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California Water Service 2021 Annual Report

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



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Message from the President and Chief Executive Officer of California Water Service

Our commitment to doing business with diverse suppliers continues to benefit our customers, communities, and stockholders. Diverse vendors provide quality products, an understanding of our broad customer base, and competitive pricing.

In 2021, we faced some headwinds as we sought opportunities to expand these valuable business partnerships. In the face of widespread supply chain issues, our diverse vendors worked hard to fulfill their contracts. The continuing pandemic also posed challenges, and we saw many of our diverse vendors either go out of business or sell their companies to non-diverse suppliers.

In an effort to help sustain them, we piloted a new program in which diverse vendors received payment within 15 days of invoicing. We hope this compressed payment schedule will increase their financial stability.

I am proud of the achievements made through our Supplier Diversity Program despite 2021 challenges, some of which included:

- Increased subcontracting expenditures with diverse suppliers, totaling \$25.4 million compared to \$17.7 million in 2020
- Increased total expenditures with disabled veteran-owned businesses by 528% when compared to 2020
- Increased spending with diverse vendors to 20.85%

This report details the efforts made in our Supplier Diversity Program last year, including our successes and challenges. We will continue to find ways to grow this important program, as we enhance the quality of life in the communities we serve.



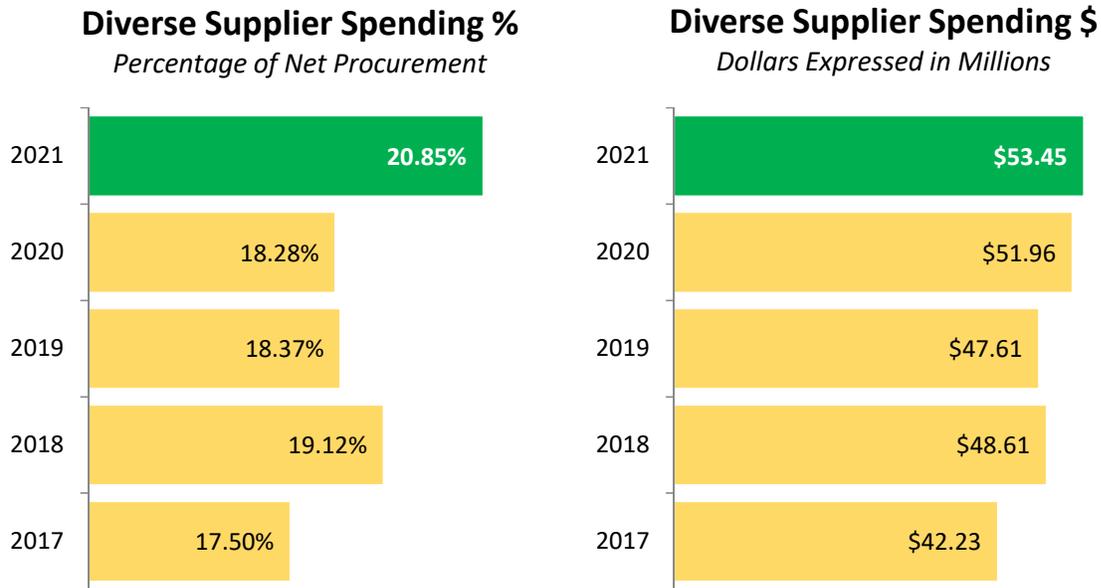
Martin A. Kropelnicki



SUMMARY OF 2021 SUPPLIER DIVERSITY PROGRAM

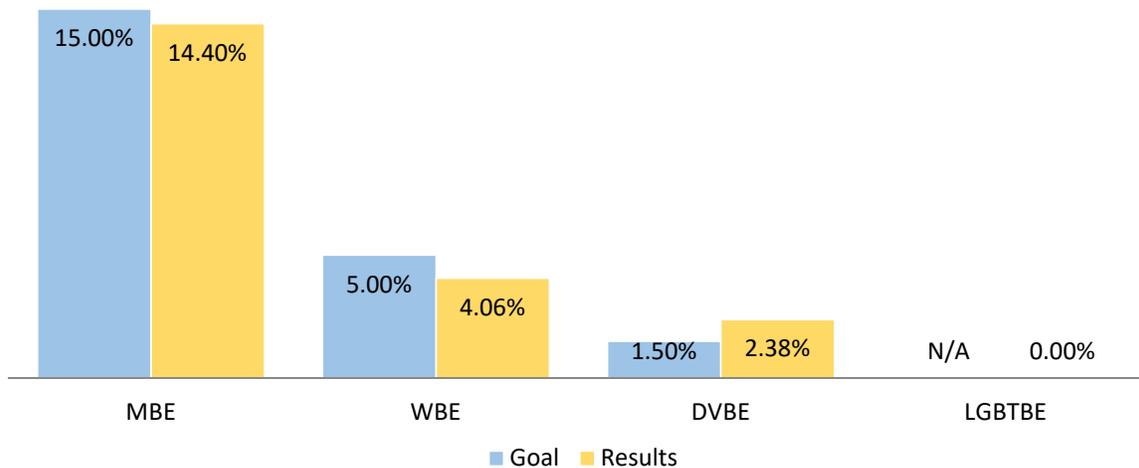
This report outlines the progress of California Water Service (Cal Water) in procuring goods and services from woman-(WBE), minority-(MBE), disabled-veteran-(DVBE), lesbian-, gay-, bisexual-, and transgender-(LGBTBE) owned business enterprises (to which we refer collectively as diverse suppliers) for the period of January 1, 2021, through December 31, 2021.

In 2021, Cal Water’s discretionary spending totaled \$256,397,273.63, of which the company spent \$53,457,932.59 (or 20.85%) with diverse suppliers.



Our results per category are:

Results per Category



9.1.1 Description of WMDVLGBTBE Program Activities

Our 2021 results reflect both the opportunities and challenges we, as an organization, faced on the second year of the pandemic.

For example, we incorporated new vendors to our supply chain and facilitated certification to a couple of current suppliers. However, we also saw certified suppliers selling the business (to non-diverse owners), labor shortages, permit delays, and material issues (including availability and extended lead times)—factors which precluded us from initiating and completing projects.

Below, we offer a breakdown of different initiatives and their impact on our program.

Internal Program Activities

Procurement Policy

We continue advancing procurement practices in support of supplier diversity; and, to that effect, we conducted a periodic review of our procurement policy ensuring supplier-diversity clauses are relevant.

We updated our Procurement Policy in September to require scoring supplier diversity effort when evaluating Request for Proposals (RFPs). During this process, we review whether an organization is certified by the Supplier Clearinghouse, or (if not certified) evaluate their Tier-2 plan in terms of percentage subcontracted to diverse suppliers.

Throughout the year, we held period meetings with major stakeholders to identify opportunities for diverse suppliers. We held biweekly meetings with our Engineering team managing construction projects across the organization, and monthly meetings with our Information Technology (IT) team managing all IT software/hardware projects.

Internal Communications

We ensure internal-stakeholder visibility for our program through a variety of activities.

Quarterly Updates to Leadership

Our updates include metrics such as quarterly Tier-1/Tier-2 performance, top-15 suppliers, outreach events, and quarter highlights.

These updates ensure the organization is constantly informed of our results, allowing for any immediate corrective action.



Board of Directors, Audit Committee

Supplier Diversity remains a critical component of our operations; to this end, we've updated Cal Water Board of Directors Audit Committee's charter to include a periodic report to evaluate the program's performance.

E. With Respect to Third Party Supplier Risk

- (i) compliance with the Supplier Code of Conduct;
- (ii) evaluation of the performance of the Supplier Diversity Program.

29. Oversee the Company's program to identify, manage, and mitigate third party supplier risk.

30. 30. Review at least annually a management report regarding:

31. Perform an annual review of the Supplier Code of Conduct and recommend any changes to the Board of Directors.

Cal Water's Audit Committee Charter, Excerpt

This ensures our board has visibility of the program’s activities and results, elevating its importance.

External Program Activities

External Outreach

During the first half of 2021, we continued participation on virtual events. In the second half, with restrictions lifting, we transitioned to a few in-person events attended by fully vaccinated individuals.

Below are highlights from a couple of community-based organizations (CBOs) to whom we did outreach:

[Rainbow Chamber of Commerce, Silicon Valley \(RCCSV\)](#)

We have had a thriving relationship with RCCSV since 2015, and applaud their mission of “creating a vibrant LGBTQ+ supportive business community through development, education, promotion and advocacy.”



Play Ball! Rainbow Chamber at San Jose Giants event on June 22, 2021

Our engagement with RCCSV goes beyond financial contributions through the California Water Association (CWA) with an active board participation and event attendance.

For instance, our Supplier Diversity Program Manager served on the board from 2016 to 2018, and currently a member of our Water Quality department is the Board Treasurer since 2018.

The National Association of Women in Construction (NAWIC), California Chapters

We continue expanding our outreach to organizations focused on construction trades, where contracting opportunities are most available.



NAWIC Los Angeles, October 2021 Event

We attended NAWIC's monthly events to become familiar with their leadership, mission, and values to determine what a long-term partnership would entail.

The following calendar outlines many of the events we participated in 2021:

Jan

- CWA USDP Monthly Meeting; Virtual

Feb

- BuildOUT California Golden Pitch; Virtual
- CWA USDP Monthly Meeting; Virtual
- WRMSDC Construction Day 2021; Virtual

Mar

- BBA's Salute to Black Women; Virtual
- CWA Black Business Platform Launch and Webinar; Virtual
- CWA California Connect Event; Virtual
- CWA W.A.T.E.R.; Virtual
- Joint Utilities' Comments on GO156 Rulemaking; Virtual
- LAGLCC & SCE Celebrate Women Owned Businesses; Virtual
- NGLCC's Town Hall in partnership with SCE; Virtual
- Joint Utilities Quarterly Meeting; Virtual
- CWA USDP Monthly Meeting; Virtual
- WRMSDC Construction Working Group; Virtual

Apr

- CPUC Spring Expo; Virtual
- CWA W.A.T.E.R.; Virtual
- Lunch & Learn with SGVW; Virtual
- SIGnature Digital Event; Virtual
- CWA USDP Monthly Meeting; Virtual
- WBEC-West, 2021 Platinum Supplier Program Graduation; Virtual

May

- ABA LA 4th Women of Excellence Awards; Virtual
- ABA LA 8th Annual Women Business Pioneers Symposium; Virtual
- AICOC May Monthly Chamber Meeting; Virtual
- CHCC Virtual California Business Policy Summit; Virtual
- CWA Spring Conference; Virtual
- SIG Procurement Technology Summit
- CWA USDP Monthly Meeting; Virtual

Jun

- California Water Association-American Indian Chamber Procurement Summit, Meet the Primes; Virtual
- CWA W.A.T.E.R.; Virtual
- Play Ball! Rainbow Chamber at San Jose Giants; San Jose
- Joint Utilities Quarterly Meeting; Virtual
- CWA USDP Monthly Meeting; Virtual
- WBEC-Pacific IDEATION 2021; Virtual

Jul

- ABA LA Business Mixer; Los Angeles
- AICOC Annual Expo; Palm Springs
- CPUC Workshop on General Order 156; Virtual
- CWA USDP Monthly Meeting; Virtual
- RCCSV Monthly Mixer; San Jose
- Reservation Economic Summit; Las Vegas
- SCMSDC Supplier of the Year Awards; Virtual
- USHCC National Conference Kick-Off Reception; Las Vegas
- WBEC-Pacific Signature Event RFP/Proposal to Win; Virtual

Aug

- ABA LA South Asian Entrepreneurs; El Segundo
- ABA OC Monthly Mixer; Garden Grove
- Associated General Contractors of California Annual Event; Long Beach
- CWA USDP Monthly Meeting; Virtual
- NAWIC LA Monthly Mixer; Los Angeles
- NAWIC OC Monthly Mixer; Irvine
- RCCLB Monthly Mixer; Long Beach
- RCCSV Silicon Valley Pride Kickoff Mixer; San Jose
- USVBA OC Monthly Chapter Meeting; Virtual
- WBEC-Pacific Supplier Diversity Best Practices Forum S1; Virtual
- WBEC-Pacific Supplier Diversity Best Practices Forum S2; Virtual
- WRMSDC's "Back in Time" Matchmaking; Virtual

Sep

- ABA LA 45th Annual Awards Banquet; Pasadena
- CHCC National Convention; Palm Springs
- CPUC Workshop on General Order 156; Virtual
- CWA Meet the Primes; Virtual
- CWA USDP Monthly Meeting; Virtual
- Joint Utilities Quarterly Meeting; Virtual
- LBA Business Luncheon; Rosemead
- SCMSDC Fireside Chat with the Joint Utilities; Virtual
- USHCC National Conference; Las Vegas

Oct

- Construction Inclusion Week Mixer; Los Angeles
- CPUC Fall Expo; Virtual
- CPUC Supplier Diversity En Banc; Virtual
- CWA USDP Monthly Meeting; Virtual
- LAGLCC Doing Business with CWA; Virtual
- NAWIC LA Board Installation; Los Angeles
- RCCSV Monthly Mixer; San Jose
- SIG's Global Executive Summit; Carlsbad
- WRMSDC Construction Working Group; Oakland

Nov

- CWA Annual Conference; Monterey
- CWA USDP Monthly Meeting; Virtual
- Lewis & Tibbitts Customer Appreciation Event; San Jose

Dec

- ABA LA Members' Appreciation Event; Los Angeles
- CWA USDP Monthly Meeting; Virtual
- Joint Utilities Quarterly Meeting; Virtual
- NAWIC OC Monthly Mixer; Anaheim

Online Calendar of Events

The intent is to make it easy for diverse suppliers to meet us, and with this in mind we list (and periodically review) an online calendar of events on our website.

Month	Event	Web Site
May	Supplier Network Business Alliance Meeting (See Program)	www.calwater.org
June	NSBAC National Conference & Business Deal	calwater.org
July	California Water Suppliers of Commerce Small Biz Expo	www.calwater.org/SmallBizExpo
August	The 20th NSBAC National Conference	www.calwater.org
August	NSBAC Annual Conference	www.cwsl.org
September	California Hispanic Chamber of Commerce Annual Convention	www.cwsl.org
October	NSBAC Annual Conference	www.cwsl.org
November	US Network National Conference	www.calwater.org
December	USBC and CSBI Small Business Summit	www.calwater.org
Various	CPWCA Small Business Expo	www.calwater.org

Calendar of Events at www.calwater.com

The calendar lists many of the outreach events we support and includes the links to facilitate registration.

Timely Payment

Timely payment to diverse suppliers is a priority, ensuring their financial well-being and promoting a healthy supply chain.

The pandemic put the spotlight on the importance of the long-term partnerships with vendors/contractors. To this end, we initiated an accelerated-payment pilot program with a few suppliers from different trades (e.g., uniform supplier, traffic control), granting payment terms of Net-15. The effort entailed reviewing contracting language, drafting contract amendments, making updates on our financial system, communicating with stakeholders, and following up on the transactions.

Supplier Code of Conduct

We recently updated the Supplier Code of Conduct with Supplier-Diversity language, communicating the importance of this program to those seeking to do business with us. This update augments similar provisions on our procurement policy and construction contracts, ensuring consistency in our messaging.

**California Water Service Group
Supplier Code of Conduct**

Supplier Code of Conduct Flow Down

- We encourage our suppliers to have practices in place to support compliance with laws, regulations, and expectations related to, or addressed expressly within the Supplier Code of Conduct. We encourage our suppliers to implement their own written code of conduct, and to apply the principles of such code of conduct to the entities that furnish goods and services to the supplier.

Supplier Diversity

- It is Group policy that diverse business enterprises, including those categories recognized under the California Public Utilities Commission General Order 156 (for California Water Service Company) and Federal Subcontracting Programs (for all Group companies) shall have the maximum practicable opportunity to participate in the performance of contracts.
- Suppliers agree to use their best efforts to award subcontracts (when applicable and available, and as required by contract with a Group company) with such diverse suppliers consistent with the efficient performance of their contract, and accurately report diverse subcontracting.

California Water’s Supplier Code of Conduct, Excerpt

Capacity Building & Technical Assistance (CB&TA)

The principal CB&TA effort is through the California Water Association’s Water Acumen Training for Entrepreneurship Refinement (W.A.T.E.R.) business certification.

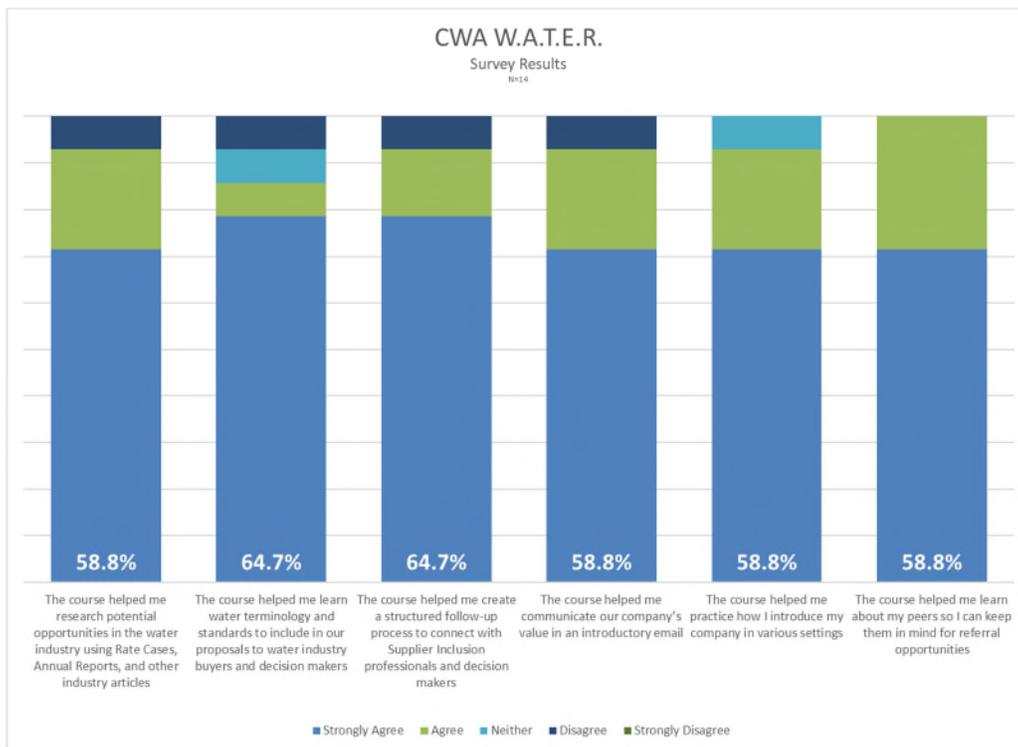


California Water Association’s Water Acumen Training for Entrepreneurship Refinement (W.A.T.E.R.)

In 2021, we conducted the three remaining sessions virtually as the pandemic restrictions remained early in the year. During the meetings, we covered topics such as identifying a CWA-member utility, researching for opportunities, pricing/negotiation, and forecasting through research.

On the final session—a graduation celebration—we featured two previous-cohort participants to share their lessons learned, perspective on the program, and success stories since their training.

This program remains an effective way for diverse suppliers to learn about our industry:



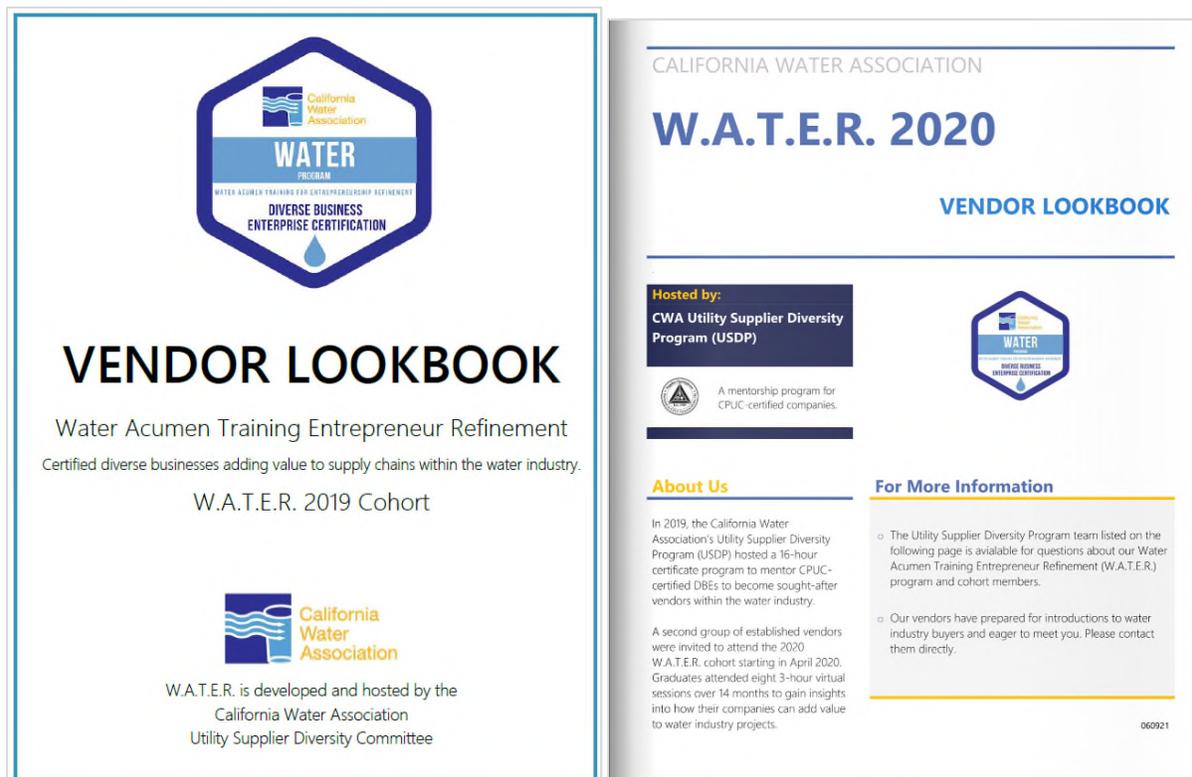
CWA W.A.T.E.R. Participants’ Survey Results

The majority of our participants “strongly agree” that the training helps them in researching opportunities, communicating value, and introducing their companies.

Concurrent with the training, we connect attendees with internal stakeholders for contractual opportunities. For example:

- From the 2020-2021 cohort: a pest-control contractor and an IT-Developer firm received introductions to decision makers, and a Cyber-Security firm submitted a bid for an upcoming project
- From the 2019 cohort: a management-consulting firm was contracted to develop employee training, one construction-material distributor participated in an RFI, and an underground-construction contractor is going through the vetting process with our Engineering team

Additionally, to further increase exposure to contractual opportunities, we prepare a “Vendor Lookbook” on each cohort:



CWA W.A.T.E.R. Vendor Lookbook

This is a directory of trainees from which supplier-diversity program managers can source. It lists attendees’ products/services offerings and contact information, facilitating referrals.

9.1.2 WMDVLGBTBE Annual Results by Ethnicity

			Direct	Sub	Total \$	%
1	Minority Male	Asian Pacific American	\$ 4,892,429.13	\$ 709,676.12	\$ 5,602,105.25	2.18%
2		African American	\$ 97,186.30	\$ -	\$ 97,186.30	0.04%
3		Hispanic American	\$ 14,634,749.93	\$ 13,502,212.39	\$ 28,136,962.32	10.97%
4		Native American	\$ 1,091,039.51	\$ 114,751.01	\$ 1,205,790.52	0.47%
5		Total Minority Male	\$ 20,715,404.87	\$ 14,326,639.52	\$ 35,042,044.39	13.67%
6	Minority Female	Asian Pacific American	\$ 639,229.57	\$ 61,358.92	\$ 700,588.49	0.27%
7		African American	\$ 5,407.22	\$ -	\$ 5,407.22	0.00%
8		Hispanic American	\$ 828,071.67	\$ 346,334.47	\$ 1,174,406.14	0.46%
9		Native American	\$ -	\$ -	\$ -	0.00%
10		Total Minority Female	\$ 1,472,708.46	\$ 407,693.39	\$ 1,880,401.85	0.73%
11	Total Minority Business Enterprise (MBE)		\$ 22,188,113.33	\$ 14,734,332.91	\$ 36,922,446.24	14.40%
12	Women Business Enterprise (WBE)		\$ 4,270,845.53	\$ 6,142,666.03	\$ 10,413,511.56	4.06%
13	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)		\$ 7,450.00	\$ -	\$ 7,450.00	0.00%
14	Disabled-Veteran Business Enterprise (DVBE)		\$ 1,581,508.10	\$ 4,533,016.69	\$ 6,114,524.79	2.38%
15	Other 8(a)		\$ -	\$ -	\$ -	0.00%
16	Total WMDVLGBTBE		\$ 28,047,916.96	\$ 25,410,015.63	\$ 53,457,932.59	20.85%
17	Net Procurement		\$ 256,397,273.63			

Due to rounding, numbers presented may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

9.1.2 WMDVLGBTBE Direct Procurement by Product and Service Categories

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Direct	\$ 960,371.52	0.37%	\$ 3,932,057.61	1.53%	\$ 4,892,429.13	1.91%
2		African American	Direct	\$ -	0.00%	\$ 97,186.30	0.04%	\$ 97,186.30	0.04%
3		Hispanic American	Direct	\$ 469,828.79	0.18%	\$ 14,164,921.14	5.52%	\$ 14,634,749.93	5.71%
4		Native American	Direct	\$ 149.78	0.00%	\$ 1,090,889.73	0.43%	\$ 1,091,039.51	0.43%
5		Total Minority Male	Direct	\$ 1,430,350.09	0.56%	\$ 19,285,054.78	7.52%	\$ 20,715,404.87	8.08%
6	Minority Female	Asian Pacific American	Direct	\$ 398,163.05	0.16%	\$ 241,066.52	0.09%	\$ 639,229.57	0.25%
7		African American	Direct	\$ 1,057.22	0.00%	\$ 4,350.00	0.00%	\$ 5,407.22	0.00%
8		Hispanic American	Direct	\$ 4,353.52	0.00%	\$ 823,718.15	0.32%	\$ 828,071.67	0.32%
9		Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Direct	\$ 403,573.79	0.16%	\$ 1,069,134.67	0.42%	\$ 1,472,708.46	0.57%
11	Total Minority Business Enterprise (MBE)		Direct	\$ 1,833,923.88	0.72%	\$ 20,354,189.45	7.94%	\$ 22,188,113.33	8.65%
12	Women Business Enterprise (WBE)		Direct	\$ 675,938.38	0.26%	\$ 3,594,907.15	1.40%	\$ 4,270,845.53	1.67%
13	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)		Direct	\$ 7,450.00	0.00%	\$ -	0.00%	\$ 7,450.00	0.00%
14	Disabled-Veteran Business Enterprise (DVBE)		Direct	\$ 67,592.00	0.03%	\$ 1,513,916.10	0.59%	\$ 1,581,508.10	0.62%
15	Other 8(a)		Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	Total WMDVLGBTBE		Direct	\$ 2,584,904.26	1.01%	\$ 25,463,012.70	9.93%	\$ 28,047,916.96	10.94%
17	Total Product Procurement			\$ 51,383,826.90					
18	Total Service Procurement			\$ 205,013,446.73					
19	Net Procurement			\$ 256,397,273.63					
20	Total Number of WMDVLGBTBEs that Received Direct Spend			124					

9.1.2 WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Sub	\$ 363,047.10	0.14%	\$ 346,629.02	0.14%	\$ 709,676.12	0.28%
2		African American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
3		Hispanic American	Sub	\$ 702,536.13	0.27%	\$ 12,799,676.26	4.99%	\$ 13,502,212.39	5.27%
4		Native American	Sub	\$ 114,751.01	0.04%	\$ -	0.00%	\$ 114,751.01	0.04%
5		Total Minority Male	Sub	\$ 1,180,334.24	0.46%	\$ 13,146,305.28	5.13%	\$ 14,326,639.52	5.59%
6	Minority Female	Asian Pacific American	Sub	\$ -	0.00%	\$ 61,358.92	0.02%	\$ 61,358.92	0.02%
7		African American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
8		Hispanic American	Sub	\$ 338,326.97	0.13%	\$ 8,007.50	0.00%	\$ 346,334.47	0.14%
9		Native American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Sub	\$ 338,326.97	0.13%	\$ 69,366.42	0.03%	\$ 407,693.39	0.16%
11	Total Minority Business Enterprise (MBE)		Sub	\$ 1,518,661.21	0.59%	\$ 13,215,671.70	5.15%	\$ 14,734,332.91	5.75%
12	Women Business Enterprise (WBE)		Sub	\$ 935,311.96	0.36%	\$ 5,207,354.07	2.03%	\$ 6,142,666.03	2.40%
13	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
14	Disabled-Veteran Business Enterprise (DVBE)		Sub	\$ 4,418,460.98	1.72%	\$ 114,555.71	0.04%	\$ 4,533,016.69	1.77%
15	Other 8(a)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	Total WMDVLGBTBE		Sub	\$ 6,872,434.15	2.68%	\$ 18,537,581.48	7.23%	\$ 25,410,015.63	9.91%
17	Total Product Procurement			\$ 51,383,826.90					
18	Total Service Procurement			\$ 205,013,446.73					
19	Net Procurement			\$ 256,397,273.63					

9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories

		Asian Pacific American		African American		Hispanic American		Native American	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)	Disabled-Veteran Business Enterprise (DVBE)	Total WMDVLGBTBE	Total Dollars
		Male	Female	Male	Female	Male	Female	Male						
07: AGRICULTURAL SERVICES	\$	892.59				293,393.87			294,286.46				294,286.46	3,121,737.25
%		0.00%	0.00%	0.00%	0.00%	0.11%	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.11%	1.22%
13: OIL AND GAS EXTRACTION	\$													82,570.00
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
14: NONMETALLIC MINERALS, EXCEPT FUELS	\$								12,529.54	12,529.54			12,529.54	17,456.24
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
15: GENERAL BUILDING CONTRACTORS	\$					269,943.48			269,943.48			1,600.00	271,543.48	1,030,960.52
%		0.00%	0.00%	0.00%	0.00%	0.11%	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.11%	0.40%
16: HEAVY CONSTRUCTION, EXCEPT BUILDING	\$					16,080,278.82	91,040.50	511,333.73	16,682,653.05	395,328.82		96,370.00	17,174,351.87	114,305,420.26
%		0.00%	0.00%	0.00%	0.00%	6.27%	0.04%	0.20%	6.51%	0.15%	0.00%	0.04%	6.70%	44.58%
17: SPECIAL TRADE CONTRACTORS	\$	515,315.73	48,221.44			7,918,775.64	118,508.64		8,600,821.45	941,570.85		189,659.00	9,732,051.30	21,514,932.68
%		0.20%	0.02%	0.00%	0.00%	3.09%	0.05%	0.00%	3.35%	0.37%	0.00%	0.07%	3.80%	8.39%
22: TEXTILE MILL PRODUCTS	\$													3,967.60
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23: APPAREL AND OTHER TEXTILE PRODUCTS	\$				1,057.22				1,057.22	172,827.30			173,884.52	339,816.46
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.07%	0.13%
27: PRINTING AND PUBLISHING	\$						15,262.71		15,262.71				15,262.71	570,923.90
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%	0.22%
28: CHEMICALS AND ALLIED PRODUCTS	\$									19,320.30			19,320.30	5,557,255.40
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.01%	2.17%
29: PETROLEUM AND COAL PRODUCTS	\$													56,710.44
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
30: RUBBER AND MISC. PLASTICS PRODUCTS	\$									2,578.00			2,578.00	3,317.00
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32: STONE, CLAY, AND GLASS PRODUCTS	\$						326,331.17		326,331.17				326,331.17	1,036,719.23
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.00%	0.13%	0.00%	0.00%	0.00%	0.13%	0.40%
33: PRIMARY METAL INDUSTRIES	\$	360,852.81							360,852.81	86,671.45			447,524.26	652,587.87
%		0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.03%	0.00%	0.00%	0.17%	0.25%
34: FABRICATED METAL PRODUCTS	\$					415,958.38			415,958.38			4,392,460.98	4,808,419.36	17,752,659.72
%		0.00%	0.00%	0.00%	0.00%	0.16%	0.00%	0.00%	0.16%	0.00%	0.00%	1.71%	1.88%	6.92%
35: INDUSTRIAL MACHINERY AND EQUIPMENT	\$					688,751.00			688,751.00	150.00			688,901.00	2,583,816.71
%		0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%	0.27%	1.01%
36: ELECTRONIC AND OTHER ELECTRIC EQUIPMENT	\$													560,451.32
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%
37: TRANSPORTATION EQUIPMENT	\$	99,851.00							99,851.00	55,606.00			155,457.00	975,956.01
%		0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.02%	0.00%	0.00%	0.06%	0.38%
38: INSTRUMENTS AND RELATED PRODUCTS	\$													3,447,871.82
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.34%
39: MISC. MANUFACTURING INDUSTRIES	\$									648.50		88,012.00	88,660.50	88,660.50
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.03%	0.03%
42: TRUCKING AND WAREHOUSING	\$					756,379.40			756,379.40	2,480,779.74			3,237,159.14	3,401,356.01
%		0.00%	0.00%	0.00%	0.00%	0.30%	0.00%	0.00%	0.30%	0.97%	0.00%	0.00%	1.26%	1.33%
45: TRANSPORTATION BY AIR	\$													1,198.00
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
47: TRANSPORTATION SERVICES	\$					370,947.00			370,947.00				370,947.00	393,206.66
%		0.00%	0.00%	0.00%	0.00%	0.14%	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.14%	0.15%
48: COMMUNICATION	\$													179,120.23
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%
49: ELECTRIC, GAS, AND SANITARY SERVICES	\$									253,583.53			253,583.53	507,444.25
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	0.00%	0.00%	0.10%	0.20%
50: WHOLESALE TRADE - DURABLE GOODS	\$	848.33	398,163.05			53.32		114,751.01	513,815.71	456,408.46	7,450.00	5,580.00	983,254.17	7,912,118.48
%		0.00%	0.16%	0.00%	0.00%	0.00%	0.00%	0.04%	0.18%	0.20%	0.00%	0.00%	0.38%	3.09%
51: WHOLESALE TRADE - NONDURABLE GOODS	\$					53,187.21			53,187.21	694,722.91			747,910.12	2,311,994.05
%		0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%	0.27%	0.00%	0.00%	0.29%	0.90%
52: BUILDING MATERIALS AND HARDWARE	\$						1,263.88		1,263.88	114,087.51			115,351.39	573,911.67
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.04%	0.22%
53: GENERAL MERCHANDISE STORES	\$	2,731.96							2,731.96				2,731.96	175,283.21
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%
54: FOOD STORES	\$													58,452.69
%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
55: AUTOMOTIVE DEALERS AND SERVICE STATIONS	\$	859,134.52				14,415.01		149.78	873,699.31	5,092.76			878,792.07	6,150,187.83

		Asian Pacific American		African American		Hispanic American		Native American	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)	Disabled-Veteran Business Enterprise (DVBE)	Total WMDV/LGBTBE	Total Dollars
		Male	Female	Male	Female	Male	Female	Male						
	%	0.34%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.34%	0.00%	0.00%	0.00%	0.34%	2.40%
56: APPAREL AND ACCESSORY STORES	\$						2,555.90		2,555.90				2,555.90	133,262.71
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
57: FURNITURE AND HOME FURNISHINGS STORES	\$													89,006.82
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
58: EATING AND DRINKING PLACES	\$													191,022.72
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%
59: MISCELLANEOUS RETAIL	\$									3,137.15			3,137.15	819,793.12
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%
60: DEPOSITORY INSTITUTIONS	\$									2,088.00			2,088.00	2,088.00
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
62: SECURITY AND COMMODITY BROKERS	\$													15,330.20
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
64: INSURANCE AGENTS, BROKERS, AND SERVICE	\$									831,629.00			831,629.00	831,629.00
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%	0.00%	0.00%	0.32%	0.32%
65: REAL ESTATE	\$													32,376.09
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
70: HOTELS AND OTHER LODGING PLACES	\$													260.89
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
72: PERSONAL SERVICES	\$													106,451.27
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%
73: BUSINESS SERVICES	\$	3,668,229.31	57,671.25	47,686.30	4,350.00	428,670.69	501,121.00		4,707,728.55	3,165,167.14		77,550.60	7,950,446.29	27,358,457.33
	%	1.43%	0.02%	0.02%	0.00%	0.17%	0.20%	0.00%	1.84%	1.23%	0.00%	0.03%	3.10%	10.67%
75: AUTO REPAIR, SERVICES, AND PARKING	\$													154,644.60
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
76: MISCELLANEOUS REPAIR SERVICES	\$									754.49			754.49	905,926.28
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.35%
78: MOTION PICTURES	\$		11,773.73			1,500.00			13,273.73				13,273.73	21,812.04
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%
79: AMUSEMENT AND RECREATION SERVICES	\$													20,119.23
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
80: HEALTH SERVICES	\$								413.39				413.39	196,450.97
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
81: LEGAL SERVICES	\$								187,800.40				187,800.40	1,396,307.02
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.07%	0.54%
82: EDUCATIONAL SERVICES	\$													68,178.36
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
83: SOCIAL SERVICES	\$											15,250.00	15,250.00	15,250.00
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%
86: MEMBERSHIP ORGANIZATIONS	\$													91.45
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
87: ENGINEERING AND MANAGEMENT SERVICES	\$	94,249.00	184,759.02	49,500.00		844,708.50	105,792.80	579,556.00	1,858,565.32	513,002.73		1,246,402.21	3,617,970.26	27,635,998.42
	%	0.04%	0.07%	0.02%	0.00%	0.33%	0.04%	0.23%	0.72%	0.20%	0.00%	0.49%	1.41%	10.78%
89: SERVICES (NOT ELSEWHERE CLASSIFIED)	\$									30,143.13		1,640.00	31,783.13	1,034,753.10
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.01%	0.40%
TOTAL	\$	5,602,105.25	700,588.49	97,186.30	5,407.22	28,136,962.32	1,174,406.14	1,205,790.52	36,922,446.24	10,413,511.56	7,450.00	6,114,524.79	53,457,932.59	256,397,273.63
	%	2.18%	0.27%	0.04%	0.00%	10.97%	0.46%	0.47%	14.40%	4.06%	0.00%	2.38%	20.85%	100.00%

Total Product Procurement	\$	51,383,826.90
Total Service Procurement	\$	205,013,446.73

Net Procurement	\$	256,397,273.63
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9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

# WMDVLGBTBEs	Data on Number of Suppliers											
	Revenue Reported to CHS						Utility-Specific Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	TOTAL	MBE	WBE	LGBTBE	DVBE	Other 8(a)	TOTAL
Under \$1 Million or Unknown	19	17	1	11	-	48	84	65	1	10	-	160
Under \$5 Million	24	17	-	-	-	41	2	2	-	-	-	4
Under \$10 Million	9	16	-	-	-	25	1	-	-	1	-	2
Above \$10 Million	36	17	-	-	-	53	1	-	-	-	-	1
TOTAL	88	67	1	11	-	167	88	67	1	11	-	167

WMDVLGBTBE (\$M)	Revenue and Payment Data											
	Revenue Reported to CHS						Utility-Specific Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	TOTAL	MBE	WBE	LGBTBE	DVBE	Other 8(a)	TOTAL
Under \$1 Million or Unknown	\$8.1	\$6.3	\$.8	\$.	\$.	\$15.3	\$12.75	\$7.06	\$.01	\$.6	\$.	\$20.41
Under \$5 Million	\$58.1	\$46.1	\$.	\$.	\$.	\$104.1	\$4.76	\$3.71	\$.	\$.	\$.	\$8.46
Under \$10 Million	\$68.	\$119.3	\$.	\$.	\$.	\$187.3	\$7.22	\$.	\$.	\$5.52	\$.	\$12.74
Above \$10 Million	\$13,072.6	\$883.9	\$.	\$.	\$.	\$13,956.5	\$11.85	\$.	\$.	\$.	\$.	\$11.85
TOTAL	\$13,206.8	\$1,055.5	\$.8	\$.	\$.	\$14,263.1	\$36.57	\$10.77	\$.01	\$6.11	\$.	\$53.46

9.1.2 Description of Number of WMDVLGBTBE Suppliers with California-Majority Workforce

Based on information from the Supplier Clearinghouse, we have identified 155 diverse suppliers for whom California is their main contact location.

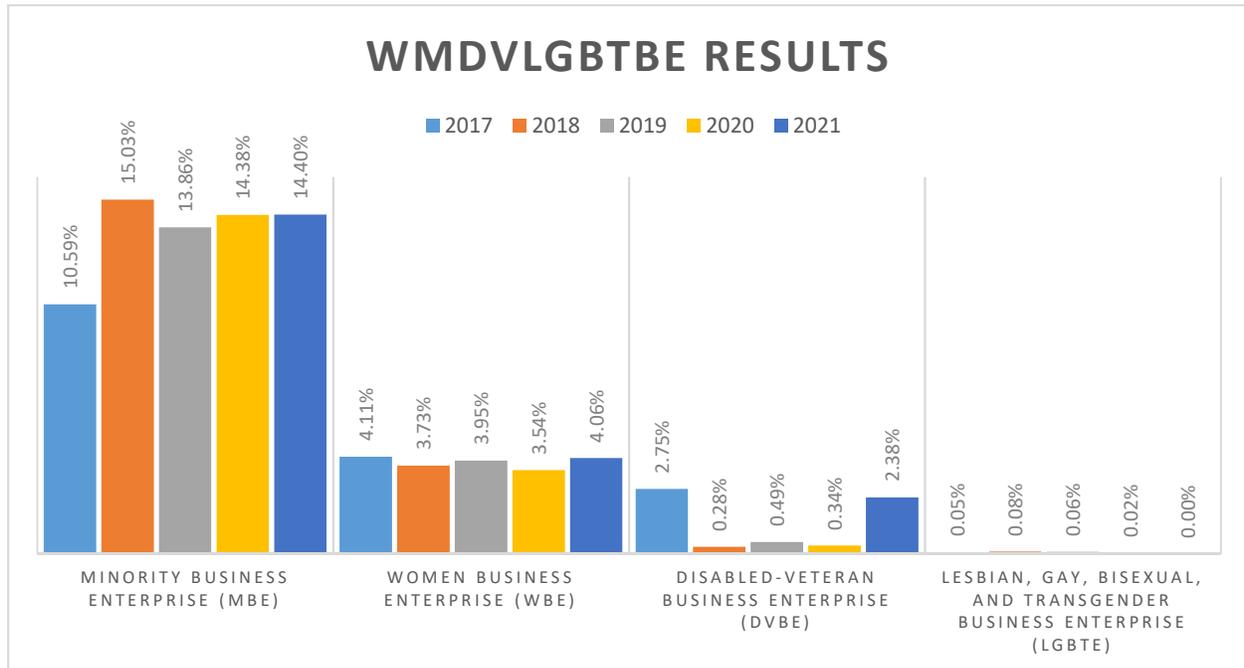
9.1.3 WMDVLGBTBE Program Expenses

Expense Category	
1 Wages	\$ 122,000.00
2 Other Employment Expenses	\$ 17,043.54
3 Program Expenses	\$ -
4 Reporting Expenses	\$ -
5 Training	\$ -
6 Consultants	\$ 11,415.10
7 Other	\$ 52,036.53
TOTAL	\$ 202,495.17

1. Wages: salary and payroll-related costs of permanent and temporary employees working on supplier diversity
2. Other Employment Expenses: office space, travel, and non-wage costs
3. Program Expenses: printing, postage, supplies, outreach, and other costs directly related to the program
4. Reporting Expenses: computer, accounting, and other expenses incurred preparing reports for the CPUC
5. Training: costs related to training employees (internal) and suppliers (external); included in Wages
6. Consultants: Cal Water's portion of CWA USDP consultant fees
7. Other: Cal Water's portion of expenses captured and disbursed by CWA for Class A Companies' USDP and Cal Water's cost for the CPUC Supplier Diversity Clearinghouse

9.1.4 Description of Progress in Meeting or Exceeding Set Goals

Below find additional details on category-specific accomplishments and challenges.



Minority Business Enterprises (MBE)

Among successes in the category, we doubled (in terms of previous-year expenditures) our engagement with a Native American-owned business-consulting firm. They are assisting us with various IT upgrades.

Furthermore, we initiated engagement with a recently certified construction MBE, a referral from a fellow CWA utility; we're excited of the potential as the contractor is in our core category (construction).

For physical-security projects, we saw a sevenfold increase (in terms of previous-year expenditures) with a Bellflower-based fencing contractor. Fencing and security upgrades is an area with high-growth potential for diverse suppliers.

Finally, subsequent to our procurement-policy update, we brought a well-known MBE management-consulting firm to develop company-wide training on the policy. We see additional contracting potential with this firm as we're exploring other areas to enhance employee training.

The main challenge we faced in the category was connected with contractor safety. We had to pause work with a major MBE contractor (and shift to a non-diverse contractor) while we worked with them to improve their safety performance. It benefits the contractor in the long run and enables us to continue engaging them. However, in the short term, this resulted in a 30% reduction in our expenditures with them. Similarly, we saw a considerable reduction in yearly expenditures with a second construction MBE, who had safety incidents in the past.

Due to the countrywide computer-chip supply-chain issue, which results in vehicle shortage, we saw a decrease of more than 50% in yearly expenditures with our primary vehicle dealer (an MBE). Furthermore, this MBE recently went through an ownership change; we'll be working with them in 2022 towards a Supplier Clearinghouse certification.

We also saw an ownership change with a San Francisco-based electrical contractor due to the owner's retirement; we'll be working with the new owners in 2022 to determine their certification eligibility. Electrical work is a high-opportunity area for diverse suppliers.

Women Business Enterprises (WBE)

We had two current suppliers earn their WBE certifications: a Fresno-based traffic-control contractor with whom we have a master agreement (allowing us to account for substantial expenditures), and a Rolling Hills Estates-based Project Management contractor. These two contractors benefited from our close relationship with the Supplier Clearinghouse and their guidance through the certification process.

We also incorporated a few new WBEs to our supply chain, among them a Southern California-based IT-consulting firm, a Bay Area-based fencing contractor, and a Westlake-based translation contractor. The variety of trades is representative of the opportunities for working with California Water Service.

In terms of challenges, we had a WBE furniture-distributor's certification lapsing (precluding us to account for their work); similarly, we engaged a Women's Business Enterprise Council-certified landscaping-services contractor but couldn't get them Supplier-Clearinghouse-certified in time to account for their work.

Disabled-Veteran Business Enterprises (DVBE)

We continue strengthening our partnership with a DVBE in the water/wastewater treatment field. We registered a 35x increase on Tier-1 expenditures with them and are experiencing a similar high growth on Tier-2. These dramatic results are a testament of both the contracting opportunities for specialized diverse suppliers and the success of hosted events—we met the contractor on CWA's 2015 Meet the Primes event.

Along the lines of growth, we registered a 2x increase on Tier-1 expenditures with a land-surveyor DVBE. From our perspective, this highlights the importance of outreach events—we met the contractor in the CPUC's 2014 Small Business Expo in Sacramento.

In terms of challenges, we saw a decrease in expenditures with a DVBE general contractor due to their reduction in service-area availability (from statewide to Northern California only).

We also saw a Sutter County-based document-destruction DVBE sell their business to a non-diverse entity. While we continue doing business with them (due to their excellent customer service), we can't further account for the expenditures.

Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)

In 2021, we initiated the vetting of an underground-construction LGBTBE. Because of the risk involved with these operations, the onboarding process requires several steps. We're excited about the upcoming results this partnership will generate, as the contractor works in the area where the most opportunities are available.

In terms of challenges, as we experience the second year of the pandemic, the reduction of in-person events curtailed material purchases we source from a few LGBTBEs.

Similarly, a lapsed certification for an LGBTBE-owned cybersecurity firm precluded us from accounting for the expenditures.

9.1.4 WMDVLGBTBE Results and Goals

Category	Results	Goals
Minority Men	13.67%	12.0%
Minority Women	0.73%	3.0%
Minority Business Enterprise (MBE)	14.4%	15.0%
Women Business Enterprise (WBE)	4.06%	5.0%
Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)	0.00%	N/A
Disabled-Veteran Business Enterprise (DVBE)	2.38%	1.5%
TOTAL WMDVLGBTBE	20.85%	21.5%

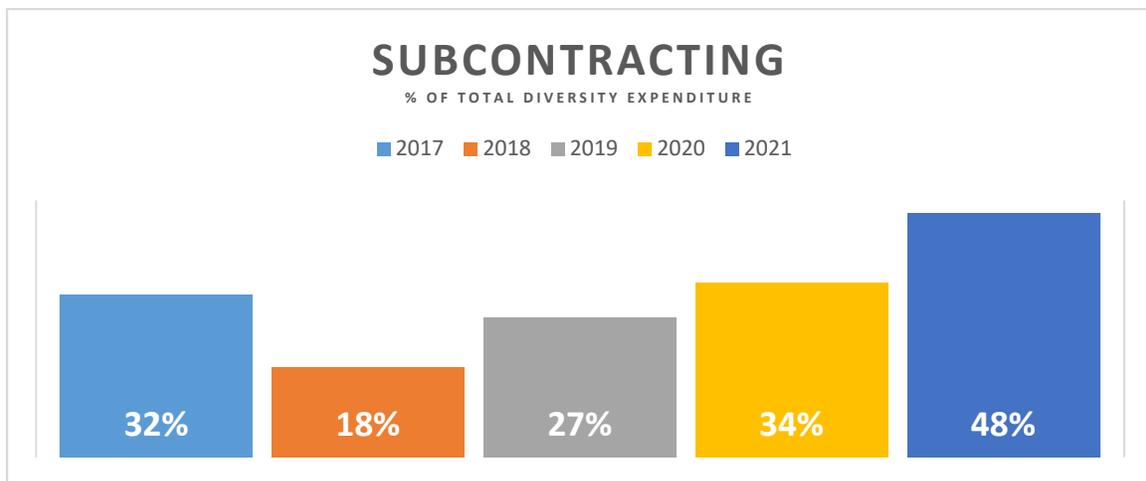
Due to rounding, numbers presented may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

9.1.5 Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

We continue registering growth in our subcontracting program, this is evident in the data:



Correlating the increased expenditures is subcontracting's contribution to overall diverse expenditures:



The increase originates from the continued partnership with two prime contractors. Specifically, when compared to 2020, we saw both (individually) increasing their diverse-subcontracting percentages from a 16-17% range to 20-21%, for a contribution of approximately \$8M in Tier-2 expenditures.

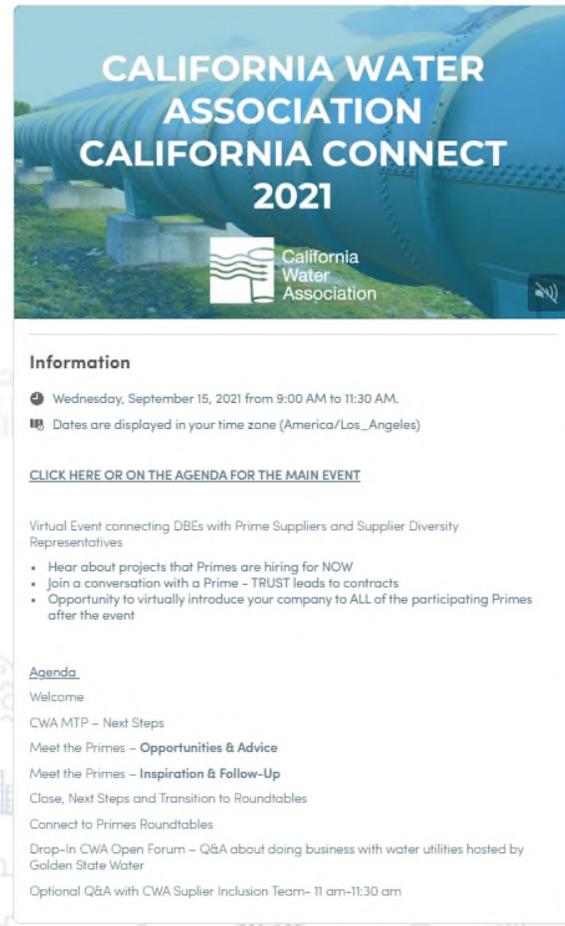
Additionally, in support of our Tier-2 program, we hosted countless RFP calls on supplier diversity to ensure bidders understand the origins of the program, the type of certifications we account for, and how to submit subcontracting reports.

Finally, in 2021, we sought to simplify our process to purchase underground construction materials by shifting the work (e.g., issuing purchase orders, reconciling shipments, processing invoices, and authorizing invoice payments) from in-house personnel to our prime contractors. This enables prime contractors to source materials from the diverse suppliers with whom they already had relationships, while streamlining procurement operations.

California Water Association (CWA), Meet the Primes (MTP)

The CWA-hosted event is an annual program focused on connecting prime contractors with potential Tier-2 vendors. Because many opportunities have materialized from previous events, we continue promoting it as a successful activity for supplier diversity.

At the annual *CWA Meet the Primes: Like Never Before* event on September 2021, more than 430 people registered to learn how to connect with a few of the primes contracting with CWA-member utilities.



CWA Meet the Primes: Like Never Before

Melanie Rae, founder of Guided Business Plan, designed the first *CWA Meet the Primes: Like Never Before* to feature pre-event recording of the Primes, online worksheets, and post-event Connect-to-Primes form. The public is still able to join the free platform and access these materials at mtp.cwawater.com. Innovate Marketing Group provided the technical platform that enabled more than 120 participants to engage in a group discussion.

Holley Joy, Supplier Diversity Manager at Golden State Water and Project Lead for the CWA Utility Supplier Diversity Program, noted that “when the communities we serve, see themselves reflected back as they pass one of our construction projects or visit our offices, it is partly due to events like these where we purposefully outreach to diverse vendors to support our operations.”

California Water Association-American Indian Chamber Procurement Summit, Meet the Primes
As a variation to our signature MTP event, we partnered with the American Indian Chamber of Commerce of California (AICCAL) to produce a summit focused on the chamber's members.

Still time to Sign Up!
California Water Association
American Indian Chamber Procurement Summit
June 3rd

The Chamber is elevating our partnership with the California Water Association (CWA) by hosting our first ever **California Water Association-American Indian Chamber Procurement Summit**.

This "solution oriented event" has the goal to link our tribal enterprises and American Indian/Alaska Native owned businesses with opportunities within the CWA member water utilities AND their primes supply chain.

YOU MUST BE ONLINE OR IN PERSON @ AICEF-PTAC BY 9:30 AM TO PARTICIPATE IN THE ONE ON ONEs.

AGENDA

a. 9:30 am – 9:35 am: Chamber Welcome, Tracy Stanhoff, Chamber President
b. 9:35 am – 9:40 am: CWA Welcome, Ed Simon, Cal American Water
c. 9:40 am – 10:20 am: CWA utilities to present opportunities
d. 10:20 am – 10:30 am: Time to move participants to virtual break out rooms
e. 10:30 am – 12:30 pm: Presentations – each business will have 5 mins to present

Three breakout rooms

1. California American Water (w/Prime Spiess Construction) and Golden State Water Company (w/Prime Christiansen Brothers)
2. Suburban Water, San Jose Water and California Water Service (w/Prime Jacob's Engineering)
3. San Gabriel Valley (w/Prime GM Sager Construction) and Liberty Utilities (no prime)

Location – In-person at the AICEF-PTAC office in Huntington Beach
morning coffee and scones – and hot lunch served

5912 Bolsa Avenue, Suite 108
Huntington Beach, CA 92649

Or online by registering below:

Register in advance for this meeting:
<https://us02web.zoom.us/join/zoom/register/tZAwCO2uplvG9VaaubkhjdVJ530qgdm08cQ>

Thank you California Water Association!
We elevated our partnership with this key group of water utilities in hosting this hybrid in-person virtual event aimed at connecting Native American businesses to opportunities with the California Water Association (CWA)



Getting the CWA Summit Powered Up!
Johnson-Peltier's Greg Kelley; AICEF-PTAC's Jeremy Sandoval and Aaron Emi await the start of the action.

Thank you CWA members, their primes and attendees – this was another Chamber event to not be missed!

CWA-AICCAL Procurement Summit

In this forum, we spoke of the ongoing procurement opportunities both with Cal Water and our engineering-consulting prime contractor.

From the event, we connected an engineering-design firm with our engineering-consulting prime, a construction-material distributor participated in an RFI, and an industrial-electrical contractor initiated our vetting process.

We'll elaborate on contractual opportunities materializing from the event in subsequent reports.

9.1.5 Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)	Disabled-Veteran Business Enterprise (DVBE)	Total WMDVLGBTBE
Direct \$	\$20,715,404.87	\$1,472,708.46	\$22,188,113.33	\$4,270,845.53	\$7,450.00	\$1,581,508.10	\$28,047,916.96
Subcontracting \$	\$14,326,639.52	\$407,693.39	\$14,734,332.91	\$6,142,666.03	\$0.00	\$4,533,016.69	\$25,410,015.63
Total \$	\$35,042,044.39	\$1,880,401.85	\$36,922,446.24	\$10,413,511.56	\$7,450.00	\$6,114,524.79	\$53,457,932.59

Direct %	8.08%	0.57%	8.65%	1.67%	0.00%	0.62%	10.94%
Subcontracting %	5.59%	0.16%	5.75%	2.40%	0.00%	1.77%	9.91%
Total %	13.67%	0.73%	14.40%	4.06%	0.00%	2.38%	20.85%

Net Procurement	\$256,397,273.63
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9.1.6 WMDVLGBTBE Complaints Received and Current Status

No complaints received.

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

In 2021, we saw results from previous-year efforts identifying specialized water-industry contractors.

For instance, in the fourth quarter of 2021, we issued two purchase orders for approximately \$700K to a new underground-pipeline contractor. We expect to account for these expenditures (and future projects) on our next report. Similarly, we detailed the extraordinary growth with DVBEs on this report's section 9.1.4.

Finally, we're excited about an underground-construction LGBTBE, whom we're onboarding, and look forward to sharing the results on our next report.

2022 ANNUAL PLAN

10.1.1 WMDVLGBTBE Annual Short-, Mid-, and Long-Term Goals

In 2022, Cal Water's goal is to meet the overall 21.5% spending-level target set by the Commission and the individual goals per category. At the same time, we remain focused on increasing business with LGBTBEs.

Category	Short-Term Goals	Mid-Term Goals	Long-Term Goals
Minority Men	12.00%	12.00%	12.00%
Minority Women	3.00%	3.00%	3.00%
Minority Business Enterprise (MBE)	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)	N/A	N/A	N/A
Disabled-Veteran Business Enterprise (DVBE)	1.50%	1.50%	1.50%
TOTAL WMDVLGBTBE	21.50%	21.50%	21.50%

10.1.2 Description of WMDVLGBTBE Planned Program Activities

With our success in 2021, we look at 2022 to further advance opportunities for diverse suppliers.

Question Zero

Supplier Diversity will benefit operations, be compliant and sustainable ^{Q0}

Supporting Activities

Procurement Policy

Internal Communications

Subcontracting Program

External Outreach

Capacity Building & Technical Assistance

Our **procurement policy** remains a critical tool opening opportunities for diverse suppliers on RFPs. In 2022, we'll ensure employees are properly trained on the different sections, and we'll continue auditing transactions to ensure diverse-supplier inclusion in competitive-bidding events.

Keeping internal stakeholders informed and making information easy to access are at the core of our **internal communications**. We'll keep our leadership informed of quarterly results and ensure employees have access to our diverse-vendor database, as well as the Supplier Clearinghouse's website to identify bidders for their projects.

We'll continue driving success on our **subcontracting program** by scoring primes' Tier-2 program in their proposals, helping them find viable subcontractors, having them join outreach events, and measuring performance ensuring fulfillment of their commitments.

The second half of 2021 showed the viability of hybrid virtual/in-person events, and we'll continue supporting them as part of our **external outreach**. We'll continue joining panels to speak about upcoming opportunities and bringing ambassadors (when possible) for diverse suppliers to have several points of contact within our organization. Similarly, we'll continue exploring construction-focused organizations to connect with diverse contractors new to supplier diversity.

In 2022, we'll continue supporting CWA's W.A.T.E.R. business certification as the keystone of our **capacity building & technical assistance** program. We have consistently seen results of the program in terms of learning and contractual opportunities. Additionally, we will support supplementary training programs from CBOs/nonprofits or other CWA initiatives.

10.1.3 Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

Our challenge remains finding specialized water-industry diverse suppliers. To this end, we plan to continue exploring partnerships with industry-specific CBOs and attending industry-specific events. We're trusting these avenues will provide us with diverse contractors (who might be new to supplier diversity) operating in the water-treatment/distribution trades.

10.1.4 Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

We will follow activities noted in sections 10.1.2 and 10.1.3 to identify viable suppliers.

10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

We welcome 2022 as another opportunity for building on the success of our subcontracting efforts.

A critical tool of our initiative is evaluating supplier diversity on competitive bids and asking the bidders to provide a list of diverse subcontractors they will use for the contract. We've seen how this influences bidders to incorporate diverse subcontractors. Furthermore, once awarded a contract, we'll monitor the primes' quarterly performance, ensuring they're meeting expenditures goals as proposed.

We'll host our *Meet the Primes* event—either through the California Water Association or in partnership with a CBO—as contractual opportunities have consistently originated from these forums.

Finally, we'll continue promoting Supplier Diversity with new primes by educating them (e.g., objectives, certifications, reporting), sharing our list of current subs, and introducing them to the Supplier Clearinghouse as a resource in identifying subcontractors for their proposals.

10.1.6 Plans for Complying with WMDVLGBTBE Program Guidelines

Cal Water intends to comply with the Diverse Supplier program guidelines established by the CPUC, as required by Public Utilities Section 8283(c). The CPUC Executive Director's Office will be responsible for developing, periodically refining, and recommending such guidelines for the CPUC's adoption in an appropriate procedural forum.

Cal Water will also continue to comply with the General Order 156 program guideline, participate in the CPUC's Supplier Diversity Forums and Workshops as requested, and work in partnership with the

California Water Association and Joint Utilities to address the challenges faced by diverse suppliers in the procurement process.

Prepared by:

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