

CONTINUED SUCCESS THROUGH CHALLENGING TIMES



CALIFORNIA AMERICAN WATER

2021 Annual Report to the California Public Utilities Commission
(for 2020 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™



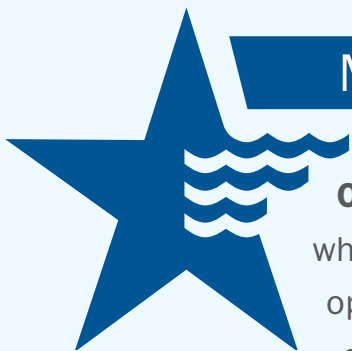
POLICY

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 services 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.



TABLE OF CONTENTS

PRESIDENT’S & DIRECTOR’S MESSAGES

4–5

ANNUAL REPORT

9.1.1	Description of WMDVLGBTBE Program Activities During the Previous Calendar Year	7
9.1.2A	WMDVLGBTBE Annual Results by Ethnicity	27
9.1.2B	WMDVLGBTBE Procurement by Products and Services (Direct)	28
9.1.2C	WMDVLGBTBE Procurement by Products and Services (Subcontractor)	29
9.1.2D	WMDVLGBTBE Procurement by Standard Industrial Categories	30
9.1.2E	Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse and California American Water	36
9.1.2F	Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce	38
9.1.3	WMDVLGBTBE Program Expenses	38
9.1.4A	Description of Progress in Meeting or Exceeding Set Goals	38
9.1.4B	WMDVLGBTBE Results and Goals	39
9.1.5A	Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors	39
9.1.5B	Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors	40
9.1.6	A List of WMDVLGBTBE Complaints Received and Current Status	40
9.1.7	Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Categories	40

ANNUAL PLAN

10.1.1	WMDVLGBTBE Annual Short-, Mid-, and Long-Term Goals by Product and Services Categories	41
10.1.2	Description of WMDVLGBTBE Planned Program Activities for 2020	44
10.1.3	Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas	46
10.1.4	Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable	46
10.1.5	Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers	47
10.1.6	Plans for Complying with WMDVLGBTBE Program Guidelines	47





RICHARD SVINDLAND, President

PRESIDENT'S MESSAGE

I am so proud of our team here at California American Water, which has once again demonstrated that by working together and adhering to diverse and inclusive values, there's nothing we cannot do – even during a crippling, global pandemic. I am happy to report that we accomplished every Supplier Diversity goal in 2020 that we set forth in last year's report.

This is an extraordinary accomplishment given the two unexpected and unprecedented challenges faced in 2020: the COVID-19 pandemic and the visceral examples of police brutality. I, like many of you, watched in horror as George Floyd was murdered by Minneapolis police last summer. This vicious and brutal act was broadcasted across the world and the world rightly responded in protest, anger, and introspection.

This, of course, wasn't the first time something like this had occurred. But it was the undeniable wrongness of the attack punctuated by the weakening pleas of Mr. Floyd as he looked directly at us through the camera in the tragic and closing moments of his life that forced many of us off the couch and into the streets.

This and other events serve as reminders of how important it is for all of us to confront racial and ethnic inequality and injustice. It's not enough to be a non-racist. We must strive to be anti-racist. That is why at California American Water, inclusion and diversity has become as important and as fundamental a value as safety.

The following is a brief overview of the work our team has done toward this vital mission.

- Inclusion and diversity milestones and criteria are now part of our senior leadership's annual goals. They encompass definitive and measurable results and require definitive and measurable action.
- We have empowered our internal Inclusion and Diversity team to promote diversity within the company. This includes reviewing our hiring practices, career advancement performance, and generally raising awareness of other cultures and customs.
- During our second annual Inclusion and Diversity Day, we discussed unconscious bias and harmful stereotypes. A panel discussion from our board of directors was one of the many educational programs that day. Our board reflects the diversity of the communities we serve as well as our workforce – African American, Latino and Asian American are all part of our board's diversity.
- Equally important to this mission is to ensure we are promoting these values within the communities we serve. That is why Supplier Diversity is a central focus of our operations and also why I am so pleased to see that we exceeded our CPUC category Supplier Diversity goals for the third year in a row. This is thanks to our team's commitment to and focus on diverse and inclusive procurement. Our Supplier Diversity Council has been an integral part of our success by keeping our prime suppliers and all California American Water employees focused on diversity and inclusion in our purchasing.

We have work to do. But I am encouraged by what we have accomplished together in this challenging year – the positive results of which you will read about in this report.

Sincerely,

RICHARD SVINDLAND
PRESIDENT



MESSAGE FROM THE DIRECTOR OF SUPPLIER DIVERSITY



EDWARD SIMON, Director of Business Performance and Supplier Diversity

I agree with Richard that 2020 was a year of many challenges. It was the most challenging year since I joined the California American Water team over ten years ago (although 2021 marks my 20-year anniversary with American Water). I say this for two reasons: First, the civil unrest. Second, the COVID-19 pandemic. We started the year the same as we have many other years until March, when travel and large group gatherings were stopped due to COVID-19. During the pandemic, we had to adapt to COVID-19 safety guidelines and regulations and we witnessed diverse suppliers pivot their business model to include COVID-19 tasks to complement their revenue streams. In addition, in May, the murder of George Floyd caused many to pause and reassess their commitment to addressing the social/racial injustice that occurs (and has occurred) in our country for many years. Despite these major challenges, our team persevered and not only met the 21.5% CPUC goal, but we also exceeded this goal by achieving a 39.96% diverse spend. For the third year in a row, we met all three CPUC goals for MBE, WBE and DVBE.

The horrific murder of George Floyd brought back memories of my high school best friend's nephew - Philando Castile. I knew Philando as a child before his family moved to Minnesota. Philando was murdered by suburban police in St. Paul, Minnesota in July 2016. What happened to Philando, George Floyd, Breonna Taylor, Ahmaud Aubrey, and many other African Americans clearly illustrates that we have systemic racial issues in this country and it is time that we finally do something about it. I am so proud to work for California American Water because our company continues to demonstrate their commitment to inclusion and diversity. I am pleased to be part of our American Water Inclusion & Diversity Champion Lead Network to support and implement specific changes needed within our company to make certain we are being inclusive, listening, engaging and allowing minorities to be part of decisions impacting their tenure with California American Water. Shortly after the George Floyd incident, I was asked to share my experiences as an African American with our state leadership team and led several (often times uncomfortable, but necessary) conversations and talkbacks with our local team members throughout the state. We have more work to do as a company, but I am grateful to work for an organization that is not sweeping what is happening in America today under a rug. My favorite quote from Dr. Martin Luther King, Jr. is: "If we don't learn to live together as brothers, we will perish together as fools." I hope we decide to live peacefully together as brothers and finally treat EVERYONE equally.

Through the many challenges, the California American Water team remained focused and accomplished:

- Over \$42 million in diverse spend which is 39.96% of our overall spend – highest result in our supplier diversity spend tracking history.
- We added 27 new diverse suppliers and spending with these new suppliers exceeded \$2 million.
- Our inaugural Partnering Forward to Success Program resulted in 10 of our Prime Suppliers (now Committed Corporations) spending upwards of \$5 million with nine diverse subcontractors (now Partners).
- We now have 24 Master Service Agreements (MSAs) with diverse suppliers.
- We added one additional diverse supplier to our vendors with spend greater than \$100,000. Two of the vendors (Hal Hays, MBE-Native American and SR Diversified, WBE) had combined revenues topping \$13 million. These two vendors were the top two on the list of all the 94 vendors (29 were diverse).
- We continued to work with our outgoing Mentor Protégé (Pivotal Adaptive Services) while welcoming our National Gay Lesbian Chamber of Commerce Mentee, Bocci Engineering, for the first time.

You will note in our short-, mid-, and long-term goals that we have updated them to be more reflective of our historical performance as of late. I know the team can continue to meet or exceed these goals and accomplish many great things as we remain focused on inclusion of diverse suppliers in our procurement processes.

I want to leave you with another favorite quote of mine, which is so appropriate for the times we are facing. This quote is from the late actor, Chadwick Boseman: "Fearless means taking the first step, even if you don't know where it will take you. It means being driven by a higher purpose, rather than for applause. It means knowing that you reveal your character when you stand apart, more than when you stand with the crowd."

A handwritten signature in blue ink that reads "Edward A. Simon, II".

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

A TRIBUTE TO THE HONORABLE GWEN MOORE

“I’m pleased to include SoCalGas’ tribute to the Honorable Gwen Moore – author of CA General Order 156 and Mother of Supplier Diversity. We have all been blessed to have known her and the much needed work and efforts she led for minorities in California. We are hopeful her work can be duplicated across the United States. We are all on loan on this earthly place and it’s what we do here that makes a difference.”

–Edward Simon, Director of Business Performance and Supplier Diversity

Rest in Peace Honorable Gwen Moore. Your work will live on forever.

Honorable Gwen Moore, gone but certainly not forgotten.

<https://lnkd.in/g8kjKsF>



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

CALIFORNIA AMERICAN WATER (CAW) continued its efforts to promote and engage both internal and external stakeholders in 2020. The following describes internal and external highlights and activities, including key meetings, areas of focus, and outreach events.

39.96%
2020 DIVERSE SPEND

We are proud to have exceeded the CPUC diverse spend goal of 21.5% and our short-term goal of 30.5% with a total diverse spend of \$42,485,749 in 2020. 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
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%
2017	\$107,286,095	\$32,273,704	30.08%
2016	\$78,357,481	\$25,208,404	32.17%



27

NEW DIVERSE SUPPLIERS

In 2020, we added 27 new diverse suppliers with spend of just over \$2 million with 13 of the 27 vendors.



NEW 2020 SUPPLIERS

- ★ 360WATER, INC. (WBE)
- ★ AGNEW MULTILINGUAL (WBE)
- ★ ALERT-O-LITE, INC. (WBE)
- ★ ARROW DRILLERS, INC. DBA ARROW CONSTRUCTION (MBE)
- ★ BAY POWER, INC. DBA BAY POWER (WBE)
- ★ BENNETT ENGINEERING SERVICES, INC. (WMBE)
- ★ CAUSEIMPACTS LLC (WBE)
- ★ D&N WELDING, INC. (MBE)
- ★ DESTINATION ENTERPRISES, INC. (LGBTBE)
- ★ DIVERSITY PROFESSIONAL (WMBE - AFRICAN AMERICAN)
- ★ FLOREZ BROTHERS, INC. DBA FLOREZ PAVING (MBE)
- ★ IMPERIAL ELECTRIC SERVICES (MBE - AFRICAN AMERICAN)
- ★ IOSM DBA ON-SITE HEALTH & SAFETY (WBE)
- ★ JOHNSON PLUMBING INDUSTRIAL, INC., DBA JOHNSON INDUSTRIAL (DVBE)
- ★ JOY EXPERIENCE (WBE)
- ★ JR RESOURCES, INC. (WBE)
- ★ LANGETECH, INC. (WBE)
- ★ NAVAJO PIPELINES, INC. (WBE)
- ★ OKERENSON CORP. (MBE - AFRICAN AMERICAN)
- ★ PARKINS DATA SCIENCE & ANALYTICS, INC. (LGBTBE)
- ★ PRIDE RESOURCE PARTNERS LLC (LGBTBE)
- ★ PROXIMO CONSULTING SVCS., DBA PROXIMO (LGBTBE)
- ★ SERVEXO DBA SERVEXO PROTECTIVE SERVICES (MBE - AFRICAN AMERICAN)
- ★ TURTLE & HUGHES, INC. (WBE)
- ★ VAN ALLEN LLC (LGBTBE)



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

We track and monitor vendors/suppliers with a spend of \$100,000 or greater. As of December 2020, there were 94 vendors that met this criterion. We are pleased to report that of the 94 vendors with a spend greater than \$100,000, 29 vendors are diverse (equal to 30.8%). We Increased this number by one in 2020. Last year there were 28 (30.4%). The following includes the 29 diverse vendors with spend greater than \$100,000, with \$37.6 million in total spend:

- ★ AK MECHANICAL, INC.
- ★ ALTITUDE, INC.
- ★ CASTLE ELECTRIC AND BUILDERS INC DBA LYDEN ELECTRIC
- ★ COOKSON ENTERPRISES, INC.
- ★ CUSTOM CARE SERVICES
- ★ DOTY BROTHERS EQUIPMENT CO
- ★ FLOREZ PAVING
- ★ GRADE BREAK ENGINEERING, INC.
- ★ H2O URBAN SOLUTIONS, INC.
- ★ HAL HAYS CONSTRUCTION, INC.
- ★ INNOCENTI CONSTRUCTION, INC.
- ★ JOHNSON CONSTRUCTION ENTERPRISE
- ★ L S & G ELECTRICAL CONTRACTORS
- ★ MARIPOSA LANDSCAPES, INC.
- ★ MCCABE & COMPANY
- ★ MURPHY NELSON MARKETING, INC.
(DBA BNA COMMUNICATIONS, INC.)
- ★ O2EPCM, INC.
- ★ PIVOTAL ADAPTIVE SERVICES, INC.
- ★ PREMIERE SOLUTIONS LLC - LEA
- ★ PREMIERE SOLUTIONS LLC - FLEE
- ★ RAWLES ENGINEERING
- ★ ROBERT BRKICH CONSTRUCTION COR
- ★ RODPAZ BROS, INC.
- ★ SAFEWORK, INC.
- ★ SR DIVERSIFIED LLC
- ★ TNT INDUSTRIAL CONTRACTORS, INC.
- ★ VALENTINE ENVIRONMENTAL ENGINE
- ★ WATER SYSTEMS CONSULTING, INC.
- ★ ZUBER LAWLER & DEL DUCA LLP



2020 HIGHLIGHTS

TOP TWO OF OUR LARGER SPEND SUPPLIERS ARE NOW PRIMES (COMMITTED CORPORATIONS) - COMBINED REVENUES / SPEND TOPS \$13 MILLION

We are pleased to spotlight two of our diverse Prime Suppliers (Committed Corporations) – SR Diversified, WBE and Hal Hays, MBE-Native American. In 2020, California American Water’s combined spend with them was just over \$13 million. We are so thrilled to have them as part of our larger Committed Corporations.



SR DIVERSIFIED (Women-Owned Business Enterprise)

“SR Diversified, LLC is a certified women-business-enterprise, and we are a California and Arizona General Engineering Contractor. We have been performing construction services for California American Water (CAW) since 2015 with great success. Projects we have completed a range from installation of pump stations, to abandonment of well facilities and design build of a new well site. Specifically, we have installed new electrical equipment and conduits, secondary power, and completed facility start-ups. We constructed new hexavalent chromium water treatment systems, managed water well abandonments, site demolitions, asphalt and concrete removal, and made improvements to wastewater treatment ponds.

What we like most about our partnership with CAW is the team and the staff themselves. They are responsive to us and a great group of people with which to work. Communication is easy, even during this pandemic time. They listen and take initiatives, and are candid and honest with us. With each project, we all have the same common goals allowing us to produce a product of which that everyone is proud.

Because we are 100% diverse, all work performed by SRD is a diversity spend for CAW. We have been working with smaller diverse companies to provide IT, land survey, and electrical. We plan to expand to more services in the future.”

–Cindy Megerdijan, P.E., CEO





HAL HAYS (Minority Business Enterprise)

Founded in 1991 and celebrating over 30 years of service to clients, Hal Hays Construction, Inc. (HHCI) is an award-winning general contracting firm providing vertical and civil construction services. HHCI's portfolio includes 3,000+ successful new construction, heavy civil, wet & dry utilities, and renovation/TI projects. Throughout the Western states, HHCI has partnered with Public Utilities, Water Agencies, Military Government and Private clients, including California American Water (CAW).

With a track record spanning over 4 years, HHCI and CAW have partnered together on dozens of important contracts, covering a wide spectrum of projects. From highly complex Multi-Jurisdictional Design-Build Contracts to water meter replacements, water main repairs / installations, emergency services, and major pipeline projects, HHCI has successfully become an essential vendor to CAW. As a preferred client, HHCI acknowledges CAW's strong efforts as an inclusive and supportive water utility. With high communication and transparency, HHCI enjoys working with the CAW team because they value their suppliers. As a result of this prosperous partnership, HHCI was titled the 2019 American Water Safe Contractor of the Year and has helped CAW achieve their supplier diversity spend goal.

To assist CAW with their supplier diversity spend goal, HHCI participates in collaborative programs, including CAW's Partnering Forward for Success and California Water Association's W.A.T.E.R. Cohort program. HHCI also operates internal Diverse Business Subcontractor Outreach initiatives to increase business with additional MBE firms. HHCI has established a policy to support diverse suppliers to preserve free competitive enterprise and grow diverse enterprises. Specific strategies include:

- Corporate Diversity Subcontracting Plan - With specific goals and outreach action plans
- Vendor Database/Record Management - Procurement records documented. Example: HHCI's utilizes SAGE 100 Vendor Database and Vendor Subcontract Reporting modules to maintain DBE contract awards data as well as vendor profiles for HHCI's existing, pre-qualified Diversity suppliers.
- DBE Program Training - Training Estimating & Procurement teams on DBE regulations and procedures
- "Utilization of Small and Diverse Business Concerns" - Utilization clause included in all subcontracts requiring subcontractors to adopt and comply with diverse subcontracting goals.

As a large Minority Owned Firm, HHCI is proud to recruit and promote supplier diversity alongside California American Water.

—Kirby S. Hays, President & CEO



2020 HIGHLIGHTS

2020 INTERNAL ACTIVITIES AND OUTREACH

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

We included the following key tasks and areas of focus in last year's report. The following provides updates to what we said we would accomplish in 2020. **The good news: we completed EVERYTHING we said we would. This accomplishment only occurs with team efforts and continued focus.**



Partnering Forward for Success Committed Corporations, American Water, and California American Water team members in 2019

CREATED NEW INCLUSION AND DIVERSITY - SUPPLIER DIVERSITY REFERENCE MANUAL

Working with certified diverse supplier Guided Business Plans, we outlined and finalized development of our New Inclusion and Diversity - Supplier Diversity Reference Manual. This was finalized late Q3 2020. This manual includes all information team members need to know about Supplier Diversity. The manual was provided to key procurement leads via hardcopy and all team members were provided a link to access the reference manual.

LAUNCHED PARTNERING FORWARD FOR SUCCESS

In February 2020, we officially launched our Partnering Forward for Success Program with several Committed Corporations (Primer Suppliers) agreeing to mentor one or more MBE for all of 2020. Using a model developed by Chicago United Five Forward Program, California American Water continued its partnership with Chicago United and SDI Presence to roll out its new mentor protégé program.

This program engaged non-diverse primes in California American Water's efforts to increase its prime supplier use of diverse vendors. In 2020, we continued our efforts to rid ourselves of terms like "Prime Suppliers" and "Subcontractors," which denote one being superior to the other. Moving forward, we are encouraging team members to use "Committed Corporations" to replace "Prime Suppliers" and "Partners" to replace "Subcontractors."

The Partnering Forward for Success Program inaugural year resulted in California American Water engaging nine prime suppliers (Committed Corporations), three of which are diverse. In 2020, our nine Committed Corporations utilized 10 diverse subcontractors (Partners). The program resulted in a total of \$5.3 million spend with MBE Partners. \$2.4 million (44.7%) of the total program's spend was work with the Committed Corporations and Partners on California American Water projects. So far, AECOM, Crosnos, Spiess, Hal Hays, and Rawles have confirmed their plans to continue program participation in 2021.



2020 HIGHLIGHTS

Company	MBE Company	Total 2020 Program Spend	2020 Program Goal	2020 Total Spend with CAW Projects
AECOM	Denise Duffy and Associates	\$637,146	\$600,000	AECOM Total: \$1,058,345
AECOM	Polaris Land Surveying	\$2,750	\$40,000	
AECOM	Valentine Engineering	\$418,449	\$400,00	
Cal Sierra	DI Industrial Coatings, Inc.	\$0	\$0	\$0
Crosnos Construction	M3 Construction, Inc.	\$554,313	\$0	\$80,244
Garney Pacific	Aqueous Vets	\$0	\$0	\$0
Hal Hays Construction, Inc.	Westland Group, Inc.	\$35,109	\$0	\$21,985
MPE	Aqueous Vets	\$925,597	\$500,000	MPE Total: \$1,175,287
MPE	Traffic Management	\$249,694	\$50,000	
Premiere Solutions	American Truck and Trailer	\$149,065	\$380,640	\$149,065
Rawles Engineering, Inc.	Trench and Traffic Supply	\$5,601	\$10,000	\$5,601
Spieß Construction Co., Inc.	Simpson Sandblasting and Special Coatings	\$2,589,667	\$1,000,000	\$0
TOTAL		\$5,567,300	\$2,980,640	\$2,490,525
(44.7% of the total \$5.5 million spend was on CAW Projects)				

“I just uploaded our 4th quarter spend with Simpson Sandblasting. The spend topped \$2.5 million for the year, shattering our initial goal of \$1M. 2021 looks to be on track to be even better. Thank you.”

–Barry Matchett, Spiess Construction Co., Inc.

“Edward, AECOM will continue in 2021. We might expand the list to show additional participation by other firms. AECOM has committed to \$500,000 in 2021.”

–Craig Smith, AECOM

UTILIZED DEEPER DIVE SURVEY RESULTS TO IDENTIFY AREAS OF IMPROVEMENT

In 2018, we surveyed our internal team members to gather feedback regarding working with diverse suppliers. In 2019, we partnered with a disabled firm, Client Confidant, to take a deeper dive into our results. In 2020, we shared Client Confidant’s survey findings with the senior leadership. Procurement team members will develop strategies to address areas needing improvement and to enhance our overall program.



2020 HIGHLIGHTS

INCREASE PROCUREMENT TEAM MEMBERS' ACCOUNTABILITY - IMPLEMENTING NEW SUPPLIER DIVERSITY CONTRACT SOLICITATION PRACTICE

We believe our non-diverse suppliers should share in our efforts to include diverse vendors in our/their procurement processes. In July 2018, after many internal discussions, we implemented a policy (DBE Requirement Statement) that contracts valued at \$100,000 or more must include the DBE Requirement Statement. The diversity inclusion percentage varies by contract value (i.e., the higher the contract value, the higher the percentage). New contract owners record the minimum (or higher) percentage on an abbreviated form and the form becomes part of the contract. This form is used to match their commitment to their performance when the vendor submits their quarterly Tier Two reporting. In 2020, we implemented California American Water's Practice - Supplier Diversity Contract Solicitation. This practice requires all team members in procurement positions to adhere to the policies and procedures set forth in the practice including, but not limited to, proper handling of sole sourcing contracts, requirement to engage the supplier diversity team in their search efforts, and forwarding copies of DBE Requirement Statement to the supplier diversity team.

FURTHER ENHANCEMENTS TO OUR WEBSITE REDESIGN

We updated our website to include pdf versions of our division's Operations and Engineering PowerPoint presentations. These presentations provide specific details regarding our service areas and our needs/projects for the coming year. They allow diverse suppliers to determine if their services are a good fit for CAW so they can complete research and develop a plan prior to contacting us to share their capabilities.



Operations and Engineering presentation about CAW's capital projects in the Central Division service area

CONTINUED OUR COMMUNITY BASED ORGANIZATIONS (CBOs) SPONSORSHIPS AND PARTNERSHIPS

We continued to ask our CBOs and Advocacy Groups to increase their assistance with our search for diverse suppliers. We also continued our monetary support. Edward Simon continued to Chair the Asian Business Association Advisory Board through October 2020, and continued to serve on the Sacramento Rainbow Chamber of Commerce through April 2020. He also continued to serve on the Los Angeles Gay & Lesbian Chamber of Commerce Board and the National Center for American Indian Economic Development (NCAIED) Advisory Board. In 2020, Edward Simon was newly elected to the San Diego Equality Business Association Board. As noted in our 2020 calendar of events, CAW also partnered with advocacy groups and other utilities to participate (and sometimes lead) virtual webinars.



We continued our partnership with the National Center for American Indian Economic Development (NCAIED) and increased discussions with the American Indian Chamber of Commerce and with African American, local LGBTBE, and DVBE groups in an effort to increase spend with their members.

We continued to support/sponsor state and local CBOs through our generous sponsorships. The following provides a list of some of our sponsorships:

- VETERANS: Veterans in Business (VIB) and United States Veterans Business Alliance (USVBA)
- AFRICAN AMERICAN: California Black Chamber of Commerce (CBCC) and California African American Chamber of Commerce (CAAACC)
- ASIAN AMERICAN: Los Angeles Asian Business Association (ABA)
- LGBT: Los Angeles Gay & Lesbian Chamber of Commerce (LAGLCC), Sacramento Rainbow Chamber of Commerce and the National Gay Lesbian Chamber of Commerce (NGLCC)

Also in 2020, we partnered with a diverse firm, CauseIMPACTS, to develop an enhanced process for sponsorship support. In 2021, we will implement processes which require our CBOs and customer advocacy groups requesting support to complete a survey and electronic form to clearly identify how the support dollars will be utilized, further holding our partners accountable for results.

CONTINUED TO INCREASE MONITORING PRIME CONTRACTOR (COMMITTED CORPORATIONS) USE OF SUBCONTRACTORS (PARTNERS)

We continued to increase monitoring of prime supplier use of diverse subcontractors and offered assistance when prime contractors were not meeting their commitment to diversity. We continued quarterly review of Tier Two Reporting Requests and engaged in discussions with primes. Our Partnering Forward for Success Program assisted in our efforts to increase our Prime Contractors (Committed Corporations) use of subcontractors (Partners).

INCREASED TECHNICAL AND CAPACITY BUILDING ASSISTANCE

Working with CWA member companies and other joint utilities, we continued to participate (providing financial support and resources) in various programs and workshops to educate existing and prospective vendors on the water industry and the skills small businesses need to be successful. CAW continued to play an integral role in the California Water Association W.A.T.E.R. (Water Acumen Training for Entrepreneurship Refinement) Certification Program.



2020 HIGHLIGHTS

In 2020, we continued our Capacity Building and Technical Assistance (CB&TA) program through California Water Association's Water Acumen Training for Entrepreneurship Refinement (W.A.T.E.R.) Business Certification. This program (similarly affected by the pandemic) shifted content delivery to virtual sessions. It was important for us to keep this initiative going, as we have seen positive results in the past. We conducted four virtual sessions in 2020 with 18 registered diverse suppliers, and plan to have two on-site sessions (pandemic-conditions permitting) in 2021.

A highlight of the content is "Similarities and Differences," where we review what makes each member utility different, and how best to approach us when seeking opportunities.

It took a lot of work (and creative thinking) navigating the pandemic to maintain the program and we are proud of the results. We will share any contracting outcomes in future reports.

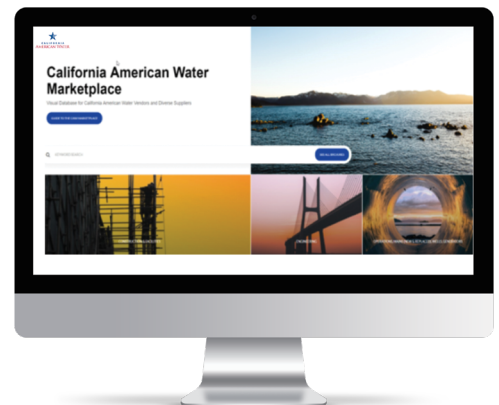
CONTINUED ANNUAL SUPPLIER DIVERSITY SHOWCASE

We continued our Annual Supplier Diversity Event focused on educating the new diverse business enterprises, including LGBTBE and DVBE, on what it takes to work with us and specific upcoming available projects. For 2020, this event was moved from a face-to-face to a virtual event due to COVID-19.

ADDITIONAL 2020 EFFORTS

CONTINUED USE OF CAW MARKETPLACE

We continued use of our technology platform that converts our data from spreadsheets to visual digital content that elevates each DBEs brand. The California American Water Marketplace (CalAmWaterMarketplace.com) is a visual database of diverse suppliers and vendors who have been or currently are successful suppliers of CAW. The database contains individual profiles for current and potential vendors. Each profile contains company data, products and services, core capabilities, industry experience, and current or past contracts with CAW. This information allows diverse businesses to create a brochure which clearly articulates their capabilities, projects, and pictures.



CONTINUED CAW'S MENTOR PROTÉGÉ PROGRAM AND NATIONAL GAY LESBIAN CHAMBER OF COMMERCE MENTORSHIP PROGRAM

Pivotal Adaptive Services began their mentorship with us mid-2019 and will continue through the end of June 2021. Pivotal has performed very well for us. We are also proud to report they have expanded their reach in the water utility space by working with other CWA utilities like San Gabriel Valley Water.

For the first time, we are participating in the NGLCC's Mentorship Program. We were matched with Protégé Bocci Engineering. We are pleased to report we just signed a MSA with Bocci. Ed meets monthly with Lianne Lami, CEO, and we are hopeful we will work with Bocci in 2021.

ENTERED INTO MASTER SERVICE AGREEMENTS WITH DIVERSE VENDORS

In partnership with our Supply Chain team (Jay Drewry, Alexis Russell, and Mary Lou Ruiz) and local team members, we signed master service agreements with diverse vendors that can provide products and services in more than one of our service areas. This further demonstrates our commitment to expanding small diverse vendor footprints and our capacity building and technical assistance efforts. The following provides our list of diverse vendors with MSAs:

- Altitude, Inc.
- Belshire Environmental Service, Inc.
- Blair Church & Flynn Consulting
- Bocci Engineering LLC
- Castle Electric and Builders, Inc.
DBA Lyden Electric
- Cookson Enterprises, Inc.
- Doty Brothers Construction Co.
- DRP Engineering, Inc.
- H2O Urban Solutions, Inc.
- Hal Hays Construction, Inc.
- Imperial Electric Service, Inc.
- Innocenti Construction, Inc.
- Johnson Construction
Enterprise LLC
- Kana Subsurface Engineering
- Metering Services, Inc.
- O2EPCM, Inc.
- On-Site Health & Safety IOSM, Inc.
- Precision Electric Co.
- Rawles Engineering
- Rodpaz Bros, Inc.
- United Pumping Service, Inc.
- Valentine Environmental
Engineers
- Water Systmes Consulting, Inc.
- Waterwise Consulting, Inc.



2020 HIGHLIGHTS

CONTINUED MONTHLY SUPPLIER DIVERSITY COUNCIL MEETINGS AND ADDED NEW INCLUSION AND DIVERSITY CHAMPIONS MEETINGS

In 2015, we established a Supplier Diversity Council made up of functional leads from departments throughout the business, and we continued this collaboration in 2020. The Director of Business Performance and Supplier Diversity leads the Council. Members include functional leads from external affairs, operations, engineering, human resources, legal and supply chain. The Council meets monthly to discuss prior months' results, upcoming activities and to review procurement opportunities. This collaboration has proven beneficial to our effort of improving our diverse culture as well as our spend results.

In 2018, we added a second layer of diversity and inclusion. Team members focused on increasing local district team members' access to diversity and inclusion information and access to share results. In 2020, we increased our engagement of our local champion network by also celebrating monthly inclusion and diversity events. The addition of these efforts supports our strategy to recognize our differences and be a more inclusive company.

OUR PARENT COMPANY, AMERICAN WATER, CONTINUED TO INCREASE ITS SUPPLIER DIVERSITY FOCUS

- Our supplier diversity efforts have been featured in several Diversity Professional publications.
 - » Spring 2020: Edward Simon was featured in Diversity Professional in the article "Day in a Life" describing his supplier diversity advocacy. (https://mydigitalpublication.com/publication/frame.php?i=657130&p=&pn=&ver=html5&view=articleBrowser&article_id=3651840)
 - » May 2020: American Water was recognized for its top score on the 2020 Disability Equality Index (DEI) by Disability:IN and was named a DEI "Best Place to Work." (<https://www.amwater.com/press-room/press-releases/corporate/american-water-recognized-top-score-disability-equality-index>)
 - » Summer 2020: American Water was recognized by Diversity Professional for continued focus on workforce and supplier diversity. (<https://mydigitalpublication.com/publication/frame.php?i=663663&p=48&pn=&ver=html5&pp=1&view=issueViewer>)
 - » Fall 2020: O2EPCM, one of California American Water's diverse suppliers, was featured in Diversity Professional. (<https://mydigitalpublication.com/publication/frame.php?i=678285&p=24&pn=&ver=html5>)



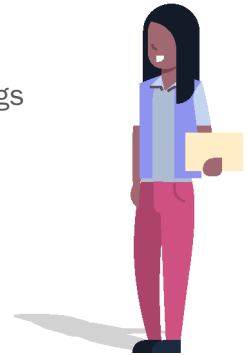
2020 INTERNAL ACTIVITIES AND OUTREACH EFFORTS

At CAW, we strive 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 joint California regulated utilities. The following lists the outreach events California American Water coordinated, attended, or completed to engage new and existing diverse suppliers.

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) Meetings
- American Water Inclusion and Diversity Champions Leads Meetings
- California American Water Local Office Champions Meetings
- Sacramento Rainbow Chamber Board of Directors Meetings (Stopped April 2020)
- Los Angeles Gay Lesbian Chamber of Commerce (LAGLCC) Board Meetings
- San Diego Equality Business Association (SDEBA) Board Meetings



QUARTERLY

- Joint Utilities Meetings
- Asian Business Associations (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



2020 HIGHLIGHTS

JANUARY

- CWA and National Association of Minority Contractors (NMAC) Los Angeles Meet the Water Utilities Event
- Asian Business Association Annual Planning

FEBRUARY

- Partnering Forward for Success Kick-Off Meeting
- Diversity Professional Connect Conference
- CAW Elevating Diverse Suppliers Webinar
- Visit to Blair Church & Flynn Office

MARCH

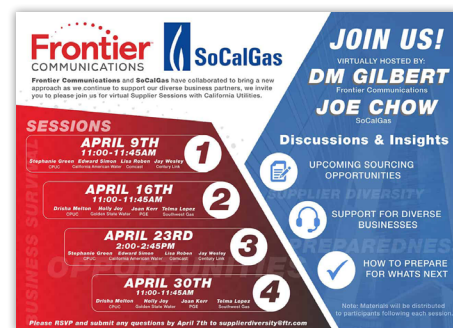
- National Center American Indian Economic Development RES Conference
- Los Angeles Gay Lesbian Chamber of Commerce Board Retreat
- United States Veteran Business Alliance (USVBA) - Improvise, Adapt, and Overcome Webinar
- Asian Business Association Webinar: Working Through the Virus
- INTRODUCE: Imperial Electric, MBE - African American
- INTRODUCE: Arsenal Well Drilling and Rehab, MBE - Asian

NOTE: After March 16, 2020, all events were virtual due to the COVID-19 pandemic.



APRIL

- Protect Your Construction Business During the COVID-19 Pandemic
- Be a Trusted Source: How to Handle Communication Challenges During COVID-19
- SoCalGas, Frontier Communications, and California American Water - Los Angeles Gay Lesbian Chamber of Commerce Professional Services Event
- Learning from COVID-19: Crisis and Opportunity Weekly Sessions



MAY

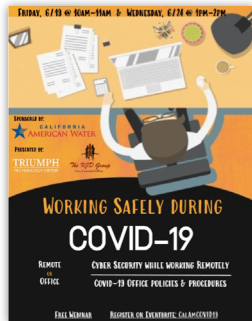
- Partnering Forward for Success Reporting Training Sessions
- Started Chairing LGBTBE Goal Setting (Location Coordination) Committee
- Los Angeles Gay Lesbian Chamber of Commerce Professional Services Webinar with California Utilities
- Prioritizing Diversity, Equity, and Inclusion During Crisis



JUNE

- Edward Simon Led Several Internal Functional Sessions to Discuss George Floyd/Recent Unrest
- INTRODUCE: 101 Telco Solutions (DVBE Vendor)
- Delivering Mission Essential Services During COVID-19 Pandemic (In partnership with Sacramento PTAC and California Water Association)
- Los Angeles Gay Lesbian Chamber of Commerce Construction Services

To celebrate Juneteenth, some of our American Water Inclusion & Diversity Champions created a video which included reading the Emancipation Proclamation.

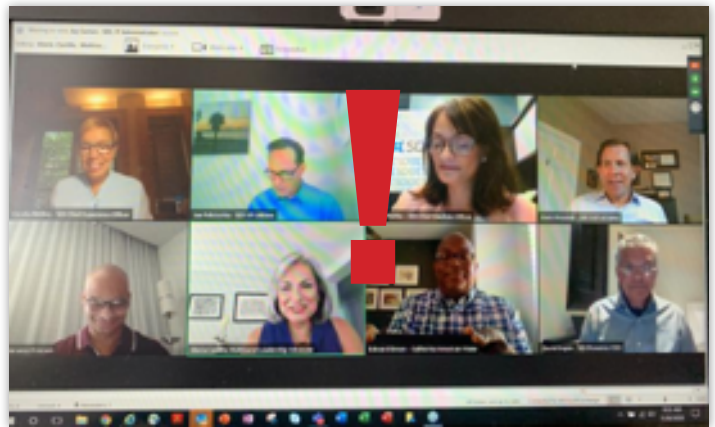


California American Water sponsored a free webinar focused on COVID-19 – Working Remotely and Returning to Work. The webinar was presented in partnership with two great diverse businesses.

- KJD Group CEO, Kamie Taylor, shared tips about preparing to return to the office.
- Triumph CEO, Pamela Feld, shared cyber security tips to keep in mind when working from home.

JULY

- INTRODUCE: CTI Environmental (MBE-African American)
- WBEC-West - Shared of Success in Construction and Professional Services
- SDI Presence and Joint Utilities Supplier Diversity Program: Catalyst for Change
- Initial CPUC/Joint Utilities/LGBTQ+ Community Based Organization Goal Creation Workshop



California American Water partnered with SDI Presence to host a virtual event - Supplier Diversity Program: Catalyst for Change for our California Joint Utilities. SDI successfully presented their capabilities to over 50 utility team members. A robust discussion followed regarding recent racial events and how supplier diversity efforts can assist in moving us forward. Our panelists did a great job communicating and sharing tips and ideas as we all work together to bridge the divide. Thanks to:

- Tarrance Frierson (Southern California Edison)
- Cecelia Bolden (SDI)
- Dawn Pfeiffer (SDI)
- Joe Felicicchia (SDI)
- Gloria Castillo (Castillo Speaks)

SDI Presence is a national MBE which provides IT consultancy and management services.

2020 HIGHLIGHTS

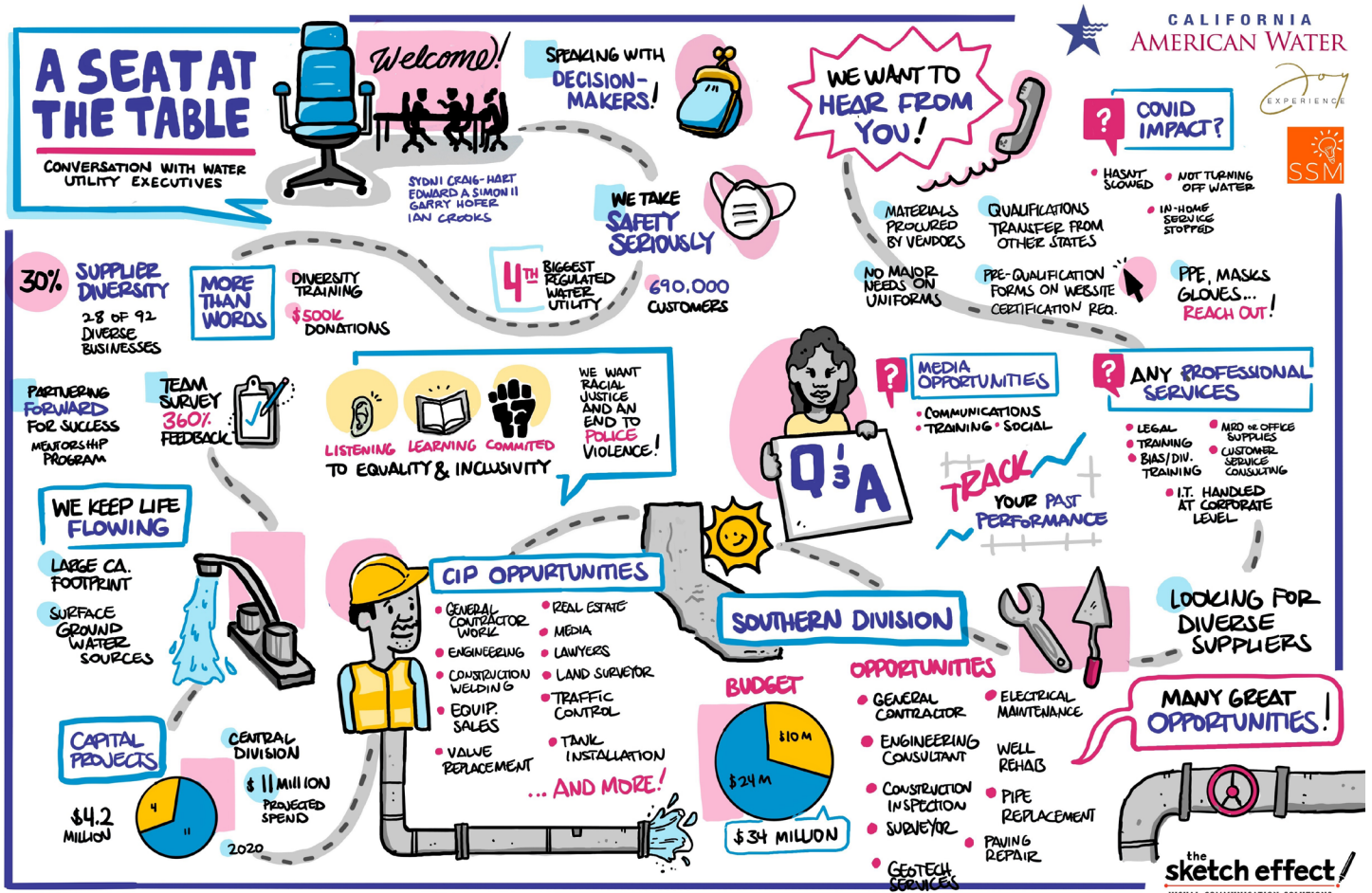
AUGUST

- California American Water Annual Supplier Diversity Showcase Two-Day Event
- INTRODUCE: Huddle Masses (MBE - African American)
- INTRODUCE: KNS Industrial Supply (MBE - African American)/CWA W.A.T.E.R Class Participant
- California American Water inaugural “A Seat at the Table: Conversation with Water Utility Executives” (MBE - African American focused)
- INTRODUCE: LangeTech (WBE)

Special thanks to our California American Water and American Water team members for supporting our first ever virtual annual supplier diversity event. Joy Experience did a great job coordinating the event. Just over 30 DBEs presented their company capabilities to key decision makers. You can view the opening day comments from Edward Simon, President Richard Svindland, and the American Water Corporate team – Val Armstrong, VP National Government Affairs and Community Development, Josh King, Chief Procurement Officer, and Larry Wooten, Sr. Manager Supplier Diversity at: <https://drive.google.com/file/d/1amcLTEB6WNGzBEEQk4XA1NjCXJepQjIU/view>.



CAW's virtual event, "A Seat at the Table," focused on inclusion of African Americans in our procurement processes. Over 50 people attended the event. A special thanks for our CAW Operations and Engineering Team members for their support. Summer Sepulveda, Joy Experience, Sydni Craig-Hart and Smart Simple Marketing did a great job coordinating and moderating the event. Sydni shared tips on how DBEs can maintain their seat at the table.



2020 HIGHLIGHTS

SEPTEMBER

- California Water Association Virtual Supplier Diversity Two-Day Event
- African American Utility Educational Series (SoCalGas, Frontier Communications, Golden State Water, and California American Water)
- INTRODUCE: DRP Engineering (MBE - Asian) - MSA awarded
- INTRODUCE: Okerenson Engineering (MBE - African American)
- Joint Utilities and LGBTQ+ Community Based Organizations Continued Discussion Part Two
- New Supplier Diversity Dashboard/Portal Training
- INTRODUCE: SDI Presence (MBE - Native American)
- Smaller Group Discussion - JU and LGBTQ+ Community Based Organization LGBTBE Goal Setting
- 2020 CWA W.A.T.E.R. Class, Session One
- INTRODUCE: Yao Electrical and Instrumental (MBE - Asian)
- CPUC En Banc
- California Water Association Meet the Primes: The Meet the Primes Event remains a key event for our program; relationships with four current diverse suppliers originated from previous sessions.



- In 2020, and in partnership with Joy Experience, we pivoted the event to an online production. The event provided an opportunity for water utilities to discuss their operations, upcoming opportunities, and service areas; and for diverse suppliers to share their qualifications, past experiences, and value proposition. As we move forward, we will track and report on contractual opportunities from the 2020 event.

OCTOBER

- Smaller Group Discussion: JU and LGBTQ+ Community Based Organization LGBTBE Goal Setting, Part Two
- National Gay Lesbian Chamber of Commerce (NGLCC) Mentorship Protégé Kick-Off Meeting
- California American Water's LGBTBQ+ Survey Results Review Meetings
- Veteran in Business Conference
- CWA W.A.T.E.R. Class, Session Two
- Joint Utilities and All Community Based Organization Public Comment Meeting

California American Water appreciates the Veterans In Business Network's acknowledgment of our support. We don't do this for recognition, but instead to show our appreciation for those that served and continue to serve our country. Thanks for all you do.



2020 was a battle and we would like to acknowledge a few Corporate Battle Buddies who helped CAW continue to serve the Veteran Business Community during challenging times: T-Mobile, Southern California Edison (SCE), Metropolitan Water District of Southern California, Frontier Communications, Southwest Gas

Corporation, Union Bank, AARP, San Diego Gas & Electric, Sundt Construction, Lowe's Companies, Inc., California Department of General Services, American Water, SoCalGas, and California Water Association.

Thank you to 2020 Battle Buddy Advocates: Chi Pak, MBA, Stacie Harwood, Joyce Porter - Christanio, Alma McMaster, Tarrance Frierson, Dennis Thurston, Tom Guntrip, John Arena, Lydia McGee, DM Gilbert, Telma Lopez, Richard Chacon, Donna Ruff, MBA, Kimberly Marcus, Cameron Boli, Sydney Furbush, Bruce Mayberry, DeAnna Andrews, Tabatha Bowman, Joyce Jonnet, Michael Aguillio, Danetta Jackson, Edward Simon, MSEL and Certified Diversity Professional, Jeanette Diaz, Timothy McLaughlin, Vaughn Williams III, MA, and Joe Chow.

NOVEMBER

- CWA Annual Conference - Presenter: How We Can Respond to Racial Injustice
- INTRODUCE: UGEECS Environmental (MBE - African American)
- CWA and California Black Chamber of Commerce

- CWA W.A.T.E.R. Class, Session Three

Edward Simon provided opening comments at the CWA Annual Conference day two session, How to Respond to Racial Injustice. Edward also introduced CPUC Commissioner Martha Guzman Aceves and a panel discussion followed. The panel was moderated by Stacey Gordon from Rework Work, and was comprised of colleagues from a few of the regulated water utilities. (<https://lnkd.in/eS9265G>)

DECEMBER

- CPUC and Joint Utilities Small Diverse Business Expo
- CWA W.A.T.E.R. Class, Session Four
- WBEC-West 17th Annual Strategic Procurement Opportunity Conference
- INTRODUCE: Bocci Engineering (LGBT) - 2020-2021 Mentor Protégé

We want to acknowledge our CPUC certified women-owned vendor, Promoventures, for creating this shirt (pictured below) for California American Water. We purchased these back in March for our Annual Diversity Showcase. The pandemic caused us to pivot to a virtual event.



Edward Simon, CAW's Director of Business Performance and Supplier Diversity and Val Armstrong, American Water Chief Inclusion Officer and VP, External Affairs

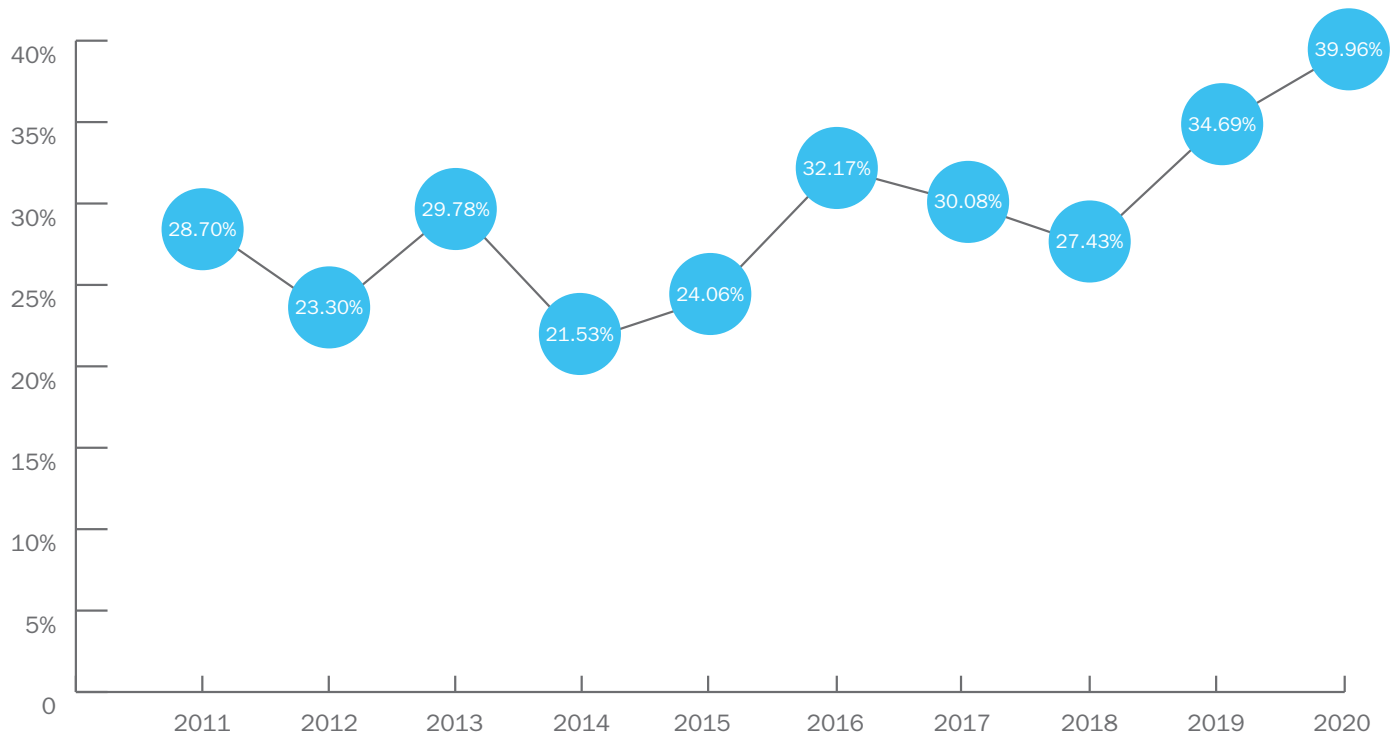
"This shirt says it all. Congratulations, California American Water, for a job well done on your Virtual Supplier Diversity Showcase."

-Val Armstrong



2020 HIGHLIGHTS

OUR TEN YEAR SUPPLIER DIVERSITY RESULTS WITH 2020 = 39.96%



SECTION 9.1.2A – WMDVLGBTBE Annual Results By Ethnicity

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY ETHNICITY – 2020					
MINORITY MALE	Ethnicity	Direct \$	Sub \$	Total \$	%
	Asian-Pacific	\$486,617	\$0	\$486,617	0.46%
	African American	\$3,236,474	\$0	\$3,236,474	3.04%
	Hispanic	\$6,912,253	\$275,570	\$7,187,824	6.76%
	Native American	\$8,293,636	\$0	\$8,293,636	7.80%
Total Minority Male		\$18,928,980	\$275,570	\$19,204,550	18.06%
MINORITY FEMALE	Asian-Pacific	\$45,390	\$0	\$45,390	0.04%
	African American	\$324,584	\$0	\$324,584	0.31%
	Hispanic	\$2,427,918	\$45,572	\$2,473,491	2.33%
	Native American	\$0	\$0	\$0	0.00%
Total Minority Female		\$2,797,892	\$45,572	\$2,843,464	2.67%
Total Minority Business Enterprise (MBE)		\$21,726,872	\$321,142	\$22,048,015	20.74%
Total Women Business Enterprise (WBE)		\$14,964,885	\$1,148,239	\$16,113,123	15.16%
Total Disabled Veteran Business Enterprise (DVBE)		\$1,212,480	\$1,499,508	\$2,711,988	2.55%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$1,612,623	\$0	\$1,612,623	1.52%
Total Other*		\$0	\$0	\$0	0.0%
Total Business Enterprises (WMDVLGBTBE)		\$39,516,859	\$2,968,889	\$42,485,749	39.96%
Net Procurement**		\$106,314,863			

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

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



2020 HIGHLIGHTS

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

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – DIRECT – 2020							
	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
MINORITY MALE	Asian-Pacific	\$49,193	0.05%	\$437,424	0.41%	\$486,617	0.46%
	African American	\$0	0.00%	\$3,236,474	3.04%	\$3,236,474	3.04%
	Hispanic	\$11,530	0.01%	\$6,900,723	6.49%	\$6,912,253	6.50%
	Native American	\$0	0.00%	\$8,293,636	7.80%	\$8,293,636	7.80%
	Total Minority Male	\$60,723	0.06%	\$18,868,257	17.75%	\$18,928,980	17.80%
MINORITY FEMALE	Asian-Pacific	\$0	0.00%	\$45,390	0.04%	\$45,390	0.04%
	African American	\$9,464	0.01%	\$315,120	0.30%	\$324,584	0.31%
	Hispanic	\$0	0.00%	\$2,427,918	2.28%	\$2,427,918	2.28%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Female	\$9,464	0.01%	\$2,788,428	2.62%	\$2,797,892	2.63%
Total Minority Business Enterprise (MBE)		\$70,188	0.07%	\$21,656,684	20.37%	\$21,726,872	20.44%
Total Women Business Enterprise (WBE)		\$110,523	0.10%	\$14,854,361	13.97%	\$14,964,885	14.08%
Total Disabled Veteran Business Enterprise (DVBE)		\$4,031	0.00%	\$1,208,449	1.14%	\$1,212,480	1.14%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$1,612,623	1.52%	\$1,612,623	1.52%
Total Other*		\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Business Enterprises (WMDVLGBTBE)		\$184,742	0.17%	\$39,332,117	37.00%	\$39,516,859	37.17%
Total Product Procurement		\$184,742					
Total Service Procurement		\$39,332,117					
Net Procurement – Direct Products & Services		\$106,314,863					
Total Number of WMDVLGBTBEs that Received Direct Spend		99					

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

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

Direct: Direct Procurement

Sub: Subcontractor Procurement

?: Percentage of Net Procurement



SECTION 9.1.2C – WMDVLGBTBE Procurement

By Products and Services (Subcontractors)

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – SUBCONTRACTORS – 2020							
	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
MINORITY MALE	Asian-Pacific	\$0	0.00%	\$0	0.00%	\$0	0.00%
	African American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic	\$0	0.00%	\$275,570	0.26%	\$275,570	0.26%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Male	\$0	0.00%	\$275,570	0.26%	\$275,570	0.26%
MINORITY FEMALE	Asian-Pacific	\$0	0.00%	\$0	0.00%	\$0	0.00%
	African American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic	\$0	0.00%	\$45,572	0.04%	\$45,572	0.04%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Female	\$0	0.00%	\$45,572	0.04%	\$45,572	0.04%
Total Minority Business Enterprise (MBE)		\$0	0.00%	\$321,142	0.30%	\$321,142	0.30%
Total Women Business Enterprise (WBE)		\$150	0.00%	\$1,148,089	1.08%	\$1,148,239	1.08%
Total Disabled Veteran Business Enterprise (DVBE)		\$0	0.00%	\$1,499,508	1.41%	\$1,499,508	1.41%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Other*		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Business Enterprises (WMDVLGBTBE)		\$150	0.00%	\$2,968,739	2.79%	\$2,968,889	2.79%
Total Product Procurement		\$150					
Total Service Procurement		\$2,968,739					
Net Procurement – Direct Products and Services		\$106,314,863					

NOTE: *Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE
 **Net procurement includes purchase order, non-purchase order, and credit card dollars
 Direct: Direct Procurement
 Sub: Subcontractor Procurement
 %: Percentage of Net Procurement



2020 HIGHLIGHTS

SECTION 9.1.2D – WMDVLGBTBE Procurement By Standard Industrial Categories

SIC CODE	CATEGORY		ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
781	Horticulture Architectural Services	\$					\$167,485			
		%					0.16%			
782	Lawn and Garden Services	\$					\$12,462			
		%					0.01%			
1442	Construction Sand and Gravel	\$								
		%								
1521	General Contractors: Single-Family Houses	\$			\$12,646					
		%			0.01%					
1522	General Contractors: Residential Buildings, Other than Single-Family	\$			\$601,112					
		%			0.57%					
1541	General Contractors: Industrial Buildings and Warehouses	\$							\$8,194,926	
		%							7.71%	
1542	General Contractors: Nonresidential Buildings	\$					\$41,441			
		%					0.04%			
1611	Highway and Street Construction	\$								
		%								
1623	Water, Sewer and Pipelines	\$					\$5,093,581			
		%					4.79%			
1629	Heavy Construction, NEC	\$					\$21,158			
		%					0.02%			
1711	Plumbing, Heating and AC	\$								
		%								
1731	Electrical Work	\$					\$459,734	\$959,274		
		%					0.43%	0.90%		
1771	Concrete Work	\$					\$667,372			
		%					0.63%			
1799	Special Trade Contractors, NEC	\$			\$89,021	\$760	\$261,573			
		%			0.08%	0.00%	0.25%			
2326	Men's and Boy's Work Clothing	\$								
		%								
2385	Waterproof Outerwear	\$					\$230			
		%					0.00%			
2819	Industrial Inorganic Chemicals, NEC	\$	\$27,628							
		%	0.03%							
3291	Abrasive Products	\$								
		%								



2020 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)	OTHER 8(a)**	TOTAL WMDVLGBTBE
\$167,485	\$500				\$167,985
0.16%	0.00%				0.16%
\$12,462					\$12,462
0.01%					0.01%
			\$1,091,903		\$1,091,903
			1.03%		1.03%
\$12,646					\$12,646
0.01%					0.01%
\$601,112					\$601,112
0.57%					0.57%
\$8,194,926					\$8,194,926
7.71%					7.71%
\$41,441					\$41,441
0.04%					0.04%
			\$6,005		\$6,005
			0.01%		0.01%
\$5,093,581	\$5,304,149	\$1,383,244	\$121,174		\$11,902,148
4.79%	4.99%	1.30%	0.11%		11.20%
\$21,158					\$21,158
0.02%					0.02%
	\$137,018		\$1,117		\$138,135
	0.13%		0.00%		0.13%
\$1,419,008			\$407,337		\$1,826,345
1.33%			0.38%		1.72%
\$667,372					\$667,372
0.63%					0.63%
\$351,354	\$1,000				\$352,354
0.33%	0.00%				0.33%
	\$10,519				\$10,519
	0.01%				0.01%
\$230					\$230
0.00%					0.00%
\$27,628	\$45,553		\$1,080,421		\$1,153,602
0.03%	0.04%		1.02%		1.09%
	\$14,418				\$14,418
	0.01%				0.01%



2020 HIGHLIGHTS

SIC CODE	CATEGORY	ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
3646	Commercial, Industrial, and Institutional Electric Lighting Fixtures	\$				\$35,375			
		%				0.03%			
3826	Laboratory Analytical Instruments	\$							
		%							
3993	Signs and Advertising Specialties	\$			\$32,441				
		%			0.03%				
4212	Local Trucking Without Storage	\$							
		%							
4581	Aircraft Cleaning and Janitorial Services	\$				\$90,200			
		%				0.08%			
4619	Pipelines, NEC	\$					\$1,438,350		
		%					1.35%		
4789	Transportation Services	\$				\$25,870			
		%				0.02%			
4952	Sewerage Systems	\$							
		%							
4953	Hazardous Waste Treatment and Disposal	\$		\$15,487					
		%		0.01%					
5039	Construction Materials, NEC	\$							
		%							
5084	Industrial Machinery and Equipment	\$							
		%							
5112	Stationery and Office Supplies	\$	\$49,193						
		%	0.05%						
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals	\$				\$11,300			
		%				0.01%			
5599	Automotive Dealers, NEC	\$		\$2,511,864					
		%		2.36%					
5812	Full Service Restaurants	\$							
		%							
6531	Real Estate Agents and Brokers	\$							
		%							
7311	Advertising Agencies	\$							
		%							
7319	Advertising Materials Distributor Services	\$			\$9,464				
		%			0.01%				
7334	Photocopying and Duplicating Services	\$				\$741			
		%				0.00%			
7349	Building Cleaning and Maintenance Services, NEC	\$	\$25,027						
		%	0.02%						

2020 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)	OTHER 8(a)**	TOTAL WMDVLGBTBE
\$35,375					\$35,375
0.03%					0.03%
	\$150				\$150
	0.00%				0.00%
\$32,441	\$10,840				\$43,281
0.03%	0.01%				0.04%
	\$65,308				\$65,308
	0.06%				0.06%
\$90,200					\$90,200
0.08%					0.08%
\$1,438,350					\$1,438,350
1.35%					1.35%
\$25,870					\$25,870
0.02%					0.02%
	\$60,661				\$60,661
	0.06%				0.06%
\$15,487					\$15,487
0.01%					0.01%
	\$6,096				\$6,096
	0.01%				0.01%
	\$5,582				\$5,582
	0.01%				0.01%
\$49,193			\$2,945		\$52,139
0.05%			0.00%		0.05%
\$11,300					\$11,300
0.01%					0.01%
\$2,511,864					\$2,511,864
2.36%					2.36%
	-\$240				-\$240
	0.00%				0.00%
	\$14,289				\$14,289
	0.01%				0.01%
	\$858,156				\$858,156
	0.81%				0.81%
\$9,464	\$14,613				\$24,077
0.01%	0.01%				0.02%
\$741					\$741
0.00%					0.00%
\$25,027	\$221,461				\$246,488
0.02%	0.21%				0.23%

2020 HIGHLIGHTS

SIC CODE	CATEGORY		ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
7359	Equipment Rental and Leasing, NEC	\$								
		%								
7361	Employment Agencies	\$								
		%								
7371	Computer Programming Services	\$			\$6,344					
		%			0.01%					
7374	Computer Processing and Data Preparation and Processing Services	\$								
		%								
7382	Security Systems Services	\$								
		%								
7389	Interior Design, Business Support Services	\$					\$38,717			
		%					0.04%			
7513	Truck Rental and Leasing	\$								
		%								
7699	Repair Shops and Related Services, NEC	\$								
		%								
8111	Legal Services	\$	\$343,562	\$19,463						
		%	0.32%	0.02%						
8299	Professional and Management Development Training	\$								
		%								
8711	Engineering Services	\$	\$53,967			\$188,125	\$30,295	\$98,710		
		%	0.05%			0.18%	0.03%	0.09%		
8713	Surveying Services	\$								
		%								
8734	Testing Laboratories	\$					\$6,855			
		%					0.01%			
8741	Construction Management Services	\$			\$4,025					
		%			0.00%					
8742	Management Consulting Services	\$	\$900		\$277,894	\$15,790				
		%	0.00%		0.26%	0.01%				
8743	Public Relations Services	\$								
		%								
8748	Business Consulting Services, NEC	\$				\$95,384				
		%				0.09%				
8999	Services, NEC	\$	\$12,267							
		%	0.01%							
9512	Land, Mineral, Wildlife, and Forest Conservation	\$								
		%								
TOTAL		\$	\$486,617	\$45,390	\$3,236,474	\$324,584	\$7,187,824	\$2,473,491	\$8,293,636	\$0
		%	0.46%	0.04%	3.04%	0.31%	6.76%	2.33%	7.80%	0.00%
Total Product Procurement			\$184,892							
Total Service Procurement			\$42,300,856							
Net Procurement***			\$106,314,863							

2020 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)	OTHER 8(a)**	TOTAL WMDVLGBTBE
	\$1,903				\$1,903
	0.00%				0.00%
	\$680				\$680
	0.00%				0.00%
\$6,344		\$15,250			\$21,594
0.01%		0.01%			0.02%
		\$7,260			\$7,260
		0.01%			0.01%
	\$675				\$675
	0.00%				0.00%
\$38,717	\$123,541				\$162,258
0.04%	0.12%				0.15%
	\$41,518				\$41,518
	0.04%				0.04%
	\$97,177				\$97,177
	0.09%				0.09%
\$363,025		\$6,646			\$369,671
0.34%		0.01%			0.35%
	\$5,032				\$5,032
	0.00%				0.00%
\$371,097	\$1,392,959				\$1,764,056
0.35%	1.31%				1.66%
	\$683,004				\$683,004
	0.64%				0.64%
\$6,855					\$6,855
0.01%					0.01%
\$4,025	\$6,857,792				\$6,861,817
0.00%	6.45%				6.45%
\$294,584	\$8,000	\$9,985			\$312,568
0.28%	0.01%	0.01%			0.29%
		\$165,366			\$165,366
		0.16%			0.16%
\$95,384		\$24,872	\$1,086		\$121,342
0.09%		0.02%	0.00%		0.11%
\$12,267	\$88,024				\$100,291
0.01%	0.08%				0.09%
	\$42,747				\$42,747
	0.04%				0.04%
\$22,048,015	\$16,113,123	\$1,612,623	\$2,711,988	\$0	\$42,485,749
20.74%	15.16%	1.52%	2.55%	0.00%	39.96%

NOTE: *Firms with multi-minority ownership status

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

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

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

?: Percentage of total dollars

2020 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	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	12	10	5	2	0	0	29
\$1 million < \$2.5 million	2	9	5	3	0	0	19
\$2.5 million < \$5 million	3	9	0	0	0	0	12
\$5 million < \$10 million	4	6	2	0	0	0	12
\$10 million+	16	9	0	1	0	0	26
No Revenue Designation	1	0	0	1	10	0	12
TOTAL	38	43	12	7	10	0	110

Revenue and Payment Data Revenue Reported to CHS							
WMDVLGBTBE \$M	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$3,325,128	\$4,181,964	\$1,903,992	\$602,000	\$0	\$0	\$10,013,084
\$1 million < \$2.5 million	\$3,111,704	\$14,602,506	\$6,850,562	\$4,968,000	\$0	\$0	\$29,532,772
\$2.5 million < \$5 million	\$12,129,496	\$31,952,637	\$0	\$0	\$0	\$0	\$44,082,133
\$5 million < \$10 million	\$28,792,475	\$33,244,007	\$13,421,870	\$0	\$0	\$0	\$75,458,352
\$10 million+	\$571,735,761	\$316,237,969	\$0	\$12,000,000	\$0	\$0	\$899,973,730
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$619,094,564	\$400,219,083	\$22,176,424	\$17,570,000	\$0	\$0	\$1,059,060,071

NOTE: *Firms with multi-minority ownership status



Data on Number of Suppliers California American Water 2020 Summary							
# WMDVLGBTBES	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	34	39	11	6	9	0	99
\$1 million < \$2.5 million	1	2	1	1	1	0	6
\$2.5 million < \$5 million	2	1	0	0	0	0	3
\$5 million < \$10 million	1	1	0	0	0	0	2
\$10 million+	0	0	0	0	0	0	0
No Revenue Designation	0	0	0	0	0	0	0
TOTAL	38	43	12	7	10	0	110

Revenue and Payment Data California American Water 2020 Summary							
WMDVLGBTBE \$M	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$3,943,910	\$3,582,351	\$1,398,260	\$229,379	\$1,631,567	\$0	\$10,785,466
\$1 million < \$2.5 million	\$1,910,097	\$2,521,269	\$1,438,350	\$1,383,244	\$1,080,421	\$0	\$8,333,382
\$2.5 million < \$5 million	\$5,692,680	\$3,902,689	\$0	\$0	\$0	\$0	\$9,595,369
\$5 million < \$10 million	\$7,664,718	\$6,106,814	\$0	\$0	\$0	\$0	\$13,771,532
\$10 million+	\$0	\$0	\$0	\$0	\$0	\$0	\$0
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$19,211,405	\$16,113,123	\$2,836,609	\$1,612,623	\$2,711,988	\$0	\$42,485,749

NOTE: *Firms with multi-minority ownership status



2020 HIGHLIGHTS

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

In 2020, California American Water engaged and had spend (directly or through use of subcontractors) with 110 diverse suppliers. Of the 110 vendors, 95 listed their physical address with the Supplier Clearinghouse as California. The 95 vendors indicated they employed over 4,917 employees.

SECTION 9.1.3 – WMDVLGBTBE Program Expenses

EXPENSE CATEGORY	AMOUNT
Wages	\$137,065
Other Employee Expenses	\$5,818
Program Expenses	\$196,835
Reporting Expenses	\$9,114
Training	\$14,514
Consultants	\$5,301
Other	\$15,853
TOTAL	\$384,499

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

CAW consistently sets goals in excess of the CPUC's 21.5%. In 2020, our internal goal was 31.7%. We finished the year at 39.96%. This is the third year we met all three category goals: MBE 20.74% (target 15%), WBE 15.16% (target 5%), and DVBE 2.55% (target 1.5%). We finished the year at 1.52% LGBTBE spend. Our success achieving the three primary 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 21.5%)	RESULTS (Net procurement add up to the diverse spend actual of 39.96%)
MINORITY MEN	0.00%	18.06%
MINORITY WOMEN	0.00%	2.67%
MBE	15.00%	20.74%
WBE	5.00%	15.16%
LGBTBE	0.00%	1.52%
DVBE	1.50%	2.55%
TOTAL	21.50%	*39.96%

*Minority Men + Minority Women + WBE + LGBTBE + DVBE = 39.96%

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

In 2019, our prime suppliers spent \$3.06 million, which was 3.24% of our spend. In 2020, our prime suppliers spent \$2.97 million, which was 2.79% of our spend. We will continue our efforts to work with our Committed Corporations to increase spend with diverse subcontractors. We believe our Partnering Forward for Success Program will assist with our efforts.



2020 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)	Other 8(a)*	TOTAL WMDV-LGBTBE
Direct \$	\$18,928,980	\$2,797,892	\$21,726,872	\$14,964,885	\$1,612,623	\$1,212,480	\$0	\$39,516,859
Subcontracting \$	\$275,570	\$45,572	\$321,142	\$1,148,239	\$0	\$1,499,508	\$0	\$2,968,889
Total	\$19,204,550	\$2,843,464	\$22,048,015	\$16,113,123	\$1,612,623	\$2,711,988	\$0	\$42,485,749
Direct %	17.80%	2.63%	20.44%	14.08%	1.52%	1.14%	0.00%	37.17%
Subcontracting %	0.26%	0.04%	0.30%	1.08%	0.00%	1.41%	0.00%	2.79%
Total %	18.06%	2.67%	20.74%	15.16%	1.52%	2.55%	0.00%	39.96%
Net Procurement**					\$106,314,863			

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

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

?: Percentage of total 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 2020.

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

Table 9.1.2 D clearly identifies where we have underutilized diverse vendors in areas including legal, finance, and computer related services. We will continue focusing our efforts on increasing spend in these areas in 2021 and beyond. We will continue to engage our CBOs 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

CAW and other California Water Association utilities find 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 an ever-changing regulatory environment and must balance our needs and procurement activities with those of our customers to keep our rates low. California American Water will strive to improve our results noted below.

MBE FOCUS – Although we achieved 20.74%, exceeding the CPUC goal of 15%, we will continue our efforts to increase our spend with Asian Pacific, African and Native Americans, while maintaining our results with Hispanic Americans. We are finalizing our overall strategy to increase our spend with the African American community and will develop strategies for the other ethnicities where our spend has been historically low.

WBE FOCUS – Although we achieved 15.16%, exceeding the CPUC goal of 5%, we will continue our efforts to include women businesses in our procurement processes.

DVBE FOCUS – Although we achieved 2.55%, exceeding the CPUC goal of 1.5%, we will continue our efforts to engage veteran and disabled-veteran businesses.

LGBTBE – Although there is currently no LGBTBE goal, we are focused on increasing our spend with LGBTBEs. In 2020, we achieved 1.52% spend with LGBTBEs. We will continue to engage the LGBTQ+ CBO's in our service areas – Los Angeles Gay & Lesbian Chamber of Commerce, Sacramento Rainbow Chamber of Commerce, and the National Gay & Lesbian Chamber of Commerce in our efforts to educate the LGBTBE regarding the water industry and our procurement opportunities.

We have established LGBTBE contract relationships in some of the professional areas (legal, marketing, and promotional services). We struggle to find LGBTBE relationships in the areas where most of our larger spend is – infrastructure (pipeline/underground construction), engineering, and water treatment processes. We are continuing to work with advocacy groups focused on businesses within these industries.



2021 PLAN

SHORT MID- AND LONG-TERM GOALS

Based on our historical performance over the last six years, we've updated our short-term, mid-term, and long-term goals. We substantially increased our previous short-term (was 23.00%, updated to 30.50%), previous mid-term (was 26.00%, updated to 34.50%), and previous long-term goals (was 27.75%, updated to 38.50%). These are aspirational goals and we are committed to achieving them.

CATEGORY	Current CPUC Goal	Short-Term Goals (2019–2021)	Mid-Term Goals (2022–2024)	Long-Term Goals (2024–2026)
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%	1.00%	2.00%	3.00%
Disabled Veteran Business Enterprises (DVBE)	1.50%	2.50%	3.50%	4.50%
TOTAL	21.50%	30.50%	34.50%	38.50%



Second Annual Inclusion & Diversity Day

On January 12, 2021, California American Water celebrated our 2nd Annual Inclusion & Diversity (I&D) Day which included corporate, state, and local events.

“Our I&D Champions did a great job planning the day and leading local discussions. I had the pleasure to moderate a panel which included four of our eight California American Water Board Members (pictured below) – Kevin Murray (African American), Blanca Zarazúa (Hispanic), Mona Pasquil Rogers (Pilipino-American), and Richard Svindland (White). I continue to be proud of our board diversity which includes a member of the LGBTQ community as well. The board members did a great job sharing their diversity experiences, both personal and professional. The day was capped with the news that the American Water Charitable Foundation will give \$10,000 to the Martin Luther King Jr. Center for Nonviolent Social Change, and that each of our 7,000 employees will receive \$18 in our MyGiving account to donate to a charity of our choice. I continue to be pleased with our inclusion and diversity efforts.”

–Edward Simon



KEVIN MURRAY



BLANCA ZARAZÚA



MONA PASQUIL ROGERS



RICHARD SVINDLAND



SECTION 10.1.2 – Description of WMDVLGBTBE Planned Program Activities for 2021

We will continue our efforts to engage WMDVLGBTBEs in our procurement processes focused on inclusion of all. Our focus for 2021 will include:



COMPLETION OF OUR NEW INCLUSION AND DIVERSITY - SUPPLIER DIVERSITY REFERENCE MANUAL TRAINING: With the completion of the manual development in 2020, this manual includes all information team members need to know about Supplier Diversity. The manual was provided to all key procurement leads via hardcopy and all team members were provided a link to access the reference manual. In 2021, we will conduct virtual webinars to walk team members through the document and create forums for questions and answers.



CHAIR JOINT UTILITIES: Edward Simon has been asked to Chair the Joint Utilities which rotates by utility sector annually. He will own working with the CPUC supplier diversity leads and other utilities to create an agenda and lead the discussion for 2021.



CHAIR NEW CALIFORNIA WATER ASSOCIATION INCLUSION AND DIVERSITY ADVISORY BOARD: Edward Simon has been asked to Chair the inaugural year of this advisory board. Working with CWA's President, Jennifer Capitolo, he will guide this advisory board through its first year.



CONTINUE PARTNERING FORWARD FOR SUCCESS: We will continue this program with hopes of surpassing our 2021 spend with small diverse suppliers.



CONTINUE NGLCC MENTOR PROTÉGÉ PROGRAM PARTICIPATION: We will continue our mentorship with Bocci Engineering through October 2021.



ADDRESS PROCESSES/PROCEDURES NOTED IN LGBTQ+ SURVEY RESULTS: We will share the results of our survey findings with the Joint Utilities and our LGBTQ+ CBOs and advocacy groups in hopes to collectively implement strategies to improve in areas noted.





INCREASE PROCUREMENT TEAM MEMBERS' ACCOUNTABILITY BY ENHANCING MONITORING PROCESSES FOR NEW SUPPLIER DIVERSITY CONTRACT SOLICITATION PRACTICE: We implemented this practice in 2020. The practice requires all team members in procurement positions to adhere to the policies and procedures set forth in the practice including, but not limited to, proper handling of sole sourcing contracts, requirement to engage the supplier diversity team in their search efforts and forwarding copies of the DBE Requirement Statement to the supplier diversity team. In 2021, we will work with our Supply Chain Team to implement monitoring processes.



FINALIZE OUTREACH EFFORTS TO NON-DIVERSE PRIME SUPPLIERS WITH 2020 SPEND GREATER THAN \$100,000: We will finalize our internal processes to ensure contact is made with non-diverse vendors with spend greater than \$100,000 to review their quarterly reports and discuss how we can partner to include diverse partners/subcontractors in their work they are completing for California American Water.



FURTHER ENHANCEMENT OF 2018 WEBSITE REDESIGN: We will continue our Annual Supplier Diversity Event focused on educating new diverse business enterprises, including LGBTBE and DVBE, on what it takes to work with us and specific upcoming available projects.



CONTINUE COMMUNITY-BASED SPONSORSHIP/PARTNERSHIPS: We will continue to ask our CBOs and advocacy groups to increase their assistance with our search for diverse suppliers. Edward Simon will continue to serve on boards including his roles as vice president for the Los Angeles Gay Lesbian Chamber of Commerce. We will implement our new sponsorship request process. This process will require CBOs and advocacy groups to complete an electronic form when requesting funding so there is clear understanding of sponsorship dollars used, how the funds support our collective efforts to increase awareness and ultimately match our procurement needs.



INCREASE TECHNICAL AND CAPACITY BUILDING ASSISTANCE: We have launched a partnership with Frontier Communications and Golden State Water. We will work with the Council for Supplier Diversity and University of San Diego to provide an enhanced program/curriculum which provides small diverse businesses with the tools and knowledge to be successful. We will continue to support CWA member companies and other joint utilities by participating in various programs and workshops to educate existing and prospective vendors on the water industry and the skills small businesses need to be successful. CAW will continue to play an integral role in the W.A.T.E.R. Certification Program.



2021 PLAN



CONTINUE ANNUAL SUPPLIER DIVERSITY SHOWCASE: We will continue our Annual Supplier Diversity Event focused on educating new diverse business enterprises including LGBTBE and DVBE on what it takes to work with us and specific upcoming available projects. This event will likely be virtual like our 2020 event.



IMPLEMENT ANNUAL CAW SUPPLIER DIVERSITY AWARDS PROGRAM: We believe what gets measured gets done. We also believe we should acknowledge and reward internal and external team members when we are successful in meeting our goals. In 2021, we will implement CAW's inaugural Supplier Diversity Awards for both our internal team members and external partners.



CONTINUE MONTHLY DIVERSE SUPPLIER SPOTLIGHT: We will continue to spotlight and introduce new diverse vendors to procurement leads. In 2021, we will spotlight one diverse vendor per month in our employee newsletter, Splash Points.

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

In our experience, we can establish LGBTBE contract relationships in some of the professional areas (legal, marketing, promotional service, and travel). Where we struggle to find LGBTBE is in the areas where most of our larger spend is – infrastructure (pipeline/underground construction), engineering, and water treatment processes. We have other low utilization in finance, as our parent company provides the support needed in this area. We will focus our efforts on increasing our spend in legal areas, but we require the vendor to have knowledge of the regulated water space and the environmental challenges we face.

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, we believe requiring our prime contractors to report their tier two spend quarterly, along with reviewing and monitoring results throughout the year, will provide the primes and California American Water with opportunities to work together to identify ways to increase subcontractor engagement and spending. In 2018, we implemented our Diverse Business Enterprise Requirement Statement (DBE) which identifies goals our non-diverse prime suppliers are expected to achieve for contracts valued over \$100,000. In 2021, we will implement enhanced processes to monitor their progress meeting these goals and help where necessary.

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 ourselves accountable to the highest level of integrity as we create and develop administrative processes that will assure prospective diverse suppliers a 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-sourcable categories, and affiliate transaction expenses.*



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