

INCREASING OUR FOCUS THROUGH COLLABORATION



CALIFORNIA AMERICAN WATER

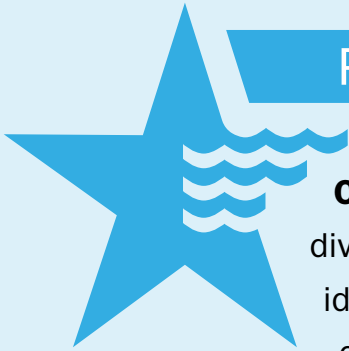
2023 Annual Report to the California Public Utilities Commission
(for 2022 results)

Women, Minority, Disabled Veteran, LGBT Business Enterprise Procurement
Pursuant to CPUC General Order 156 (U-60-W)



CALIFORNIA
AMERICAN WATER

WE KEEP LIFE FLOWING®



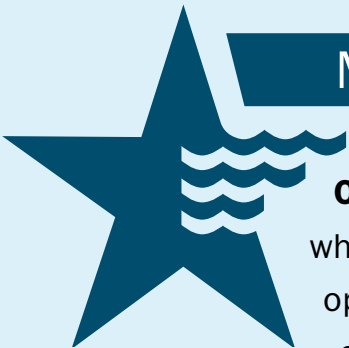
POLICY

California American Water recognizes the value of supplier diversity as a strategic business decision. We are committed to identifying diverse suppliers and offering them an opportunity to compete for products and service contracts.



VISION

We create opportunities – including education and mentorship – for diverse suppliers and strive to work with diverse suppliers who meet our high standards and work in our customers' best interests.



MISSION

Our mission is to open business doors for diverse suppliers who otherwise would not have been knowledgeable of contract opportunities with California American Water. We are steadfast in our commitment to ensure that available contract opportunities are known and reviewed in an open and fair competitive business environment.

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KEVIN TILDEN, President

PRESIDENT'S MESSAGE

I am pleased to present our 2022 supplier diversity results. Our team started tracking our results in 2009, and we continue to meet or exceed the CPUC's current goal of 22 percent. We ended 2022 at 45.93 percent.

When the company started the tracking process, I served as the leader of our external and internal communications teams. I have seen the effort grow from a program to an overall inclusion and diversity strategy with the results and focus to match. As President of California American Water, I will continue to be a strong proponent of supplier diversity to all team members in procurement roles. Inclusion of diverse suppliers in our procurement process promotes creativity, innovation, and competition, which benefits the communities we serve.

Our 2022 results were excellent. We exceeded the CPUC goal and ended the year at 45.93 percent. These results would not be possible without the entire California American Water team being inclusive of small, diverse vendors in our procurement processes.

I want to thank the CPUC for asking me to be part of one of the panels for the 2022 CPUC En Banc. It was great to share our efforts and discuss strategies. I also want to acknowledge all of the regulated utilities and the CPUC for finalizing the LGBTBE goal. As a member of the LGBTQ+ community, it's great to see an official goal that supports inclusive efforts.

Please take a look at this year's report. I'm sure you will be as excited as I was to review our performance and learn how we will continue to succeed by "Increasing Our Focus Through Collaboration."

KEVIN TILDEN
PRESIDENT

MESSAGE FROM THE INCLUSION & DIVERSITY OFFICER



EDWARD SIMON,
Inclusion & Diversity Officer

On behalf of the entire California American Water team, I hope your 2022 was productive and fruitful. This year's report theme – Increasing Our Focus Through Collaboration – was chosen because we know our results were achieved by collaborating with our internal team members and with our external partners, including our various community-based organizations. You will hear more about our plans to increase our collaboration with both in our 2023 plans.

During 2022, California American Water accomplished most of our goals.

The following provides highlights of our 2022 accomplishments:

1. For the 13th consecutive year, we met or exceeded the CPUC goal of 22 percent. We achieved 45.93 percent diverse spend in 2022.
2. For the fourth consecutive year, we met all category goals including the newly established 0.5 percent LGBTBE goal.
3. We finalized our strategy to increase spend in lower performing categories. We will begin completion of agreed upon actions in 2023.
4. We continued to reach out to Prime Suppliers when they did not meet the diverse vendor utilization percentage they agreed to in their Diverse Business Enterprise (DBE) Requirement Statement.
5. We continued our Partnering Forward for Success Program, which encourages our Prime Suppliers to mentor one DBE per year.
6. Working with an LGBTBE Firm, Parkins Analytics, we created a new Supplier Diversity Dashboard that allows all employees to review our results statewide and by district and categories.
7. We participated in and supported the CPUC Rulemaking to finalize the LGBTBE goal and include all persons with disabilities.

In addition to completion of the above seven items that were part of our 2022 Plans, we also accomplished the following:

1. We held our Annual Supplier Diversity Showcase including internal and external awards.
2. In partnership with California Water Association (CWA), we hosted several technical assistance and capacity building events, including our W.A.T.E.R. Class, R.I.S.E Program and Meet-the-Primes Event.
3. We partnered with Golden State Water, Frontier Communications, Civic Community Partners, and Council for Supplier Diversity to provide select diverse vendors with enhanced business management curriculum, including a one-year paid membership to the Council for Supplier Diversity.
4. We continued to increase our list of Prime Diverse Suppliers, growing the number of diverse suppliers as part of our New Diverse Million Dollar Circle.
5. We continued to provide community-based organizations with sponsorship dollars to develop programming focused on water utilities.

I hope you enjoy reading this year's report to review our 2022 performance and to hear our plans for "Increasing Our Focus Through Collaboration."

A handwritten signature in blue ink, appearing to read "Edward A. Simon, II".

EDWARD A. SIMON, II
DIRECTOR OF BUSINESS PERFORMANCE AND SUPPLIER DIVERSITY

SUPPLIER DIVERSITY

2022 AT A GLANCE



\$136 MILLION

TOTAL PROCUREMENT



\$62.3 MILLION

DIVERSE SPEND



45.93%
TOTAL PURCHASES
WITH DIVERSE
SUPPLIERS



13 YEARS
CPUC GOAL SURPASSED



7 AMONG TOP 10
SUPPLIERS ARE DIVERSE FIRMS



22
NEW DIVERSE
FIRMS



49
DIVERSE SUPPLIERS
SPENT > \$100K



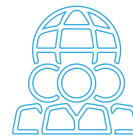
\$6.8 MILLION
COMMITTED CORPORATIONS
SPEND ON DIVERSE
BUSINESSES



188
TOTAL NUMBER OF
DIVERSE SUPPLIERS
IN OUR NETWORK OF
VENDORS



112
TOTAL NUMBER OF
DIRECT (PRIME) DIVERSE
SUPPLIERS WITH SPEND
IN 2022



126
TOTAL NUMBER OF DIVERSE
SUPPLIERS (PRIME &
SUBCONTRACTORS) WITH
SPEND IN 2022

SECTION 9.1.1 - Description of WMDVLGBTBE Program Activities During the Previous Calendar Year

CALIFORNIA AMERICAN WATER continued its efforts to promote and engage both internal and external stakeholders in 2022. The following describes internal and external highlights and activities, including key meetings, areas of focus, and outreach events.

45.93%
2022 DIVERSE SPEND

We are proud to have exceeded the CPUC diverse spend goal of 22 percent and our prior mid-term goal (2022–2024) of 34.5 percent with a total diverse spend of \$62,318,559, which is an increase from 2021 (\$48,201,459). As our program continues to mature, we hope to build and improve upon this result.

DIVERSE SPEND
for the past **5 YEARS**

Year	Net Procurement	Total WMDVLGBTBE Spend	Percentage
2022	\$135,691,414	\$62,318,559	45.93%
2021	\$100,796,029	\$48,201,459	47.82%
2020	\$106,314,863	\$42,485,749	39.96%
2019	\$94,533,546	\$32,792,170	34.69%
2018	\$99,118,256	\$27,188,944	27.43%

22

NEW DIVERSE SUPPLIERS



In 2022, we added 22 new diverse suppliers with spend of just over \$4.5 million.

NEW 2022 SUPPLIERS

- ★ 360 MARKETING & PR, LLC
- ★ AMERICAN TRUCK & TRAILER BODY CO., INC.
- ★ AMERICORE CREATIONS, INC.
- ★ AMERIVET CONTRACTING
- ★ ARIZONA PIPELINE COMPANY
- ★ ARL GENERAL ENGINEERING
- ★ ARMS AIR CONDITIONING & HEATING
- ★ BASELINE COMPLIANCE CORP
DBA BASELINE COMPLIANCE
- ★ CLYDE G. STEAGALL, INC.
- ★ CRAIG EVANS PUMP TESTING SERVICES
- ★ FOCUS LANGUAGE INTERNATIONAL, INC.
- ★ MILTON S. FRANK CO., INC.
- ★ MONROVIA FLORAL
- ★ MONTIJO BACKHOE, INC.
- ★ PRECISION CLEANING SYSTEMS, INC.
- ★ ROADRUNNER DRILLING & PUMP COMPANY, INC.
- ★ SOUTHWEST ADVANCEMENT SOLUTIONS CORP.
- ★ STRONGHOLD ENGINEERING, INC.
- ★ SURF TO SNOW ENVIRONMENTAL RESOURCE MANAGEMENT, INC.
- ★ TOLEDO INDUSTRIAL COATINGS (PROCESS MEASUREMENT GROUP)
- ★ VENTANA ENGINEERING & CONSTRUCTION, INC.
- ★ VINYARD DOORS, INC.

CAPACITY DEVELOPMENT: DIVERSE SUPPLIERS BECOMING LARGER PRIME SUPPLIERS (COMMITTED CORPORATIONS)

The company tracks our vendor spend annually to identify the vendors with whom we have spent \$100k or more during the year. We are proud of the revenue we are generating for small, diverse vendors. Results include:

- 7 of our top 10 vendors with the most spend are diverse – 70%.
- 10 diverse vendors had spend ranging from \$1M to \$17M.

We are pleased to present our **2022 Million Dollar MBE Circle** (in order of highest spend):

- | | |
|--------------------------------------|-------------------------------------|
| ★ FLOREZ PAVING | ★ DOTY BROTHERS EQUIPMENT CO |
| ★ SR DIVERSIFIED LLC | ★ CLYDE G STEAGALL INC. |
| ★ RAWLES ENGINEERING | ★ VALENTINE ENVIRONMENTAL ENGINEERS |
| ★ INNOCENTI CONSTRUCTION INC. | ★ RODPAZ BROS INC. |
| ★ AUTOMOTIVE RENTALS | ★ ROBERT BRKICH CONSTRUCTION COR. |
| ★ HAL HAYS CONSTRUCTION INC. | ★ MURPHY NELSON MARKETING INC. |
| ★ VENTANA ENGINEERING & CONSTRUCTION | ★ BLAIR CHURCH & FLYNN CONSULTING |

2022 HIGHLIGHTS

2022 INTERNAL ACTIVITIES AND OUTREACH

At California American Water, we strive to engage in meaningful and productive internal activities and projects and external outreach events that yield results. We hold our own company-specific efforts, while also collaborating with CWA and other Joint Utilities (those in other sectors such as gas, electric, telecom and cable).

2022 PLAN ACCOMPLISHMENTS

The following 2022 Planned Activities were included in last year's report.

1. Finalize our strategy to increase spend in lower performing minority categories – African American, Asian Pacific Islander, Native American and LGBTBEs. Our Supplier Diversity Council approved the draft strategy in 2021. We will finalize and implement recommendations starting in 2022.
2022 Results: Our Supplier Diversity Council approved the final plan mid to late May. Some of the tasks were completed during 2022.
2. We will continue to reach out to our Prime Suppliers when they do not meet their MBE utilization contract commitments to offer assistance and plans for improvements.
2022 Results: After receiving Prime Suppliers Quarterly Tier Two Reports, we reached out to those who are not meeting their agreed upon goals. Our approach has been to offer assistance including searching the Supplier Clearinghouse database for local suppliers they could potentially utilize. Our Prime Suppliers understand that we are monitoring performance and are here to help.
3. We will continue our Partnering Forward for Success (PFS) Program to encourage existing and new Committed Corporations to mentor one DBE a year.
2022 Results: We continued our PFS Program for the 3rd consecutive year. The Prime Suppliers (Committed Corporations) and the DBEs (Partners) are the same as our original participants. The Committed Corporations and DBE Partners have remained in their relationship. In 2022, four Prime Suppliers and six DBE Partners worked together and generated at total \$6.8M in revenue for DBE Partners (Subcontractors). Additional results and upcoming plans are included in subsequent report pages.
4. We will implement a new Supplier Diversity Dashboard to allow employees to view results and drill deeper into their functional results.
2022 Results: We engaged LGBTBE, Parkins Analytics, to create a user-friendly dashboard to communicate our results and allow all employees to drill deeper into our results. A report link is sent monthly to all employees to review our performance.

5. We will begin discussions to create targeted diversity goals for those in charge of larger dollar procurement spending.

2022 Results: After many internal management and leadership discussions, we agreed that this task no longer needs to be our focus. The decision was made based on our results and overall employee engagement and focus of including DBEs in our procurement processes.

6. We will support the CPUC's final decision regarding plans for LGBTBE goals, key action items to increase spend with LGBTBEs and other final approved changes to General Order 156.

2022 Results: California American Water supported the Joint Utilities recommendation to create a goal based on our historical performance. The CPUC final decision results in a stepped goal starting at 0.5 percent for 2022 and increase annually by 0.5 percent until reaching 1.5 percent. California American exceeded the CPUC's 2022 goal of 0.5 percent achieving 1.31 percent.

In addition to the results noted above, California American Water continued focusing on being inclusive of small diverse businesses by completing the following:

1. Our Supplier Diversity Director finalized his two years as the Chair of California Water Association's (CWA) Diversity, Equity & Inclusion committee. This committee works with regulated utilities to increase engagement and participation in inclusivity efforts, which includes workforce diversity, training and education, and supplier diversity.
2. Continued implementing suggestions from 2021 LGBTQ+ Survey.
3. Began supplier diversity website enhancements.
4. Continued community-based sponsorships and partnerships while increasing engagement in accountability between both parties.
5. Continued our Annual Supplier Diversity Showcase and Supplier Diversity Awards (Internal/External).
6. Continued our Monthly Supplier Diversity Spotlight whereby we highlight one small diverse business in our biweekly employee newsletter.
7. Continued Monthly Supplier Diversity Council Meetings with functional leaders.

2022 HIGHLIGHTS

2022 INTERNAL AND EXTERNAL OUTREACH EFFORTS

California American Water strives to engage in meaningful and productive internal and external outreach events. We coordinate our own company-sponsored events while also collaborating with CWA and other utilities. The following lists the outreach events California American Water coordinated, promoted, or participated in to engage new and existing diverse suppliers and further our inclusion and diversity efforts.

STANDING MEETINGS/OUTREACH

MONTHLY

- California Water Association (CWA) Utility Supplier Diversity Committee Meetings
- California Water Association (CWA) Diversity and Inclusion Advisory Council Meetings
- California American Water Supplier Diversity Council Meetings
- Mentor Protégé (Pivotal Adaptive Services and Bocci Engineering) Meetings
- American Water (Culture) Inclusion and Diversity Champions Leads Meetings
- California American Water Local Office Culture Champions Meetings
- Los Angeles LGBTQ Chamber of Commerce (LAGLCC) Board Meetings
- San Diego Equality Business Association (SDEBA) Board Meetings

QUARTERLY

- Joint Utilities Meetings
- Asian Business Association (ABA) Advisory Council Meetings (LA Area)
- National Gay & Lesbian Chamber of Commerce (NGLCC) Quarterly Procurement Council Meetings
- National Gay & Lesbian Chamber of Commerce Corporate Advisory Council Meetings
- National Center for American Indian Economic Development (NCAIED) Advisory Council Meetings

PARTNERSHIP AND COLLABORATION TO INCREASE DBE TECHNICAL ASSISTANCE AND BUSINESS ACUMEN EDUCATION

California American Water has partnered with Frontier Communications, Golden State Water, Civic Community Partners, and the Council for Supplier Diversity for the last two years to offer a High-Performance Series. Portions of this curriculum include more advanced college-level courses focused on new and established businesses. The curriculum provides tools and skills to run a successful business, including:

- Organizational and Operational Strategies
- Marketing and Business Development
- Effective Cost Contact and Effective Negotiations
- Strategies for Financing and Financial Management
- Managing People: Leveraging Human Assets

The Council for Supplier Diversity and the University of San Diego partnered to create this series. In 2021, 10 diverse suppliers participated; in 2022, 10 more diverse suppliers attended. The tuition is paid for by Frontier Communications, Golden State Water, Civic Community Partners, and California American Water. The \$30k per year cost is shared among the three utilities and Civic Community Partners, a local San Diego-based community organization. Participants were also provided a free one-year membership to the Council for Supplier Diversity.

INNOVATION INTEL

How Partnership Led to an Enhanced Developmental Program for Diverse Suppliers

By Ruksana Hussain

Five esteemed organizations collaborate for continued DBE success.

To help strengthen the capacity and performance of diverse business enterprises (DBEs), to improve upon their existing operations and forge sustainable relationships with clients, the Council for Supplier Diversity, California American Water, Civic Community Partners, Golden State Water Company, and Frontier Communications are hosting a High-Performance Supplier Series delivered by The University of San Diego School of Business and the Council. Featuring in-depth workshops designed specifically for this purpose, the inaugural edition of the high-level program commenced with an introductory meeting in May, and full-day classes delivered via an online virtual classroom platform once a month, June through October gives participants ample time to implement their takeaways from the different sessions. With the Council providing technical assistance and professional development, and California American Water, Civic Community Partners, Golden State Water Company, and Frontier Communications underwriting the substantial \$3,500 fee per participant attending the course, the 20 selected DBEs can expect exceptional value and expert guidance from the exclusive experience. The sponsoring companies are also paying for one year of Council of Supplier Diversity membership for each of the businesses.

Edward Simon, Director of Business Performance and Supplier Diversity at California American Water, shares, "All four of us—California American Water, Civic Community Partners, Frontier Communications and Golden State Water Company—have sponsored a lot of programs that provide technical assistance and capacity building, and we felt the need to take that curriculum to a different level so businesses can walk away with enhanced tangible information that they can use."

The course modules include Organizational & Operational Strategy, Marketing & Business Development, Effective Cost Control & Executive Negotiations, Strategies for Financing & Financial Management, and Managing People: Leveraging the Human Asset: all providing great value for all levels of suppliers, from newly formed enterprises to those with years of operating experience. The module on Strategies for Financing & Financial Management is especially significant, covering relevant topics such as Trends & Opportunities in Capital Acquisition, The Role of the CFO in Financial Management, Corporate Finance & Financial Analysis and Time Value of Money. The series concludes with a required final capability presentation to California American Water, Golden State Water Company and Frontier Communications decision-makers.

"California American Water, Frontier Communications and Golden State Water Company have historically experienced low spend with African American, Asian American and Pacific Islander diverse vendors so we focused our initial search for suppliers within these groups. We expanded our search to include other minority business owners as well. Again, our goal was to look at where our low dollar spend is and offer the course to business owners, we feel as well as Civic Community Partners know could use our help," says Simon. "It's about providing small and diverse businesses with the tools they need to be successful... When we look at this curriculum, it gives the business owner everything under one umbrella, it's all encompassing." He reports initial sentiment gauged from participants is extremely positive given the extensive course curriculum and full financial assistance provided. Some of the participants from the DBEs selected for the program shared their thoughts on expectations heading into the program and upon course completion.

CIVIC COMMUNITY PARTNERS PARTICIPANTS

- Tommy Walker, CEO, DUW LOGISTICS
- Nellie Garcia, CO-OWNER, JULIA MEXICAN COFFEE
- Raul Ramirez, CO-OWNER, JULIA MEXICAN COFFEE
- Maya Kludsen, OWNER, MAYA'S COOKIES
- Rodrick Thompson, PRESIDENT, ACCENT CONSTRUCTION, INC.
- Dana Clarke, CEO, LUXURY LIGHTING, INC.
- Irvin Acosta, PRESIDENT, LUXURY LIGHTING, INC.

GOLDEN STATE WATER COMPANY

MONICA JONES
Monica Jones, Director, Talent Acquisition & Facility Security Officer (FSO, IWI)
"As a small and women-owned business, we have been successful by creating wonderful partnerships like this one, that has allowed us to expand our services in new markets, and grow our business and relationships exponentially. I believe this would be a great benefit for us to incorporate our expertise in cybersecurity and information technology by learning and understanding the services and the operation of the Advanced Supplier Program Development Initiative. I am excited and honored to be able to participate in this inaugural program!"

JOE JOHNSON
Joe Johnson, Owner, Johnson Construction Enterprise LLC
"Our company is proud to have been selected for this program which will provide the continued development of relevant knowledge and expertise critical to our long-term success and growth. We are sincerely appreciative of the ongoing and authentic partnership extended by the leadership at California American Water to include being selected by Golden State Water Company for this program. I welcome and look forward to the broad based topics of professional training. Implementing this newly acquired professional knowledge will benefit and position our company for the future."

ADDITIONAL PARTICIPANTS:

- Craig Evans, OWNER, CRAIG EVANS PUMP-TESTING SERVICES
- Rod Edson, OWNER, MAZOUT, INC.
- Dominique Payne, CEO, OORENA, INC.

CALIFORNIA AMERICAN WATER

ALEX ARSENAULT
Alex Arsenaault, Owner, Arsenal Well Drilling
"I try as much as possible to keep abreast of the regulatory and technological changes that are occurring daily in our market. I am confident that this program will give me the proper tools to allow our company to grow in a dynamic fashion in the right direction. I plan to utilize to the full extent, the marketing strategies offered to grow our company."

BENJAMIN GRIFFIN
Benjamin Griffin, Owner, Moments of Focus
"I am excited about the opportunity to participate in the Advanced Supplier Program Development Initiative! Based on the curriculum outline, backed by the leadership and participating sponsors, I anticipate greatness and growth."

ADDITIONAL PARTICIPANTS:

- Windell Paccasio, OWNER, IMPERIAL ELECTRIC
- David Ramil, OWNER, PIVOTAL ADAPTIVE SERVICES

FRONTIER COMMUNICATIONS PARTICIPANTS

- Binah Yelbecky, OWNER, YELBECKY CONSTRUCTION
- Fred All, PRESIDENT, ANDICO ASSOCIATES LLC
- Christine Keith, PRESIDENT, ELITE AUTO NETWORK CORP.

PARTNERING FOR DBE SUCCESS

The Council for Supplier Diversity is a nonprofit organization representing corporate outreach to the diverse supplier community by facilitating business opportunities for minority, women, and service-disabled businesses through interaction with corporate members.

California American Water delivers clean, safe, reliable, and affordable water and wastewater services in California, serving about 675,000 people, following the strict regulations set by local, state, and federal standards set by the United States Environmental Protection Agency.

Golden State Water Company delivers quality, reliable water to more than 1 million people in over 80 communities throughout California. Golden State Water has been in business for more than 90 years because we put customers first.

Frontier Communications combines over 85 years of communications provider expertise with the best of today's innovations to deliver critical communications tools and services to all types of residential and business customers across a 25-state footprint.

The University of San Diego School of Business provides academically rigorous, relevant, and values-based education and research toward its commitment to developing socially responsible leaders with a global mindset.

Click on the image above to read the article from Diversity Professional Magazine

2022 HIGHLIGHTS

ANNUAL SUPPLIER DIVERSITY SHOWCASE AND ANNUAL AWARDS LUNCHEON

The Annual Supplier Diversity Event educates new diverse business enterprises on working with us; highlights specific upcoming available projects; and allows us to recognize internal team members, suppliers and partners for their efforts engaging diverse suppliers.



2022 Annual Supplier Diversity Award Winners (Based on 2021 Results):

- 2021 Local Office Impact Award (district with highest diverse dollar spend) – Sacramento District Office - \$12.9M diverse spend.
- 2021 Divisional Impact Award (division with the highest diverse dollar spend) – Northern Division - \$17M diverse spend.
- 2021 On the Rise Award (this award is presented to the district or business unit that is most improved over the prior year) – in 2020 Monterey had a spend of 24.88 percent and in 2021 their spend increased to 30.21 percent – a 5.93 percent improvement.
- 2021 Tier Two Economic Impact Awards: These awards are given to the prime suppliers with the most subcontracting diverse spend.
 - » Monterey Peninsula Engineering – 1st Place - \$2.9M diverse sub-contractor spend
 - » Aecom – 2nd Place - \$388K diverse sub-contractor spend
 - » R.C. Foster – 3rd Place - \$220K diverse sub-contractor spend

Partnering Forward for Success Awards

Award presented to those Committed Corporations (Prime Suppliers) with most DBE Partners (Subcontracting Spend):

- 1st Place: Spiess Construction total of \$3.138M
- 2nd Place: Monterey Peninsula Engineering (MPE) total of \$3.133M
- 3rd Place: Crosno Construction total of \$710K

Advocates of the Year Award

This award is presented to employees that their local team members feel advocate for small diverse businesses and engage in our efforts to include DBEs in our procurement processes:

2021 Southern Division

- Operations Advocate – Eric Rojas
- Engineering Advocate – Mark Reifer

2021 Coastal Division

- Operations Advocate – Edith Lemon
- Engineering Advocate – David Pezzini

2021 Northern Division

- Operations Advocate – Zach Hamman
- Engineering Advocate – Jacob Rowe

2021 Supporting Supplier Diversity Advocate

- Mary Lou Ruiz



2021 Supplier Diversity Awardees (Advocates of the Year and Partnering Forward for Success Program) pictured with Ed Simon, Inclusion and Diversity Officer (far right)

2022 HIGHLIGHTS

CONTINUED PARTNERSHIP WITH CWA TO SUPPORT OUR THIRD W.A.T.E.R CLASS COHORT



In 2022, we continued our community-based and technical assistance program through California Water Association’s Water Acumen Training for Entrepreneur Refinement (W.A.T.E.R.) Business Certification.

The California Water Association’s annual CWA W.A.T.E.R. vendor training cohort has been instrumental in helping 15 highly-qualified vendors increase their capacity to earn contracts in the water industry.

The CWA Utility Supplier Diversity Program (USDP) hosted our annual CWA W.A.T.E.R. training cohort to prepare diverse vendors for opportunities in the water industry. Vendors were selected based on their potential to contribute to upcoming projects. This mentoring forum provided insights into how to navigate industry procurement standards. In a surprising twist for the 2022 cohort, an open forum discussion turned into a “joint venture” with the graduates preparing to collaborate to pursue a major water infrastructure project.

Vendors received intensive mentorship from Supplier Diversity and Inclusion professionals. The CWA Utility Supplier Diversity Program is proud of the accomplishments from their growing W.A.T.E.R. alumni base. One of the first cohort members, David Ramil with Pivotal Adaptive Services, not only earned lucrative contracts in California, but he also expanded into other states and countries.



2022 W.A.T.E.R. Class Cohort Members

Our training cohort officially began in March 2022 with an overview of the California water industry presented by expert Alison Loukeh, a consultant with experience in multiple facets of the industry. She provided dire statistics about drought conditions and the need for innovation in conservation. Throughout the cohort, we discussed best practices for responding to bids and how to propose new solutions. After this foundation was established, vendors were introduced to buyers and Primes (primary contractors) who evaluated them for potential collaborations.

Our intensive CWA W.A.T.E.R. curriculum gave vendors an edge that could not be found elsewhere in the industry. Melanie Rae, Chief Learning Designer and founder of Guided Business Plan, designed, produced and facilitated the cohort. Guided Business Plan is an entrepreneur education firm based in Los Angeles.

In addition to technical knowledge, vendors also gained invaluable networking opportunities. During graduation, vendors discussed ways in which they could work together on larger projects such as a multi-million dollar construction project or a complex infrastructure project requiring multiple teams from many industries working together seamlessly. By leveraging their collective strengths and experience, these entrepreneurs discussed creating a powerful “joint venture” that could compete for contracts more effectively than any single entity could do alone.

CWA W.A.T.E.R. is a technical assistance program as part of California’s General Order 156 that has led to millions of dollars in contract wins for our graduates. We are excited about the economic impact throughout the state with job creation and local re-investment. For more information, contact Michael Moss, Michael.Moss@gswater.com.

CALIFORNIA WATER ASSOCIATION (CWA) PARTNERSHIP – R.I.S.E



Water utilities are not often associated with creating jobs through small businesses, but the CWA Utility Supplier Diversity Program team can be credited with fueling the growth of hundreds of businesses through ongoing diverse vendor mentoring and business matchmaking events.

One of their programs, CWA RISE, targets Black-owned businesses in the Golden State to introduce them to contracting opportunities within the water industry.

Here is a brilliant success story:

Que Alicea attended CWA RISE in early 2021 and remained memorable as she asked the question “I’m new to the industry...how do I meet people?” Almost 2 years later, Que’s environmental risk mitigation business, “QA Consulting,” is known to many.

2022 HIGHLIGHTS

CWA RISE facilitator, Melanie Rae, founder of Guided Business Plan, reached out to Que to invite her to attend additional cohort-based training. Since completing CWA RISE, Que now holds a position on a BART transportation advisory board; graduated from CWA W.A.T.E.R. (a year-long cohort); was selected to attend Nike's Diverse Supplier Academy; and graduated from WBEC-Pacific's WE-Xcel, a cohort for women pursuing corporate contracts. In December 2022, Que was awarded WBE Supplier of the Year – Class 1 from WBEC-Pacific. Her company serves as a Prime and Sub on various environmental risk projects.

CWA RISE opened these doors of opportunity for her and other businesses.

In 2022, the Utility Supplier Diversity Program piloted a new approach to reach a broad audience on an ongoing basis. They sponsored GUIDED Capabilities Statement Feedback Sessions to help vendors create the document that is generally requested by procurement buyers. It is important to have the best version of a Capabilities Statement available to capture attention of prospective buyers. Hosted on Thursdays, these free Feedback Sessions are a chance for businesses to learn about procurement in the water industry.

Guided Business Plan, the host of these sessions, reached out to Black chambers of commerce throughout the state to introduce the program. Representing thousands of business owners, CWA RISE will promote industry opportunities each week as it continues into 2023.

One attendee has a landscaping business that helps residential customers conserve water with native plants. She had not considered approaching water companies to offer her services to their facilities and potentially offer classes to their ratepayers.

Learn more about the program and register to attend at <https://howto.guidedplans.com/register-for-capabilities-feedback>. These sessions are open to all.

CALIFORNIA WATER ASSOCIATION (CWA) PARTNERSHIP - MEET THE PRIMES EVENT

October 4, 2022: The CWA Meet the Primes event was crucial in building relationships between Prime contractors and qualified diverse businesses to ultimately advance economic equality.

Diverse businesses had the opportunity to:

- Learn about upcoming contracting opportunities
- Hear success stories from Prime contractors about how they have partnered with subcontractors
- Pitch to the Primes in breakout rooms
- Complete Connect to Primes forms for post-event engagement

Guided Business Plan was honored to customize our entrepreneur education training materials to host CWA Meet the Primes. Since 2009, we have created high-impact cohort training programs that have attracted hundreds of thousands of sponsorship dollars for our clients.

View the promo video featuring Tim McLaughlin (San Jose Water), Melanie Rae (Guided Business Plan) and Michael Melicia (Coast Paving, Monterey, CA – California American Water Prime Supplier) <https://youtu.be/OHM9Zy10-WU>

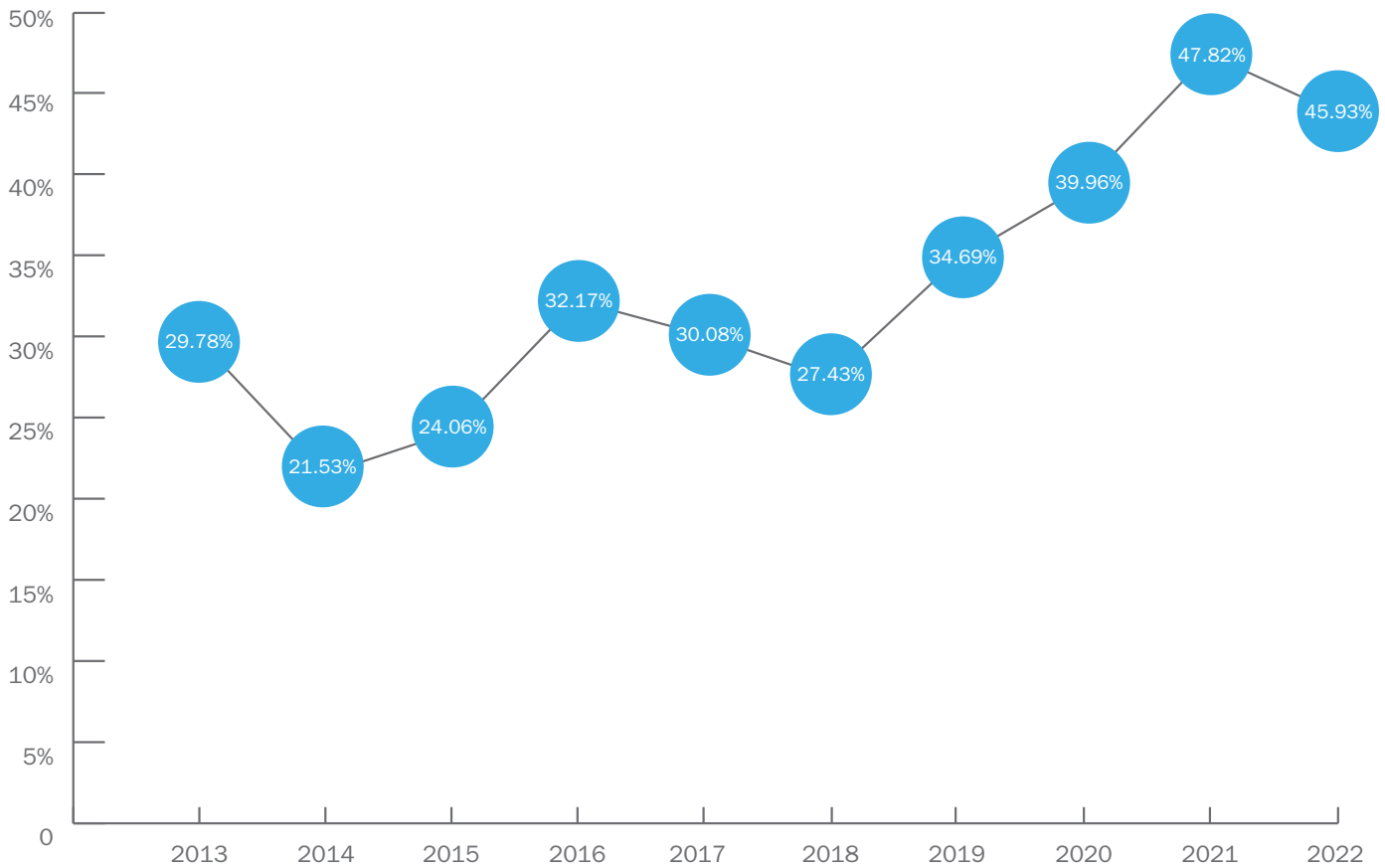


PARTNERING FORWARD FOR SUCCESS PROGRAM IS MAKING A DIFFERENCE

In 2019, California American Water partnered with Chicago United to create a mentorship program modeled after their Five Forward Program, a model that required larger organizations to mentor one DBE per year for five years. The California program was designed to be a one-year mentorship, but the inaugural prime suppliers have continued to mentor the same and even added DBEs over the last three years. In 2023, we plan to expand the program to include additional Prime Suppliers and new DBEs. Here are our Committed Corporations’ last three years’ spend with DBE Partners (Subcontractors). Not all spend listed were California American Water projects.

COMMITTED CORPORATION	2020 Total	2021 Total	2022 Total
AECOM	\$873,354	\$496,345	\$731,159
Crosno Construction	\$554,313	\$709,909	\$0
Hal Hays Construction, Inc.	\$35,019	\$42,078	\$0
MPE	\$1,175,291	\$667,419	\$2,624,923
Premiere Solutions	\$149,065	\$2,008	\$0
Rawles Engineering	\$5,601	\$6,624	\$4,763
Spiess Construction	\$2,589,667	\$3,138,234	\$3,446,191
TOTAL	\$5,382,301	\$5,062,618	\$6,827,037

TEN-YEAR SUPPLIER DIVERSITY RESULTS 2022 = 45.93%



SECTION 9.1.2A – WMDVLGBTBE Annual Results By Ethnicity

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY ETHNICITY – 2022					
	Ethnicity	Direct \$ ¹	Sub \$ ²	Total \$	%
MINORITY MALE	African American	\$1,613,871	\$347,374	\$1,961,245	1.45%
	Asian-Pacific	\$553,997	\$574,009	\$1,128,006	0.83%
	Hispanic	\$22,460,307	\$429,290	\$22,889,597	16.87%
	Native American	\$4,383,017	\$0	\$4,383,017	3.23%
	Total Minority Male	\$29,011,192	\$1,350,673	\$30,361,865	22.38%
MINORITY FEMALE	African American	\$972,073	\$0	\$972,073	0.72%
	Asian-Pacific	\$22,039	\$0	\$22,039	0.02%
	Hispanic	\$2,305,084	\$164,244	\$2,469,328	1.82%
	Native American	\$0	\$0	\$0	0.00%
	Total Minority Female	\$3,299,196	\$164,244	\$3,463,440	2.55%
Total Minority Business Enterprise (MBE)		\$32,310,388	\$1,514,917	\$33,825,305	24.93%
Total Women Business Enterprise (WBE)		\$22,661,278	\$1,026,690	\$23,687,968	17.46%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$1,773,372	\$0	\$1,773,372	1.31%
Total Disabled Veteran Business Enterprise (DVBE)		\$668,886	\$2,363,028	\$3,031,914	2.23%
Persons with Disabilities Business Enterprise (DBE)		\$0	\$0	\$0	0.00%
Total Other 8(a)*		\$0	\$0	\$0	0.00%
Total Supplier Diversity Spend		\$57,413,924	\$4,904,635	\$62,318,559	45.93%
Net Procurement**		\$135,691,414			

NOTES: * 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

¹ Direct means Direct Procurement: when a utility directly procures from a supplier.

² Sub means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).

% - Percentage of Net Procurement.

2022 HIGHLIGHTS

SECTION 9.1.2B – WMDVLGBTBE Procurement By Products & Services (Direct)

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – DIRECT – 2022							
MINORITY MALE	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
	African American	\$0	0%	\$1,613,871	1.19%	\$1,613,871	1.19%
	Asian-Pacific	\$99,295	0.07%	\$454,702	0.34%	\$553,997	0.41%
	Hispanic	\$7,943	0.01%	\$22,452,364	16.55%	\$22,460,307	16.55%
	Native American	\$0	0%	\$4,383,017	3.23%	\$4,383,017	3.23%
	Total Minority Male	\$107,238	0.08%	\$28,903,954	21.30%	\$29,011,192	21.38%
MINORITY FEMALE	African American	\$363,231	0.27%	\$608,842	0.45%	\$972,073	0.72%
	Asian-Pacific	\$0	0.00%	\$22,039	0.02%	\$22,039	0.02%
	Hispanic	\$180,285	0.13%	\$2,124,799	1.57%	\$2,305,084	1.70%
	Native American	\$0	0%	\$0	0%	\$0	0%
	Total Minority Female	\$543,516	0.40%	\$2,755,680	2.03%	\$3,299,196	2.43%
Total Minority Business Enterprise (MBE)		\$650,754	0.48%	\$31,659,634	23.33%	\$32,310,388	23.81%
Total Women Business Enterprise (WBE)		\$311,712	0.23%	\$22,349,566	16.47%	\$22,661,278	16.70%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$13,267	0.01%	\$1,760,105	1.30%	\$1,773,372	1.31%
Total Disabled Veteran Business Enterprise (DVBE)		\$2,300	0%	\$666,586	0.49%	\$668,886	0.49%
Persons with Disabilities Business Enterprise (DBE)		\$0	0%	\$0	0%	\$0	0%
Total Other 8(a)*		\$0	0%	\$0	0%	\$0	0%
Total Supplier Diversity Spend		\$978,033	0.72%	\$56,435,891	41.59%	\$57,413,924	42.31%
Net Procurement** (diverse and non-diverse)		\$135,691,414		NOTES: * 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13). ** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars. Direct means Direct Procurement: when a utility directly procures from a supplier. % - Percentage of Net Procurement.			
Net (diverse) Product Procurement		\$978,033					
Net (diverse) Service Procurement		\$56,435,891					
Total Number of Diverse Suppliers that Received Direct Spend		112					

SECTION 9.1.2C – WMDVLGBTBE Procurement

By Products and Services (Subcontractors)

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – SUBCONTRACTORS – 2022							
	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
MINORITY MALE	African American	\$0	0%	\$347,374	0.26%	\$347,374	0.26%
	Asian-Pacific	\$142	0%	\$573,867	0.42%	\$574,009	0.42%
	Hispanic	\$0	0%	\$429,290	0.32%	\$429,290	0.32%
	Native American	\$0	0%	\$0	0%	\$0	0%
	Total Minority Male	\$142	0%	\$1,350,531	1.00%	\$1,350,673	1.00%
MINORITY FEMALE	African American	\$0	0%	\$0	0%	\$0	0%
	Asian-Pacific	\$0	0%	\$0	0%	\$0	0%
	Hispanic	\$31	0%	\$164,213	0.12%	\$164,244	0.12%
	Native American	\$0	0%	\$0	0%	\$0	0%
	Total Minority Female	\$31	0%	\$164,213	0.12%	\$164,244	0.12%
Total Minority Business Enterprise (MBE)		\$173	0%	\$1,514,744	1.12%	\$1,514,917	1.12%
Total Women Business Enterprise (WBE)		\$0	0%	\$1,026,690	0.76%	\$1,026,690	0.76%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0%	\$0	0%	\$0	0%
Total Disabled Veteran Business Enterprise (DVBE)		\$0	0%	\$2,363,028	1.74%	\$2,363,028	1.74%
Persons with Disabilities Business Enterprise (DBE)		\$0	0%	\$0	0%	\$0	0%
Total Other 8(a)*		\$0	0%	\$0	0%	\$0	0%
Total Supplier Diversity Spend		\$173	0%	\$4,904,462	3.61%	\$4,904,635	3.61%
Net Procurement** (diverse and non-diverse)		\$135,691,414					
Net (diverse) Product Procurement		\$173					
Net (diverse) Service Procurement		\$4,904,462					

NOTES: * 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

Sub means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfil its contractual obligation(s).

% - Percentage of Net Procurement.

2022 HIGHLIGHTS

SECTION 9.1.2D – WMDVLGBTBE Procurement By Standard Industrial Categories

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
0781	Horticulture Architectural Services	\$				\$209,942			
		%				0.15%			
0782	Lawn and Garden Services	\$				\$22,670			
		%				0.02%			
1311	Crude Petroleum and Natural Gas	\$					\$32		
		%					0.00%		
1442	Construction Sand and Gravel	\$							
		%							
1522	General Contractors: Residential Buildings, Other than Single-Family	\$		\$754,144		\$60,691			
		%		0.56%		0.04%			
1541	General Contractors: Industrial Buildings and Warehouses	\$	\$8,151					\$3,178,159	
		%	0.01%					2.34%	
1542	General Contractors: Nonresidential	\$				\$68,977			
		%				0.05%			
1611	Highway and Street Construction	\$							
		%							
1623	Water, Sewer and Pipelines	\$				\$19,598,756	\$1,247,910		
		%				14.44%	0.92%		
1629	Heavy Construction, NEC	\$				\$19,063			
		%				0.01%			
1711	Plumbing, Heating and AC	\$					\$691		
		%					0.00%		
1721	Painting and Paper Hanging	\$	\$573,866						
		%	0.42%						
1731	Electrical Work	\$		\$111,413		\$1,213,430	\$824,376		
		%		0.08%		0.89%	0.61%		
1771	Concrete Work	\$				\$197,961			
		%				0.15%			
1781	Water Well Drilling	\$							
		%							
1791	Structural Steel Erection	\$					\$35,148		
		%					0.03%		
1794	Excavation Work	\$							
		%							
1799	Special Trade Contractors, NEC	\$		\$403,972		\$240,081			
		%		0.30%		0.18%			
2326	Men's and Boy's Work Clothing	\$							
		%							
2385	Waterproof Outerwear	\$				\$155			
		%				0.00%			
2759	Commercial Printing, NEC	\$		\$2,762					
		%		0.00%					

2022 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	TOTAL PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL WMDVLGBTBE
\$209,942						\$209,942
0.15%						0.15%
\$22,670						\$22,670
0.02%						0.02%
\$32						\$32
0.00%						0.00%
			\$566,164			\$566,164
			0.42%			0.42%
\$814,835						\$814,835
0.60%						0.60%
\$3,186,310						\$3,186,310
2.35%						2.35%
\$68,977						\$68,977
0.05%						0.05%
			\$38,537			\$38,537
			0.03%			0.03%
\$20,846,666	\$6,145,486	\$1,222,762	\$2,413,108			\$30,628,022
15.36%	4.53%	0.90%	1.78%			22.57%
\$19,063						\$19,063
0.01%						0.01%
\$691	\$14,564					\$15,255
0.00%	0.01%					0.01%
\$573,866						\$573,866
0.42%						0.42%
\$2,149,219	\$1,291,474		\$455			\$3,441,148
1.58%	0.95%		0.00%			2.54%
\$197,961						\$197,961
0.15%						0.15%
	\$344,513					\$344,513
	0.25%					0.25%
\$35,148						\$35,148
0.03%						0.03%
	\$2,203,529					\$2,203,529
	1.62%					1.62%
\$644,053	\$303,272					\$947,325
0.47%	0.22%					0.70%
	\$57,707					\$57,707
	0.04%					0.04%
\$155						\$155
0.00%						0.00%
\$2,762	\$745					\$3,507
0.00%	0.00%					0.00%

2022 HIGHLIGHTS

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2819	Activated Carbon and Charcoal	\$	\$177,843						
		%	0.13%						
2899	Chemicals and Chemical Preparations	\$					\$180,284		
		%					0.13%		
3423	Hand and Edge Tools	\$							
		%							
3589	Service Industry Machinery	\$				\$79,086			
		%				0.06%			
3599	Industrial and Commercial Machinery and Equipment	\$							
		%							
3646	Commercial, Industrial and Institutional Electric Lighting Fixtures	\$				\$186,357			
		%				0.14%			
3713	Truck and Bus Bodies	\$	\$1,484						
		%	0.00%						
3993	Signs and Advertising Specialties	\$			\$39,878				
		%			0.03%				
4212	Hazardous Waste Collection Without Disposal	\$							
		%							
4581	Aircraft Servicing and Repair	\$				\$115,074			
		%				0.08%			
4789	Transportation Services, NEC	\$				\$40,141	\$107,555		
		%				0.03%	0.08%		
4952	Sewerage Systems	\$							
		%							
4953	Hazardous Waste Treatment and Disposal	\$		\$19,104					
		%		0.01%					
5021	Furniture	\$							
		%							
5039	Construction Materials, NEC	\$							
		%							
5045	Computers and Computer Peripheral Equipment and Software	\$			\$347,868				
		%			0.26%				
5084	Industrial Machinery and Equipment	\$							
		%							
5085	Industrial Supplies	\$							
		%							
5112	Stationery and Office Supplies	\$	\$99,295						
		%	0.07%						
5131	Converters, Broadwoven Piece Good Fabric	\$	\$142						
		%	0.00%						
5172	Petroleum and Petroleum Products Wholesalers	\$				\$7,789			
		%				0.01%			
5599	Automotive Dealers, NEC	\$		\$662,328					
		%		0.49%					

2022 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER. BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	TOTAL PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL WMDVLGBTBE
\$177,843	\$77,018					\$254,861
0.13%	0.06%					0.19%
\$180,284						\$180,284
0.13%						0.13%
	\$8,253					\$8,253
	0.01%					0.01%
\$79,086						\$79,086
0.06%						0.06%
	\$2,779					\$2,779
	0.00%					0.00%
\$186,357						\$186,357
0.14%						0.14%
\$1,484						\$1,484
0.00%						0.00%
\$39,878	\$10,469					\$50,347
0.03%	0.01%					0.04%
	\$161,053					\$161,053
	0.12%					0.12%
\$115,074						\$115,074
0.08%						0.08%
\$147,696						\$147,696
0.11%						0.11%
	\$28,157					\$28,157
	0.02%					0.02%
\$19,104						\$19,104
0.01%						0.01%
	\$150					\$150
	0.00%					0.00%
			\$300			\$300
			0.00%			0.00%
\$347,868						\$347,868
0.26%						0.26%
	\$6,980					\$6,980
	0.01%					0.01%
	\$143,700					\$143,700
	0.11%					0.11%
\$99,295						\$99,295
0.07%						0.07%
\$142						\$142
0.00%						0.00%
\$7,789						\$7,789
0.01%						0.01%
\$662,328						\$662,328
0.49%						0.49%

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC		HISPANIC		NATIVE AMERICAN		
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
5992	Florists	\$								
		%								
7291	Tax Return Preparation Services	\$				\$4,375				
		%				0.00%				
7311	Advertising Agencies	\$								
		%								
7319	Advertising Materials	\$			\$15,363					
		%			0.01%					
7349	Building Cleaning and Maintenance Services, NEC	\$	\$13,888							
		%	0.01%							
7371	Computer Programming Services	\$		\$7,522						
		%		0.01%						
7374	Computer Processing and Data Preparation and Processing Services	\$								
		%								
7389	Business Services	\$				\$8,605	\$51,338			
		%				0.01%	0.04%			
7513	Truck Rental and Leasing	\$								
		%								
7699	Repair Shops and Related Services, NEC	\$								
		%								
8099	Other Health and Allied Services	\$								
		%								
8111	Legal Services	\$	\$129,617							
		%	0.10%							
8299	Professional and Management Development Training	\$			\$1,200					
		%			0.00%					
8711	Engineering Services	\$	\$145,759			\$453,421		\$1,204,858		
		%	0.11%			0.33%		0.89%		
8713	Surveying Services	\$				\$192,000				
		%				0.14%				
8734	Testing Laboratories	\$					\$21,994			
		%					0.02%			
8741	Construction Management Services	\$			\$157,939					
		%			0.12%					
8742	Administrative and General Management Consulting	\$			\$409,825	\$25,926				
		%			0.30%	0.02%				
8748	Business Consulting Services, NEC	\$				\$145,097				
		%				0.11%				
8999	Environmental Consultants	\$								
		%								
9512	Land, Mineral, Wildlife, and Forest Conservation	\$								
		%								
TOTAL		\$	\$1,128,006	\$22,039	\$1,961,245	\$972,073	\$22,889,597	\$2,469,328	\$4,383,017	\$0
		%	0.83%	0.02%	1.45%	0.72%	16.87%	1.82%	3.23%	0.00%
Net Procurement**		\$135,691,414								

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	TOTAL PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL WMDVLGBTBE
	\$180					\$180
	0.00%					0.00%
\$4,375						\$4,375
0.00%						0.00%
	\$1,222,517	\$13,268				\$1,235,785
	0.90%	0.01%				0.91%
\$15,363	\$1,055					\$16,418
0.01%	0.00%					0.01%
\$13,888	\$253,415					\$267,303
0.01%	0.19%					0.20%
\$7,522						\$7,522
0.01%						0.01%
		\$15,410				\$15,410
		0.01%				0.01%
\$59,943	\$72,218					\$132,161
0.04%	0.05%					0.10%
	\$2,696,243					\$2,696,243
	1.99%					1.99%
	\$85,532					\$85,532
	0.06%					0.06%
	\$4,665					\$4,665
	0.00%					0.00%
\$129,617	\$10,310					\$139,927
0.10%	0.01%					0.10%
\$1,200						\$1,200
0.00%						0.00%
\$1,804,038	\$1,771,307	\$301,436				\$3,876,781
1.33%	1.31%	0.22%				2.86%
\$192,000	\$632,704		\$11,350			\$836,054
0.14%	0.47%		0.01%			0.62%
\$21,994						\$21,994
0.02%						0.02%
\$157,939	\$5,783,959					\$5,941,898
0.12%	4.26%					4.38%
\$435,751	\$90,225					\$525,976
0.32%	0.07%					0.39%
\$145,097	\$36,350	\$40,496	\$2,000			\$223,943
0.11%	0.03%	0.03%	0.00%			0.17%
	\$83,076	\$180,000				\$263,076
	0.06%	0.13%				0.19%
	\$144,363					\$144,363
	0.11%					0.11%
\$33,825,305	\$23,687,968	\$1,773,372	\$3,031,914	\$0	\$0	\$62,318,559
24.93%	17.46%	1.31%	2.23%	0.00%	0.00%	45.93%

NOTE: *8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

**Net procurement includes purchase order, non-purchase order, and credit card dollars.

\$: Total procurement dollar amount in the specific SIC category

=: Percentage of row Total Procurement.

2022 HIGHLIGHTS

SECTION 9.1.2E – Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse and California American Water

Data on Number of Suppliers Revenue Reported to CHS						
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	13	8	2	0	0	23
\$1 million < \$2.5 million	6	6	1	0	0	13
\$2.5 million < \$5 million	3	9	1	1	0	14
\$5 million < \$10 million	6	3	0	0	0	9
\$10 million+	10	10	2	0	0	22
No Revenue Designation	24	10	2	9	0	45
TOTAL	62	46	8	10	0	126

Revenue and Payment Data Revenue Reported to CHS						
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$6,011,833	\$2,739,596	\$459,631	\$0	\$0	\$9,211,060
\$1 million < \$2.5 million	\$9,293,558	\$10,254,531	\$1,800,000	\$0	\$0	\$21,348,089
\$2.5 million < \$5 million	\$9,475,313	\$29,690,667	\$2,961,715	\$3,067,794	\$0	\$45,195,489
\$5 million < \$10 million	\$50,465,752	\$19,704,292	\$0	\$0	\$0	\$70,170,044
\$10 million+	\$635,799,330	\$4,508,065,913	\$27,500,000	\$0	\$0	\$5,171,365,243
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$711,045,786	\$4,570,454,999	\$32,721,346	\$3,067,794	\$0	\$5,317,289,925

NOTE: *Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE

Data on Number of Suppliers California American Water 2022 Summary						
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	57	38	7	9	0	111
\$1 million <. \$2.5 million	4	4	1	1	0	10
\$2.5 million < \$5 million	0	4	0	0	0	4
\$5 million < \$10 million	0	0	0	0	0	0
\$10 million+	1	0	0	0	0	1
No Revenue Designation	0	0	0	0	0	0
TOTAL	62	46	8	10	0	126

Revenue and Payment Data California American Water 2022 Summary						
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$10,224,831	\$3,654,224	\$550,610	\$701,986	\$0	\$15,131,651
\$1 million < \$2.5 million	\$6,385,635	\$6,260,854	\$1,222,762	\$2,329,928	\$0	\$16,199,179
\$2.5 million < \$5 million	\$0	\$13,772,889	\$0	\$0	\$0	\$13,772,889
\$5 million < \$10 million	\$0	\$0	\$0	\$0	\$0	\$0
\$10 million+	\$17,214,839	\$0	\$0	\$0	\$0	\$17,214,839
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$33,825,305	\$23,687,968	\$1,773,372	\$3,031,914	\$0	\$62,318,559

NOTE: *Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE

2022 HIGHLIGHTS

SECTION 9.1.2F – Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

In 2022, California American Water engaged and had spend (directly or through use of subcontractors) with 126 diverse suppliers. Of the 126 vendors, 112 listed their physical address with the Supplier Clearinghouse as California. The 112 California-based vendors indicated they employed over 5,325 employees.

SECTION 9.1.3 – WMDVLGBTBE Program Expenses

EXPENSE CATEGORY	AMOUNT
Wages	\$139,031
Other Employee Expenses	\$38,456
Program Expenses	\$249,852
Reporting Expenses	\$9,100
Training	\$23,700
Consultants	\$9,048
Other	\$19,115
TOTAL	\$488,302

SECTION 9.1.4A – Description of Progress in Meeting or Exceeding Set Goals

California American Water consistently sets goals in excess of the CPUC's 22 percent. In 2022, our internal goal was 37 percent. We finished the year at 45.93 percent. This is the 4th year we met all three category goals: MBE 24.93 percent (decreased from 26.37 percent in 2021; target 15 percent), WBE 17.46 percent (increased from 13.34 in 2021; target 5 percent), and DVBE 2.23 percent (decreased from 3.88 percent in 2021; target 1.5 percent). We finished the year with an LGBTBE spend of 1.31 percent (decreased from 4.22 percent in 2021; target 0.5 percent). Our success achieving these goals can be attributed to the internal and external highlights noted in the previous pages.

SECTION 9.1.4B – WMDVLGBTBE Results and Goals

CATEGORY	GOALS (Net procurement percentages add up to the diverse spend goal of 22%)	RESULTS (Net procurement add up to the diverse spend actual of 45.93%)
MINORITY MEN		22.38%
MINORITY WOMEN		2.55%
MBE	15.00%	24.93%
WBE	5.00%	17.46%
LGBTBE	0.50%	1.31%
DVBE	1.50%	2.23%
DBE		0%
TOTAL	22.00%	45.93%

*Minority Men + Minority Women + WBE + LGBTBE + DVBE = 45.93%

SECTION 9.1.5A – Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

In 2022, our prime suppliers spent \$4.90M with diverse subcontractors, which was 3.61 percent of our spend. In 2021, our prime suppliers spent \$3.96M, which was 3.93 percent of our spend. In 2022, we increased our prime suppliers' use of diverse suppliers in total dollars but decreased in total percentage spend. We will continue our efforts to work with our Committed Corporations (Primes) to increase spend with diverse subcontractors.

2022 HIGHLIGHTS

SECTION 9.1.5B – Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	TOTAL Supplier Diversity Spend
Direct \$	\$29,011,192	\$3,299,196	\$32,310,388	\$22,661,278	\$1,773,372	\$668,886	\$0	\$0	\$57,413,924
Subcontracting \$	\$1,350,673	\$164,244	\$1,514,917	\$1,026,690	\$0	\$2,363,028	\$0	\$0	\$4,904,635
Total	\$30,361,865	\$3,463,440	\$33,825,305	\$23,687,968	\$1,773,372	\$3,031,914	\$0	\$0	\$62,318,559
Direct %	21.38%	2.43%	23.81%	16.70%	1.31%	0.49%	0.00%	0.00%	42.31%
Subcontracting %	1.00%	0.12%	1.12%	0.76%	0.00%	1.74%	0.00%	0.00%	3.61%
Total %	22.38%	2.55%	24.93%	17.46%	1.31%	2.23%	0.00%	0.00%	45.93%

Net Procurement** **\$135,691,414**

NOTES: * 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

Direct means Direct Procurement: when a utility directly procures from a supplier.

Sub means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfil its contractual obligation(s).

% - Percentage of Net Procurement.

SECTION 9.1.6 – A List of WMDVLGBTBE Complaints Received and Current Status

California American Water did not receive any complaints from diverse suppliers in 2022.

SECTION 9.1.7 – Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Categories

Table 9.1.2 identifies where we have underutilized diverse vendors in areas including legal, finance, and computer-related services. Our parent company, American Water, provides the bulk of these services through our service company. We will continue focusing our efforts on increasing spend in these areas in 2023 and beyond. We will continue to engage our Community Based Organizations to assist in our search for suppliers to meet our needs in these areas. We will also encourage our prime suppliers to use diverse subcontractors through our Annual Prime Supplier and Procurement Lead Showcase and our California Water Association Meet-the-Primes events.

SECTION 10.1.1 – WMDVLGBTBE Annual Short-, Mid-, and Long-Term Goals by Product and Services Categories

California American Water, along with other California Water Association utilities, finds it difficult to complete a more detailed chart identifying needs for products and services, as these needs differ yearly due to agreed upon CPUC capital projects and spending, which are approved every three years based on our general rate case cycle. We are in a fluid regulatory environment and must balance our needs and procurement activities with the interests of our customers and the need to keep our rates low. California American Water will strive to improve our results noted below.

MBE FOCUS – Although we exceeded the CPUC goal of 15 percent, having achieved 24.93 percent diverse spend in 2022, which is a decrease from 2021's 26.37 percent, we will continue our efforts to increase our spend with Asian Pacific, African and Native Americans while maintaining our results with Hispanic Americans. We finalized our overall strategy to increase our spend with the African American, Asian Pacific Islander and Native American communities. We hope our plans will yield higher results in 2023.

WBE FOCUS – Although we exceeded the CPUC goal of 5 percent, having achieved 17.46 percent diverse spend in 2022 (an increase from 2021's 13.34 percent), we will continue our efforts to include women businesses in our procurement processes.

DVBE FOCUS – Although we exceeded the CPUC goal of 1.5 percent, having achieved 2.23 percent, this was a decrease from 2021's 3.88 percent. We will continue our efforts to engage veterans, disabled-veterans and disabled person businesses.

LGBTBE – With the creation of the new 2022 LGBTBE goal, we are continuing our focus on increasing our spend with LGBTBEs. In 2022 we achieved 1.31 percent, which is a decrease from 2021's 4.22 percent. We will continue to engage the LGBTQ+ CBOs in our service areas, including the Los Angeles LGBTQ Chamber of Commerce, Sacramento Rainbow Chamber of Commerce, and the National Gay & Lesbian Chamber of Commerce in our efforts to educate the LGBTBEs regarding the water industry and our procurement opportunities.

It has been challenging to find LGBTBE businesses in infrastructure (pipeline/underground construction), engineering, and water treatment processes – where many of our largest contracts are awarded. We are continuing to work with advocacy groups focused on businesses within these industries.

2023 PLAN

SHORT, MID- AND LONG-TERM GOALS

In our 2020 report, we updated our short-term, mid-term and long-term goals based on our historical performance over the last six years. We substantially increased our previous short-term goal from 23.00 percent to 30.50 percent, our previous mid-term goal from 26.00 percent to 34.50 percent, and our previous long-term goal from 27.75 percent to 38.50 percent. All category goals have been increased quite a bit. These are aspirational goals, and we are committed to achieving them. Based on our 2022 results, we have exceeded our short-, mid- and long-term overall goals.

CATEGORY	Current CPUC Goal	Short-Term Goals (2022–2024)	Mid-Term Goals (2024–2026)	Long-Term Goals (2027–2028)
Minority Business Enterprises (MBE)	15.00%	15.00%	16.00%	17.00%
Women Business Enterprises (WBE)	5.00%	12.00%	13.00%	14.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBE)	0.50%	1.00%	2.00%	3.00%
Disabled Veteran Business Enterprises (DVBE)	1.50%	2.50%	3.50%	4.50%
TOTAL	22%	30.50%	34.50%	38.50%

SECTION 10.1.2 – Description of WMDVLGBTBE Planned Program Activities for 2023

We will continue our efforts to engage WMDVLGBTBEs and all persons with disabilities in our procurement processes focused on inclusion of all. Our focus for 2023 will include:

1. Continuing to Enhance our Technical Assistance and Capacity Building Efforts.
 - a. We will partner with an MBE – African American firm, Southwest Advancement Solutions – to develop California American Water’s Supplier Success Series which will include a curriculum focused on key skills/knowledge required to run a successful growing business.
 - b. We will continue to partner with the Council for Supplier Diversity to offer another High Performance Series Program.
2. Increasing collaborations with community-based organizations and other external and internal stakeholders to implement our identified strategies to increase spend in lower performing minority categories - African American, Asian Pacific Islander, Native American and LGBTBEs.
3. Continuing to reach out to our Prime Suppliers when they do not meet their MBE utilization contract commitments to offer assistance and create plans for improvements.
4. Continuing to expand our Partnering Forward for Success Program to encourage existing and new Committed Corporations to mentor one DBE a year.
5. Finalizing plans to allow Prime Suppliers to post their RFPs and RFQs on our Supplier Diversity website.

SECTION 10.1.3 – Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

In our experience, we can establish LGBTBE contract relationships more easily in the professional areas (legal, marketing, promotional service, and travel) rather than in the areas where most of our larger spend is – infrastructure (pipeline/underground construction), engineering, and water treatment processes. California American Water also has lower utilization in finance, as our parent company provides corporate support in this area.

SECTION 10.1.4 – Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

We will continue our efforts to recruit suppliers for all products and services as noted in sections 10.1.1 and 10.1.3.

SECTION 10.1.5 – Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

As noted in Section 9.1.5, requiring our prime contractors to report their tier two spend quarterly, along with reviewing and monitoring results throughout the year, will continue to provide the primes and California American Water with opportunities to work together to identify ways to increase diverse subcontractor engagement and spending. In 2018, we implemented our Diverse Business Enterprise (DBE) Requirement Statement which identifies the goals our non-diverse prime suppliers are expected to achieve for contracts valued over \$100,000. In 2023, the company will continue to closely monitor the DBEs and assist where necessary. We will continue to monitor our follow-up processes and adjust where appropriate for continuous improvement.

SECTION 10.1.6 – Plans for Complying with WMDVLGBTBE Program Guidelines

California American Water is committed to meeting all Supplier Diversity Program compliance areas set both internally and by the California Public Utilities Commission. We continue to hold our team accountable to the highest level of integrity as we create and develop administrative processes that provide diverse suppliers fair and equitable inclusion in their pursuit of contract opportunities. We are confident this will ensure the best quality products and services to the communities we serve.

Acknowledgement of Exclusions: As noted in General Order 156, categories excluded from our gross procurement include purchased water, purchased power, pump taxes, all taxes, franchise fees, postage, all other non-sourceable categories, and affiliate transaction expenses.

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