



CALIFORNIA AMERICAN WATER

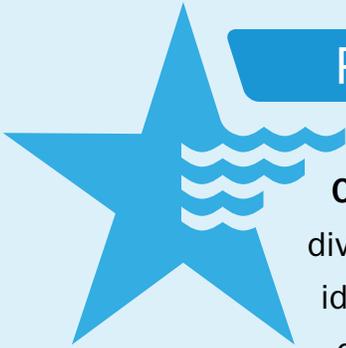
2024 Annual Report to the California Public Utilities Commission (for 2023 results)

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



CALIFORNIA
AMERICAN WATER

WE KEEP LIFE FLOWING®



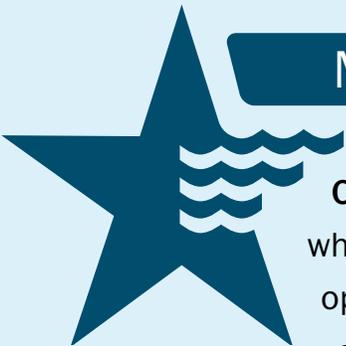
POLICY

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



VISION

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



MISSION

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

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KEVIN TILDEN
President

PRESIDENT'S MESSAGE

I'm thrilled to share the results of another outstanding year for Supplier Diversity at California American Water! Since embracing this critical initiative, we've consistently met or surpassed the California Public Utilities Commission (CPUC) goals, and 2023 was no exception. I couldn't be prouder of our supplier diversity team, our project managers and other employees who make spending decisions for changing their behavior, changing our culture and making even more of an impact in the communities we serve.

We're proud to announce that we've not only met but exceeded the CPUC's 2023 target of 22.5%. We ended 2023 at 50.49%. This speaks volumes about the commitment of our team and our partnerships in the community.

Our commitment to diversity doesn't stop there. We lead the industry in our board diversity, and we are constantly looking for new ways to improve the diversity among our employees.

My recent appointment as Executive Co-Chair of American Water's Inclusion, Diversity, and Equity (ID&E) Executive Council has helped me see even more clearly how supplier diversity impacts our business for the better, and I am eager to bring California's inclusive best practices – including procurement – to the national level.

I invite you to explore the details of our 2023 report, where you'll discover the stories behind our success and the exciting plans we have to continue "Celebrating the Beauty of Diversity" through ongoing Supplier Diversity initiatives. In 2024, we will continue our work to ensure that we find diverse suppliers to partner with us.

Thank you for your continued support as we build a stronger, more inclusive future together.

KEVIN TILDEN
PRESIDENT

MESSAGE FROM THE SUPPLIER DIVERSITY MANAGER



MARY LOU RUIZ
Supplier Diversity Manager

With immense pride, California American Water presents our 2024 Annual Report, showcasing the impact of supplier diversity in 2023. This year's theme, "Celebrating the Beauty of Diversity," reflects our core belief that embracing diverse suppliers strengthens not only our company, but also the communities we serve.

Supplier diversity is not just a principle – it's woven into the fabric of California American Water. We instill the importance of supplier diversity in all our employees, we honor employees who make outstanding achievements in support of our supplier diversity goals, and we continue to seek out ways to include diverse suppliers in our procurement practices.

Since joining the Supplier Diversity Team in 2016 and transitioning to my current role in June 2023, I've witnessed firsthand the transformative power of our company's commitment. I have a tremendous appreciation for the benefits of Supplier Diversity. What better way to show our commitment to our customers than to engage with diverse suppliers who work and live in their very same communities?

"Celebrating the Beauty of Diversity" is what we do here at California American Water. By actively mentoring, connecting, and empowering diverse vendors, we open doors to their success and, in turn, unlock fresh perspectives and best practices for ourselves.

On behalf of the Supplier Diversity Team, I invite you to delve into our report and share in our ongoing celebration of diversity. Witness the tangible impact of our efforts in 2023 and be inspired by our ambitious plans for the future!

A handwritten signature in blue ink that reads "Mary Lou Ruiz". The signature is fluid and cursive, with the first letters of each name being capitalized.

MARY LOU RUIZ
SUPPLIER DIVERSITY MANAGER

SUPPLIER DIVERSITY

2023 AT A GLANCE



\$136.1 MILLION

TOTAL PROCUREMENT

\$68.7 MILLION

DIVERSE SPEND



50.49%
TOTAL PURCHASES
WITH DIVERSE
SUPPLIERS



14 YEARS
CPUC GOAL SURPASSED



5 AMONG TOP 10
SUPPLIERS ARE DIVERSE FIRMS



18
NEW DIVERSE
FIRMS



43
DIVERSE SUPPLIERS
SPENT > \$100K



\$1.4 MILLION
COMMITTED CORPORATIONS
SPEND ON DIVERSE
BUSINESSES



206
TOTAL NUMBER OF
DIVERSE SUPPLIERS
IN OUR NETWORK OF
VENDORS



106
TOTAL NUMBER OF
DIRECT (PRIME) DIVERSE
SUPPLIERS WITH SPEND
IN 2023



116
TOTAL NUMBER OF DIVERSE
SUPPLIERS (PRIME &
SUBCONTRACTORS) WITH
SPEND IN 2023

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

In 2023, California American Water was enormously successful in our efforts to support Supplier Diversity by promoting and engaging our internal and external stakeholders. The following highlights display our activities throughout the year, including our participation in key events, meetings, and outreach events.

50.49%
2023 DIVERSE SPEND

We are proud to have exceeded the CPUC diverse spend goal of 22.5 percent and our prior mid-term goal (2022–2024) of 34.5 percent with a total diverse spend of \$68,723,249, which is an increase from 2022 (\$62,318,559). 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
2023	\$136,107,301	\$68,723,249	50.49%
2022	\$135,691,414	\$62,318,559	45.93%
2021	\$100,796,029	\$48,201,459	47.82%
2020	\$106,314,863	\$42,485,749	39.96%
2019	\$94,533,546	\$32,792,170	34.69%

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NEW DIVERSE SUPPLIERS



In 2023, we added 18 new diverse suppliers to our purchasing system:

NEW 2023 SUPPLIERS

- ★ ALBION ENVIRONMENTAL, INC.
- ★ AMTEC HUMAN CAPITAL
- ★ AVIATE ENTERPRISES, INC.
- ★ BARTON SPRING CONSULTING LLC
- ★ BLACOH FLUID CONTROLS
- ★ BUILT RITE FENCE COMPANY
- ★ DVBE SUPPLIERS, INC.
- ★ GPS PLUMBING
- ★ GREGG DRILLING, LLC
- ★ J.A. SALAZAR CONSTRUCTION & SUPPLY CORP.
- ★ MATHEWS GEN ENGINEERING & CONSTRUCTION
- ★ MCKINNEY CONSTRUCTION CO., INC.
- ★ RADGOV, INC.
- ★ SHARP & ASSOCIATES, INC.
- ★ SO CAL COMPTON PIPE SUPPLY CO., INC.
- ★ STEEL EXCHANGE
- ★ THE TUCKER GROUP
- ★ TIDWELL EXCAVATING

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

California American Water tracks our vendor spend annually to identify the vendors with whom we have spend of \$100K or more during the year. We are proud to highlight the following result:

- 5 of our top 10 vendors with the most spend are diverse – 50%.

14 of the 27 vendors with spend ranging from \$1M to \$16M were diverse. The 2023 Million Dollar MBE Circle is listed below (in order of highest spend):

1. FLOREZ PAVING
2. ROBERT BRKICH CONSTRUCTION
3. AUTOMOTIVE RENTALS
4. SR DIVERSIFIED LLC
5. RAWLES ENGINEERING
6. INNOCENTI CONSTRUCTION INC.
7. CLYDE G STEAGALL INC.
8. ARL GENERAL ENGINEERING
9. CASTLE ELECTRIC AND BUILDERS
10. BLAIR CHURCH & FLYNN CONSULTING
11. DOTY BROTHERS EQUIPMENT CO
12. HAL HAYS CONSTRUCTION INC.
13. ROADRUNNER DRILLING & PUMP CO INC
14. RODPAZ BROS INC.

2023 HIGHLIGHTS

2023 ACTIVITIES AND OUTREACH

At California American Water, we are committed to establishing internal activities and processes and participating in outreach events that produce results that foster our commitment to Supplier Diversity. While our business units collaborate with each other to yield best practices, we also join our external partners to promote supplier diversity among all regulated utility sectors.

2023 PLAN ACCOMPLISHMENTS

- We reached 50% diverse spend for the first time since 2009 when we began tracking this spend.
- We increased our spend in the LGBTBE category from 1.31% to 6.75%. We are proud of this increase, as this is a fairly new category and has taken extra effort to improve our results.
- In the category of female-owned Hispanic businesses, we increased our spend from 1.82% to 3.46%. We hope to continue the trend of incorporating more female-owned businesses in our spend, as the concentration has been with male-owned businesses in the past.
- We continue to collaborate with our prime suppliers who report 2nd Tier spend on our projects. The reporting process is quarterly. We send reminders to the primes when the reporting period begins and communicate with them to offer our assistance in finding certified diverse subcontractors. As an example, we notified a prime who was reporting spend with a non-certified diverse contractor and offered our assistance in helping with certification. This resulted in 2nd tier spend of \$772K with this subcontractor in 2023 upon their certification.
- We commit to including diverse vendors in our bidding process. The goal is to invite at least one diverse vendor for every project over \$250K. In 2023, diverse vendors were invited to participate in the bidding process for 33 projects over \$250K. Of those 33 bidding events, 20 were awarded to diverse vendors.
- California American Water held a Supplier Diversity Forum in Sacramento, CA, on August 24, 2023. Our Engineering and Operations teams participated in this event to share areas of opportunities with our diverse business guests. A panel of diverse prime suppliers shared their unique stories and their journeys to success. We presented our external and internal awards and held roundtable discussions (list of award recipients shown in subsequent pages in this report). In all, 43 DBE vendors participated along with 20 prime suppliers and 25 internal business associates.
- Once again in 2023, we participated in W.A.T.E.R. 1.0. This training program, sponsored by CWA, invites diverse vendors to attend a 3-session course. Suppliers learn the benefits of preparing their proposals, tailoring their capabilities statements, and how to position themselves to work in the industry. The member cohort learned how to pitch their business, networked with USDP members from water utilities, and learned how water utilities operate with rate cases.

The training program was once again facilitated by Melanie Rae, Chief Learning Designer and founder of Guided Business Plan, an entrepreneurial education firm based in Los Angeles. Melanie designed, produced, and facilitated the cohort.



- PARTNERING FORWARD FOR SUCCESS PROGRAM:** In 2023, we continued our partnership with Chicago United’s Partnering Forward for Success, a mentorship program which is patterned after Chicago United’s Five Forward Program. This collaboration joins prime suppliers (committed corporations) and DBEs (partners) for at least a year in which the prime supplier mentors their matched partner. Below is a result of the spend reported by the primes paid to their partners. Not all spend was for California American Water projects. We were proud to be a sponsor of this important mentorship program.

COMMITTED CORPORATION	2023 spend with DBE partner
AECOM	\$184,075
MPE	\$1,272,671
RAWLES ENGINEERING	\$5,123
TOTAL	\$1,461,869

- We collaborated with our National Supplier Diversity Teams at American Water and Illinois American Water to begin the creation of a Supplier Diversity Strategic Plan for American Water and to develop best practices.

2023 INTERNAL AND EXTERNAL OUTREACH EFFORTS

California American Water engages in internal and external outreach events and meetings. We coordinate our own company-sponsored events while also collaborating with the California Water Association and the Utility Supplier Diversity Program. Below is a list of these events.

- Utility Supplier Diversity Program meetings
- California American Water meetings to review diversity progress
- CalAsian Chamber of Commerce – Board member
- Joint Utilities Quarterly meeting member
- Veterans in Business – Advisory board member
- Council for Supplier Diversity – participating program member
- National Utilities Diversity Council (NUDC) meetings

2023 HIGHLIGHTS

CWA SPRING CONFERENCE

May 11, 2023 - Sacramento, CA

We were honored to attend California Water Association's Spring Conference held at The Kimpton Sawyer Hotel in Sacramento, CA. The theme of the conference was "Let's Work Together." We heard from many water professionals on subjects that ranged from public policy to regulatory and legislative issues. Panel discussions included diversity partnerships, educational partnerships, and environmental justice partnerships. Speakers and moderators who attended were from a diverse segment of professionals from across the state and across various industries.

WOMEN BUSINESS PIONEERS SYMPOSIUM SPONSORED BY THE ASIAN BUSINESS ASSOCIATION

May 24, 2023 - Los Angeles, CA

In May, we attended the 10th Annual Women Business Pioneers Symposium sponsored by the Asian Business Association.

California American Water was proud to sponsor this event at the Exhibitor Level. Attending on behalf of California American Water were Mary Lou Ruiz, Alexis Russell, Bernadette Cole, and Camille Dampf. This notable event provides a platform for hundreds of women who come together to learn from each other and to hear stories of successful women and their personal journeys. We enjoyed the networking opportunities and the mini expo held during the event.



NATIONAL UTILITIES DIVERSITY COUNCIL (NUDC) “BRAINSTORM AT THE BEACH”

May 25, 2023 - Downey, CA

Brainstorm at the Beach, NUDC’s summit on supplier, workforce, and governance diversity, was hosted by SoCalGas at its Energy Resource Center. At this event, 100 leaders from across the utilities industry gathered together for important discussions on promoting diversity and equity across our industry.

While at this event, I was honored to meet Maureen Duffy, SVP Communications & External Affairs, and Lori Sutton, Chief Inclusion Officer for American Water.

Attendees broke up into separate roundtable sessions to “solutioneer” by having discussions in areas of diversity, equity, inclusion, and how we can expand our supplier diversity base while ensuring customer equity and affordability.



2023 HIGHLIGHTS

BUILD OUT CALIFORNIA FOUNDERS DAY 2023

June 1, 2023 - Los Angeles, CA

BuildOUT's Founders Day is the largest gathering of LGBTQ/Allied architects, engineers, construction contractors, material suppliers and real estate developers in California. This organization is the first LGBT industry association dedicated to the sustainable growth of LGBT-owned and certified businesses.

It advocates for economic equality at the local, state, and national levels as it relates to LGBT businesses in the construction services industries.

At this event, LGBT entrepreneurs and allies are connected to the key decision makers within the procurement pipeline from organizations throughout California. California American Water was proud to support this event at the Bronze Sponsorship level.



CWA MEET THE PRIMES

June 14, 2023 - Whittier, CA

This event was the largest “Meet the Primes” event with over 200 registered guests who are connected with the California Water Association’s Utility Supplier Diversity Program. Many of our own primes attended this event and some participated in a panel discussion and Q & A on best practices for building relationships with utilities and other primes.



AMERICAN INDIAN CHAMBER EXPO “REINVENTION AND RESTORATION THROUGH CONSTANT CHANGE”

July 16, 2023 - Rancho Mirage, CA

This trade fair and conference allowed us to interact directly with diverse businesses and participate in breakout table discussions to offer our expertise to businesses hoping to make contact with corporations. Interesting roundtable summits, such as partner presentations and tribal leader presentations, engaged and educated the attendees. Enterprise-focused interactive discussions provided business owners information to help them grow and scale their business for success. This high-energy inspirational event gives corporations insight and access to Native-American-owned businesses hoping to showcase their entrepreneurial skillsets.



2023 HIGHLIGHTS

CALIFORNIA AMERICAN WATER SUPPLIER DIVERSITY FORUM “FLIP THE SCRIPT”

August 24, 2023 - Sacramento, CA

2023 Annual Supplier Diversity Award Winners (based on 2022 results)

EXTERNAL SUPPLIER DIVERSITY AWARDS

- **2022 Change Maker Award Winner: Imperial Electric Services, Inc**
This vendor proved to be a valuable partner to our northern team through their responsiveness, ease to work with, and their productive feedback based on changes made in the field.
- **2022 Producer Award Winner: Valentine Environmental Engineers**
This vendor worked for all three of our California American Water divisions which resulted in \$1.3M in total spend for 2022.
- **2022 Economic Impact Award Winner: Monterey Peninsula Engineering, Inc**
This vendor stood out in support of our Tier 2 program with a reported \$2.6M in 2nd Tier spend in 2022.
- **2022 Partnering Forward for Success Award: Speiss Construction**
This prime vendor participated in the PFFS mentorship program with their DBE partners and had spend of \$3.4M as a result of their collaboration.



INTERNAL SUPPLIER DIVERSITY AWARDS

- **2022 Advocate of the Year for Southern Division: Robert Becerra**
Robert was instrumental in vetting and successfully bringing in Montijo Backhoe from non-certified to certified status. This resulted in \$226K of spend with this Hispanic-owned firm.
- **2022 Advocate of the Year for Coastal Division: Scott Ottmar**
Scott was instrumental in managing the tank and well rehab programs and seeking out diverse vendors for this work.
- **2022 Advocate of the Year for Northern Division: Mark Duchesne**
As the Construction Inspector for CAW, Mark made significant efforts in hiring diverse suppliers providing services that helped with project inspections.
- **2022 Division Impact Award: Northern Division**
Northern Division team had a total approximate spend of \$30M with diverse vendors in 2022.
- **2022 Local District Office Award: Sacramento District**
Sacramento had a total approximate spend of \$17.5M with diverse vendors in 2022.
- **2022 On the Rise Award: Sacramento Production Team**
Recognized for the most increase in year-to-year spend, the Sacramento Production Team had 6% spend in 2022, versus 2.6% spend in 2021, with diverse vendors.



2023 HIGHLIGHTS

CALIFORNIA PUBLIC UTILITIES COMMISSION SMALL AND DIVERSE BUSINES EXPO AND EN BANC

September 27, 2023 - Escondido, CA

The Small and Diverse Business Expo and the Supplier Diversity En Banc were held this year at the California Center of Arts in Escondido, CA. This event educates small and diverse businesses on the benefits of obtaining their certification through the California Clearinghouse, which can open the door to doing business with us and other regulated utilities in California. Our Supplier Diversity team was happy to attend this event to network with diverse businesses and share our current and upcoming opportunities.

The next day we attended the 21st Annual G0156 Supplier Diversity En Banc. This event is a great yearly opportunity to hear leaders of California's investor-owned utilities discuss their own supplier diversity programs. It was a great honor to be recognized at this event as the only utility to meet program goals in all four categories (minority, women, DVBE, and LGBT) during 2022.

CWA ANNUAL CONFERENCE

October 16, 2023 - Monterey, CA

This two-day conference focused on current impacts to the water industry and what's on the horizon. The theme of the conference was "Invested in California's Future." California American Water president, Kevin Tilden, moderated a panel about working with LGBTQ+ businesses and Inclusion, Diversity & Equity. Seminars, panel discussions, and keynote speakers focused on a myriad of topics including PFAS contamination, safety, and AI & technology. Suppliers who have worked with water utilities and have interest in working with utilities were in attendance for networking.

VETERANS IN BUSINESS NATIONAL CONFERENCE

November 13, 2023 - San Diego, CA

California American Water was proud to be a Loyalty Sponsor for this event. We have worked closely with this organization to mentor and bring disabled veteran business enterprises into our American Water portfolio.



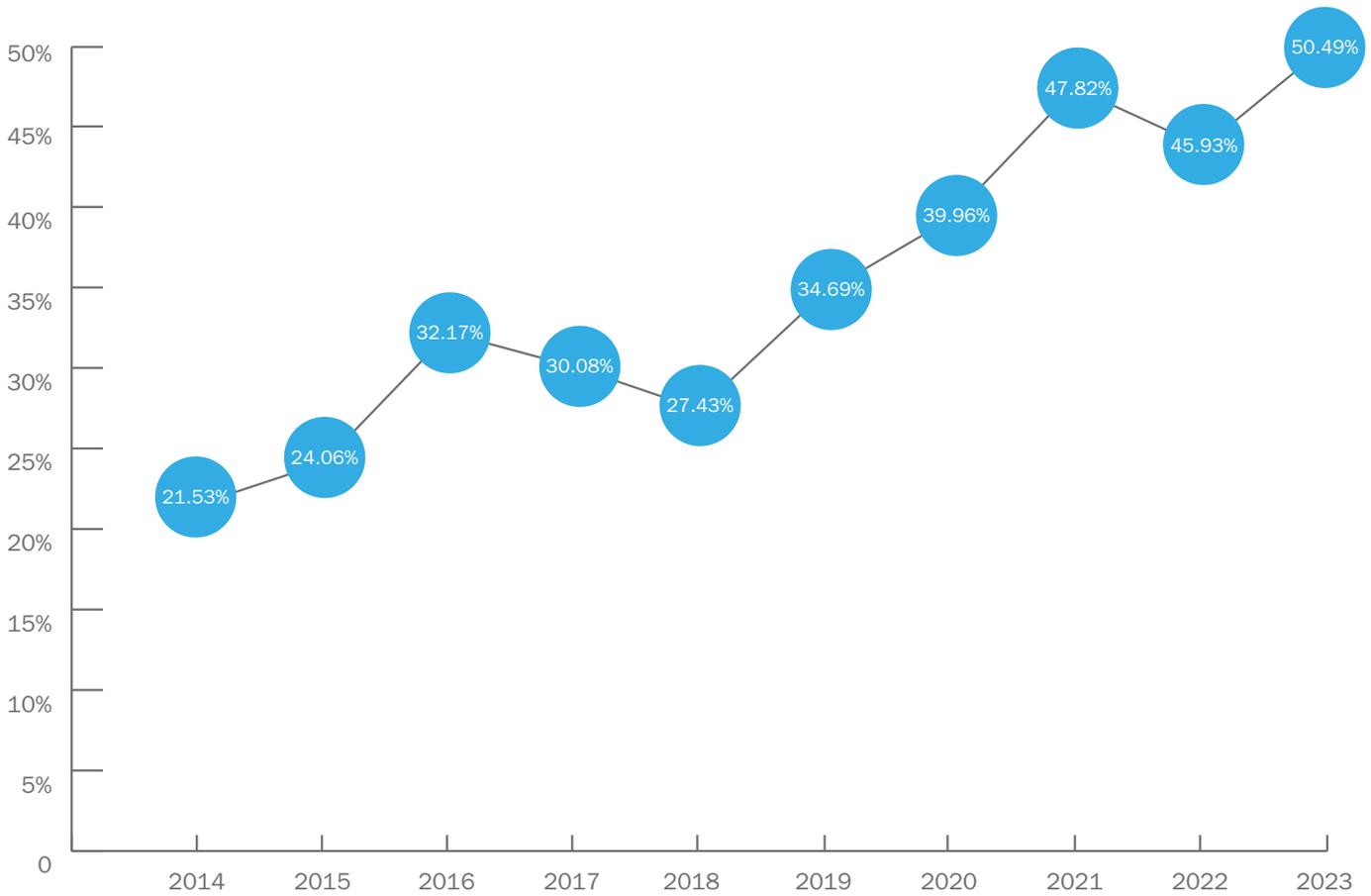
This two-day conference featured tactical networking, roundtables, keynote speakers and panel discussions. The Veterans in Business Network seeks to educate and provide resources to veterans around how to work with government organizations, private and public corporations, and utilities. There was an array of veteran businesses in attendance across numerous industries like IT/technology, supplier of materials, construction, staffing and more.

UTILITY SUPPLIER DIVERSITY PROGRAM RETREAT CALIFORNIA AMERICAN WATER CORPORATE OFFICE

November 30, 2023 - San Diego, CA

California American Water was happy to host this year's two-day retreat at our corporate headquarters in San Diego. The retreat included strategy, budgeting, and planning sessions for the year and an opportunity to connect with potential new suppliers for the team.

TEN-YEAR SUPPLIER DIVERSITY RESULTS 2023 = 50.49%



SECTION 9.1.2A – WMDVLGBTBE Annual Results By Ethnicity

UTILITY SUPPLIER DIVERSITY PROGRAM 2023 RESULTS BY ETHNICITY

	ETHNICITY	DIRECT \$ ¹	SUB \$ ²	TOTAL \$	%
MINORITY MALE	African American	\$1,532,033	\$396,946	\$1,928,979	1.42%
	Asian-Pacific	\$175,421	\$1,056,284	\$1,231,705	0.90%
	Hispanic	\$23,681,415	\$698,890	\$24,380,305	17.91%
	Native American	\$3,849,398	\$0	\$3,849,398	2.83%
	TOTAL MINORITY MALE	\$29,238,267	\$2,152,120	\$31,390,387	23.06%
MINORITY FEMALE	African American	\$399,600	\$0	\$399,600	0.29%
	Asian-Pacific	\$61,961	\$0	\$61,961	0.05%
	Hispanic	\$4,522,070	\$189,187	\$4,711,257	3.46%
	Native American	\$0	\$0	\$0	0.00%
	TOTAL MINORITY FEMALE	\$4,983,631	\$189,187	\$5,172,818	3.80%
Total Minority Business Enterprise (MBE)		\$34,221,898	\$2,341,307	\$36,563,205	26.86%
Women Business Enterprise (WBE)		\$19,917,403	\$1,064,078	\$20,981,481	15.42%
Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$9,181,916	\$0	\$9,181,916	6.75%
Disabled Veteran Business Enterprise (DVBE)		\$508,533	\$1,488,114	\$1,996,647	1.47%
Persons with Disabilities Business Enterprise (DBE)		\$0	\$0	\$0	0.00%
Other 8(a)*		\$0	\$0	\$0	0.00%
Total Supplier Diversity Spend		\$63,829,750	\$4,893,499	\$68,723,249	50.49%
Net Procurement**		\$136,107,301			

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

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

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

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

% - Percentage of Net Procurement.

Totals may not add due to rounding.

2023 HIGHLIGHTS

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

UTILITY SUPPLIER DIVERSITY PROGRAM 2023 RESULTS BY PRODUCTS & SERVICES – DIRECT

	ETHNICITY	PRODUCT		SERVICES		TOTAL	
		\$	%	\$	%	\$	%
MINORITY MALE	African American	\$0	0.00%	\$1,532,033	1.13%	\$1,532,033	1.13%
	Asian-Pacific	\$77,457	0.06%	\$97,964	0.07%	\$175,421	0.13%
	Hispanic	\$4,029	0.00%	\$23,677,386	17.40%	\$23,681,415	17.40%
	Native American	\$0	0.00%	\$3,849,399	2.83%	\$3,849,399	2.83%
	TOTAL MINORITY MALE	\$81,486	0.06%	\$29,156,782	21.42%	\$29,238,268	21.48%
MINORITY FEMALE	African American	\$55,932	0.04%	\$343,667	0.25%	\$399,599	0.29%
	Asian-Pacific	\$0	0.00%	\$61,961	0.05%	\$61,961	0.05%
	Hispanic	\$354,167	0.26%	\$4,167,903	3.06%	\$4,522,070	3.32%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	TOTAL MINORITY FEMALE	\$410,099	0.30%	\$4,573,531	3.36%	\$4,983,630	3.66%
Total Minority Business Enterprise (MBE)		\$491,585	0.36%	\$33,730,313	24.78%	\$34,221,898	25.14%
Women Business Enterprise (WBE)		\$474,350	0.35%	\$19,443,053	14.29%	\$19,917,403	14.63%
Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$9,181,916	6.75%	\$9,181,916	6.75%
Disabled Veteran Business Enterprise (DVBE)		\$4,000	0.00%	\$504,533	0.37%	\$508,533	0.37%
Persons with Disabilities Business Enterprise (DBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Other 8(a)*		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Supplier Diversity Spend		\$969,935	0.71%	\$62,859,815	46.18%	\$63,829,750	46.90%

Net Procurement** (diverse and non-diverse)	\$136,107,301
Net (diverse) Product Procurement	\$969,935
Net (diverse) Service Procurement	\$62,859,815
Total Number of Diverse Suppliers that Received Direct Spend	106

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

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

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

% - Percentage of Net Procurement.

Totals may not add due to rounding.

SECTION 9.1.2C – WMDVLGBTBE Procurement By Products & Services (Subcontractors)

UTILITY SUPPLIER DIVERSITY PROGRAM 2023 RESULTS BY PRODUCTS & SERVICES – SUBCONTRACTORS

	ETHNICITY	PRODUCT		SERVICES		TOTAL	
		\$	%	\$	%	\$	%
MINORITY MALE	African American	\$0	0.00%	\$396,946	0.29%	\$396,946	0.29%
	Asian-Pacific	\$0	0.00%	\$1,056,284	0.78%	\$1,056,284	0.78%
	Hispanic	\$0	0.00%	\$698,890	0.51%	\$698,890	0.51%
	Native American	\$0	0.00%		0.00%	\$0	0.00%
	TOTAL MINORITY MALE	\$0	0.00%	\$2,152,120	1.58%	\$2,152,120	1.58%
MINORITY FEMALE	African American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Asian-Pacific	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic	\$0	0.00%	\$189,187	0.14%	\$189,187	0.14%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	TOTAL MINORITY FEMALE	\$0	0.00%	\$189,187	0.14%	\$189,187	0.14%
Total Minority Business Enterprise (MBE)		\$0	0.00%	\$2,341,307	1.72%	\$2,341,307	1.72%
Women Business Enterprise (WBE)		\$744	0.00%	\$1,063,334	0.78%	\$1,064,078	0.78%
Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Disabled Veteran Business Enterprise (DVBE)		\$117	0.00%	\$1,487,997	1.09%	\$1,488,114	1.09%
Persons with Disabilities Business Enterprise (DBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Other 8(a)*		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Supplier Diversity Spend		\$861	0.00%	\$4,892,638	3.59%	\$4,893,499	3.60%

Net Procurement** (diverse and non-diverse)	\$136,107,301
Net (diverse) Product Procurement	\$861
Net (diverse) Service Procurement	\$4,892,638

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

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

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

% - Percentage of Net Procurement.

Totals may not add due to rounding.

2023 HIGHLIGHTS

SECTION 9.1.2D – WMDVLGBTBE Procurement By Standard Industrial Categories

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
0781	Horticulture Architectural Services	\$				\$270,413			
		%				0.20%			
1081	Geophysical Surveying and Mapping	\$							
		%							
1442	Construction Sand and Gravel	\$							
		%							
1521	General Contractors: Single-Family Houses	\$				\$12,103			
		%				0.01%			
1522	General Contractors: Residential Buildings, Other than Single-Family	\$	\$1,023,987						
		%	0.75%						
1541	General Contractors: Industrial Buildings and Warehouses	\$			\$9,866			\$2,207,409	
		%			0.01%			1.62%	
1611	Highway and Street Construction	\$							
		%							
1623	Water, Sewer and Pipelines	\$				\$20,303,875	\$1,299,351		
		%				14.92%	0.95%		
1629	Heavy Construction, NEC	\$				\$19,757			
		%				0.01%			
1711	Plumbing, Heating and AC	\$				\$14,714			
		%				0.01%			
1721	Painting and Paper Hanging	\$		\$1,056,283		\$895,354			
		%		0.78%		0.66%			
1731	Electrical Work	\$	\$258,042			\$1,831,295	\$1,890,459		
		%	0.19%			1.35%	1.39%		
1781	Water Well Drilling	\$							
		%							
1794	Excavation Work	\$				\$198,267			
		%				0.15%			
1799	Special Trade Contractors, NEC	\$	\$63,983			\$526,289			
		%	0.05%			0.39%			
2326	Men's and Boy's Work Clothing	\$							
		%							
2385	Waterproof Outerwear	\$				\$398			
		%				0.00%			
2395	Men's and Boys' Apparel Contractors	\$							
		%							
2759	Commercial Printing, NEC	\$	\$881						
		%	0.00%						
2869	Industrial Organic Chemicals, NEC	\$							
		%							
2899	Chemicals and Chemical Preparations	\$				\$332,248			
		%				0.24%			

2023 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	WOMEN BUSINESS ENTERPRISE (WBE)	LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL SUPPLIER DIVERSITY SPEND
\$270,413						\$270,413
0.20%						0.20%
	\$21,962					\$21,962
	0.02%					0.02%
			\$386,248			\$386,248
			0.28%			0.28%
\$12,103						\$12,103
0.01%						0.01%
\$1,023,987						\$1,023,987
0.75%						0.75%
\$2,217,275						\$2,217,275
1.63%						1.63%
	\$3,910		\$39,947			\$43,857
	0.00%		0.03%			0.03%
\$21,603,226	\$8,101,929	\$8,560,230	\$1,486,347			\$39,751,732
15.87%	5.95%	6.29%	1.09%			29.21%
\$19,757						\$19,757
0.01%						0.01%
\$14,714	\$7,738					\$22,452
0.01%	0.01%					0.02%
\$1,951,637						\$1,951,637
1.43%						1.43%
\$3,979,796	\$2,184,561		\$9,487			\$6,173,844
2.92%	1.61%		0.01%			4.54%
	\$1,445,795					\$1,445,795
	1.06%					1.06%
\$198,267						\$198,267
0.15%						0.15%
\$590,272	\$127,639					\$717,911
0.43%	0.09%					0.53%
	\$19,737					\$19,737
	0.01%					0.01%
\$398						\$398
0.00%						0.00%
	\$58,432					\$58,432
	0.04%					0.04%
\$881	\$7,252					\$8,133
0.00%	0.01%					0.01%
	\$97,435					\$97,435
	0.07%					0.07%
\$332,248						\$332,248
0.24%						0.24%

2023 HIGHLIGHTS

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
3423	Hand and Edge Tools	\$							
		%							
3498	Fabricated Pipe and Pipe Fittings	\$					\$3,165		
		%					0.00%		
3559	Special Industry Machinery, NEC	\$							
		%							
3561	Pumps and Pumping Equipment	\$							
		%							
3594	Fluid Power Pumps and Motors	\$							
		%							
3599	Industrial and Commercial Machinery and Equipment	\$							
		%							
3646	Commercial, Industrial and Institutional Electric Lighting Fixtures	\$				\$165,642			
		%				0.12%			
3799	Transportation Equipment, NEC	\$							
		%							
3826	Laboratory Analytical Instruments	\$							
		%							
3993	Signs and Advertising Specialties	\$	\$20,000						
		%	0.01%						
4212	Hazardous Waste Collection Without Disposal	\$							
		%							
4581	Aircraft Servicing and Repair	\$				\$112,740			
		%				0.08%			
4789	Transportation Services, NEC	\$				\$52,467	\$175,321		
		%				0.04%	0.13%		
4952	Sewerage Systems	\$							
		%							
4953	Hazardous Waste Treatment and Disposal	\$	\$68,510						
		%	0.05%						
5039	Construction Materials, NEC	\$							
		%							
5084	Industrial Machinery and Equipment	\$							
		%							
5085	Industrial Supplies	\$							
		%							
5112	Stationery and Office Supplies	\$		\$77,457					
		%		0.06%					
5172	Petroleum and Petroleum Products Wholesalers	\$				\$3,631			
		%				0.00%			
5599	Automotive Dealers, NEC	\$	\$507,122						
		%	0.37%						

2023 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	WOMEN BUSINESS ENTERPRISE (WBE)	LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL SUPPLIER DIVERSITY SPEND
	\$820					\$820
	0.00%					0.00%
\$3,165						\$3,165
0.00%						0.00%
	\$66,384					\$66,384
	0.05%					0.05%
	\$11,201					\$11,201
	0.01%					0.01%
	\$6,827					\$6,827
	0.01%					0.01%
	\$3,272					\$3,272
	0.00%					0.00%
\$165,642						\$165,642
0.12%						0.12%
	\$4,043					\$4,043
	0.00%					0.00%
	\$744			\$117		\$861
	0.00%			0.00%		0.00%
\$20,000						\$20,000
0.01%						0.01%
	\$447,091					\$447,091
	0.33%					0.33%
\$112,740						\$112,740
0.08%						0.08%
\$227,788						\$227,788
0.17%						0.17%
	\$11,630					\$11,630
	0.01%					0.01%
\$68,510						\$68,510
0.05%						0.05%
				\$4,000		\$4,000
				0.00%		0.00%
	\$6,708					\$6,708
	0.00%					0.00%
	\$187,370					\$187,370
	0.14%					0.14%
\$77,457						\$77,457
0.06%						0.06%
\$3,631						\$3,631
0.00%						0.00%
\$507,122						\$507,122
0.37%						0.37%

2023 HIGHLIGHTS

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC		HISPANIC		NATIVE AMERICAN		
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
7291	Tax Return Preparation Services	\$				\$64,448				
		%				0.05%				
7311	Advertising Agencies	\$								
		%								
7319	Advertising Materials	\$	\$4,561							
		%	0.00%							
7349	Building Cleaning and Maintenance Services, NEC	\$			\$52,095					
		%			0.04%					
7361	Employment Agencies	\$						\$13,035		
		%						0.01%		
7371	Computer Programming Services	\$	\$6,454							
		%	0.00%							
7374	Computer Processing and Data Preparation and Processing Services	\$								
		%								
7389	Drafting Service	\$				\$780	\$8,766			
		%				0.00%	0.01%			
7513	Truck Rental and Leasing	\$								
		%								
7699	Repair Shops and Related Services, NEC	\$								
		%								
8099	Other Health and Allied Services	\$								
		%								
8111	Legal Services	\$		\$97,964						
		%		0.07%						
8711	Engineering Services	\$				\$401,242		\$1,628,954		
		%				0.29%		1.20%		
8712	Architectural Services	\$								
		%								
8713	Surveying Services	\$				\$176,000				
		%				0.13%				
8734	Testing Laboratories	\$					\$79,776			
		%					0.06%			
8741	Construction Management Services	\$								
		%								
8742	Administrative and General Management Consulting	\$	\$323,667			\$106,220				
		%	0.24%			0.08%				
8748	Business Consulting Services, NEC	\$				\$146,842				
		%				0.11%				
8999	Environmental Consultants	\$	\$51,371							
		%	0.04%							
9512	Land, Mineral, Wildlife, and Forest Conservation	\$								
		%								
TOTAL		\$	\$1,928,979	\$399,599	\$1,231,704	\$61,961	\$24,380,306	\$4,711,257	\$3,849,398	\$0
		%	1.42%	0.29%	0.90%	0.05%	17.91%	3.46%	2.83%	0.00%

Net Procurement** **\$136,107,301**

2023 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	WOMEN BUSINESS ENTERPRISE (WBE)	LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL SUPPLIER DIVERSITY SPEND
\$64,448						\$64,448
0.05%						0.05%
	\$802,502					\$802,502
	0.59%					0.59%
\$4,561						\$4,561
0.00%						0.00%
\$52,095	\$377,152					\$429,247
0.04%	0.28%					0.32%
\$13,035						\$13,035
0.01%						0.01%
\$6,454						\$6,454
0.00%						0.00%
		\$9,927				\$9,927
		0.01%				0.01%
\$9,546	\$959					\$10,505
0.01%	0.00%					0.01%
	\$3,946,300					\$3,946,300
	2.90%					2.90%
	\$101,172					\$101,172
	0.07%					0.07%
	\$1,767					\$1,767
	0.00%					0.00%
\$97,964						\$97,964
0.07%						0.07%
\$2,030,196	\$1,038,132	\$544,237				\$3,612,565
1.49%	0.76%	0.40%				2.65%
	\$1,400					\$1,400
	0.00%					0.00%
\$176,000	\$173,800		\$1,650			\$351,450
0.13%	0.13%		0.00%			0.26%
\$79,776						\$79,776
0.06%						0.06%
	\$1,169,577		\$68,851			\$1,238,428
	0.86%		0.05%			0.91%
\$429,887	\$312,645					\$742,532
0.32%	0.23%					0.55%
\$146,842	\$119,803	\$21,340				\$287,985
0.11%	0.09%	0.02%				0.21%
\$51,371	\$58,851	\$46,182				\$156,404
0.04%	0.04%	0.03%				0.11%
	\$54,941					\$54,941
	0.04%					0.04%
\$36,563,204	\$20,981,481	\$9,181,916	\$1,996,647	\$0	\$0	\$68,723,249
26.86%	15.42%	6.75%	1.47%	0.00%	0.00%	50.49%

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

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

#: Percentage of row Total Procurement.

Totals may not add due to rounding.

2023 HIGHLIGHTS

SECTION 9.1.2E – Number of Diverse Suppliers and Revenue Reported to the Supplier Clearinghouse

Data on Number of Suppliers Revenue Reported to CHS						
# WMDVLGBTBES	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	15	9	3	0	0	27
\$1 million < \$2.5 million	12	8	1	0	0	21
\$2.5 million < \$5 million	3	12	0	0	0	15
\$5 million < \$10 million	6	3	0	0	0	9
\$10 million+	19	12	2	1	0	34
No Revenue Designation	1	1	0	8	0	10
TOTAL	56	45	6	9	0	116

Revenue and Payment Data Revenue Reported to CHS						
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$6,984,586	\$4,065,379	\$133,190	\$0	\$0	\$11,183,155
\$1 million < \$2.5 million	\$21,155,428	\$13,878,453	\$1,800,000	\$0	\$0	\$36,833,881
\$2.5 million < \$5 million	\$9,546,610	\$43,237,232	\$0	\$0	\$0	\$52,783,842
\$5 million < \$10 million	\$45,302,261	\$22,328,769	\$0	\$0	\$0	\$67,631,030
\$10 million+	\$1,040,291,038	\$5,037,058,219	\$27,500,000	\$19,129,963	\$0	\$6,123,979,220
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$1,123,279,924	\$5,120,568,052	\$29,433,190	\$19,129,963	\$0	\$6,292,411,129

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

Data on Number of Suppliers California American Water 2023 Summary						
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	47	37	5	8	0	97
\$1 million < \$2.5 million	8	5	0	1	0	14
\$2.5 million < \$5 million	0	3	0	0	0	3
\$5 million < \$10 million	0	0	1	0	0	1
\$10 million+	1	0	0	0	0	1
No Revenue Designation	0	0	0	0	0	0
TOTAL	56	45	6	9	0	116

Revenue and Payment Data California American Water 2023 Summary						
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$8,384,436	\$3,886,511	\$621,686	\$532,050	\$0	\$13,424,683
\$1 million < \$2.5 million	\$12,140,160	\$8,318,339	\$0	\$1,464,596	\$0	\$21,923,096
\$2.5 million < \$5 million	\$0	\$8,776,632	\$0	\$0	\$0	\$8,776,632
\$5 million < \$10 million	\$0	\$0	\$8,560,230	\$0	\$0	\$8,560,230
\$10 million+	\$16,038,609	\$0	\$0	\$0	\$0	\$16,038,609
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$36,563,204	\$20,981,481	\$9,181,916	\$1,996,647	\$0	\$68,723,249

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

2023 HIGHLIGHTS

SECTION 9.1.2F – Description of Diverse Suppliers with Majority Workforce in California

In 2023, California American Water engaged and had spend (directly or through use of subcontractors) with 116 diverse suppliers. Of the 116 vendors, 105 listed their physical address with the Supplier Clearinghouse as California. The 105 vendors indicated they employed over 6,840 employees.

SECTION 9.1.3 – Supplier Diversity Program Expense

EXPENSE CATEGORY	AMOUNT
Wages	\$85,913
Other Employee Expenses	\$13,235
Program Expenses	\$125,669
Reporting Expenses	\$9,710
Training	\$1,243
Consultants	\$1,672
Other	\$21,700
TOTAL	\$259,142

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

California American Water sets goals in excess of the CPUC’s 22.5% goals. In 2023, our internal goal was 42.3 percent. We finished the year at 50.49 percent and met three category goals:

- **MBE – 26.86 percent** (increased from 24.93 percent in 2022; target 15 percent)
- **WBE – 15.42 percent** (decreased from 17.46 in 2022; target 5 percent)
- **LGBTBE – 6.75 percent** (increased from 1.31 percent in 2022; target 1 percent)
- **DVBE – 1.47 percent** (decreased from 2.23 percent in 2022; target 1.5 percent)

In 2024, we are evaluating our plans to increase our spend with DVBE firms and ensure they are available as subcontractors to our primes.

SECTION 9.1.4B – Supplier Diversity Results Compared to Set Goals

CATEGORY	GOALS (Net procurement percentages add up to the diverse goal of 22.5%)	RESULTS (Net procurement adds up to the diverse spend actual of 50.49%)
MINORITY MEN		23.06%
MINORITY WOMEN		3.80%
MBE	15.00%	26.86%
WBE	5.00%	15.42%
LGBTBE	1.00%	6.75%
DVBE	1.50%	1.47%
DBE	0.00%	0%
TOTAL	22.50%	50.49%

NOTE: Minority Men + Minority Women + WBE + LGBTBE + DVBE = 50.49%

2023 HIGHLIGHTS

SECTION 9.1.5A – Description of Prime Contractors Utilization of Diverse Subcontractors

In 2023, our prime suppliers spent \$4.90M with diverse subcontractors, which was 3.60% of our spend. This was consistent in total dollars and percentage spend from 2022. Our efforts in 2024 will include continuing to engage with our primes to move the needle in a positive direction to increase our spend with diverse subcontractors. Our primes are encouraged to utilize diverse subcontractors through our contract award process. Primes' 2nd tier spend is reported via a third-party vendor portal.

SECTION 9.1.5B – Summary of Prime Contractors Utilization of Diverse Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	TOTAL Supplier Diversity Spend
Direct \$	\$29,238,267	\$4,983,631	\$34,221,898	\$19,917,403	\$9,181,916	\$508,533	\$0	\$0	\$63,829,750
Subcontracting \$	\$2,152,120	\$189,187	\$2,341,307	\$1,064,078	\$0	\$1,488,114	\$0	\$0	\$4,893,499
Total	\$31,390,387	\$5,172,818	\$36,563,205	\$20,981,481	\$9,181,916	\$1,996,647	\$0	\$0	\$68,723,249
Direct %	21.48%	3.66%	25.14%	14.63%	6.75%	0.37%	0.00%	0.00%	46.90%
Subcontracting %	1.58%	0.14%	1.72%	0.78%	0.00%	1.09%	0.00%	0.00%	3.60%
Total %	23.06%	3.80%	26.86%	15.42%	6.75%	1.47%	0.00%	0.00%	50.49%
Net Procurement**					\$136,107,301				

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

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

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

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

% - Percentage of Net Procurement.

Totals may not add due to rounding.

SECTION 9.1.6 – List of Supplier Diversity Complaints Received and Current Status

In 2023, California American Water did not receive complaints from diverse suppliers.

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

Table 9.1.2 identifies where we have underutilized diverse vendors in areas such as legal, finance, and computer/technical-related services. In some of these cases, our parent company, American Water, provides the procurement of these services through our Service Company. Through diversity and outreach events throughout the year, along with the community-based organizations we collaborate with, we will continue to focus on these low utilization categories.

SECTION 10.1.1 – Supplier Diversity Short-, Mid-, and Long-Term Procurement Goals

CPUC-Regulated utilities like California American Water have some difficulty completing a detailed chart identifying needs for products and services. These needs differ yearly due to agreed upon CPUC capital projects and spending. These capital projects and spending are approved every three years based on our general rate case cycle. Our regulatory environment is fluid and we must balance our needs and procurement activities with the interests of our customers and the need to keep our rates low. We continue to improve our results per category as noted below.

MBE FOCUS – In 2023, we achieved 26.86% in spend. This was an increase from 2022’s result of 24.93% and exceeded the CPUC goal of 15.00%. Although the overall result is positive, our efforts must focus on the underserved ethnic categories of Asian Pacific, Native American, and African American.

WBE FOCUS – In 2023, we achieved 15.42% which exceeded CPUC’s goal of 5.00%. This was a decrease from our 2022 accomplishment of 17.46%. Although we have attained success in this category, we must continue to keep the focus on bringing in new women-owned businesses into our portfolio.

LGBTBE – We are proud of our accomplishment in this category. We increased our spend in 2023 with 6.7%, up from our 2022 spend of 1.31%. With the CPUC’s goal in this category being raised to 1.50% in 2024, this is a category we continue to focus on. We will continue to support and engage with the CBOs who support and represent LGBT business enterprises.

DVBE FOCUS – Our spend decreased in this category with a finish at 1.47%, down from 2022’s 2.23%. Our goal is to improve in this category by recommending to our primes of the availability of DVBE-owned enterprises for 2nd tier spend, and by working closely with CBOs, particularly with the Veterans In Business organization, who we support and advise throughout the year.

SHORT, MID- AND LONG-TERM GOALS

Category goals have been updated. These are aspirational goals, and we are committed to achieving them. Based on 2023 results, we have exceeded our short-, mid- and long-term goals in the categories of MBE, WBE, and LGBTBE.

CATEGORY	Current CPUC Goal	Short-Term Goals (2022–2024)	Mid-Term Goals (2024–2026)	Long-Term Goals (2027–2028)
Minority Business Enterprises (MBE)	15.00%	15.00%	16.00%	17.00%
Women Business Enterprises (WBE)	5.00%	12.00%	13.00%	14.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBE)	1.50%	2.00%	3.00%	3.50%
Disabled Veteran Business Enterprises (DVBE)	1.50%	2.00%	3.00%	4.00%
TOTAL	23%	31%	35%	38.50%

SECTION 10.1.2 – Description of Supplier Diversity Program Activities Planned for the Next Calendar Year

We will continue our efforts to engage WMDVLGBTBEs and all persons with disabilities in our procurement processes focused on inclusion of all. Our focus for 2024 will include:

1. In 2024, we are participating again in the High Performance Series Program, a program developed by the Council for Supplier Diversity, which we are proud to sponsor. Diverse suppliers are invited to participate in this high-level course designed to strengthen their capacity and performance. A major benefit of this program is that vendors will be encouraged to showcase their business and potentially find opportunities with participating corporations.
2. This year, we will continue as a member on the Corporate Advisory Board to the Veterans in Business organization. In this capacity, we offer our insight and we support programs and projects. In turn, we hope this relationship helps us to identify DVBE businesses who can benefit from doing business with us.
3. We will continue collaborating with our internal business partners to emphasize the importance of supplier diversity and encourage all to be enthusiastic and active in our pursuit of bringing diverse vendors into our fold. This teamwork includes the distribution of our monthly supplier diversity reports which keeps Supplier Diversity in focus; and offering a dashboard tool which breaks down our supplier diversity spend by district. This allows the business to make decisions which can positively impact Supplier Diversity spend.
4. As a USDP member, collaborating with other CPUC Regulated Utilities, we have a full calendar of events throughout the year. Some events include:
 - a. Sponsoring outreach/technical assistance programs.
 - b. Supporting a “Meet the Primes” event along with the California Water Association.
 - c. Attending small business expositions sponsored by CPUC.
 - d. Supporting and attending events sponsored by various community-based organizations. These events offer opportunities to meet and connect with diverse businesses who can potentially become partners.

SECTION 10.1.3 – Plans for Recruiting Diverse Suppliers in Low Utilization Categories

As previously mentioned, underutilized services, such as legal, finance, and computer/technical-related services, are often procured through our parent company, American Water. Although we did have some spend with finance support and legal services in 2023, we will continue to focus on these categories through outreach events and communicating with community-based organizations.

SECTION 10.1.4 – Plans for Recruiting Diverse Suppliers Where Unavailable

Efforts to recruit for all categories are ongoing at California American Water. Goals and expectations for categories are noted in Section 10.1.1. When we attend events where diverse suppliers can showcase their products and services, the goal is always to make a connection with potential partners.

SECTION 10.1.5 – Plans for Encouraging Prime Contractors to Subcontract with Diverse Suppliers

We continue to work with Supply Chain on best processes to encourage primes to fulfill their 2nd tier commitment to include subcontractors to work on our projects.

This year, we aim to increase communication with our primes who have committed to 2nd tier spend in their projects for California American Water. Our help is extended if they require assistance in identifying diverse businesses, which primes can then vet for their projects.

We will continue to follow up via email with primes who are not reporting their 2nd tier spend or who are not meeting their 2nd tier goal.

SECTION 10.1.6 – Plans for Complying with Supplier Diversity Program Guidelines

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

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

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