



## **Global Water Resources Receives Extension on Taxable Gain, Plans to Apply Benefit Toward Growth Initiatives**

**PHOENIX, AZ – October 22, 2018** – Global Water Resources, Inc. (NASDAQ: GWRS), (TSX: GWR), a pure-play water resource management company, has received an extension from the Internal Revenue Service (IRS) to defer the gain realized from the disposition of Valencia Water Company facility until the end of 2019.

After taking into consideration the [recent acquisition](#) of Red Rock Utilities as well as the remaining projected capital investments in 2018, Global Water expects to apply approximately \$7.5 million of additional capital investment in 2019 to fully defer the tax gain.

“This extension gives us another year to defer the tax gain by investing in our growth initiatives,” said Global Water Resources’ SVP and CFO, Mike Liebman. “We plan to take advantage of deferring the taxable gain by making capital investments in existing utilities and pursuing additional strategic acquisitions that provide consolidation benefits.”

Global Water Resources earlier received a private letter ruling from the IRS that allowed the assets involuntarily converted upon the disposition of Valencia to be replaced with certain facility improvements or newly acquired facilities with the cost offset by the taxable gain from the disposition, according to Internal Revenue Code §1033.

The company has acquired four utilities and completed a number of capital improvements since the disposition in July of 2015. Additional investments to be applied against the taxable gain are currently scheduled to be completed in 2018 and 2019.

### **About Global Water Resources**

Global Water Resources, Inc. is a leading water resource management company that owns and operates 12 utility companies which provide water, wastewater, and recycled water services. The company’s service areas are located primarily in growth corridors around metropolitan Phoenix. Global Water recycles nearly 1 billion gallons of water annually.

The company has been recognized for its highly-effective implementation of Total Water Management (TWM), an integrated approach to managing the entire water cycle by owning and operating water, wastewater and recycled water utilities within the same geographic area to maximize the beneficial use of recycled water. TWM conserves water by using the right water for the right use and helps protect water supplies in water-scarce areas experiencing population growth. To learn more, visit [www.gwresources.com](http://www.gwresources.com).

### **Cautionary Note Regarding Forward-Looking Statements**

This press release includes certain forward-looking statements which reflect the company's expectations regarding future events. The forward-looking statements involve a number of assumptions, risks, uncertainties, and other

factors that could cause actual results to differ materially from those contained in the forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning, future net income growth, our strategy, acquisition plans, capital expenditure plans, our dividend policy, trends relating to population growth, active connections, regulated revenue, housing permit projections, expected effect due to tax reform, and other statements that are not historical facts as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", or the negative of these terms, or other words of similar meaning. These statements are based on our current beliefs or expectations and are inherently subject to a number of risks, uncertainties, and assumptions, most of which are difficult to predict and many of which are beyond our control. Actual results may differ materially from these expectations due to changes in political, economic, business, market, regulatory, and other factors. Accordingly, investors are cautioned not to place undue reliance on any forward-looking statements, which reflect management's views as of the date hereof. Factors that may affect future results are disclosed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our filings with the Securities and Exchange Commission (the "SEC"), which are available at the SEC's website at [www.sec.gov](http://www.sec.gov). This includes, but is not limited to, our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018 which were filed with the SEC. We undertake no obligation to publicly update any forward-looking statement, except as required by law, whether as a result of new information, future developments, or otherwise.

**Company Contact:**

Michael J. Liebman  
SVP and CFO  
Tel (480) 999-5104  
[mike.liebman@gwresources.com](mailto:mike.liebman@gwresources.com)

**Investor Relations:**

Ron Both, CMA  
Tel (949) 432-7566  
[GWRS@cma.team](mailto:GWRS@cma.team)