
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-8966

H2O AMERICA

(Exact name of registrant as specified in its charter)

Delaware

77-0066628

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

110 West Taylor Street, San Jose, CA

(Address of principal executive offices)

95110

(Zip Code)

(408) 279-7800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	HTO	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Non-accelerated filer
Accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 21, 2025, there were 35,805,089 shares of the registrant's Common Stock outstanding.

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FORWARD-LOOKING STATEMENTS

This report 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:

- the risks associated with the proposed transactions with Quadvest, L.P., a Texas limited partnership and Quadvest Wholesale, LLC, a Texas limited liability company (together “Quadvest”), including, the risk of the proposed transactions not closing on the anticipated timeline, or at all, the ability to obtain required regulatory approvals, and the ability to successfully integrate Quadvest’s operations and realize the projected financial and other benefits of the proposed transactions;
- 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, per- and polyfluoroalkyl substances (“PFAS”) and other decisions;
- changes in demand for water and other services;
- unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage;
- the effect of the impacts of climate change;
- unexpected costs, charges or expenses;
- our ability to successfully evaluate investments in new business and growth initiatives;
- contamination of our water supplies and damage or failure of our water equipment and infrastructure;
- the risk of work stoppages, strikes and other labor-related actions;
- catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic, or other similar occurrences;
- changes in general economic, political, business and financial market conditions, including changes resulting from the recent U.S. government shutdown;
- 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
- legislative and general market and economic developments.

These risks, uncertainties and other factors may cause the actual results, performance or achievements of H2O America 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. In addition, actual results, performance or achievements 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 future performance, and speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

In May 2025, the Company changed the corporate name from SJW Group to H2O America. We will not distinguish between our prior and current corporate name and will refer to our current corporate name throughout this quarterly report on Form 10-Q. As such, unless expressly indicated or the context requires otherwise, the terms “H2O America,” “company,” “we,” “us,” and “our” in this document refer to H2O America, a Delaware corporation, and, where appropriate, its subsidiaries.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

H2O America and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(in thousands, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Operating revenue	\$ 240,550	225,063	\$ 606,404	550,619
Operating expense:				
Production Expenses:				
Purchased water	38,163	54,310	101,537	118,631
Power	8,175	3,396	15,509	8,560
Groundwater extraction charges	39,608	25,081	84,253	54,759
Other production expenses	12,374	12,919	36,857	36,020
Total production expenses	98,320	95,706	238,156	217,970
Administrative and general	31,306	25,708	87,861	71,964
Maintenance	8,016	8,512	22,985	23,080
Property taxes and other non-income taxes	9,516	9,361	27,217	26,610
Depreciation and amortization	28,765	27,423	85,797	84,159
Total operating expense	175,923	166,710	462,016	423,783
Operating income	64,627	58,353	144,388	126,836
Other (expense) income:				
Interest on long-term debt and other interest expense	(17,898)	(17,516)	(54,292)	(53,394)
Pension non-service credit	1,587	940	4,810	2,829
Other, net	2,607	(1,197)	5,384	2,659
Income before income taxes	50,923	40,580	100,290	78,930
Provision for income taxes	5,791	1,928	13,932	7,883
Net income	45,132	38,652	86,358	71,047
Other comprehensive loss, net	—	—	—	(442)
Comprehensive income	\$ 45,132	38,652	\$ 86,358	70,605
Earnings per share				
—Basic	\$ 1.27	1.17	\$ 2.49	2.19
—Diluted	\$ 1.27	1.17	\$ 2.48	2.18
Dividends per share	\$ 0.42	0.40	\$ 1.26	1.20
Weighted average shares outstanding				
—Basic	35,543,224	32,896,967	34,706,183	32,458,666
—Diluted	35,643,826	32,982,580	34,797,374	32,530,954

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share and per share data)

	September 30, 2025	December 31, 2024
Assets		
Utility plant:		
Land	\$ 44,657	44,657
Depreciable plant and equipment	4,526,148	4,249,314
Construction work in progress	277,948	179,486
Intangible assets	51,683	51,604
Total utility plant	4,900,436	4,525,061
Less: accumulated depreciation and amortization	1,102,312	1,036,450
Net utility plant	3,798,124	3,488,611
Nonutility properties	1,314	1,314
Less: accumulated depreciation	101	98
Net nonutility properties	1,213	1,216
Current assets:		
Cash and cash equivalents	11,314	11,114
Accounts receivable:		
Customers, net of allowances for credit losses of \$1,050 and \$1,172 on September 30, 2025 and December 31, 2024, respectively	86,008	68,679
Income tax	—	5,953
Other	6,490	7,059
Accrued unbilled revenue	73,131	60,847
Prepaid expenses	15,989	10,297
Current regulatory assets	7,047	18,172
Other current assets	7,227	8,593
Total current assets	207,206	190,714
Other assets:		
Regulatory assets, less current portion	242,376	224,055
Investments	19,271	18,087
Postretirement benefit plans	70,092	66,422
Goodwill	640,311	640,311
Other	32,061	28,893
Total other assets	1,004,111	977,768
Total assets	\$ 5,010,654	4,658,309

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share and per share data)

	September 30, 2025	December 31, 2024
Capitalization and liabilities		
Capitalization:		
Stockholders' equity:		
Common stock, \$0.001 par value; authorized 70,000,000 shares; issued and outstanding shares 35,805,089 on September 30, 2025 and 33,629,169 on December 31, 2024	\$ 36	34
Additional paid-in capital	941,759	827,796
Retained earnings	579,908	537,184
Accumulated other comprehensive income	1,960	1,960
Total stockholders' equity	1,523,663	1,366,974
Long-term debt, less current portion	1,756,955	1,706,904
Total capitalization	3,280,618	3,073,878
Current liabilities:		
Lines of credit	126,368	119,124
Current portion of long-term debt	18,010	3,648
Accrued groundwater extraction charges, purchased water and power	42,457	25,118
Accounts payable	61,238	56,256
Accrued interest	18,319	17,476
Accrued payroll	13,596	15,193
Current regulatory liabilities	3	1,122
Other current liabilities	24,172	23,236
Total current liabilities	304,163	261,173
Deferred income taxes	302,959	276,043
Advances for construction	183,892	155,397
Contributions in aid of construction	343,295	340,738
Postretirement benefit plans	44,264	45,063
Regulatory liabilities, less current portion	528,206	483,719
Other noncurrent liabilities	23,257	22,298
Commitments and contingencies		
Total capitalization and liabilities	\$ 5,010,654	4,658,309

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share and per share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Number of Shares	Amount				
Balances, December 31, 2024	33,629,169	\$ 34	827,796	537,184	1,960	1,366,974
Net income	—	—	—	16,551	—	16,551
Stock-based compensation	—	—	1,210	(9)	—	1,201
Issuance of restricted and deferred stock units	31,587	—	(908)	—	—	(908)
Employee stock purchase plan	26,129	—	1,116	—	—	1,116
Common stock issuance, net of costs	495,900	—	26,545	—	—	26,545
Dividends paid (\$0.42 per share)	—	—	—	(14,142)	—	(14,142)
Balances, March 31, 2025	34,182,785	\$ 34	855,759	539,584	1,960	1,397,337
Net income	—	—	—	24,675	—	24,675
Stock-based compensation	—	—	1,464	(9)	—	1,455
Issuance of restricted and deferred stock units	16,702	—	(61)	—	—	(61)
Common stock issuance, net of costs	1,087,593	1	57,168	—	—	57,169
Dividends paid (\$0.42 per share)	—	—	—	(14,604)	—	(14,604)
Balances, June 30, 2025	35,287,080	\$ 35	914,330	549,646	1,960	1,465,971
Net income	—	—	—	45,132	—	45,132
Stock-based compensation	—	—	1,988	(9)	—	1,979
Issuance of restricted and deferred stock units	418	—	1	—	—	1
Employee stock purchase plan	24,732	—	1,015	—	—	1,015
Common stock issuance, net of costs	492,859	1	24,425	—	—	24,426
Dividends paid (\$0.42 per share)	—	—	—	(14,861)	—	(14,861)
Balances, September 30, 2025	35,805,089	\$ 36	941,759	579,908	1,960	1,523,663

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share and per share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Number of Shares	Amount				
Balances, December 31, 2023	32,023,004	\$ 32	736,191	495,383	1,791	1,233,397
Net income	—	—	—	11,699	—	11,699
Unrealized loss on investment, net of tax of \$163	—	—	—	—	(442)	(442)
Stock-based compensation	—	—	1,538	(9)	—	1,529
Issuance of restricted and deferred stock units	30,432	—	(1,215)	—	—	(1,215)
Employee stock purchase plan	21,755	—	1,101	—	—	1,101
Common stock issuance, net of costs	126,025	—	7,006	—	—	7,006
Dividends paid (\$0.40 per share)	—	—	—	(12,824)	—	(12,824)
Balances, March 31, 2024	32,201,216	\$ 32	744,621	494,249	1,349	1,240,251
Net income	—	—	—	20,696	—	20,696
Stock-based compensation	—	—	1,275	(8)	—	1,267
Issuance of restricted and deferred stock units	9,083	—	(2)	—	—	(2)
Common stock issuance, net of costs	458,605	1	25,295	—	—	25,296
Dividends paid (\$0.40 per share)	—	—	—	(12,900)	—	(12,900)
Balances, June 30, 2024	32,668,904	\$ 33	771,189	502,037	1,349	1,274,608
Net income	—	—	—	38,652	—	38,652
Stock-based compensation	—	—	1,566	(8)	—	1,558
Issuance of restricted and deferred stock units	1,388	—	(1)	—	—	(1)
Employee stock purchase plan	21,098	—	1,087	—	—	1,087
Common stock issuance, net of costs	535,345	—	31,007	—	—	31,007
Dividends paid (\$0.40 per share)	—	—	—	(13,106)	—	(13,106)
Balances, September 30, 2024	33,226,735	\$ 33	804,848	527,575	1,349	1,333,805

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Nine months ended September 30,	
	2025	2024
Operating activities:		
Net income	\$ 86,358	71,047
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	89,638	85,811
Deferred income taxes	25,063	27,142
Stock-based compensation	4,662	4,379
Allowance for equity funds used during construction	(1,500)	(1,750)
Changes in operating assets and liabilities:		
Accounts receivable and accrued unbilled utility revenue	(30,717)	(26,509)
Accounts payable and other current liabilities	(5,687)	(2,271)
Accrued groundwater extraction charges, purchased water and power	17,339	13,954
Tax receivable and payable, and other accrued taxes	(5,612)	(17,960)
Postretirement benefits	(2,737)	(2,363)
Regulatory assets and liabilities excluding cost of removal, income tax temporary differences and postretirement benefits	7,098	836
Proceeds from litigation settlement, net	6,640	—
Other changes, net	(9,262)	1,750
Net cash provided by operating activities	181,283	154,066
Investing activities:		
Additions to utility plant:		
Company-funded	(351,069)	(252,275)
Contributions in aid of construction	(18,546)	(18,757)
Cost to retire utility plant, net of salvage	(2,728)	(2,286)
Proceeds from sale of real estate investments and release of escrow deposit	2,801	40,669
Other changes, net	—	(29)
Net cash used in investing activities	(369,542)	(232,678)
Financing activities:		
Borrowings from lines of credit	364,287	156,000
Repayments of lines of credit	(357,042)	(235,149)
Long-term borrowings	65,000	150,329
Repayments of long-term borrowings	(3,307)	(43,053)
Issuance of common stock, net of issuance costs	108,138	63,309
Dividends paid	(43,607)	(38,830)
Proceeds from litigation settlement, net	14,421	—
Receipts of advances and contributions in aid of construction	43,666	22,304
Refunds of advances for construction	(3,639)	(2,113)
Other changes, net	542	59
Net cash provided by financing activities	188,459	72,856
Net change in cash and cash equivalents	200	(5,756)
Cash and cash equivalents, beginning of period	11,114	9,723
Cash and cash equivalents, end of period	\$ 11,314	3,967
Cash paid (refunded) during the period for:		
Interest	\$ 58,308	52,299
Interest, net of amounts capitalized	\$ 53,277	49,716
Income taxes	\$ (2,286)	1,292
Supplemental disclosure of non-cash activities:		
Accrued payables for additions to utility plant	\$ 49,550	35,970
Utility property installed by developers	\$ 2,607	699
Proceeds receivable from sale of real estate investments	\$ —	2,801
Accrued selling expenses on sale of real estate investments	\$ —	2,201

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
(in thousands, except share and per share data)

Note 1. General

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation of the results for the interim periods.

The unaudited interim financial information has been prepared in accordance with accounting principles generally accepted in the United States of America and in accordance with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission (“SEC”). The Notes to Consolidated Financial Statements in H2O America’s 2024 Annual Report on Form 10-K, filed with the SEC on February 28, 2025, should be read in conjunction with the accompanying unaudited condensed consolidated financial statements.

In May 2025, the Company changed the corporate name from SJW Group to H2O America and the trading symbol from SJW to HTO on the Nasdaq Global Select Market. H2O America is a holding company that conducts its business through the following wholly owned subsidiaries: San Jose Water Company (“SJWC”), SJWTX Holdings, Inc., SJW Land Company, SJWNE LLC, and National Water Utility Service, LLC (“NWU”). SJWTX Holdings, Inc., is a holding company for its wholly owned subsidiaries, SJWTX, Inc., doing business as The Texas Water Company (“TWC”), Texas Water Operation Services, LLC (“TWOS”) and Texas Water Resources, LLC (“TWR”). SJWNE LLC is the holding company for Connecticut Water Service, Inc. (“CTWS”) whose wholly owned subsidiaries are The Connecticut Water Company (“CWC”), The Maine Water Company (“MWC”), New England Water Utility Services, Inc. (“NEWUS”), and Chester Realty, Inc.

Revenue

Water sales are seasonal in nature and influenced by weather conditions. The timing of precipitation and climatic conditions can cause seasonal water consumption by customers to vary significantly. Due to the seasonal nature of the water business, the operating results for interim periods are not indicative of the operating results for a 12-month period. Revenue is generally higher in the warm, dry summer months when water usage and sales are greater, and lower in the winter months when cooler temperatures and increased precipitation curtail water usage resulting in lower sales.

H2O America’s revenue components are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue from contracts with customers	\$ 243,522	216,677	\$ 606,162	539,790
Alternative revenue programs, net	3,996	7,369	6,347	6,847
Other balancing and memorandum accounts and regulatory mechanisms, net	(7,804)	(1,432)	(8,792)	(1,019)
Rental income	836	2,449	2,687	5,001
	<u>\$ 240,550</u>	<u>225,063</u>	<u>\$ 606,404</u>	<u>550,619</u>

Nonutility Properties

The major components of nonutility properties as of September 30, 2025 and December 31, 2024, are as follows:

	September 30, 2025	December 31, 2024
Land	\$ 915	915
Buildings and improvements	399	399
Subtotal	1,314	1,314
Less: accumulated depreciation	101	98
Total	<u>\$ 1,213</u>	<u>1,216</u>

Fair Value Measurement

The following instruments are not measured at fair value on H2O America’s condensed consolidated balance sheets as of September 30, 2025, but require disclosure of their fair values: cash and cash equivalents, accounts receivable and accounts payable. The estimated fair value of such instruments as of September 30, 2025 approximates their carrying value as reported

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
(in thousands, except share and per share data)

on the condensed consolidated balance sheets. There have been no changes in valuation techniques during the three and nine months ended September 30, 2025. The fair value of these instruments would be categorized as Level 2 in the fair value hierarchy, with the exception of cash and cash equivalents, which would be categorized as Level 1.

The fair value of H2O America's long-term debt was \$1,603,773 and \$1,490,024 as of September 30, 2025 and December 31, 2024, respectively, and was determined using a discounted cash flow analysis, based on the current rates for similar financial instruments of the same duration and creditworthiness of the company. Of the total fair value of long-term debt at September 30, 2025 and December 31, 2024, \$1,586,432 and \$1,473,393, respectively, would be categorized as Level 2 in the fair value hierarchy and \$17,341 and \$16,631, respectively, would be categorized as Level 3 in the fair value hierarchy.

CTWS's additional retirement benefits under the supplemental executive retirement plans and retirement contracts are funded by investment assets held by a Rabbi Trust. The fair value of the money market funds, mutual funds and fixed income investments in the Rabbi Trust was \$2,566 and \$2,812 as of September 30, 2025 and December 31, 2024, respectively, and are categorized as Level 1 in the fair value hierarchy.

Earnings per Share

Basic earnings per share is calculated using income available to common stockholders, divided by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated using income available to common stockholders divided by the weighted average number of shares of common stock including both shares outstanding and shares potentially issuable in connection with restricted common stock awards under H2O America's long-term incentive plans and shares potentially issuable under H2O America's employee stock purchase plan. For the three months ended September 30, 2025 and 2024, 4,954 and 485 anti-dilutive restricted common stock units were excluded from the diluted earnings per share calculation, respectively. For the nine months ended September 30, 2025 and 2024, 38,734 and 5,289 anti-dilutive restricted common stock units were excluded from the diluted earnings per share calculation, respectively.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
(in thousands, except share and per share data)

New Accounting Standards

The recently issued accounting standards that have not yet been adopted by the company as of September 30, 2025 are as follows:

Standard	Description	Date of Adoption	Application	Effect on the Condensed Consolidated Financial Statements
Accounting Standards Update (“ASU”) 2023-09 “Improvements to Income Tax Disclosures”	The ASU amends certain income tax disclosure requirements, including adding requirements to present the reconciliation of income tax expense computed at the statutory rate to actual income tax expense using both percentages and amounts and providing a disaggregation of income taxes paid. Further, certain disclosures are eliminated, including the current requirement to disclose information on changes in unrecognized tax benefits in the next 12 months.	H2O America will adopt the ASU beginning with its annual financial statements for the year ending December 31, 2025.	Prospective, with retrospective application also permitted.	The standard is expected to only result in updates to disclosure and is not expected to have a material impact on the Company’s financial position and results of operations.
ASU 2024-03 “Disaggregation of Income Statement Expenses”	The ASU requires disclosure, in the notes to the financial statements, of specified information about certain costs and expenses. The ASU requires disclosure of purchases of inventory, employee compensation, depreciation, and intangible asset amortization in interim and annual reporting periods. Further, other amounts already required to be disclosed in accordance with current U.S. GAAP would be included in the same disclosure as the other disaggregation requirements. Additionally, the ASU requires qualitative descriptions of amounts remaining in relevant expense captions that are not separately disaggregated quantitatively as well as disclosure of selling expenses in annual periods and an entity’s definition of selling expenses.	The ASU is effective for H2O America for its annual financial statements for the year ending December 31, 2027 and for interim reporting periods for the year ending December 31, 2028. Early adoption is permitted.	Prospective, with retrospective application also permitted.	The standard is expected to only result in updates to disclosure and is not expected to have a material impact on the Company’s financial position and results of operations.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
(in thousands, except share and per share data)

Note 2. Regulatory Matters

Regulatory assets and liabilities are comprised of the following as of September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
Regulatory assets:		
Income tax temporary differences (a) (p)	\$ 196,072	180,103
Monterey Water Revenue Adjustment Mechanism (“MWRAM”) (b)	9,660	9,985
Business combinations debt premium (c) (p)	10,407	12,313
Employee benefit costs (d) (p)	6,008	6,370
Revenue adjustment mechanisms (e) (p)	8,670	5,024
Customer Assistance Program (“CAP”) balancing account (f)	4,281	6,599
Unrecognized pensions and other postretirement benefits (g) (p)	1,506	3,177
2022 general rate case interim memorandum account (h)	—	3,392
Other (j)	12,819	15,264
Total regulatory assets	249,423	242,227
Less: current regulatory assets (k)	7,047	18,172
Total regulatory assets, less current portion	\$ 242,376	224,055
Regulatory liabilities:		
Cost of removal (l)	387,169	364,398
Future income tax benefits due to customers (m)	82,349	84,128
Unrecognized pensions and other postretirement benefits (g)	27,608	27,872
PFAS legal settlement proceeds (q)	20,986	—
Employee benefit costs (d)	6,850	1,137
Water supply costs (i)	605	3,386
Revenue adjustment mechanisms (e)	89	1,122
Other (n)	2,553	2,798
Total regulatory liabilities	528,209	484,841
Less: current regulatory liabilities (o)	3	1,122
Total regulatory liabilities, less current portion	\$ 528,206	483,719

- (a) Consists primarily of temporary income tax differences that are flowed through to customers, which will be recovered in future rates as these temporary differences reverse. The company expects to recover regulatory assets related to plant depreciation income tax temporary differences over the lives of the plant assets, which are between 5 to 100 years.
- (b) MWRAM is described in the following section.
- (c) Consists of debt fair value adjustments recognized through purchase accounting for the completed merger with CTWS in 2019.
- (d) Includes deferrals of pension and other postretirement benefit expense and cost of accrued benefits for vacation, and group health insurance.
- (e) Primarily relates to Water Rate Adjustment mechanism (“WRA”). WRA and Water Conservation Memorandum Account (“WCMA”) are described in the following section.
- (f) Represents costs associated with SJWC’s CAP.
- (g) Represents actuarial losses and gains and prior service cost that have not yet been recognized as components of net periodic benefit cost for certain pension and other postretirement benefit plans.
- (h) Represents the difference between revenues collected in interim rates in effect as of January 1, 2022 and revenues that would result from rates authorized in SJWC’s 2022 general rate case retroactive to January 1, 2022.
- (i) Reflects primarily SJWC’s Full Cost Balancing Account (“FCBA”), which tracks differences in actual water supply costs compared to amounts assumed in base rates, including applicable changes and variations in costs and quantities that affect the overall mix of the water supply.
- (j) Other includes other balancing and memorandum accounts and regulatory mechanisms, deferred costs for certain information technology activities, asset retirement obligations, tank painting, well reconditioning and rate case expenses.
- (k) Primarily relates to SJWC’s balancing and memorandum account surcharge in accordance with Decision No. 24-12-077 and the current portion of CWC’s deferred well redevelopment and rate case costs.
- (l) Represents amounts collected in rates from customers for estimated costs to retire assets at the end of their expected useful lives before the costs are incurred.

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- (m) On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “Tax Act”) was signed into law. The Tax Act included a reduction in the federal income tax rate from 35% to 21%. The rate reduction was effective on January 1, 2018 and resulted in a regulatory liability for the excess deferred income taxes. The benefit of amortization of excess deferred income taxes flows back to the customers under current normalization rules and agreed upon methods with the commissions.
- (n) Other includes accrued tank painting costs and other regulatory mechanisms.
- (o) Primarily relates to the current portion of WRA.
- (p) Generally, not earning a return either by interest on the regulatory asset or as a component of rate base at the allowed rate of return.
- (q) Primarily relates to legal settlements received by SJWC and CWC from ongoing PFAS water contamination litigation against manufacturers which will be used to offset future costs incurred, recorded as Contributions in Aid of Construction (“CIAC”), or returned to customers through future rates. Water Contamination Litigation Memorandum Account (“WCLMA”) has been established to track net proceeds and costs resulting from water contamination litigation related to SJWC.

SJWC has established balancing accounts for the purpose of tracking the under-collection or over-collection associated with expense changes and the revenue authorized by the California Public Utilities Commission (“CPUC”) to offset those expense changes. SJWC has been authorized for the use of the FCBA to track water supply costs and energy consumption. The MWRAM balancing account tracks the difference between the revenue received for actual metered sales through the tiered volumetric rate and the revenue that would have been received with the same actual metered sales if a uniform rate would have been in effect.

SJWC also maintains memorandum accounts to track impacts due to catastrophic events, certain unforeseen water quality expenses related to new federal and state water quality standards, energy efficiency, water conservation, water tariffs, and other approved activities or as directed by the CPUC. The WCLMA allows SJWC to track net proceeds and costs resulting from water contamination litigation. The WCMA allows SJWC to track lost revenue, net of related water costs, associated with reduced sales due to water conservation and associated calls for water use reductions, both mandatory and voluntary. SJWC records the lost revenue captured in the WCMA balancing accounts, including amounts related to a 20-basis point reduction in the authorized return on equity per the terms of the WCMA. Applicable drought surcharges collected are used to offset the revenue losses tracked in the WCMA. All balancing accounts and memorandum accounts not included for recovery or refund in the current general rate case will be reviewed by the CPUC in SJWC’s next general rate case or at the time an individual account balance reaches a threshold of 2% of authorized revenue, whichever occurs first. On December 19, 2024, the CPUC issued General Rate Case Decision No. 24-12-077, which approved a recovery of \$15,792 in balancing and memorandum accounts from customers through a 12-month surcharge effective January 1, 2025.

CWC has been authorized by the Connecticut Public Utilities Regulatory Authority (“PURA”) to utilize a WRA, a decoupling mechanism, to mitigate risk associated with changes in demand. The WRA is used to reconcile actual water demands with the demands projected in the most recent general rate case and allows the company to implement a surcharge or sur-credit as necessary to recover or refund the revenues approved in the general rate case. The WRA allows the company to defer, as a regulatory asset or liability, the amount by which actual revenues deviate from the revenues allowed in the most recent general rate proceedings.

Note 3. Capitalization

In October 2024, H2O America entered into an equity distribution agreement (the, “Equity Distribution Agreement”) with BofA Securities, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Wells Fargo Securities, LLC, pursuant to which the company may offer and sell shares of its common stock, \$0.001 par value per share, from time to time in “at-the-market” offerings, having an aggregate gross sales price of up to \$200,000. The Equity Distribution Agreement replaced the previous agreement that ended in 2024. For the three and nine months ended September 30, 2025, H2O America issued and sold a total of 492,859 and 2,076,352 shares of common stock, respectively, with a weighted average price of \$50.27 and \$52.47 per share respectively, and received \$24,425 and \$108,138 in net proceeds, respectively, under the Equity Distribution Agreement. Since the inception of the Equity Distribution Agreement, H2O America has issued and sold 2,451,865 shares of common stock at a weighted average price of \$52.92 for a total net proceeds of \$128,307 and has \$70,239 of aggregate gross sales price of shares remaining to issue under the Equity Distribution Agreement as of September 30, 2025.

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Note 4. Lines of Credit and Long-Term Liabilities

H2O America's contractual obligations and commitments include senior notes, bank term loans, revenue bonds, state revolving fund loans and other obligations.

Lines of Credit

The weighted average interest rate on short-term borrowings outstanding at September 30, 2025, was 5.10%, compared to 6.08% at December 31, 2024.

As of September 30, 2025, the unused portion of the lines of credit was \$243,632.

On July 11, 2025, CTWS repaid the outstanding balance of \$25,000 under its credit agreement and concurrently terminated the credit agreement.

SJWC has entered into a \$10,000 credit agreement with JPMorgan Chase Bank, N.A., dated June 11, 2025. The credit agreement has a maturity date of June 11, 2026. This line of credit was unused at September 30, 2025.

On September 12, 2025, H2O America and its subsidiaries, SJWC, SJWTX, CWC and MWC, entered into an Amended and Restated Credit Agreement to extend and increase the revolving credit facility with JPMorgan Chase Bank and Wells Fargo Securities, LLC. Pursuant to the amended agreement, the total commitment under the facility was increased from \$300,000 to \$350,000, and the maturity date was extended from August 2, 2029 to September 12, 2030.

Long-Term Liabilities

On May 23, 2025, MWC submitted an application with the MPUC seeking approval to issue unsecured notes in an amount up to \$25,000. The MPUC granted approval on June 17, 2025. On July 10, 2025, MWC issued a promissory note to a national cooperative bank under an existing master loan agreement for a principal amount of \$25,000 at a fixed interest rate of 6.70%. The note is an unsecured obligation of MWC due on July 20, 2055. Interest is payable quarterly in arrears on the 20th day of January, April, July and October of each year.

On September 18, 2025, TWC issued a promissory note to a national cooperative bank under an existing master loan agreement for a principal amount of \$40,000 at a fixed interest rate of 6.68%. This note is an unsecured obligation of TWC due on September 1, 2055. Interest is payable quarterly in arrears on the 20th day of January, April, July and October of each year.

Note 5. Income Taxes

Income tax expense was \$5,791 and \$1,928 for the three months ended September 30, 2025 and 2024, respectively. Income tax expense was \$13,932 and \$7,883 for the nine months ended September 30, 2025 and 2024, respectively. The effective consolidated income tax rates were 11% and 5% for the three months ended September 30, 2025 and 2024, respectively, and 14% and 10% for the nine months ended September 30, 2025 and 2024, respectively. The lower effective tax rate for the three and nine months ended September 30, 2024 was primarily due to a tax accounting method change related to the repairs deductions filed in 2024.

H2O America had unrecognized tax benefits, before the impact of deductions of state taxes, excluding interest and penalties, of \$4,093 and \$3,707 as of September 30, 2025 and December 31, 2024, respectively. H2O America currently does not expect uncertain tax positions to change significantly over the next 12 months, except in the case of a lapse of the statute of limitations.

On July 4, 2025, Public Law No. 119-21, referred to as the One Big Beautiful Bill Act ("OBBBA"), was signed into law. The OBBBA contains several changes to corporate taxation including the extension of key provisions of the 2017 Tax Cuts and Jobs Act. The legislation has multiple effective dates, with certain provisions effective in 2025 and others phased in through tax year 2027. The legislation may be subject to further clarification and the issuance of interpretive guidance. The Company evaluated the impact of the OBBBA tax legislation in the third quarter of 2025, the period of enactment, and the impact was not material to the provision for income taxes and deferred tax balances.

Note 6. Commitments and Contingencies

H2O America and its subsidiaries are subject to ordinary routine litigation incidental to its business.

In October 2023, CWC, a subsidiary of H2O America, was named as a defendant in a putative class action lawsuit alleging that the water provided by CWC contained contaminants. The case is currently pending in the State of Connecticut Superior Court.

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CWC intends to vigorously defend itself in this lawsuit. H2O America is unable to provide a reasonable estimate of loss, if any, at this time.

SJWC and CWC are plaintiffs in a lawsuit against manufacturers of certain PFAS compounds for damages, contribution and reimbursement of costs incurred and continuing to be incurred to address the presence of such PFAS compounds in public water supply systems owned and operated by these utility subsidiaries and throughout their respective service areas. The lawsuit is part of Multi-District Litigation (“MDL”) that commenced on December 7, 2018, in the United States District Court for the District of South Carolina. MWC has submitted timely claims as a settlement class member.

On February 8, 2024, the MDL court approved settlements involving defendants The Chemours Company, Corveva, Inc., and DuPont de Nemours, Inc. to resolve claims brought in the MDL against them by public water systems, including SJWC and CWC. On March 29, 2024, the MDL court approved a similar settlement involving defendant 3M Company. On November 22, 2024, the MDL court approved settlements involving defendants Tyco Fire Products LP and BASF Corporation. H2O America is entitled to a portion of the settlements and is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted.

For the three and nine months ended September 30, 2025, the Company received cash proceeds of \$14,710 and \$21,152, respectively, in connection with a legal settlement with 3M Company related to PFAS contamination. In the third quarter of 2025, the total proceeds of \$14,710 were allocated as follows: SJWC received \$10,078; CWC received \$4,571; and MWC received \$61. For the nine months ended September 30, 2025, the total proceeds of \$21,152 were allocated as follows: SJWC received \$14,497; CWC received \$6,477; and MWC received \$178, which includes \$91 payable to contract operators. The proceeds are compensatory in nature and are intended to reimburse the Company for costs incurred to address the presence of PFAS compounds in public water supply systems or to be refunded to customers through rate reductions, and have been recorded as a regulatory liability subject to regulatory approval.

H2O America is entitled to receive additional cash proceeds from 3M Company in the subsequent nine years, pursuant to the terms of the settlement agreement. In addition, the Company is party to pending settlements with DuPont de Nemours, Inc., Tyco Fire Products LP, and BASF Corporation. Proceeds from these settlements are also expected to be received in 2025 and will be accounted for in a manner consistent with the 3M Company settlement.

H2O America is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted. However, the amount of these additional proceeds is not estimable as of the date of this filing.

Note 7. Benefit Plans

H2O America maintains noncontributory defined benefit pension plans for its eligible employees. SJWC employees hired before March 31, 2008 and CWC and MWC employees hired before January 1, 2009 are entitled to benefits under the pension plans based on the employee’s years of service and compensation. For SJWC employees hired on or after March 31, 2008, benefits are determined using a cash balance formula based upon compensation credits and interest credits for each employee. Starting in 2023, TWC employees are also eligible to participate under SJWC’s cash balance plan. Certain employees hired before March 1, 2012, and covered by a plan merged into the CWC plan in 2013 are also entitled to benefits based on the employee’s years of service and compensation. CTWS employees hired on or after January 1, 2009, are entitled to an additional 1.5% of eligible compensation to their company sponsored savings plan. H2O America does not have multi-employer plans.

In addition, senior management hired before March 31, 2008, for SJWC and January 1, 2009 for CWC, are eligible to receive additional retirement benefits under supplemental executive retirement plans and retirement contracts. SJWC’s senior management hired on or after March 31, 2008, are eligible to receive additional retirement benefits under SJWC’s Cash Balance Executive Supplemental Retirement Plan. The supplemental retirement plans and Cash Balance Executive Supplemental Retirement Plan are non-qualified plans in which only senior management and other designated members of management may participate. H2O America also provides health care and life insurance benefits for retired employees under employer-sponsored postretirement benefits that are not pension plans.

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The components of net periodic benefit costs for the defined benefit plans and other postretirement benefits for the three and nine months ended September 30, 2025 and 2024 are as follows:

	Pension Benefits		Other Benefits	
	Three months ended September 30,			
	2025	2024	2025	2024
Service cost	\$ 1,644	1,666	\$ 156	166
Interest cost	3,901	3,613	337	295
Expected return on assets	(4,944)	(4,463)	(295)	(267)
Amortization of actuarial (gain) loss	(458)	(18)	(214)	(161)
Amortization of prior service cost	4	4	—	—
Total	<u>\$ 147</u>	<u>802</u>	<u>\$ (16)</u>	<u>33</u>

	Pension Benefits		Other Benefits	
	Nine months ended September 30,			
	2025	2024	2025	2024
Service cost	\$ 4,931	4,997	\$ 468	498
Interest cost	11,702	10,839	1,011	886
Expected return on assets	(14,831)	(13,389)	(885)	(801)
Amortization of actuarial (gain) loss	(1,373)	(53)	(642)	(483)
Amortization of prior service cost	11	11	—	—
Total	<u>\$ 440</u>	<u>2,405</u>	<u>\$ (48)</u>	<u>100</u>

In 2025, H2O America expects to make required and discretionary cash contributions of up to \$6,113 to the pension plans and other postretirement benefits. For the three and nine months ended September 30, 2025, H2O America has made \$1,395 and \$3,500, respectively, contributions to such plans.

Note 8. Equity Plans

H2O America's long-term incentive plans provide employees, non-employee board members or the board of directors of any parent or subsidiary, consultants, and other independent advisors who provide services to the company or subsidiary the opportunity to acquire an equity interest in H2O America. H2O America also maintains stock plans in connection with its acquisition of CTWS which are no longer granting new stock awards. In addition, shares are issued to employees under H2O America's employee stock purchase plan ("ESPP"). As of September 30, 2025, 280,861 shares are issuable upon the vesting of outstanding restricted stock units and deferred restricted stock units and an additional 863,128 shares are available for award issuances under the long-term incentive plans.

A summary of compensation costs charged to income, by award type, and proceeds from the ESPP, are presented below for the three and nine months ended September 30, 2025 and 2024:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Compensation costs charged to income:				
ESPP	\$ 75	259	\$ 264	454
Restricted stock and deferred restricted stock	1,913	1,307	4,398	3,925
Total compensation costs charged to income	<u>\$ 1,988</u>	<u>1,566</u>	<u>\$ 4,662</u>	<u>4,379</u>
ESPP proceeds	<u>\$ 1,015</u>	<u>1,087</u>	<u>\$ 2,131</u>	<u>2,188</u>

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Restricted Stock and Deferred Restricted Stock

For the three months ended September 30, 2025, H2O America granted 31,771 of two-year and three-year service-based restricted stock awards with a weighted average grant date fair value per unit of \$45.81. For the three months ended September 30, 2024, there was no grant activity of service-based restricted stock awards. For the nine months ended September 30, 2025 and 2024, H2O America granted 98,085 and 64,482, respectively, of one-year, two-year, and three-year service-based restricted stock awards with a weighted average grant date fair value per unit of \$46.17 and \$56.70, respectively.

For the three months ended September 30, 2025, H2O America granted 18,744 target units, of performance-based and market-based restricted stock awards with a weighted-average grant date fair value per unit of \$51.47. For the three months ended September 30, 2024, there was no grant activity of performance-based and market-based restricted stock awards. For the nine months ended September 30, 2025 and 2024, H2O America granted 76,952 and 45,763 target units, respectively, of performance-based and market-based restricted stock awards with a weighted average grant date fair value per unit of \$51.80 and \$55.60, respectively. Based upon actual attainment relative to the target performance metric, the number of shares issuable can range between 0% to 150% of the target number of shares for performance-based restricted stock awards, or between 0% and 200% of the target number of shares for market-based restricted stock awards.

As of September 30, 2025, the total unrecognized compensation costs related to restricted and deferred restricted stock plans was \$9,265. This cost is expected to be recognized over a weighted average period of 1.90 years.

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Note 9. Segment Reporting

H2O America's single reportable segment provides water utility and utility-related services to its customers through H2O America's subsidiaries, SJWC, CWC, TWC, MWC, and Acequia, which are aggregated and referred to as "Water Utility Services." Water Utility Services' activities are water utility operations with both regulated and non-tariffed businesses. Other business activities that do not comprise separately reportable segments primarily include SJWC's City of Cupertino service concession arrangement operations, property management and investment activity conducted by SJW Land Company and Chester Realty, Inc., contract water and sewer operations and other water-related services provided by NEWUS and are referred to as "Other Services."

H2O America's operating segments have been determined based on information used by the chief operating decision maker. H2O America's chief operating decision makers ("CODM") include the Chief Executive Officer; the Chief Financial Officer and Treasurer; the President and Chief Operating Officer; the President of Shared Services and Senior Vice President and Chief Administrative Officer; and the Vice President and General Counsel. However, ultimate decision-making authority rests with the Chief Executive Officer. The CODM reviews financial information presented on a consolidated basis that is accompanied by certain disaggregated information about operating revenue, expenses, net income, and total assets. The CODM uses net income to assess the financial performance of the segments and allocate resources (including employees, financial, or capital resources) in the budgeting and forecasting process.

Certain allocated assets, such as goodwill, revenue and expenses have been included in the reportable segment amounts. Certain corporate costs and expenses are not allocated to Water Utility Services or Other Services and are shown separately to reconcile to the applicable consolidated amounts. As previously disclosed, H2O America updated its segment presentation in the fourth quarter of 2024. Accordingly, prior period information has been recast to conform with the current period presentation.

The following tables set forth information relating to H2O America's reportable segment and other business activities:

	For the three months ended September 30, 2025			
	Reportable Segment		Unallocated Corporate (2)	Consolidated
	Water Utility Services	Other Services (1)		
Operating revenue	\$ 236,222	4,328	—	240,550
Less:				
Production expenses	96,411	1,909	—	98,320
Administrative and general	30,599	251	456	31,306
Maintenance	7,100	916	—	8,016
Property taxes and other non-income taxes	9,563	21	(68)	9,516
Depreciation and amortization	28,505	30	230	28,765
Interest on long-term debt and other interest expense	12,600	—	5,298	17,898
Provision (benefit) for income taxes	5,743	591	(543)	5,791
Other (3)	(1,435)	(370)	(2,389)	(4,194)
Net income (loss)	\$ 47,136	980	(2,984)	45,132
Capital expenditures	\$ 153,212	—	—	153,212

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	For the nine months ended September 30, 2024			
	Reportable Segment		Unallocated Corporate (2)	Consolidated
	Water Utility Services	Other Services (1)		
Operating revenue	\$ 537,899	12,720	—	550,619
Less:				
Production expenses	214,001	3,969	—	217,970
Administrative and general	66,848	2,113	3,003	71,964
Maintenance	21,607	1,473	—	23,080
Property taxes and other non-income taxes	26,273	365	(28)	26,610
Depreciation and amortization	83,230	259	670	84,159
Interest on long-term debt and other interest expense	35,095	520	17,779	53,394
Provision (benefit) for income taxes	10,203	1,221	(3,541)	7,883
Other (3)	(1,962)	335	(3,861)	(5,488)
Net income (loss)	\$ 82,604	2,465	(14,022)	71,047
Capital expenditures	\$ 271,032	—	—	271,032

- (1) The “Other Services” category includes the accounts of SJW Land Co, Chester Reality, Inc., SJWC’s Cupertino service concession arrangement operations, TWOS, TWR, and NEWUS, on a stand-alone basis.
- (2) The “Unallocated Corporate” category includes the accounts of H2O America, SJWNE LLC, SJWTX Holdings, Inc., CTWS, NWU on a stand-alone basis.
- (3) Primarily comprised of pension non-service credit (cost) and items of miscellaneous non-operating income (expense).

H2O America’s assets for the Water Utility Services reportable segment and all other are as follows as of:

	September 30, 2025	December 31, 2024
Water Utility Services (reportable segment)	\$ 4,930,531	4,567,182
Other Services	23,209	25,053
Unallocated Corporate	56,914	66,074
Total assets	\$ 5,010,654	4,658,309

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Note 10. Acquisitions

Quadvest acquisition

On July 7, 2025, the Company, through its indirect subsidiary, TWC, entered into an Asset Purchase Agreement (the “Regulated Business APA”), with Quadvest, L.P., a Texas limited partnership, as seller (“Quadvest Retail”) and the Company, as guarantor, pursuant to which, and subject to the terms and conditions set forth therein, Quadvest Retail has agreed to sell, and TWC has agreed to acquire, substantially all of the assets of Quadvest Retail related to the operation of Quadvest Retail’s water and sewer utility business (the “Regulated Business”) at a purchase price consisting of a base amount of \$483,600, with certain adjustments based on capital expenditures (the “Regulated Business Transaction”). The Regulated Business Transaction will be subject to the satisfaction of various closing conditions set forth in the Regulated Business APA, including satisfaction of the closing conditions with respect to the Wholesale Business Transaction described below.

Concurrently on July 7, 2025, the Company, its indirect subsidiary, Texas Water Operation Services, LLC (“TWOS”) and TWC (together with the Company and TWOS, the “Purchasers”), entered into another Asset Purchase Agreement (the “Wholesale Business APA” and together with the Regulated Business APA, the “Agreements”), with Quadvest Retail and its affiliate, Quadvest Wholesale, LLC, a Texas limited liability company (“Quadvest Wholesale” and together with Quadvest Retail, the “Sellers”), pursuant to which, and subject to the terms and conditions set forth therein, Quadvest Wholesale has agreed to sell, and TWOS has agreed to acquire substantially all of the assets of Quadvest Wholesale related to the operation of Quadvest Wholesale’s wholesale water and sewer business (the “Wholesale Business” and together with the Regulated Business, the “Businesses”) at a purchase price consisting of a base amount of \$56,400, with certain adjustments based on capital expenditures (the “Wholesale Business Transaction”, and together with the Regulated Business Transaction, the “Transactions”). The Wholesale Business Transaction will be subject to the satisfaction of various closing conditions set forth in the Wholesale Business APA, including the simultaneous closing of the Regulated Business Transaction described above.

Note 11. Subsequent Events

Long-term debt issuance for CWC

On October 28, 2025, CWC entered into a note purchase agreement with certain institutional investors, pursuant to which the company agreed to sell an aggregate principal amount of \$60,000 of its 6.08% Senior Notes, Series 2025 (“Series 2025 Notes”). The Series 2025 Notes are unsecured obligations of CWC and are due on November 1, 2055. Interest is payable semi-annually in arrears on May 1st and November 1st of each year, commencing May 1, 2026.

PFAS litigation settlement

In October of 2025, the Company received cash proceeds of \$3,762, in connection with a legal settlement with DuPont de Nemours, Inc. related to PFAS contamination. The total proceeds were allocated as follows: SJWC received \$2,542; CWC received \$1,153; and MWC received \$67 which includes \$52 payable to contract operators.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollar amounts in thousands, except per share amounts and where otherwise noted)

The information in this Item 2 should be read in conjunction with the financial information and the notes thereto included in Item 1 of this Form 10-Q and the condensed consolidated financial statements and notes thereto and the related “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in H2O America’s Annual Report on Form 10-K for the year ended December 31, 2024.

This report contains forward-looking statements within the meaning of the federal securities laws relating to future events and future results of H2O America and its subsidiaries that are based on current expectations, estimates, forecasts, and projections about H2O America and its subsidiaries and the industries in which H2O America and its subsidiaries operate and the beliefs and assumptions of the management of H2O America. Actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of a number of factors. For more information about such forward-looking statements, including some of the factors that may affect our actual results, please see our disclosures under “Forward-Looking Statements,” and elsewhere in this Form 10-Q, including Part II, Item 1A under “Risk Factors” as well as the disclosures under Part I, Item 1A in H2O America’s Annual Report on Form 10-K for the year ended December 31, 2024 under “Risk Factors.”

General:

In May 2025, the Company changed the corporate name from SJW Group to H2O America. H2O America is a holding company whose primary business involves ownership of public utilities that provide water and wastewater services, including the production, purchase, storage, purification, distribution, wholesale and retail sale of water. The water utility business of H2O America is conducted through the following wholly owned subsidiaries: San Jose Water Company (“SJWC”), The Connecticut Water Company (“CWC”), The Maine Water Company (“MWC”), SJWTX, Inc. doing business as The Texas Water Company (“TWC”). These subsidiaries provide water service to approximately 407,000 water and wastewater service connections and serve a combined population of over 1.6 million people in California, Connecticut, Maine and Texas. Water utility services provided by these businesses are subject to regulation by the applicable state public utility commissions. These subsidiaries also engage in non-tariffed operations that are not subject to public utility commission regulation, including contract water and sewer operations, maintenance agreements, and antenna site leases.

Together, SJWC, excluding the City of Cupertino (“Cupertino”) service concession arrangement operations, CWC, MWC and TWC are referred to as “Water Utility Services,” which is our single reportable segment.

Other business activities that are not separately reportable segments are SJWC’s Cupertino service concession arrangement operations, Texas Water Operation Services, LLC (“TWOS”), Texas Water Resources, LLC (“TWR”), New England Water Utility Services, Inc. (“NEWUS”), SJW Land Company and Chester Realty, Inc. and are collectively referred to as “Other Services.”

Business Strategy for Water Utility Services:

H2O America focuses its business initiatives in three strategic areas:

- (1) Investing in regional regulated water utility operations to support the health, safety and quality of life of our customers;
- (2) Regional non-tariffed water utility-related services provided in accordance with the guidelines established by applicable state public utility commissions; and
- (3) Out-of-region water and utility-related services.

As part of our pursuit of the above three strategic areas, we consider from time to time opportunities to acquire businesses and assets. However, we cannot be certain we will be successful in identifying and consummating any strategic business combinations or acquisitions relating to such opportunities. In addition, the execution of our business strategy will expose us to different risks than those associated with the current utility operations. We expect to incur costs in connection with the execution of this strategy and any integration of an acquired business could involve significant costs, the assumption of certain known and unknown liabilities related to the acquired assets, the diversion of management’s time and resources, the potential for a negative impact on our financial position and operating results, entering markets in which we have no or limited direct prior experience and the potential loss of key employees of any acquired company. Any strategic combination or acquisition we decide to undertake may also impact our ability to finance our business, affect our compliance with regulatory requirements, and impose additional burdens on our operations. Any businesses we acquire may not achieve sales, customer growth and projected profitability that would justify the investment. Any difficulties we encounter in the integration process, including the

integration of controls necessary for internal control and financial reporting, could interfere with our operations, reduce our operating margins and adversely affect our internal controls. H2O America cannot be certain that any transaction will be successful or that it will not materially harm operating results or our financial condition.

As previously disclosed, H2O America updated its segment presentation in the fourth quarter of 2024. Accordingly, prior period information has been recast to conform with the current period presentation.

As previously disclosed, H2O America, through its indirect subsidiary, TWC, is set to acquire regulated systems owned by Quadvest L.P. for \$483,600, and TWOS will acquire systems owned by Quadvest Wholesale LLC for \$56,400. Please see [Note 10](#) “Acquisitions” for further discussion. On the completion of this acquisition, Quadvest will bring operational scale, a strong development pipeline, and increased exposure to one of America’s fastest growing regions, Houston, TX. Quadvest brings a strong legacy of local relationships and reliable service. It has been providing water and sewer service in Southeast Texas for nearly 50 years through its operating entities.

Critical Accounting Estimates:

The discussion and analysis of our financial condition and results of operations is based on the accounting estimates used and disclosed in our 2024 consolidated financial statements and accompanying notes that were prepared in accordance with accounting principles generally accepted in the United States of America and included as part of our Annual Report on Form 10-K for the year ended December 31, 2024, that was filed with the Securities and Exchange Commission on February 28, 2025.

Our critical accounting estimates are described in Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024. Our significant accounting policies are described in the notes to the 2024 consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no changes to critical accounting estimates or significant accounting policies during the three and nine months ended September 30, 2025.

New Accounting Pronouncements:

See Note 1 of “Notes to Unaudited Condensed Consolidated Financial Statements” for a discussion of new accounting pronouncements.

Results of Operations:

Water sales are seasonal in nature and are influenced by weather conditions. The timing of precipitation and climatic conditions can cause seasonal water consumption by customers to vary significantly. Due to the seasonal nature of the water business, the operating results for interim periods are not indicative of the operating results for a 12-month period. Revenue is generally higher in the warm, dry summer months when water usage and sales are greater, and lower in the winter months when cooler temperatures and increased precipitation curtail water usage and sales.

Overview

H2O America’s consolidated net income for the three months ended September 30, 2025 was \$45,132, an increase of \$6,480, or 17%, from \$38,652 for the same period in 2024. H2O America’s consolidated net income for the nine months ended September 30, 2025 was \$86,358, an increase of \$15,311, or approximately 22%, from \$71,047 for the same period in 2024. The increase in net income for the three and nine months ended September 30, 2025 was primarily driven by rate increases in California and Connecticut. These factors were offset by higher water production expenses and increased other operating expenses as discussed below.

Operating Revenue

H2O America has a single reportable segment, referred to as “Water Utility Services.” All other business activities not separately reportable are included in “Other Services.” Operating revenue for the Water Utility Services reportable segment and Other Services was as follows:

	Operating Revenue by Segment			
	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Water Utility Services	\$ 236,222	220,938	\$ 596,052	537,899
Other Services	4,328	4,125	10,352	12,720
Total operating revenue	\$ 240,550	225,063	\$ 606,404	550,619

The change in consolidated operating revenue was due to the following factors:

	Increase/(decrease)				
	Three months ended September 30, 2025 vs. 2024		Nine months ended September 30, 2025 vs. 2024		
Water Utility Services:					
Consumption changes	\$	703	— %	\$ 6,573	1 %
Increase in customers		334	— %	893	— %
Rate increases for:					
Pass-through water costs ¹		6,637	3 %	18,637	3 %
All other increases ²		14,620	6 %	37,447	7 %
Regulatory mechanisms ³		(3,914)	(1)%	(6,349)	(1)%
Service and other revenue		203	— %	(2,368)	— %
Other Services		(3,096)	(1)%	952	— %
Total change in operating revenue	\$	15,487	7 %	\$ 55,785	10 %

(1) Consists of rate increases specifically associated with changes in the water supply costs that are passed through to customers.

(2) Primarily associated with general rate cases and related annual escalation adjustments, infrastructure surcharges, and cost of capital adjustments.

(3) Excludes portion attributable to rate increases, which are shown in the rate increase lines above.

Operating Expense

Operating expense is summarized below:

	Operating Expense by Segment					
	Three months ended September 30,		Nine months ended September 30,			
	2025	2024	2025	2024		
Water Utility Services	\$	172,178	161,929	\$	449,185	411,959
Other Services		3,127	3,004		7,698	8,179
Unallocated Corporate		618	1,777		5,133	3,645
	\$	175,923	166,710	\$	462,016	423,783

The change in consolidated operating expense was due to the following factors:

	Increase/(decrease)				
	Three months ended September 30, 2025 vs. 2024		Nine months ended September 30, 2025 vs. 2024		
Water production expenses:					
Change in surface water use	\$	1,097	1 %	\$ 6,246	1 %
Change in usage		(2,665)	(2)%	2,497	1 %
Change in new customers		64	— %	197	— %
Purchased water and groundwater extraction charge, energy price change and other production expenses, net		5,096	3 %	18,717	4 %
Balancing and memorandum account cost recovery		(978)	(1)%	(7,471)	(2)%
Total water production expenses		2,614	1 %	20,186	4 %
Administrative and general		5,598	3 %	15,897	4 %
Maintenance		(496)	— %	(95)	— %
Property taxes and other non-income taxes		155	— %	607	— %
Depreciation and amortization		1,342	1 %	1,638	— %
Total change in operating expense	\$	9,213	5 %	\$ 38,233	8 %

Sources of Water Supply

SJWC's water supply consists of groundwater from wells, surface water from watershed run-off and diversion, reclaimed water, and imported water purchased from Santa Clara Valley Water District ("Valley Water") under the terms of a master contract with Valley Water expiring in 2051. During normal rainfall years, purchased water provides approximately 40% to 50% of SJWC's annual production. An additional 40% to 50% of its water supply is pumped from the underground basin which is subject to a groundwater extraction charge paid to Valley Water. Surface supply, which during a normal rainfall year satisfies about 6% to 8% of SJWC's annual water supply needs, provides approximately 1% of its water supply in a dry year and approximately 14% in a wet year. In dry years, the decrease in availability of water from surface run-off and diversion and the corresponding increase in purchased and pumped water increases production expenses substantially. The opposite is also true where water production expenses decrease in wet years. In both instances, the impacts of surface water, purchased water, groundwater charges and purchased power are tracked in SJWC's FCBA authorized by the CPUC for cost recovery limiting the impact on operating expenses in the current period.

For the nine months ended September 30, 2025, water conditions remained positive across the State of California. As a result of the improved conditions, beginning in the first quarter of 2025, the California Department of Water Resources ("DWR") announced an increase in the State Water Project allocation from 35% to 40% of the contract amount and the U.S. Bureau of Reclamation kept the Central Valley Project allocation at 75% during the same period. The DWR further announced an increase in the State Water Project allocation from 40% to 50% of the contract amount during the second quarter of 2025, while the U.S. Bureau of Reclamation's Central Valley Project allocation increased from 75% to 80% during the same period. Water allocations for the State Water Project and the Central Valley Project remained at 50% and 80%, respectively, during the third quarter of 2025. On October 1, 2025, Valley Water's 10 reservoirs were at 60% of restricted capacity, with 12.3 billion gallons of water in storage. Valley Water's largest reservoir, Anderson, remained drained for a dam seismic retrofit project. Valley Water also reported that managed groundwater recharge from January 2025 to September 2025 in the Santa Clara Plain was 117% of the five-year average. The groundwater level in the Santa Clara Plain is approximately 14 feet lower than in September 2024. According to Valley Water, the projected total groundwater storage at the end of 2025 is expected to be in the Normal Stage of the Water Shortage Contingency Plan.

As of September 30, 2025, SJWC's Lake Elsman was at 73% of capacity with 1.5 billion gallons of water, approximately 168.1% of the five-year seasonal average. In addition, the rainfall at SJWC's Lake Elsman was measured at 0.75 inches for the period from July 1, 2025 through September 30, 2025, which is 202.7% of the five-year average. SJWC's Montevina Water Treatment Plant treated 1.8 billion gallons of water through the third quarter of 2025, which is 103.4% of the five-year average. SJWC's Saratoga Water Treatment Plant treated 40 million gallons of water through the third quarter of 2025, which is 78.5% of the five-year average. The Saratoga Water Treatment Plant was taken out of service during the second quarter of 2025 due to a lack of surface water runoff and remained offline during the third quarter. SJWC believes that its various sources of water supply will be sufficient to meet customer demand in 2025.

California faces long-term water supply challenges. SJWC actively works with Valley Water to meet these challenges by continuing to educate customers on responsible water use practices and conducting long-range water supply planning. Valley Water's 15% voluntary call for conservation and certain watering and water waste rules established in 2023 are still in place for 2025. The call for continued conservation is due to a major storage reservoir currently offline for seismic retrofits.

CWC's water sources vary among the individual systems, but overall, approximately 60% of the total dependable yield comes from surface water supplies and 40% from wells. In addition, CWC has water supply agreements to supplement its water supply with the South Central Connecticut Regional Water Authority and The Metropolitan District that expire in 2058 and 2053, respectively. CWC believes that it will be able to meet customer demand for the remainder of 2025 with its existing water supply which consists of groundwater from wells, surface water in reservoirs and purchased water treated by neighboring water utilities.

TWC's water supply consists of groundwater from wells and purchased treated and untreated raw water from local water agencies. TWC has long-term agreements with the Guadalupe-Blanco River Authority ("GBRA"), which expire in 2037, 2040, 2044 and 2050. The agreements, which are take-or-pay contracts, provide TWC with an aggregate of approximately 7,602 acre-feet of water per year from Canyon Lake at prices that may be adjusted periodically by GBRA. TWC also has raw water supply agreements with the Lower Colorado River Authority and West Travis County Public Utility Agency expiring in 2059 and 2046, respectively, to provide for 350 acre-feet of water per year from Lake Austin and the Colorado River, respectively, at prices that may be adjusted periodically by the agencies. Forty active production wells located in a Comal Trinity Groundwater Conservation District, a regulated portion of the Trinity aquifer, are charged a groundwater pump tax based upon usage. TWC also owns eight wells and the associated water rights of KT Water Resources, LLC. These wells have been projected to yield at least 6,000 acre-feet per year. Development of the KT Water System continues.

Despite ongoing drought conditions in the Texas service area, which have led to water usage restrictions for customers, TWC expects to meet customer demand for the remainder of 2025 based on current conditions. This expectation is supported by its

diversified water supply portfolio, including groundwater wells, surface water, and purchased treated water from the GBRA. To ensure long-term system resilience, significant capital investments in transmission mains, storage facilities, and new supply sources are planned for 2025 and beyond.

Water sources at MWC vary among the individual systems, but overall, approximately 90% of the total dependable yield comes from surface water supplies and 10% from wells. MWC has a water supply agreement with the Kennebec Water District expiring in 2040. MWC believes that it will be able to meet customer demand for the remainder of 2025 with its existing water supply which consists of groundwater from wells, surface water in reservoirs and rivers, and purchased water treated by neighboring water utilities.

The following table presents the change in sources of water supply:

	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	Increase/ (decrease)	% of Total Change	2025	2024	Increase/ (decrease)	% of Total Change
	(billion gallons)				(billion gallons)			
Purchased water	6.3	6.9	(0.6)	(4)%	13.8	13.4	0.4	1 %
Groundwater	5.9	5.4	0.5	3 %	15.3	14.1	1.2	3 %
Surface water	2.9	3.1	(0.2)	(1)%	8.3	9.2	(0.9)	(2)%
Reclaimed water	0.4	0.4	—	— %	0.7	0.6	0.1	— %
	15.5	15.8	(0.3)	(2)%	38.1	37.3	0.8	2 %

The changes in the source of supply mix were consistent with the changes in the water production expenses.

Water Production Expenses

The increase in water production expenses of \$2,614 for the three months ended September 30, 2025, compared to the same period in 2024, was primarily attributable to increases in average per unit costs for purchased water and groundwater extraction, and decreases in availability of lower cost surface water, partially offset by decreases resulting from regulatory adjustments through SJWC's FCBA and decreases in production volume and usage.

The change in water production expenses of \$20,186 for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily attributable to increases in average per unit costs for purchased water and groundwater extraction, and increases in production volume and usage, and decreases in availability of lower cost surface water, partially offset by decreases resulting from regulatory adjustments through SJWC's FCBA.

SJWC was notified by Valley Water that the unit prices of purchased water and the groundwater extraction charge were increased by 9% and 10%, respectively, effective July 1, 2025. Effective July 1, 2024, Valley Water increased the unit price of purchased water by approximately 12% and the groundwater extraction charge by approximately 13% for SJWC.

Other Operating Expenses

Operating expenses, excluding water production expenses, increased \$6,599 for the three months ended September 30, 2025, compared to the same period in 2024. The increase was primarily attributable to increases in general and administrative expenses for pension costs, salaries and wages, increases in depreciation and amortization for new utility plant placed in service and inflationary increases, partially offset by higher allocations to construction activities.

Operating expenses, excluding water production expenses, increased \$18,047 for the nine months ended September 30, 2025, compared to the same period in 2024. The increase was primarily attributable to an increase in general and administrative expenses related to customer credit losses as a result of funds received from the California Extended Water and Wastewater Arrearage Payment Program in the prior year, and increases in acquisition costs, salaries and wages, pension costs, insurance and contracted work.

Other (Expense) Income

For the three months ended September 30, 2025, compared to the same period in 2024, the change in other (expense) income was primarily due to increases in pension non-service credit, higher income from the equity portion of the Allowance for Funds Used During Construction (AFUDC), partially offset by an increase in interest expense.

For the nine months ended September 30, 2025, compared to the same period in 2024, the change in other (expense) income was primarily due to higher income from the equity portion of the AFUDC, and an increase in pension non-service credit, partially offset by an increase in interest expense.

Provision for Income Taxes

For the three and nine months ended September 30, 2025, compared to the same period in 2024, income tax expense increased \$3,863 and \$6,049, respectively. The increase in income tax expense for the three and nine months ended September 30, 2025 was primarily due to a higher pre-tax income in 2025. In addition, the cumulative catch-up adjustment relating to the accounting method change filed in 2024 resulted in a lower tax expense in the third quarter of 2024. The effective consolidated income tax rates were 11% and 5% for the three months ended September 30, 2025 and 2024, respectively, and 14% and 10% for the nine months ended September 30, 2025 and 2024, respectively.

Regulation and Rates

Almost all of the operating revenue of H2O America results from the sale of water at rates authorized by the subsidiaries' respective state utilities commissions. The state utilities commissions set rates that are intended to provide revenue sufficient to recover operating expenses and the opportunity to achieve a specified return on common equity. The timing of rate decisions could have an impact on the results of operations.

Please also see [Note 2](#) of "Notes to Condensed Consolidated Financial Statements."

California Regulatory Affairs

On December 19, 2024, the CPUC approved a final decision, Decision No. 24-12-077, in SJWC's General Rate Case Application No. 24-01-001, for rate increases of \$21,318 or 3.91% in 2025, \$14,432 or 2.55% in 2026, and \$17,373 or 2.98% in 2027. The decision also provides a three-year capital budget of \$450,000 and recovery of \$15,792 in balancing and memorandum accounts.

On December 18, 2024, SJWC, along with three other California water utilities, filed a joint request for a one-year deferment on the cost of capital filings which would otherwise be due on May 1, 2025. Postponing the filing a year alleviates administrative processing costs on the utilities as well as the CPUC staff and provides relief for both CPUC and utility resources already strained by numerous other proceedings. The request was conditioned on leaving the current Water Cost of Capital Mechanism in place such that any adjustments will be made to the respective utilities' cost of capital during the one-year deferment based on the mechanism. The request was approved on January 14, 2025.

SJWC filed Advice Letter No. 613 on December 20, 2024, to increase the authorized revenue requirement by \$21,318, or 3.91%, and implement new water rates and recover \$15,792 in balancing and memorandum accounts in accordance with Decision No. 24-12-077. This filing was approved with an effective date of January 1, 2025.

SJWC filed Advice Letter No. 616 on May 27, 2025, to increase the authorized revenue requirement by \$22,536, or 4.00%, to offset the increases to purchased potable water charges, the groundwater extraction fee, and purchased recycled water charges from its water wholesalers effective July 1, 2025. Advice Letter No. 616 was approved with an effective date of July 1, 2025.

SJWC filed Advice Letter No. 617 on May 28, 2025, to increase the authorized revenue requirement by \$6,818, or 1.16%, to recover revenue related to the plant additions for the Advanced Metering Infrastructure (AMI) project. Advice Letter No. 617 was approved with an effective date of July 1, 2025.

SJWC filed Advice Letter No. 618 on June 24, 2025, to establish the Water Contamination Litigation Memorandum Account ("WCLMA") to track net proceeds and costs resulting from water contamination litigation. Advice Letter No. 618 was approved in July 2025 by the CPUC with an effective date of June 24, 2025.

Connecticut Regulatory Affairs

On January 28, 2025, CWC filed for a Water Infrastructure Conservation Adjustment ("WICA") increase of \$1,600 in annualized revenues for \$15,700 in completed projects. On March 26, 2025, PURA approved the filing in its entirety. The cumulative WICA surcharge as of April 1, 2025, is 4.90%, collecting \$6,000 on an annual basis.

On February 24, 2025, CWC filed its 2024 Water Rate Adjustment mechanism ("WRA"). The mechanism reconciles 2024 revenues as authorized in the CWC's most recent rate case as well as provides for recovery of certain amounts of executive compensation as the result of the achievement of performance metrics as prescribed by PURA. The 2024 WRA surcharge of 3.62%, approved by PURA on March 26, 2025, is effective for 12 months beginning April 1, 2025.

On March 6, 2025, CWC submitted an application requesting that PURA approve the issuance of \$19,402 in Drinking Water State Revolving Fund Loans that the Company proposes to use to fund three projects pertaining to: (1) the interconnection of the Green Springs Water System in Madison, Connecticut with the Guilford Water System; (2) a facility for centralized treatment of raw water from certain wells in CWC's Gallup System in Plainfield, Connecticut; and (3) a Lead Service Line Identification Program. A decision was received from PURA on April 30, 2025, approving CWC's request.

On June 4, 2025, the Connecticut General Assembly approved Public Act No. 25-142, An Act Concerning Water Utility Systems and Water Quality and Treatment Surcharges. The Act, signed by the Governor on July 1, 2025, allows CWC to surcharge customers for investments related to emerging contaminants, primarily per- and polyfluoroalkyl substances

(“PFAS”). In accordance with the legislation, CWC submitted its Water Quality and Treatment Adjustment (“WQTA”) Assessment Report (“AR”) on July 2, 2025. PURA has 180 days to approve the AR, after which the Company will be able to apply annually to PURA for cost recovery of eligible projects.

On July 30, 2025, CWC filed for a WICA increase of \$3,100 in annualized revenue for \$24,300 in completed projects. On September 24, 2025, PURA approved the filing in its entirety. The cumulative WICA surcharge as of October 1, 2025 is 7.47%, collecting \$9,100 on an annual basis.

Texas Regulatory Affairs

TWC filed its application to establish a System Improvement Charge (“SIC”) with the Public Utilities Commission of Texas (“PUCT”) under Docket No. 54430 on December 30, 2022. SIC filings are used to include certain utility plant additions made since 2020, thereby increasing revenue and avoiding the immediate need for a general rate case. TWC’s SIC application included capital investments that improve its water and wastewater systems to better serve its customers. On March 21, 2024, the PUCT filed the final order approving TWC’s request to implement its SIC which applies to certain customers. As a result of this final order, TWC increased its annual water revenue by \$1,574 and its annual sewer revenues by \$28 on an annual basis.

On September 12, 2024, TWC filed its application to amend its SIC with the PUCT under Docket No. 56974. Its amended SIC applies to all customers and increases its annual water revenue by \$3,915 and its annual sewer revenue by \$195, in addition to the original SIC filed with the PUCT under Docket No. 54430 on December 30, 2022. On May 15, 2025, the PUCT filed the final order approving TWC’s amended SIC application.

On October 6, 2025, TWC filed its second application to amend its SIC with the PUCT under Docket No. 58739. If approved as requested, TWC’s annual water revenue will increase by \$4,746 and increase its annual sewer revenue by \$317. TWC expects to receive the ruling on the administrative completeness of the application by October 31, 2025.

Additionally, TWC is required to file a general rate case on or before March 21, 2028. Notwithstanding any SIC filing, TWC will continue to file its annual adjustments for the Water Pass-through Charges (“WPC”) for Canyon Lake, Deer Creek, Kendall West, Clear Water Estates, and Saddleridge customers. All water supply cost increases are recoverable when the next annual WPC adjustment for each system is filed.

Maine Regulatory Affairs

On October 25, 2024, MWC filed an application with MPUC to adjust customer rates in the Camden Rockland division. The proposal requested an increase in annual revenues of approximately \$1,057, or 15.9%, over current authorized revenues. On June 27, 2025, MPUC approved a settlement stipulation, authorizing an increase in rates of \$865, or 13.00%, with an effective date of July 1, 2025.

On December 31, 2024, MWC filed for a unified tariff across its 10 separate rate divisions. A decision in this case is expected in the first quarter of 2026.

On April 15, 2025, MWC filed a Water Infrastructure Surcharge in both the Oakland and Biddeford Saco divisions. The combined requested surcharge is 3.00% or \$547. The MPUC issued an order approving the surcharges on June 24, 2025, with an effective date of July 1, 2025.

Legislative Document 241, An Act to Authorize the Public Utilities Commission to Approve Rate Adjustments for Low-Income Water Utility Ratepayers, was approved by the Maine Legislature and signed into law by the Governor on May 29, 2025. As part of the unified tariff proceeding, MWC has proposed a rate adjustment mechanism for qualifying residential customers which as a result of this recently passed legislation can now be considered as part of the filing originally submitted in December 2024 .

Liquidity:

Cash Flow from Operating Activities

During the nine months ended September 30, 2025, H2O America generated cash flows from operations of \$181,283, compared to \$154,066 for the same period in 2024. Cash flow from operations is primarily generated by net income from revenue producing activities, adjusted for non-cash expenses for depreciation and amortization, deferred income taxes, stock-based compensation, allowance for equity funds used during construction, and changes in working capital items. Cash flow from operations increased by \$27,217 for the nine months ended September 30, 2025 from the same period in the prior year. This increase was primarily the result of a combination of the following factors: (1) favorable changes in taxes receivable/payable of \$12,348 primarily due to a tax accounting method change filed in 2024 and tax refunds, (2) proceeds from the PFAS litigation settlement of \$6,640, and (3) an increase of \$6,262 attributable to changes in regulatory assets and liabilities primarily due to SJWC General Rate Case (GRC) surcharge.

As of September 30, 2025, Water Utility Services' write-offs for credit losses represented less than 1% of its total revenue, unchanged from September 30, 2024. Management believes that the collection rate will continue to improve for its accounts receivables as service disconnections return to normal operations.

Cash Flow from Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2025, increased by \$136,864 from the same period in the prior year, primarily as a result of (1) an increase in company-funded utility capital expenditures of \$98,794 and (2) a reduction in proceeds received from the sale of real estate investments in 2025 by \$37,868 attributable to the completed sale of Tennessee properties in 2024.

Cash Flow from Financing Activities

Net cash provided by financing activities for the nine months ended September 30, 2025 increased by \$115,603 from the same period in the prior year, primarily as a result of (1) an increase in net borrowings on the lines of credit of \$86,394, (2) an increase in net proceeds from common stock equity offerings of \$44,829, (3) an increase attributable to lower repayments on long-term debt of \$39,746, (4) an increase in cash receipts of advances and contributions in aid of construction of \$21,362, (5) proceeds from PFAS litigation settlement of \$14,421, offset by (6) a decrease in proceeds of \$85,329 from the issuance of long-term debt.

Budgeted Capital Expenditures

Water Utility Services' estimated utility capital expenditures for 2025, exclusive of capital expenditures financed by customer contributions and advances, are anticipated to be approximately \$473,000, updated from the previously reported budgeted expenditures of \$451,000. The budgeted capital expenditures exclude capitalizable costs of \$13,000 forecasted in 2025 that are associated with cloud-based computing arrangements. As of September 30, 2025, \$351,069, or 74%, of the \$473,000 has been invested.

Water Utility Services' capital expenditures are incurred in connection with normal upgrading and expansion of existing facilities and to comply with environmental regulations. Over the next five years, Water Utility Services expects to incur approximately \$1,900,000 in capital expenditures, which includes replacement of pipes and mains, maintaining water systems, and installing approximately \$300,000 in PFAS treatment. A significant portion of this amount is subject to future respective state regulatory utility commissions' approval. Capital expenditures have the effect of increasing utility plant rate base on which Water Utility Services earns a return. Water Utility Services' actual capital expenditures may vary from their projections due to changes in the expected demand for services, weather patterns, actions by governmental agencies, and general economic conditions. Total additions to utility plant normally exceed company-financed additions as a result of new facilities construction funded with advances from developers and contributions in aid of construction.

The Water Utility Services' distribution systems were constructed during the period from the early 1900's through today. Expenditure levels for renewal and modernization will occur as the components reach the end of their useful lives. In most cases, replacement costs will significantly exceed the original installation costs of the retired assets due to increases in the costs of goods and services and increased regulation.

In addition to these capital expenditures, Water Utility Services expects to incur approximately \$105,000 over the next five years, including \$13,000 in 2025, in capitalizable costs associated with cloud-based computing arrangements. For the nine months ended September 30, 2025, Water Utility Services' incurred \$6,741 in cloud-based computing expenses.

Sources of Capital:

H2O America's ability to finance future construction programs and sustain dividend payments depends on its ability to maintain or increase internally generated funds and attract external financing. The level of future earnings and the related cash flow from operations is dependent, in large part, upon the timing and outcome of regulatory proceedings.

Short-term Financing Agreements

H2O America and its subsidiaries have unsecured line of credit agreements where borrowings are used to refinance existing debt, for working capital, and for general corporate purposes.

A summary of the line of credit agreements as of September 30, 2025 are as follows:

	Maturity Date	Line Limit	Amounts Outstanding	Unused Portion
Syndicated credit agreement:	September 12, 2030			
H2O America		\$ 50,000	6,000	44,000
SJWC		165,000	75,000	90,000
CWC		80,000	44,000	36,000
MWC		25,000	—	25,000
SJWTX		30,000	—	30,000
Total syndicated credit agreement		350,000	125,000	225,000
SJWC credit agreement	June 11, 2026	10,000	—	10,000
CTWS credit agreement	August 2, 2028	10,000	1,368	8,632
		<u>\$ 370,000</u>	<u>126,368</u>	<u>243,632</u>

SJWC has entered into a \$10,000 credit agreement with JPMorgan Chase Bank, N.A., dated June 11, 2025. The credit agreement has a maturity date of June 11, 2026.

On September 12, 2025, H2O America and its subsidiaries, SJWC, SJWTX, CWC and MWC, entered into an Amended and Restated Credit Agreement to extend and increase the revolving credit facility with JPMorgan Chase Bank and Wells Fargo Securities, LLC. Pursuant to the amended agreement, the total commitment under the facility was increased from \$300,000 to \$350,000, and the maturity date was extended from August 2, 2029 to September 12, 2030.

For the nine months ended September 30, 2025, the cost of borrowing on the lines of credit averaged 5.42% compared to 6.53% in the same period in 2024.

All of H2O America's and subsidiaries' lines of credit contain customary representations, warranties and events of default, as well as certain restrictive covenants customary for facilities of this type, including restrictions on indebtedness, liens, acquisitions and investments, restricted payments, asset sales, and fundamental changes. All of the lines of credit also include certain customary financial covenants such as a funded debt to capitalization ratio and a minimum interest coverage ratio. As of September 30, 2025, H2O America and its subsidiaries were in compliance with all covenants on their lines of credit.

Long-term Financing Agreements

The debt and credit agreements of H2O America and its subsidiaries contain various financial and other covenants. Non-compliance with these covenants could result in accelerated due dates and termination of the agreements. In addition, the credit agreements contain customary representations and warranties and are subject to customary events of default, which may result in the outstanding debt becoming immediately due and payable. As of September 30, 2025, H2O America and its subsidiaries were in compliance with all covenants in their long-term debt agreements.

On May 23, 2025, MWC submitted an application with MPUC seeking approval to issue unsecured notes in an amount up to \$25,000. The MPUC granted approval on June 17, 2025. On July 10, 2025, MWC issued a promissory note to a national cooperative bank under an existing master loan agreement for a principal amount of \$25,000 at a fixed interest rate of 6.70%. The note is an unsecured obligation of MWC due on July 20, 2055. Interest is payable quarterly in arrears on the 20th day of January, April, July and October of each year.

On September 18, 2025, TWC issued a promissory note to a national cooperative bank under an existing master loan agreement for a principal amount of \$40,000 at a fixed interest rate of 6.68%. This note is an unsecured obligation of TWC due on September 1, 2055. Interest is payable quarterly in arrears on the 20th day of January, April, July and October of each year.

Equity Financing Arrangements

In October 2024, H2O America entered into an equity distribution agreement (the "Equity Distribution Agreement") with BofA Securities, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Wells Fargo Securities, LLC, pursuant to which the company may offer and sell shares of its common stock, \$0.001 par value per share, from time to time in "at-the-market" offerings, having an aggregate gross sales price of up to \$200,000. The Equity Distribution Agreement replaced the previous agreement that ended in 2024. For the three and nine months ended September 30, 2025, H2O America issued and sold a total of 492,859 and 2,076,352 shares of common stock, respectively, with a weighted average price of \$50.27 and \$52.47 per share respectively, and received \$24,425 and \$108,138 in net proceeds, respectively, under the Equity Distribution Agreement. Since the inception of the Equity Distribution Agreement, H2O America has issued and sold 2,451,865 shares of common stock at a

weighted average price of \$52.92 for a total net proceeds of \$128,307 and has \$70,239 of aggregate gross sales price of shares remaining to issue under the Equity Distribution Agreement as of September 30, 2025.

Credit Rating

The condition of the capital and credit markets or the strength of financial institutions could impact H2O America's ability to draw on its lines of credit, issue long-term debt, sell its equity or earn interest income. In addition, government policies, the state of the credit markets and other factors could result in increased interest rates, which would increase H2O America's cost of capital. While our ability to obtain financing will continue to be a risk, we believe that based on our 2025 and 2024 activities we will continue to have access to the external funding sources necessary to implement our ongoing capital investment programs in the future. On July 15, 2025, Standard & Poor's Ratings Services revised the outlook for H2O America, CTWS and CWC from stable to negative following the announcement of the Quadvest acquisition.

The following table presents the current Standard & Poor's Ratings Services assigned company ratings:

Entity	Rating	Outlook
H2O America	A-	Negative
SJWC	A	Stable
CTWS	A-	Negative
CWC	A-	Negative

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

H2O America is subject to market risks in the normal course of business, including changes in interest rates, pension plan asset values, and equity prices. The exposure to changes in interest rates can result from the issuance of debt and short-term funds obtained through the company's variable rate lines of credit. H2O America's subsidiaries sponsor noncontributory pension and other post-retirement plans for its employees. Pension and other post-retirement costs and the funded status of the plans may be affected by a number of factors including the discount rate, mortality rates of plan participants, investment returns on plan assets, and pension reform legislation.

H2O America has no derivative financial instruments, financial instruments with significant off-balance sheet risks, or financial instruments with concentrations of credit risk.

ITEM 4. CONTROLS AND PROCEDURES

H2O America's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of H2O America's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, the "Exchange Act"), as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that H2O America's disclosure controls and procedures as of the end of the period covered by this report have been designed and are functioning effectively to provide reasonable assurance that the information required to be disclosed by H2O America in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. H2O America believes that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

There has been no change in internal control over financial reporting during the third fiscal quarter of 2025 that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting of H2O America.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

H2O America is subject to ordinary routine litigation incidental to its business.

In October 2023, CWC, a subsidiary of H2O America, was named as a defendant in a putative class action lawsuit alleging that the water provided by CWC contained contaminants. The case is currently pending in the State of Connecticut Superior Court. CWC is vigorously defending itself in this lawsuit.

SJWC and CWC are plaintiffs in a lawsuit against manufacturers of certain PFAS compounds for damages, contribution and reimbursement of costs incurred and continuing to be incurred to address the presence of such PFAS compounds in public water supply systems owned and operated by these utility subsidiaries and throughout their respective service areas. The lawsuit is part of MDL, that commenced on December 7, 2018, in the United States District Court for the District of South Carolina. MWC has submitted timely claims as a settlement class member.

On February 8, 2024, the MDL court approved settlements involving defendants The Chemours Company, Corteva, Inc., and DuPont de Nemours, Inc. to resolve claims brought in the MDL against them by public water systems, including SJWC and CWC. On March 29, 2024, the MDL court approved a similar settlement involving defendant 3M Company. On November 22, 2024, the MDL court approved settlements involving defendants Tyco Fire Products LP, and BASF Corporation. H2O America is entitled to a portion of the settlements and is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted.

For the three and nine months ended September 30, 2025, the Company received cash proceeds of \$14,710 and \$21,152, respectively, in connection with a legal settlement with 3M Company related to PFAS contamination. In the third quarter of 2025, the total proceeds of \$14,710 were allocated as follows: SJWC received \$10,078; CWC received \$4,571; and MWC received \$61. For the nine months ended September 30, 2025, the total proceeds of \$21,152 were allocated as follows: SJWC received \$14,497; CWC received \$6,477; and MWC received \$178, which includes \$91 payable to contract operators. The proceeds are compensatory in nature and are intended to reimburse the Company for costs incurred to address the presence of PFAS compounds in public water supply systems or to be refunded to customers through rate reductions, subject to regulatory approval.

H2O America is entitled to receive additional cash proceeds from 3M Company over the subsequent nine years, pursuant to the terms of the settlement agreement. In addition, the Company is party to pending settlements with DuPont de Nemours, Inc., Tyco Fire Products LP, and BASF Corporation. Proceeds from these settlements are also expected to be received in 2025 and will be accounted for in a manner consistent with the 3M Company settlement.

H2O America is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted. However, the amount of these additional proceeds is not estimable as of the date of this filing.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in “Risk Factors” in H2O America’s annual report on Form 10-K for the year ended December 31, 2024 and our other public filings, which could materially affect our business, financial condition or future results. Other than the risk factors listed and referenced to below, there have been no material changes from risk factors previously disclosed in “Risk Factors” in H2O America’s annual report on Form 10-K for the year ended December 31, 2024.

The following discusses certain risk factors relating to the proposed transactions with Quadvest, L.P., a Texas limited partnership, (“Quadvest Retail”) and Quadvest Wholesale, LLC, a Texas limited liability company (“Quadvest Wholesale” and together with Quadvest Retail, “Quadvest”) and does not include all of the risk factors associated with the proposed transactions and H2O America after the proposed transactions.

Our proposed transactions with Quadvest are subject to the receipt of consents and clearances from regulatory authorities that may impose conditions that could have an adverse effect on H2O America or, if not obtained, could prevent completion of the proposed transactions.

Completion of the proposed transactions is contingent upon, among other things, the receipt of all required regulatory approvals, which consist of compliance with and filings and the applicable waiting period under the Hart Scott-Rodino Antitrust Improvements Act, compliance with and applications for permits with state and municipal agencies and consent required by the PUCT for the transfer of Quadvest’s water and sewer utility business (the “Regulated Business”).

The terms and conditions of the approvals that are granted by such governmental entities and regulatory authorities may impose requirements, limitations, costs, or place restrictions on the conduct of H2O America’s business. The asset purchase agreements

may require H2O America to comply with conditions imposed by regulatory entities and, in certain circumstances, either company may refuse to close the proposed transactions on the basis of regulatory conditions imposed. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions or that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the proposed transactions or imposing additional material costs on or materially limiting the revenues of H2O America following the proposed transactions. Additionally, H2O America cannot provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the proposed transactions, or the consummation of the proposed transactions on terms different than those contemplated by the asset purchase agreements.

The length of the regulatory approval process required by the PUCT, which may be extended beyond its current estimates, may reduce or eliminate the benefits to be achieved under the proposed transactions.

As a condition to the consummation of the proposed transactions, the sale of the Regulated Business must be approved by the PUCT. While we expect the transaction to receive PUCT approval by mid-2026, the exact timeline for this approval process is unknown and may not occur until later, if at all.

In addition to the required regulatory clearances, the proposed transactions are subject to a number of other conditions beyond H2O America's control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these other conditions will be satisfied. Furthermore, the requirements for obtaining the required clearances and approvals could delay the completion of the proposed transactions for a significant period of time or prevent them from occurring. Any delay in completing the proposed transactions could cause H2O America to not realize, or to be delayed in realizing, some or all of the benefits that we expect to achieve if the proposed transactions are successfully completed within the expected time frame. Failure to achieve these anticipated benefits within the expected time frame could result in increased costs and/or lower-than-expected revenues or income generated by H2O America after the completion of the proposed transactions.

We may be unable to successfully integrate Quadvest's business with ours and realize the anticipated benefits of the acquisition, which could negatively impact the future business and financial results of H2O America.

The anticipated benefits expected from the proposed transactions are based on projections and assumptions about the combined Quadvest and H2O America businesses, which may not materialize as expected or which may prove to be inaccurate. Achieving the benefits of the proposed transactions will depend, in part, on H2O America's ability to integrate the business and operations of Quadvest successfully and efficiently with our business. The challenges involved in this integration, which will be complex and time-consuming, include the following:

- successfully managing relationships with our combined customer base and retaining Quadvest's customers;
- the ability to successfully integrate Quadvest's business with ours in a manner that permits H2O America to achieve the synergies and other benefits anticipated to result from the proposed transactions;
- integrating complex systems, operating procedures, regulatory compliance programs, technology, networks, and other assets of Quadvest and H2O America in a manner that minimizes any adverse impact on customers, suppliers, employees, and other constituencies;
- diversion of the attention of the management and other key employees of Quadvest and H2O America;
- integrating the workforces of Quadvest and H2O America while maintaining focus on providing clean, high quality water and exceptional service;
- disruption of, or the loss of momentum in, the ongoing business of H2O America;
- liabilities that are significantly larger than we currently anticipate and unforeseen increased expenses or delays associated with the proposed transactions, including transition costs to integrate the businesses of Quadvest and H2O America, that may exceed the costs that we currently anticipate; and
- the increased scale of our operations resulting from the proposed transactions.

If we do not successfully manage these issues and the other challenges inherent in integrating Quadvest, then we may not achieve the anticipated benefits of the proposed transactions and our business, financial condition and results of operations could be materially adversely affected.

The fair market value determination made in connection with the PUCT approval process may result in a lower realized value for the Regulated Business.

As a part of the application process, H2O America and Quadvest will submit appraisal reports to the PUCT for approval of a fair market value of the assets of the Regulated Business (the "FMV") which H2O America may use for purposes of setting water rates in Texas by a separate application filed with the PUCT following the consummation of the proposed transactions. If the approved FMV is lower than H2O America anticipates, H2O America may, under certain circumstances, still be required to

consummate the proposed transactions (subject to the satisfaction of all other conditions contained in the asset purchase agreements) but may not be able to realize the full expected value of the Regulated Business in rates following the consummation of the proposed transactions.

Failure to complete the proposed transactions as currently contemplated or at all could negatively impact the stock price, business operations and financial results of H2O America.

Completion of the proposed transactions is not assured and is subject to risks, including the risks that approval of the proposed transactions by governmental entities will not be obtained or that certain other closing conditions will not be satisfied. If the proposed transactions are not completed, or are completed on different terms than as contemplated by the asset purchase agreements, the ongoing businesses and financial results of H2O America may be adversely affected and H2O America will be subject to several risks, including the following:

- having to pay certain significant costs relating to the proposed transactions without receiving the benefits of the proposed transactions, including, in certain circumstances, payment of a termination fee;
- reputational harm due to the adverse public perception of any failure to successfully complete the proposed transactions; and
- H2O America's management having focused on the proposed transactions instead of on conducting its day-to-day business and operational matters and pursuing other opportunities that could have been beneficial to the companies.

Any delay in the completion of the proposed transactions, any uncertainty about the completion of the proposed transactions on terms other than those contemplated by the asset purchase agreements and any failure to complete the proposed transactions could adversely affect the business, financial results and stock price of H2O America.

The asset purchase agreements with Quadvest may be terminated in certain circumstances, which would result in the benefits of the proposed transactions not being realized, and under certain circumstances, we may be required to pay a termination fee.

Either H2O America or Quadvest may terminate the asset purchase agreements under certain circumstances, including if the proposed transactions have not been consummated by January 7, 2027 (unless such date is extended to a date mutually agreed to by the parties to obtain regulatory approval under certain circumstances, which could be up to an additional eighteen months). However, this termination right will not be available to a party if such failure to complete the proposed transactions on or before such date is the result of such party's failure to perform or comply, in all material respects, with any of the covenants, agreements or conditions of the asset purchase agreements. If we are not able to complete the proposed transactions by the end date, even if we decide not to terminate the asset purchase agreements, we may not be able to prevent Quadvest from exercising its right to terminate the asset purchase agreements.

In addition, if the asset purchase agreements are terminated under certain circumstances related to regulatory approvals, H2O America may be required to pay to Quadvest a termination fee of \$21 million.

Failure to obtain financing for the proposed transactions on favorable terms or at all could negatively impact the operating results and financial condition of H2O America.

H2O America may seek to raise capital to finance the proposed transactions, including through the issuance of debt or equity securities. There can be no assurance that such financing will be available on favorable terms, or at all. The incurrence of additional indebtedness could adversely affect H2O America's financial condition, results of operations, or cash flows. Additionally, equity financings may result in dilution to our existing stockholders and debt financings may contain covenants that restrict the actions of H2O America and its subsidiaries. Furthermore, any downgrade in H2O America's credit ratings by rating agencies may negatively impact the market value and liquidity of H2O America's debt and equity securities.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Quarterly Dividend

On October 24, 2025, the Board of Directors (the “Board”) of H2O America declared the regular quarterly dividend of \$0.42 per share of common stock. The dividend will be paid on December 1, 2025, to stockholders of record as of the close of business on November 10, 2025.

Insider Trading Arrangements

In the quarter ended September 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement for the purchase or sale of our securities, within the meaning of Item 408 of Regulation S-K.

Information Web Sites

H2O America posts information about the operating and financial performance of H2O America and its subsidiaries on its web sites at www.h2o-america.com, www.sjwater.com, www.ctwater.com, www.txwaterco.com, and www.mainewater.com from time to time. The information on our web sites is not a part of and should not be considered incorporated by reference into this Form 10-Q.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Asset Purchase Agreement, dated July 7, 2025, by and among Quadvest, L.P., SJWTX, Inc., and H2O America. Incorporated by reference to Exhibit 2.1 to Form 8-K filed on July 8, 2025.
2.2	Asset Purchase Agreement, dated July 7, 2025, by and among Quadvest Wholesale, LLC, Quadvest, L.P., Texas Water Operation Services, LLC, SJWTX, Inc., and H2O America. Incorporated by reference to Exhibit 2.2 to Form 8-K filed on July 8, 2025.
10.1	Credit Agreement, dated September 12, 2025, between H2O America, San Jose Water Company, SJWTX, Inc., The Connecticut Water Company, and The Maine Water Company, JPMorgan Chase Bank, N.A., as administrative agent and a lender, and Wells Fargo Bank, National Association, as Administrative Agent, and the other lenders party thereto. Incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 16, 2025.
10.2	Amended and Restated H2O America Executive Officer Short-Term Incentive Plan, effective October 24, 2025. (1)
31.1	Certification Pursuant to Rule 13a-14(a)/15d-14(a) by Chief Executive Officer. (1)
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a) by Chief Financial Officer and Treasurer. (1)
32.1	Certification Pursuant to 18 U.S.C. Section 1350 by Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (1)
32.2	Certification Pursuant to 18 U.S.C. Section 1350 by Chief Financial Officer and Treasurer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (1)
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

(1) Filed currently herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

H2O AMERICA

Date: October 28, 2025

By: /s/ ANN P. KELLY
Ann P. Kelly
Chief Financial Officer and Treasurer
(Principal financial officer)

H2O AMERICA
EXECUTIVE OFFICER SHORT-TERM INCENTIVE PLAN
AS AMENDED AND RESTATED OCTOBER 24, 2025

I. PURPOSE OF THE PLAN

This H2O America Executive Officer Short-Term Incentive Plan, as amended and restated (the “*Plan*”) is intended to promote the interests of H2O America (formerly SJW Group, the “*Company*”) and its shareholders by maintaining a compensation program to provide the Company’s executive officers with the opportunity to earn incentive compensation awards that are tied to the achievement of specific performance objectives.

The Plan was initially adopted by the Company’s Board of Directors (the “*Board*”) on January 30, 2008 and approved by the Company’s shareholders at the 2008 Annual Shareholders Meeting. The Plan was amended and restated by the Board on January 30, 2013 and approved by the Company’s shareholders at the 2013 Annual Meeting. The Plan was further amended and restated by the Board on October 28, 2020 and was subsequently amended on January 28, 2021 and October 25, 2024. The Plan is hereby amended and restated effective October 24, 2025.

II. PLAN STRUCTURE

A. Incentive compensation awards shall be earned under the Plan on the basis of the performance of the Company and each individual participant measured in terms of one or more pre-established performance objectives to be attained over a designated performance period (the “*Performance Period*”). Each applicable Performance Period under the Plan shall be established by the Plan Administrator and may range in duration from a minimum period of twelve (12) months to a maximum period of sixty (60) months.

B. No incentive compensation award shall be earned with respect to a particular performance objective unless that performance objective is attained at the minimum threshold level. If the applicable performance objectives for a Performance Period are attained at an above-target level, the Participant may earn an incentive compensation award at a dollar amount in excess of the target incentive compensation award amount set for the Participant for that particular Performance Period, up to 150% of the target amount. Additionally, the Company’s Chief Executive Officer shall have the discretionary authority to recommend to the Plan Administrator that a participant receive an additional amount for a Performance Period of up to 50% of the target incentive compensation award amount for the Performance Period (for a maximum payment of 200% of the target amount for that Performance Period) for exceptional performance by the participant.

C. The Plan Administrator shall have the discretionary authority to reduce the actual incentive compensation award amount payable to any Participant below the amount that would otherwise be payable to that individual based solely on the attained level of the performance objectives for the applicable Performance Period.

III. PLAN ADMINISTRATION

A. The Plan shall be administered by a committee of two or more non-employee members of the Board. Such committee in its capacity as administrator of the Plan (the “*Plan*”

Administrator”) shall have full power and authority (subject to the express provisions of the Plan) to:

- (i) establish the duration of each Performance Period;
- (ii) select the eligible individuals who are to participate in the Plan for such Performance Period;
- (iii) determine the specific performance objectives for each Performance Period at one or more designated levels of attainment and set the incentive compensation award potential and individual performance objectives for each participant at each corresponding level of attainment;
- (iv) determine the attained level of the applicable performance objectives for the Performance Period and determine, on the basis of such level of attainment, the actual incentive compensation award amount for each participant in an amount not to exceed his or her maximum incentive compensation award potential; and
- (v) exercise discretionary authority, when appropriate, to increase, subject to the limits set forth in Article II.B, or reduce the actual incentive compensation award amount payable to any participant above or below his or her incentive compensation award potential for the level at which the applicable performance objectives for the Performance Period are attained.

B. The Plan Administrator shall also have full power and authority to interpret and construe the provisions of the Plan and adopt rules and regulations for the administration of the Plan.

C. Decisions of the Plan Administrator shall be final and binding upon all parties who may have an interest in the Plan or any incentive compensation award amount payable under the Plan.

IV. ELIGIBILITY AND PARTICIPATION

A. The individuals eligible to participate in the Plan shall be limited to: (i) the executive officers of the Company subject to the short-swing trading provisions of Section 16 of the Securities Exchange Act of 1934, as amended, and (ii) other key employees of the Company or its subsidiaries. The Plan Administrator shall have complete discretion in selecting the eligible individuals who are to participate in the Plan for one or more Performance Periods.

B. An individual selected for participation in the Plan for a Performance Period shall cease to be a participant and shall not be entitled to any incentive compensation award payment for that Performance Period if such individual ceases Employee status for any reason prior to the date that Performance Period ends (the “*Completion Date*”); *provided, however*, that the following participants shall receive a portion of the actual incentive compensation award to which they would otherwise have been entitled pursuant to Articles V and VI, on the basis of the level at which the applicable performance objectives are in fact attained for that Performance Period, had they continued in Employee status through the Completion Date:

- (i) any participant who ceases Employee status prior to the Completion Date by reason of death or Disability;

- (ii) any participant whose Employee status terminates under circumstances entitling that individual to a full or pro-rata incentive compensation award pursuant to the express terms of any agreement or arrangement to which that individual and the Company are parties; and
- (iii) any participant whose Employee status terminates under special circumstances that warrant, in the Plan Administrator's sole discretion, a pro-rated incentive compensation award for that Performance Period.

C. In no event shall the incentive compensation award paid to any participant pursuant to Paragraph IV.B exceed the dollar amount determined by dividing: (i) the actual incentive compensation award to which that participant would have become entitled pursuant to Articles V and VI, on the basis of the level at which the applicable performance objectives for the Performance Period are in fact attained, had he or she continued in Employee status through the Completion Date by (ii) a fraction the numerator of which is the number of days such individual remained in active Employee status during that Performance Period and the denominator of which is the total number of days in such Performance Period; **provided, however,** that a participant covered under subparagraph (ii) of Paragraph IV.B may become entitled, pursuant to the terms of his or her agreement or arrangement with the Company, to the full amount of the incentive compensation award earned for the Performance Period on the basis of the level at which the applicable performance objectives are in fact attained.

D. For purposes of this Article IV, the following definitions shall be in effect:

- (i) A participant shall be deemed to continue in "**Employee**" status for so long as that individual remains in the employ of the Company or any parent or subsidiary of the Company.
- (ii) A participant shall be deemed to have ceased Employee status by reason of a "**Disability**" if such cessation of Employee status occurs by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.
- (iii) Each corporation (other than the Company) in an unbroken chain of corporations ending with the Company shall be considered to be a "**parent**" of the Company, provided that each such corporation (other than the Company) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.
- (iv) Each corporation (other than the Company) in an unbroken chain of corporations beginning with the Company shall be considered to be a "**subsidiary**" of the Company, provided that each such corporation (other than the last corporation in the unbroken chain) owns, at the time of determination, stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations in such chain.

E. A participant who is absent from active Employee status for a portion of a Performance Period by reason of an authorized leave of absence shall not be deemed to have ceased Employee status during the period of that leave. However, any incentive compensation award to which such participant may otherwise become entitled under the Plan for that Performance Period based on the level at which the applicable performance objectives for such

Performance Period are in fact attained shall be pro-rated based on the portion of that Performance Period during which that individual is in active working status and not on such leave of absence, unless the Plan Administrator otherwise deems it appropriate under the circumstances to provide that individual with the full incentive compensation award that he or she would have earned for that Performance Period, on the basis of the level at which the applicable performance objectives are in fact attained, had there been no leave of absence.

V. DETERMINATION OF PERFORMANCE GOALS AND POTENTIAL INCENTIVE COMPENSATION AWARD AMOUNTS

A. Participants shall be eligible to earn a cash incentive compensation award under the Plan for each Performance Period for which one or more performance objectives established by the Plan Administrator for that Performance Period are attained. The Plan Administrator shall establish the specific Company and individual performance objectives for each Performance Period. In no event may a performance objective be established at a time when there exists no substantial uncertainty as to its attainment.

B. For each Performance Period, the performance objectives may be based on one or more of the following criteria: (i) pre-tax or after-tax earnings, profit or net income; (ii) revenue or revenue growth; (iii) earnings per share; (iv) return on assets, capital, shareholder equity or rate base; (v) total shareholder return; (vi) gross or net profit margin; (vii) cash flow, operating cash flow or free cash flow; (viii) approved rate increases; (ix) earnings or operating income before interest, taxes, depreciation, amortization and/or charges for stock-based compensation; (x) increases in customer base; (xi) operating income, net operating income or net operating income after recorded tax expense; (xii) operating profit, net operating profit or net operating profit after recorded tax expense; (xiii) operating margin; (xiv) cost reductions or other expense control objectives; (xv) market price of the Common Stock, whether measured in absolute terms or in relationship to earnings or operating income; (xvi) compliance with applicable environmental requirements or applicable regulatory requirements; (xvii) budget objectives; (xviii) working capital; (xix) mergers, acquisitions or divestitures; (xx) attainment of water industry objectives measured in terms of water quality, service, reliability and efficiency; (xxi) measures of customer satisfaction; (xxii) property purchases or sales; (xxiii) construction goals; (xxiv) plant utilization or capacity; (xxv) litigation or regulatory resolution goals; (xxvi) rate base objectives; (xxvii) credit rating; (xxviii) application approvals; (xxix) economic value added; (xxx) productivity goals; (xxxii) capital budget or capital expenditures; (xxxiii) objectives tied to capital growth; (xxxiv) human capital measures or metrics; (xxxv) strategic plan development and implementation and/or achievement of synergy targets; (xxxvi) environmental, social and governance efforts and improvements; (xxxvii) operational and organization goals; and (xxxviii) any other criteria determined by the Plan Administrator. Each performance criteria may be based upon the attainment of specified levels of performance, including in terms of the Company's performance or in relation to the performance of other entities and may also be based on the performance of any of the Company's business units or divisions or any Parent or Subsidiary or individual performance. In addition, one or more of such performance criteria may be measured in terms of percentage achievement of the budgeted amounts established for those criteria. Each applicable Performance Goal may include a minimum threshold level of performance below which no Award will be earned, levels of performance at which specified portions of an Award will be earned and a maximum level of performance at which an Award will be fully earned. Each applicable performance goal may provide for appropriate adjustments or exclusions for one or more of the following items: (a) asset impairments or write-downs; (b) litigation and governmental investigation expenses, and amounts paid with respect to judgments, verdicts and settlements in connection therewith; (c) the effect of changes in tax law, accounting principles, any public utility commission rules and regulations or any other such laws, regulations or provisions affecting reported results; (d) accruals for reorganization and restructuring programs; (e) costs and expenses incurred in connection with mergers and acquisitions; (f) any

extraordinary or nonrecurring items; (g) bonus or incentive compensation costs and expenses associated with cash-based awards made under the Plan, the Company's Long-Term Incentive Plan, or other cash-paid bonus or incentive compensation plans or arrangements of the Company or any Parent or Subsidiary; (h) items of income, gain, loss or expense attributable, in the year of acquisition, to the operations of any business acquired by the Company or any Parent or Subsidiary; (i) items of income, gain, loss or expense attributable to any joint venture in which the Company or any Parent or Subsidiary participates; (j) items of income, gain, loss or expense attributable to one or more business operations divested by the Company or any Parent or Subsidiary or the gain or loss realized upon the sale of any such business or the assets thereof; (k) the effects of any corporate transaction, such as a merger, consolidation, separation or reorganization; (l) gains or losses from sales of real estate and fixed income and equity investments; (m) changes in the market value of fixed income and equity investments; (n) the effects of changes in surface water production volumes beyond the reasonable control of management as compared to amounts assumed in the annual board approved budget; and (o) such other adjustments as determined by the Plan Administrator.

C. For each performance objective, the Plan Administrator may establish up to three (3) designated levels of attainment: threshold, target and above-target levels of attainment. At the time the performance objectives for a particular Performance Period are established, the Plan Administrator shall also set the incentive compensation award potential for each participant at each of the designated performance levels. Alternatively, the Plan Administrator may establish a linear formula for determining the incentive compensation award potential at various points of performance goal attainment.

D. The actual incentive compensation award to be paid for each Performance Period shall be determined by the Plan Administrator on the basis of the level at which each of the performance objectives applicable to that Performance Period is in fact attained. Accordingly, each performance objective shall be measured separately in terms of actual level of attainment and shall be weighted, equally or in such other proportion as the Plan Administrator shall determine at the time such performance objectives are established, in determining the actual incentive compensation award payable to each participant for the Performance Period. For example, if four (4) performance objectives are established for the Performance Period and weighted equally, then each of those objectives attained at target level will contribute an amount equal to twenty-five percent (25%) of the total incentive compensation award payable to the participant at target level performance, and each objective attained at above-target level will contribute an amount equal to twenty-five percent (25%) of the total incentive compensation award payable to the participant at above-target level performance. However, no incentive compensation award amount shall be payable with respect any performance objective, unless the specified threshold level for that objective is attained.

E. The Plan Administrator shall determine the actual level of attainment of each performance objective for the Performance Period before any incentive compensation award is paid for that Performance Period.

VI. INDIVIDUAL INCENTIVE COMPENSATION AWARDS

A. The actual incentive compensation award to be paid to each participant for a particular Performance Period will be determined on the basis of the incentive compensation award potential established for that individual at the various levels of attainment designated for each of the performance objectives applicable to the participant for that Performance Period. Should the actual level of attainment of any such performance objective be between two of the designated levels, then the participant's incentive compensation award potential will be interpolated on a straight-line basis, unless otherwise determined by the Plan Administrator. Notwithstanding any provision of the Plan, the Plan Administrator shall have the discretion to

reduce or eliminate the incentive compensation award that would otherwise be payable with respect to one or more performance objectives based on their level of attainment as determined by the Plan Administrator.

B. Intentionally Omitted.

C. Except as otherwise provided in Paragraphs IV.B and C above, no participant shall accrue any right to receive an incentive compensation award under the Plan unless that participant remains in Employee status through the Completion Date of the Performance Period. Accordingly, no incentive compensation award payment shall be made to any participant who ceases Employee status prior to the Completion Date, *provided, however*, that the provisions of Paragraphs IV.B and C shall govern the incentive compensation award entitlement of participants whose Employee status terminates under the various circumstances set forth in those provisions.

D. The actual incentive compensation award which a participant earns for a particular Performance Period shall be paid pursuant to the following procedures:

- (i) Within sixty (60) days following the completion of the Performance Period, the Plan Administrator shall meet to determine the actual levels at which the performance objectives for such period for each participant have been attained and determine, on the basis of such levels of attainment, the actual incentive compensation award amount to be paid to each participant for that Performance Period.
- (ii) Within fifteen (15) business days following the completion of such determination process, the actual incentive compensation award amount determined for each participant shall be paid, subject to the Company's collection of all applicable federal, state and local income and employment withholding taxes.
- (iii) The incentive compensation award earned for each Performance Period shall be paid no later than the first business day of March of the calendar year (the "*Post-Performance Year*") immediately following the calendar year in which the Completion Date for that Performance Period occurs. In no event will an incentive compensation award be paid earlier than the first day of the Post-Performance Year, unless an earlier payment date for such incentive compensation award would not otherwise result in adverse tax consequences under Section 409A of the Code. A participant may, however, defer the receipt of his or her incentive compensation award payment until separation from service or other designated date through a timely election made under the Company's Special Deferral Election Plan.

E. All incentive compensation award payments shall be made in cash.

VII. GENERAL PROVISIONS

A. The Plan and all rights hereunder shall be construed, administered and governed in all respects in accordance with the laws of the State of California without resort to its conflict-of-laws provisions. If any provision of the Plan shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Plan shall continue in full force and effect.

B. The Plan is intended to comply with the applicable requirements of Code Section 409A and the Treasury Regulations thereunder. However, payments to participants for one or more Performance Periods may be structured so as to comply with the “short term deferral exception” to Code Section 409A. Accordingly, for those particular Performance Periods, the provisions of the Plan shall be applied, construed and administered so that payments made for those Performance Periods qualify for such exception, to the maximum extent allowable. However, to the extent the incentive compensation award program in effect for any Performance Period is deemed to constitute a deferred compensation arrangement subject to the requirements of Code Section 409A, the provisions of the Plan applicable to that Performance Period shall be applied, construed and administered so that the incentive compensation award payments for that Performance Period are made in compliance with the applicable requirements and limitations of Code Section 409A. In addition, should there arise any ambiguity as to whether any other provisions of the Plan would contravene one or more applicable requirements or limitations of Code Section 409A and the Treasury Regulations thereunder, such provisions shall be interpreted, administered and applied in a manner that complies with the applicable requirements of Code Section 409A and the Treasury Regulations thereunder.

C. The Plan Administrator may at any time amend, suspend or terminate the Plan, provided such action does not adversely affect the rights and interests of participants accrued to date under the Plan or otherwise impair their ability to earn an incentive compensation award based upon the performance objectives established by the Plan Administrator for the then-current Performance Period.

D. Neither the action of the Company in establishing or maintaining the Plan, nor any action taken under the Plan by the Plan Administrator, nor any provision of the Plan itself shall be construed so as to grant any person the right to remain in Employee status for any period of specific duration, and each participant shall at all times remain an Employee at-will and may accordingly be discharged at any time, with or without cause and with or without advance notice of such discharge.

E. The terms and conditions of the Plan, together with the obligations and liabilities of the Company that accrue hereunder, shall be binding upon any successor to the Company, whether by way of merger, consolidation, reorganization or other change in ownership or control of the Company.

F. No participant shall have the right to transfer, alienate, pledge or encumber his or her interest in the Plan, and such interest shall not (to the maximum permitted by law) be subject to the claims of the participant’s creditors or to attachment, execution or other process of law. However, should a participant die before payment is made of the actual incentive compensation award to which he or she has become entitled under the Plan, then that incentive compensation award shall be paid to the executor or other legal representative of his or her estate.

G. No amounts accrued or earned under the Plan shall actually be funded, set aside or otherwise segregated prior to actual payment. The obligation to pay the incentive compensation award that actually becomes due and payable under the Plan shall at all times be an unfunded and unsecured obligation of the Company. Participants shall have the status of general creditors and shall look solely and exclusively to the general assets of the Company for payment.

CERTIFICATIONS

I, Andrew F. Walters, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of H2O America (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 28, 2025

/s/ ANDREW F. WALTERS

Andrew F. Walters
Chief Executive Officer
(Principal executive officer)

CERTIFICATIONS

I, Ann P. Kelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of H2O America (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 28, 2025

/s/ ANN P. KELLY

Ann P. Kelly

Chief Financial Officer and Treasurer
(Principal financial officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of H2O America (the "Company") on Form 10-Q for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew F. Walters, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge on the date hereof:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ANDREW F. WALTERS

Andrew F. Walters
Chief Executive Officer
(Principal executive officer)
October 28, 2025

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of H2O America (the “Company”) on Form 10-Q for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ann P. Kelly, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge on the date hereof:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ANN P. KELLY

Ann P. Kelly
Chief Financial Officer and Treasurer
(Principal financial officer)
October 28, 2025