Langley - Eustis in Virginia
- Fort Jackson in Columbia, South Carolina
- Fort Bragg, Pope Army Airfield, and Camp Mackall in Fayetteville, North Carolina
- Eglin Air Force Base in Florida
- Fort Riley in Kansas
- Naval Air Station Patuxent River in Maryland
- Joint Base Cape Cod in Massachusetts (15-year contract)

- ❑ ASUS is well positioned to continue competing for new contracts in the future

- ❑ Under each of the 50-year contracts with the U.S. government, ASUS has the following revenue streams:
  - **O&M Revenues** for operating and maintaining the systems
    - ✓ A fixed amount each month included under the 50-year contracts, subject to annual economic price adjustments (EPAs)
  - **Construction Revenues** for:
    - ✓ Renewal and Replacement of existing capital assets included under the 50-year contracts, subject to annual EPAs
    - ✓ Other Capital Upgrades are additional projects (including improvements and expansion to the existing water and wastewater infrastructure) that in many cases are outside the scope of the 50-year contracts and are granted through contract modifications
- ❑ Filings for EPAs and requests for equitable adjustment provide ASUS with **additional revenues and operating income**

## ☐ Growth potential in earnings

- 2024 Recorded EPS of \$3.17 per share with a **5-Year CAGR on Adjusted EPS from Continuing Operations of 7.2% through 2024**
  - ✓ The 5-year CAGR is calculated starting with 2019 as the base year and running through 2024. 2019 was the start of a new three-year rate cycle at the water segment, which typically receives a larger increase in earnings due to growth in adopted rate base and expenses from the prior year than the other years in the rate cycle. In contrast, 2024 is the final year of a three-year rate case cycle, where rate adjustments are limited to inflationary increases.
- Planned CapEx at **3.5-4.0 X** Depreciation increases rate base at the regulated utility businesses
- Significant recent success and growth prospects for our business that focuses on the privatization of water and wastewater systems on military bases

## ☐ Strong dividend track record

- Increased the quarterly dividend in 2025 by 8.3% achieving a **5-Year CAGR of 8.5% through 2025<sup>(1)</sup>**
- Increased dividends to shareholders each calendar year for 71 consecutive years
- Paid dividends to shareholders every year since 1931
- Targeting a compound annual growth rate **of more than 7%** over the long term. Given AWR's earnings growth prospects, there is room to grow the dividend

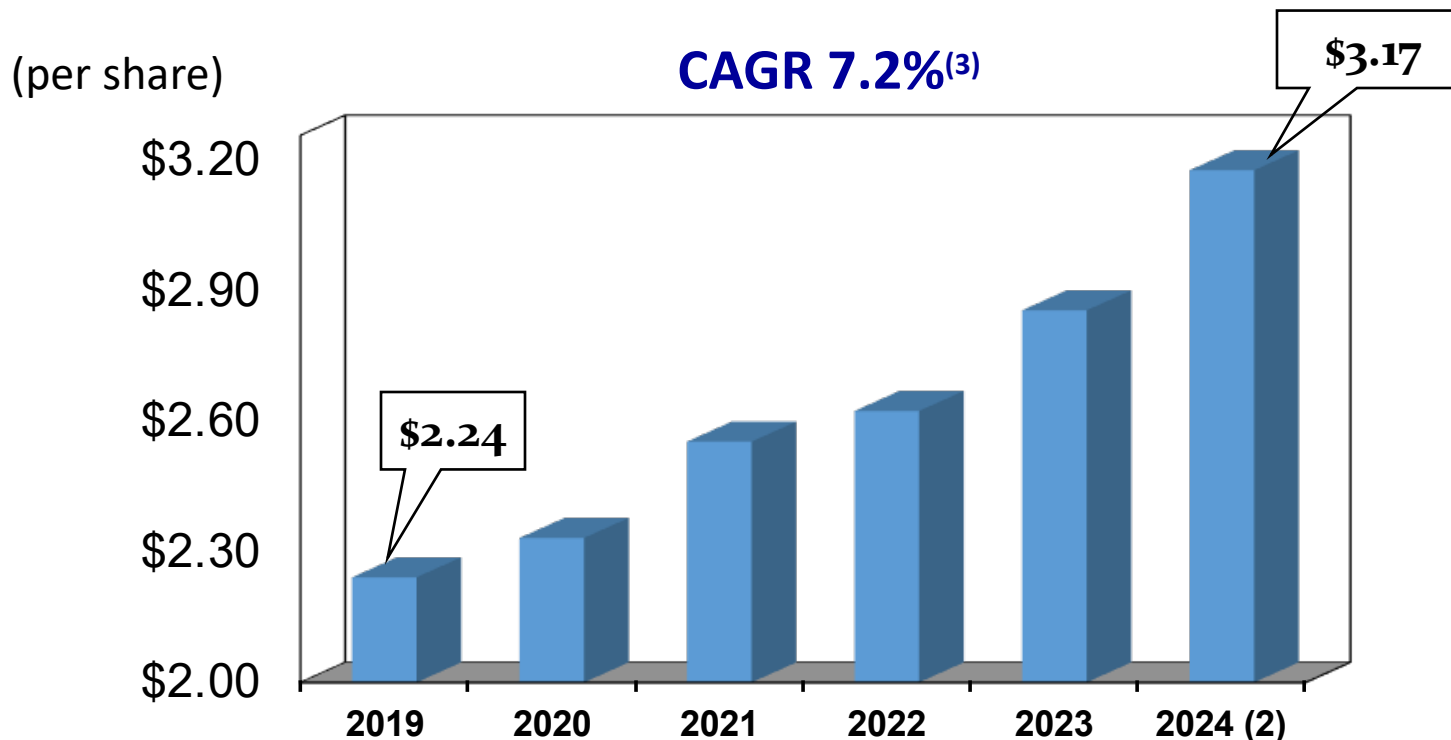
## ☐ Favorable regulatory environment in California

- Forward-looking (future) test years limit regulatory lag
- Recovery of / Return on Rate Base through the regulatory process
- Decouple revenue from sales to provide consistent returns through a Water Revenue Adjustment Mechanism (WRAM) for GSWC that remained in effect through 2024 (see Slide 20) and a Base Revenue Requirement Mechanism (BRRAM) for BVES

<sup>(1)</sup> The company is on track to achieve a 10-Year CAGR of 8.3% in its calendar year dividend payments through 2025.

- ❑ **Well-positioned for privatization and consolidation opportunities**
  - Highly fragmented industry; few publicly-traded players; high barriers to entry
- ❑ **Aggressive posture toward recovery of operating costs and CapEx**
- ❑ **Stable utility customer base**
- ❑ **Seasoned and committed management team and Board**
- ❑ **Significant gender diversity at the Board level**
  - Four of AWR's eight independent directors are women
- ❑ **Strong balance sheet:** “A” rating at AWR and “A+” rating at GSWC by S&P – some of the highest in the industry
- ❑ **Valuable water rights portfolio:** AWR owns ~70,800 acre-feet of adjudicated groundwater rights and a significant number of unadjudicated groundwater rights. In addition, AWR owns ~11,300 acre-feet of surface water rights

# Adjusted<sup>(1)</sup> Diluted EPS from Continuing Operations



(1) In the chart above, 2019 **excludes** \$0.04 per share for the retroactive impact of the electric GRC related to 2018; 2022 **includes** \$0.38 per share for the impact of new 2022 rates that were not recorded in 2022 because of the delay in receiving a decision in the water general rate case proceeding and **excludes** the \$0.13 per share from the revenues subject to refund recorded in 2022 that were subsequently reversed in 2023; and, conversely, 2023 **excludes** the \$0.38 per share for the impact of new 2022 retroactive rates recorded in 2023 and the \$0.13 per share from the reversal of revenues subject to refund previously recorded in 2022. **Consolidated diluted EPS as reported for 2019, 2022 and 2023 were \$2.28, \$2.11 and \$3.36, respectively.**

(2) Consolidated diluted EPS as reported for 2024 includes a \$0.13 per share tax benefit recorded as a result of the final decision issued in the recent water general rate case proceeding. Furthermore, consolidated diluted earnings in 2024 were negatively impacted by approximately \$0.04 per share due to the dilutive effects from the issuance of equity under AWR's ATM offering program.

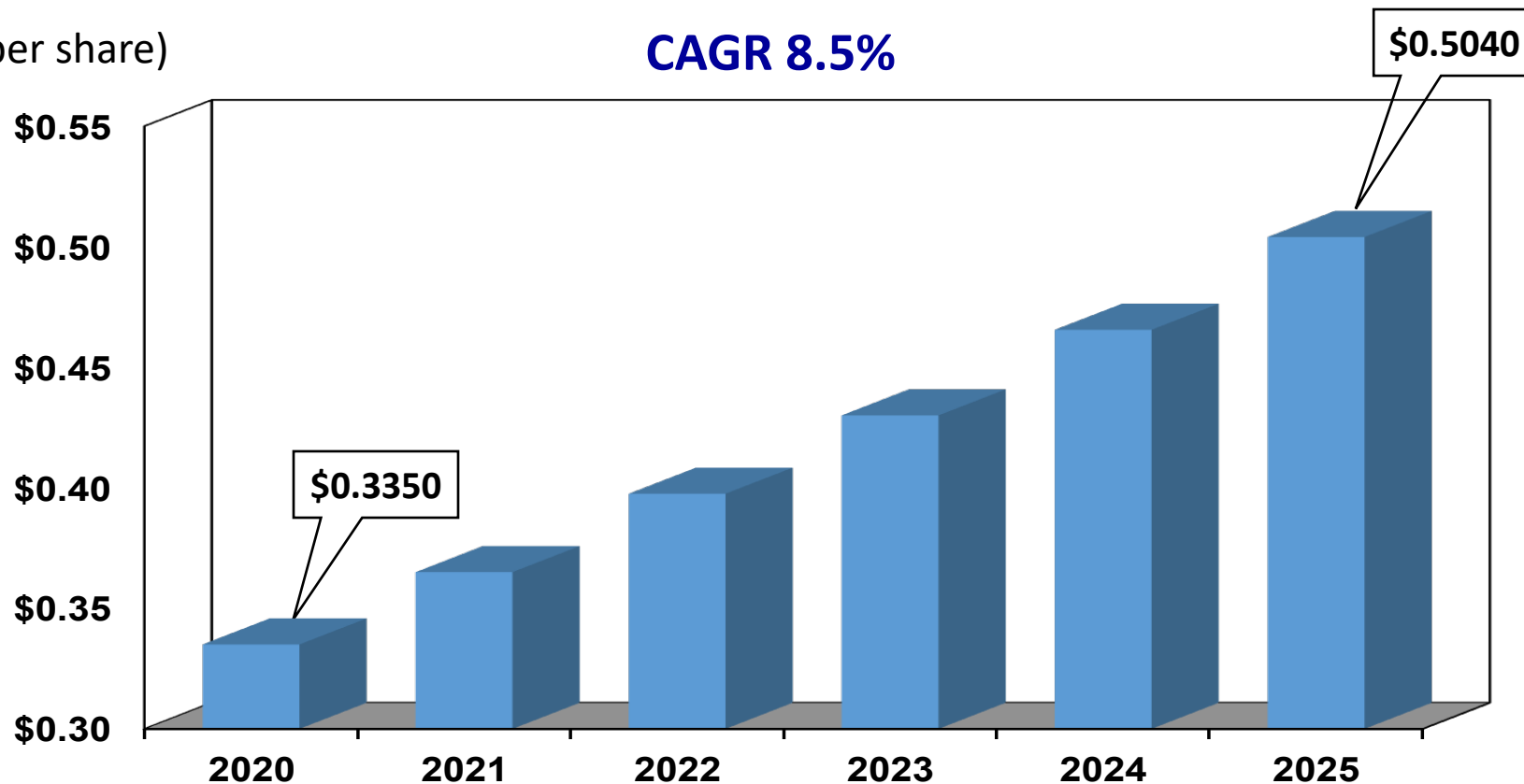
(3) The 5-year CAGR is calculated starting with 2019 as the base year and running through 2024. 2019 was the start of a new three-year rate cycle at the water segment, which typically receives a larger increase in earnings due to growth in adopted rate base and expenses from the prior year than the other years in the rate cycle. In contrast, 2024 is the final year of a three-year rate case cycle, where rate adjustments are limited to inflationary increases.

# Quarterly Dividend Growth

## 71 Consecutive Years of Quarterly Dividend Rate Increases

(per share)

**CAGR 8.5%**

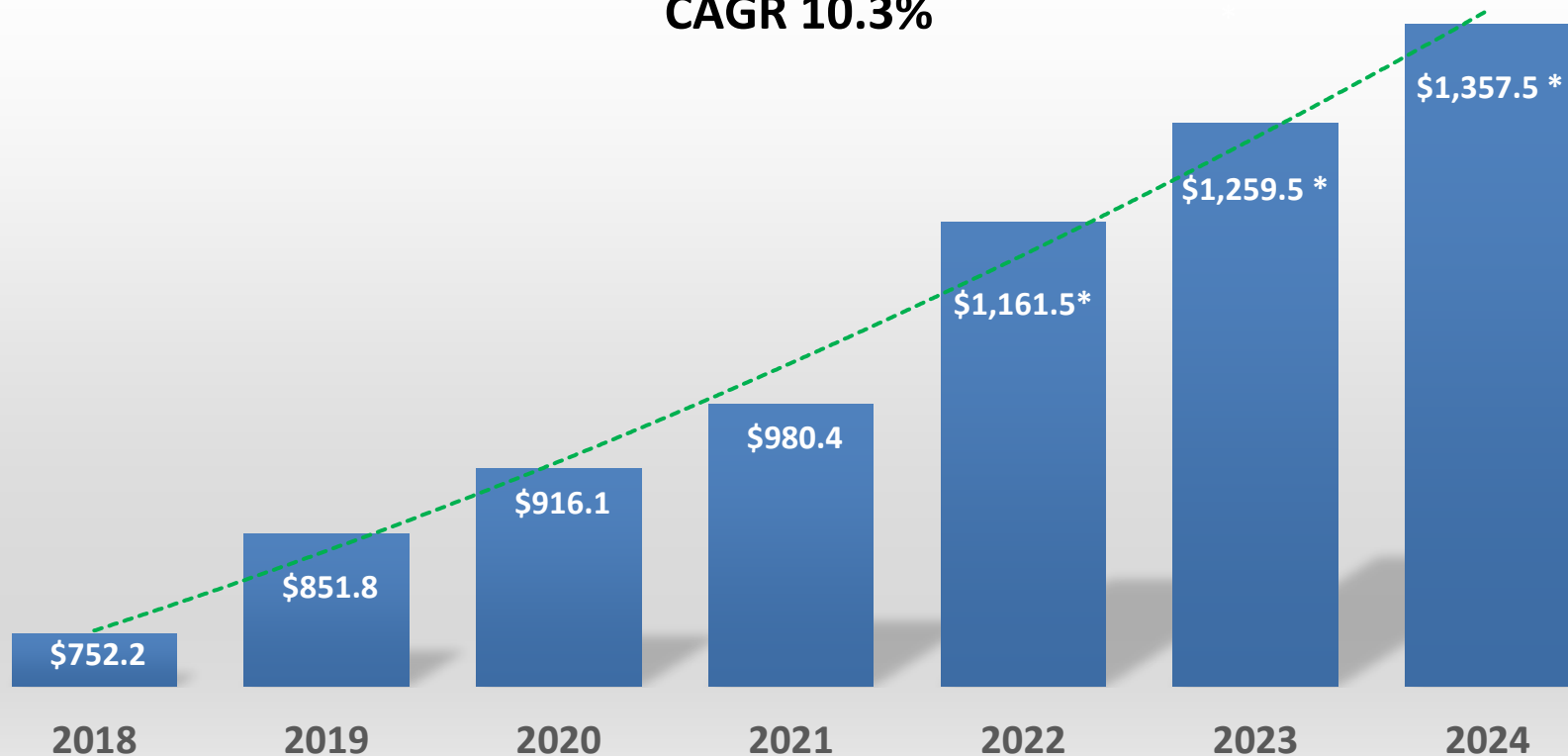


*In July 2025, the Board of Directors approved an 8.3% increase in the quarterly dividend  
Targeting a dividend growth rate of more than 7% over the long term*

# GSWC Adopted Average Water Rate Base

(in millions)

**CAGR 10.3%**



Note: The recent CPUC-approved rate case decision authorizes GSWC to invest \$573.1 million in capital infrastructure over a three-year capital cycle. In addition, the decision includes advice letter capital investments, some under construction beginning in 2023, to be filed for revenue recovery during the second and third year attrition (2026 and 2027) increases when the projects are completed.

\* Based on the decision in the general rate case covering 2022-2024 and includes approximately \$9.4 million in advice letter projects.



- ❑ **July 2025: An 8.3% increase** in the third quarter cash dividend, resulting in an increase in the annual dividend from \$1.862 per share to \$2.016 per share. The company has achieved a compound annual growth rate of 8.5% in its quarterly dividend rate over the last five years.
- ❑ **July 2025:** Maintenance of strong Credit Ratings from S&P: “A” credit rating for AWR with a stable outlook; and “A+” credit rating for GSWC with a stable outlook.
- ❑ **July 2025:** AWR has been named on TIME’s America’s Best Midsize Companies 2025 list, and is one of only two investor-owned water utilities on the list.
- ❑ **May 2025:** AWR’s credit facility was amended again to (i) increase the borrowing capacity from \$165 million to \$195 million to provide additional support to AWR parent and ASUS, (ii) add a new bank to the existing syndicate bank group, and (iii) extend the credit facility term from June 2028 to June 2029. AWR had initially entered into this new credit agreement in June 2023 with a term of five years provided by a syndicate of banks and financial institutions. A separate credit facility for GSWC was also established as discussed later.
- ❑ **February 2024:** AWR established an At-The-Market offering program under which the company may offer and sell, from time to time at its sole discretion, its common shares, up to \$200.0 million over a 3-year period.

- ❑ **May 2025:** GSWC completes transaction with a developer to build out, own and operate the water and wastewater system assets serving a new planned community of 1,300 connections that will generate two revenue streams for delivering water and wastewater services. GSWC began serving a few customers during the second quarter in connection with this transaction. In the future, GSWC will take ownership of the incremental water and wastewater system assets in phases as they are completed and ready to accommodate new connections.
- ❑ **May 2025:** GSWC issued \$100.0 million of unsecured private placement notes that consisted of \$75.0 million of 7-year notes at 5.30% and \$25.0 million of 12-year notes at 5.65%. GSWC used the proceeds to pay down outstanding borrowings under its revolving credit facility and to fund operations and capital expenditures.
- ❑ **March 2025:** The CPUC issued a final decision in GSWC's financing application that, among other things, approved GSWC's request for the issuance and sale of additional long-term debt and equity securities of up to \$750.0 million over the next several years.

- ☐ **January 2025:** GSWC received a final decision in its general rate case proceeding that determines new water rates for the years 2025 – 2027. Among other things, the final decision:
- authorizes GSWC to invest \$573.1 million in capital infrastructure over the three-year cycle including \$17.7 million of advice letter projects, plus \$58.2 million of advice letter projects under construction since 2023 (advice letters will be filed for revenue recovery during the 2<sup>nd</sup> and 3<sup>rd</sup> year attrition increases when projects are completed and accrue interest during construction and then earn the full rate of return after the assets are placed in service up until the assets are placed in customer rates);
  - increases GSWC’s adopted operating revenues less water supply costs for 2025 by \$23 million as compared to the 2024 adopted levels, excluding the advice letter project revenues;
  - allows for potential additional increases in adopted revenues for 2026 and 2027 subject to an earnings test and changes to the forecasted inflationary index values; and
  - adopts GSWC’s recommended sales forecast and sales reconciliation mechanism.

However, the final decision rejects GSWC’s request to continue a full sales and revenue decoupling mechanism and a full cost balancing account for water supply, and instead orders GSWC to transition to a Monterey-style WRAM (or “M-WRAM”) and an incremental cost balancing account for supply costs. The decision adopts GSWC’s M-WRAM rate design proposal, authorizing GSWC to increase the revenue requirement in its service charges to between 45-48% depending on the ratemaking area representing ~65% of GSWC’s fixed costs in aggregate.

- ❑ **June 2024:** GSWC issued \$65.0 million of 3-year unsecured private placement notes at 5.5%, and used the proceeds to pay down outstanding borrowings under its revolving credit facility and to fund operations and capital expenditures.
- ❑ **June 2023:** The CPUC adopted a final decision in GSWC’s general rate case that determines new water rates for 2022 – 2024. The final decision approved the settlement agreement in its entirety between GSWC and the Public Advocates Office at the CPUC. Among other things, the settlement agreement:
  - resolved all issues related to the calculation of the 2022 annual revenue requirement in the general rate case application retroactive to January 1, 2022;
  - authorizes GSWC to invest approximately \$404.8 million in capital infrastructure over the three-year cycle, plus \$9.4 million of capital projects that have been completed and were filed for revenue recovery effective February 15, 2022 through advice letters;
  - increased GSWC’s adopted operating revenues for 2022 by approximately \$30.3 million, which includes an increase for higher adopted water supply costs of \$9.6 million, as compared to the 2021 adopted revenues, excluding the advice letter project revenues; and
  - allowed for additional increases in adopted revenues for 2023 that were retroactive to 1/1/2023, and also allowed for additional increases in adopted revenues for 2024 effective 1/1/2024.

The effect of the final decision was recorded in 2023, which included the impact of retroactive rates of \$0.38 per share related to the full year of 2022 as reported in our Form 10-Ks filed with the SEC.

- **June 2023:** The CPUC issued a final decision in the cost of capital proceeding that,
  - adopted GSWC’s requested capital structure of 57% equity and 43% debt;
  - adopted a cost of debt of 5.1% for GSWC as compared to 6.6% previously authorized;
  - adopted a return on equity of 8.85% for GSWC as compared to 8.9% previously authorized;
  - allowed for the continuation of the Water Cost of Capital Mechanism through 12/31/2024, and which resulted in an increase in GSWC's 8.85% adopted return on equity from the final decision to 9.36% effective 7/31/2023 through 12/31/2023, and 10.06% effective 1/1/2024; and
  - adopted the new cost of capital for the three-year period commencing 1/1/2022 through 12/31/2024.

Based on the final decision, all adjustments to rates are prospective and not retroactive. GSWC implemented the new cost of capital effective July 31, 2023. As a result, during 2023, GSWC recorded an increase in water revenues of \$6.4 million, or \$0.13 per share, resulting from the reversal of revenues subject to refund due to a change in estimates from what had been recorded during 2022 as a result of the lower cost of debt, and as reported in our Form 10-K filed with the SEC.

GSWC’s next cost of capital application was scheduled to be filed on 5/1/2025 effective for the years 2026 - 2028. However, GSWC, along with three other investor-owned water utilities (IOWUs) in California, filed a joint request with the CPUC to defer the filing deadline by an additional year, which was approved in January 2025. GSWC’s rate of return of 7.93% currently authorized in 2024 and for 2025 will remain in effect through 2026. GSWC will file a new application by 5/1/2026 with the new cost of capital effective 1/1/2027. Additionally, GSWC’s WCCM will remain active through the additional one year deferral period.



- **June 2023:** GSWC entered into its own separate credit agreement with a term of five years provided by a syndicate of banks and financial institutions, and that provides for a \$200 million unsecured revolving credit facility to support its water operations and growing capital investment program. A default under any indebtedness of AWR parent or any of its other subsidiaries will not result in a default under GSWC's credit agreement. In May 2025, GSWC executed an amendment to extend its credit facility term from June 2028 to June 2029.

# BVES Recent Accomplishments & Initiatives



- ❑ **July 2025:** BVES and the Public Advocates Office at the CPUC filed a joint motion with the CPUC to adopt a settlement agreement related to the construction of solar energy generation and battery storage facilities for a total combined cost of approximately \$28 million (plus AFUDC).
- ❑ **January 2025:** BVES received a final decision from the CPUC in its general rate case proceeding that set new electric rates for the years 2023 – 2026, with new rates retroactive to January 1, 2023, and:
  - authorizes BVES to invest approximately \$75.6 million in capital infrastructure including at least \$23.1 million of advice letter capital projects to be filed for recovery when completed;
  - adopts a cost of capital that includes a return on equity of 10.0%, a cost of debt of 5.51%, and a capital structure of 57% equity and 43% debt;
  - excluding the advice letters, increased BVES’s recorded revenues in 2024 by \$9.8 million as compared to 2023 recorded revenues; the advice letter projects will generate additional annual revenues of ~\$3 million when completed (these projects also accrue AFUDC during construction that will further increase the revenue requirement);
  - provides additional increases in adopted revenues of \$2.2 million in 2025 and \$3.3 million in 2026 not subject to an earnings test, and
  - approves recovery of capital expenditures and other incremental operating costs already incurred related to BVES’s wildfire mitigation plans not currently in customer rates.

The final decision was reflected in BVES’s 2024 recorded results that included cumulative adjustments retroactive to January 1, 2023. The new rates went into effect on March 1, 2025 and retroactive amounts are being recovered via a surcharge over a 36-month period. In April 2025, BVES implemented new base rates to recover the revenue requirement associated with \$11.6 million of capital projects approved for recovery through advice letters.

- ❑ **February 2025:** BVES completed the issuance of \$50.0 million in unsecured private placement notes at a coupon rate of 6.12% due February 12, 2030. BVES used the proceeds to pay down all outstanding amounts under its credit facility.
- ❑ **December 2024:** BVES had submitted its annual request for renewal of its safety certification to the Office of Energy Infrastructure Safety (OEIS) under the California Natural Resources Agency. In December 2024, OEIS renewed BVES's safety certification. Under California legislation a safety certification improves electric utilities' ability to recover wildfire costs.
- ❑ **October 2024:** OEIS issued a final decision approving BVES's 2025 Wildfire Mitigation Plan (WMP) update. The CPUC ratified this update in January 2025, which among other things, approves capital projects and programs dedicated to improving system safety and reliability specifically aimed at reducing the possibility of wildfires. California legislation requires all investor-owned electric utilities to have a WMP approved by OEIS and ratified by the CPUC. In July, 2025, OEIS issued a draft approval of BVES's 2026-2028 WMP. Final OEIS approval is expected in late August 2025, and the CPUC is expected to ratify it in the fourth quarter.

- ❑ **August 2024:** The CPUC issued a final decision in BVES's financing application that, among other things, approved BVES's request for the issuance and sale of additional long-term debt and equity securities of up to \$120.0 million over the next several years.
- ❑ **February 2024:** BVES has a separate revolving credit facility without a parent guaranty that supports its electric operations and capital expenditures, which was amended on February 15, 2024 to increase the borrowing capacity from \$50.0 million to \$65.0 million. The credit agreement will expire on July 1, 2026 and provides an option to increase the facility by an additional \$10.0 million, subject to lender approval.

- ❑ As of July 29, 2025, the U.S. Drought Monitor reported that 6% of California was considered in “extreme drought” with 23% identified as “severe drought”, as compared to a year ago when 4% and 21% were deemed in “moderate drought” and “abnormally dry” conditions, respectively. The southern portion of the State is currently experiencing these dry conditions disproportionately as compared to the northern portion of the State.
  - California's 2024-2025 water year, which began on October 1, 2024, has been positive with the State’s major reservoirs currently at above average capacity, as of April 1, 2025.
  - The California State Water Project allocation was increased to 50% on April 29, 2025 after an initial value of only 5% set in December 2024.
- ❑ In September 2022, the California Governor signed legislation setting more stringent targets
  - The indoor standard targets will decrease to 47 gallons per capita per day (gpcd) in 2025 and 42 gpcd in 2030 (previously set at 52.5 gpcd and 50 gpcd in 2025 and 2030, respectively).
- ❑ “Making Conservation a California Way of Life” passed the California legislation and went into effect in 2025. This new framework establishes permanent water use efficiency requirements for urban water suppliers, moving beyond temporary emergency measures.
  - Some of GSWC’s service areas are required to reduce water usage by 20% compared to 2020, and some areas are based on voluntary conservation with no set percentage reduction.
- ❑ CPUC has authorized memo accounts to track incremental drought-related costs for future recovery
- ❑ BVES’s service territory has experienced above average precipitation during the last five full calendar years (2020 - 2024). BVES’s WMPs are being executed, which include capital projects and programs dedicated to improving system safety and reliability specifically aimed at reducing the possibility of wildfires.

- ❑ **September 2023:** ASUS was awarded a new 15-year contract by the U.S. government that is different than its existing 50-year contracts to operate, maintain, and provide construction management services for the water distribution and wastewater collection and treatment facilities at Joint Base Cape Cod (JBCC) located in Massachusetts. ASUS began operations on April 15, 2024 following the completion of a transition period. Under this contract, ASUS will have the opportunity to perform work at JBCC through the periodic issuance of task orders by the U.S. government for up to a maximum initial firm fixed-price value of **\$75.0 million** over a 15-year period, subject to adjustments as task orders are issued.
- ❑ **August 2023:** The U.S. government awarded ASUS a new 50-year contract to operate, maintain, and provide construction management services for the water distribution and wastewater collection facilities at Naval Air Station Patuxent River in Maryland. ASUS began operations on April 1, 2024 following the completion of a transition period. The initial value of the contract was estimated at \$349 million over the 50-year period subject to an inventory adjustment and annual economic price adjustments. In July 2024, the contract value was increased to **\$378 million** after an inventory adjustment.

- ❑ **ASUS continues** to pursue new construction work on the military bases it serves:
  - During 2024, ASUS was awarded approximately \$56.5 million in new construction projects, which are expected to be completed beginning 2024 through 2027.
  - In 2023, including the two new contracts awarded in 2023, ASUS was awarded \$25.2 million in additional new construction projects at the existing bases for completion beginning in 2023 through 2026. This is in addition to \$34.4 million awarded in 2022 being completed through 2025.
  - Despite COVID-19-related delays, ASUS was awarded \$17.3 million and \$15.5 million of new construction projects in 2021 and 2020, respectively.
  - In the prior few years, new construction awards have exceeded \$20 million per year.
  
- ❑ **Update on Economic Price Adjustments (EPAs)** with the U.S. government for operating and maintaining the water and wastewater systems at the various military bases.
  - Pricing on all ASUS 50-year contracts with the U.S. government is current
  - All the 50-year contracts have been successfully converted to annual EPAs

- ❑ Deliver outstanding customer service
- ❑ Focus on operational efficiency to minimize costs to customers and determine additional ways to generate efficiencies through new technology implementation and process improvement
- ❑ Make prudent capital additions that enhance shareholder and customer value on a timely basis within approved rates:
  - In 2024, the Regulated Utilities invested **\$235.5 million** in company-funded capital. They expect to spend **\$170 – \$210 million** in 2025.
  - Adopted Average Water Rate Base at GSWC grows at a 6-Year CAGR of **10.3%** through 2024.
- ❑ Earn the authorized return on equity and return on rate base

- Receive timely recovery of costs
- Maintain good working relationship with state regulatory commission
- Be proactive in managing resources and influencing policy
- Expand customer base through organic growth and acquisitions
- Employ management systems to conserve water and energy resources (see our *ESG Report* available at [www.aswater.com](http://www.aswater.com))
- Maintain a strong water supply portfolio
- Purchase goods and services from diverse vendors

- Increase net income at the military bases currently served through:
  - Efficient operations
  - Requests for equitable adjustments
  - Economic price adjustments
  
- Increase the size and scope of our contracted services operations:
  - Further develop service opportunities on current military bases
  - Actively pursue numerous military bases still to be privatized; active bids are currently in process
  
- Earn higher returns on investment than the allowed returns for regulated utilities
  
- Deliver outstanding customer service

- ❑ GSWC meets its customers' water demand on average with:
  - **~50%** from GSWC's own groundwater sources
    - ✓ GSWC has a significant portfolio of adjudicated water rights
  - **~45%** purchased principally from the The Metropolitan Water District (MWD) and its member agencies, imported from:
    - ✓ California State Water Project
    - ✓ Colorado River
  - **~5%** from surface water under contracts with the United States Bureau of Reclamation and the Sacramento Municipal Utility District

# Environmental Strength

- ❑ Water usage per customer by Golden State Water Company customers was 39.1% lower in 2024 than in 2007.
- ❑ Capital improvement program at the regulated utilities has totaled nearly \$845.0 million in the last five years (2020-2024), improving water and electric reliability and reducing water loss throughout our systems, including \$235.5 million in 2024 of which \$15.9 million was spent on environmental control facilities.
  - Capital spending in 2025 is expected to be \$170 - \$210 million, of which \$23.5 million includes environmental control facilities
- ❑ Market-based Scope 1 and 2 greenhouse gas emissions in 2024 declined by more than 39% as compared to 2020, on our way to a 60% reduction goal by 2035.
- ❑ BVES's renewable power represented 44% of total retail sales in 2024. California's Renewables Portfolio Standard requirements continue to escalate, reaching 50% by 2026 and 100% carbon free by 2045.
- ❑ Our Environmental Guidelines commit to protecting the environment, ensuring the health and safety of our employees, our customers, and the diverse communities where we operate.
- ❑ California, home to our regulated utilities, is one of the leading states in the nation in setting environmentally-sensitive policies.

- ❑ Providing safe, reliable water, electricity and wastewater services to over one million people every day including homes, commercial and industrial businesses, and military bases.
- ❑ Community service – giving back to our local communities and military programs through volunteering and charitable contributions.
- ❑ Doing business with a broad group of vendors - our regulated utilities spend with diverse suppliers was 33.9% in 2024, a four-fold increase since 2004. At ASUS, in 2024 we awarded 86% of available dollars to small businesses, far exceeding the U.S. government’s requirements.
- ❑ Diversity focus – Our commitment to diversity and inclusion is embodied in the Company’s core values and our Diversity & Inclusion Policy provides the framework and covers all aspects of employment. Our workforce is representative of the U.S. workforce population in terms of racial diversity.

- ❑ 8 of 9 board members are independent, including the Chair
- ❑ 4 of 8 (50%) independent board members are female, including the Chair
- ❑ 75% of the CEO's long-term equity awards are performance-based
- ❑ The Company's clawback policy for its performance-based executive compensation meets the SEC's new clawback rules
- ❑ No poison pill
- ❑ The Nominating and Governance Committee of the board of directors provides Sustainability oversight at the board level. Updates to the ESG Report and the issues and disclosures contained within, are reviewed by this committee.

## **We will continue to:**

- Focus on growing the regulated utility businesses through necessary infrastructure replacement and water customer acquisition
- Improve efficiency of current operations at all business segments
- Pursue rate case and other regulatory filings timely
- Grow the contracted services business through additional military base privatizations and by developing significant opportunities for new construction work on the bases we currently serve
- Meet the needs of our customers and investors
- Be a leader in the industry by sticking to what we do best

***Providing value for investors and quality  
service to the customer***



<http://www.aswater.com>