

SUPPLIER DIVERSITY
ANNUAL REPORT



Suburban
Water Systems

2023



In 2023

Suburban delivered another strong performance accomplishing **66.95%** diverse spend. This is the seventh consecutive year that Suburban has lead the California water industry in diverse spend percentage.

Suburban's 2023 total expenditures with certified diverse suppliers reached \$28,284,908.

We are pleased with our 2023 results and the collaborative contributions that Suburban's team members made to achieve them.

Our vendors delivered exceptional service in 2023. We appreciate the great work our vendors do for us.

Our goal is to collaborate with businesses, large and small, that can help us fulfill our mission of serving our customers with safe, reliable, and high-quality water. We seek out diverse companies that share our mission.

“

Our committed leadership, management, and team members are the key to our success.

”

A MESSAGE FROM OUR PRESIDENT



CRAIG GOTT **PRESIDENT**
SUBURBAN WATER SYSTEMS

A Supplier Diversity program must provide opportunities for all vendors to succeed.

An organization needs to have a disciplined procurement approach that requires the participation of those who use the products and services.

I am proud of our team's effort to understand our purchasing needs and fairly apply our fair and rigorous contract, insurance, and safety policies to all vendors.



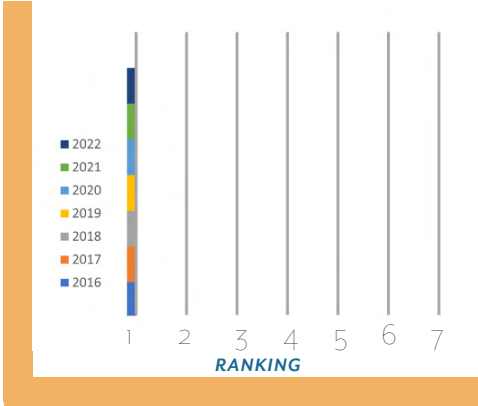


Suburban Water Systems team

This annual report highlights the successes and activities that have sustained our program.

YEAR	DIVERSE SPEND (Millions)	% SPEND	NUMBER OF DIVERSE FIRMS
2023	\$28	66.95%	56
2022	\$24	67.61%	45
2021	\$21	55.24%	44
2020	\$14	51.64%	45
2019	\$14	49.81%	50
2018	\$16	49.75%	37
2017	\$9	38.29%	29
2016	\$7	37.09%	32
2015	\$5	24.72%	27
2014	\$4	23.88%	23
2013	\$3	32.18%	28
2012	\$7	32.87%	33

It's Challenging Being First In Water Utility Supplier Diversity Rankings. It's Even More Challenging When You're ALWAYS First !!



Suburban remains committed to Supplier Diversity. Our goal in 2024 is to continue expanding opportunities for diverse vendors.



Supplier Diversity is not just a "program." It is our way of doing business.

OUR PURPOSE

- Believe in and value the benefits of diversity and inclusion
- Commit to matching our spending to our community demographics
- Help diverse vendors grow and play on a level playing field with other suppliers
- Strengthen and broaden our network of suppliers to add resiliency and value
- Encourage partnerships to access cost-efficient, flexible, and innovative solutions
- Meet guidelines set by the California Public Utilities Commission (CPUC)

PROVIDE EQUAL OPPORTUNITY
TO ALL VENDORS FOR THE
BENEFIT OF OUR COMMUNITY

OUR COMMITMENT

Suburban Water Systems (Suburban) is committed to:

Developing mutually beneficial business relationships with Women, Minority, Disabled Veteran, Lesbian, Gay, Bisexual, and Transgender Business Enterprises (WMDVLGBTBE) that can meet or exceed our requirements for products and services.

Identifying these businesses, providing them with opportunities to do business with us, and helping them succeed is essential for our success. These actions align with our mission and core values.



OUR POLICY

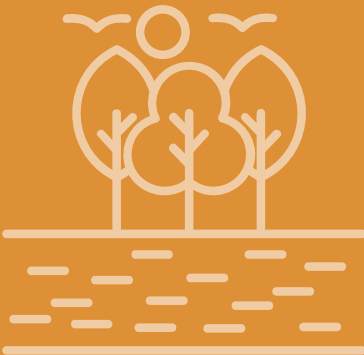


It is Suburban's policy to:

We recognize the value of creating opportunities for all suppliers to participate in sourcing of products and services as they arise within our company.

Employees throughout our organization with procurement responsibilities play an important role in achieving our corporate Supplier Diversity objectives.

- Encourage our employees to provide support and opportunities for diverse suppliers who may also be valued customers.
- Support Supplier Diversity and increase business opportunities for certified diverse business enterprises.
- Seek certified vendor referrals from Supplier Diversity Manager.
- Understand standards and specifications of work to be performed.
- Understand the utility's need for goods and services to be provided by vendors.
- Create small/low-risk opportunities for vendors to demonstrate their quality of work and customer service.



ANNUAL REPORT



Suburban
Water Systems

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ANNUAL PLAN

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2023 Program Highlights



Suburban had great results again in 2023, achieving **66.95%**!

We attribute our success to our dedication to our Supplier Diversity program and the communities we serve.

The critical elements of our year-over-year success are our executive and management team's commitment, inclusive procurement process (including diverse vendors in our competitive proposal and bidding opportunities), monthly employee communication about our purpose-driven goals, celebrating our internal and external Supplier Diversity champions, and collaboration with community partners and prime contractors to bridge the gap between vendor and buyer.

This report highlights our efforts in 2023 and outlines our plan for 2024.

INTERNAL AND EXTERNAL ACTIVITIES



LAUREN JAMES

**CWA USDP
COMMITTEE CHAIR**

Partnerships across the state of California to increase exposure of contract opportunities

The California Water Association USDP (Utility Supplier Diversity Program) team hosted a Community Based Organization (CBO) 2023 partnership webinar meeting to kick off the year.

We laid out our objectives and partnership goals.

We expanded our membership offerings with each CBO to include webinars and other ways for the USDP team to connect with their respective members.

Community Based Organizations



American Indian Chamber of Commerce (AICOC)

LA Asian Business Association (ABA)

Black Business Association

US PAACC - Western Region

BuildOut California

Greater Los Angeles African American Chamber of Commerce

Council for Supplier Diversity

California PTAC (Procurement Technical Assistance Center)

Golden Gate Business Association (GGBA)

Los Angeles Gay & Lesbian Chamber of Commerce (LAGLCC)

National Association of Minority Contractors (NAMC)

National Utility Diversity Council (NUDC)

Rainbow Chamber Silicon Valley

SB-VBC Contract Lunch and Learn

Southern California Minority Supplier Diversity Council (SCMSDC)

Veterans In Business Network (VIB Network)

WBEC West

Western Region Minority Supplier Diversity Council (WRMSDC)

EXTERNAL ACTIVITIES

66.95%

Focused involvement in the sourcing of diverse suppliers for bid opportunities.



Continued collaboration at the front end of buying decisions to ensure diverse businesses are included in bid opportunities.



Suburban's buyers, led by management and leadership, seek referrals for certified diverse vendors when they have a bidding opportunity.



APRIL

Core and Main, a utility pipe warehouse and supplier, presented at the USDP meeting and we discussed ways to enhance their 2nd tier reporting with each utility. After meeting with Core and Main, NGLCC (National LGBT Chamber of Commerce) joined the USDP meeting to discuss our sponsorship and partnership for the year.

We were able to add into our membership dues tickets to their annual conference where USDP Committee members were able to connect with diverse LGBTQ businesses.

**Vendors presented at the USDP meetings showcasing their capabilities and desire to work with the utilities. **

Introduced Vendors to Water Investor Owned Utilities (IOUs)

In her role as California Water Association's Utility Supplier Diversity Program (USDP) Committee Chair, Lauren James instituted vendor presentations to give diverse vendors exposure to utility buyers at committee meetings.**

The presentations bridge the gap between community partners, vendors, and our internal processes and buying needs.

MAY Watearth (LGBTBE/WBE) presented at the USDP meeting.

JUNE Destination Enterprises (LGBTBE/WBE) and Parkins Data (LGBTBE/WBE) presented at the USDP meeting.

JUNE Pride Resource Partners (LGBTBE) and SDI Presence (MBE) presented at the USDP meeting.

EXTERNAL ACTIVITIES

Vendor Presentations (continued)

AUGUST

PILOT, Inc (LGBTBE) presented at the USDP meeting.

SEPTEMBER

JURISolutions Legal (JSL) (WBE) presented at the USDP meeting.

DECEMBER

The following vendors presented at the USDP Retreat:

1. Tiana Sanchez, Speaker and Trainer (WBE)
2. Zones (MBE)
3. G & C Equipment Corporation (DVBE/PDBE/MBE)
4. We the Creative (MBE)
5. Charge (DVBE)



Suburban connected with potential diverse suppliers participating in the California Procurement Technical Assistance Center (PTAC) webinar series "Doing Business With."

Lauren James was a panelist and provided tips to members on how to do business with Suburban and CWA water utilities.

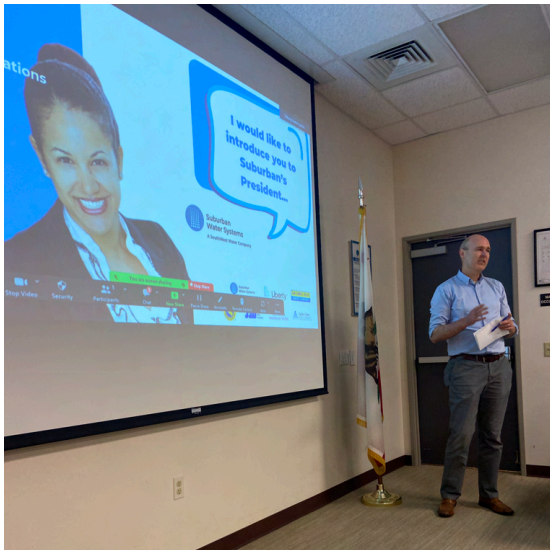
2023

In 2023 Suburban's Procurement Specialist and managers identified un-certified diverse owned vendors already working for Suburban. Some of these vendors became certified with the Supplier Clearinghouse and expanded their opportunities with other utilities.



SUPPLIER OUTREACH HIGHLIGHTS

CALIFORNIA WATER ASSOCIATION W.A.T.E.R.



Suburban President Craig Gott spoke to the CWA W.A.T.E.R. 2023 cohort to share an executive's point of view of intentional divers supplier outreach. As a water industry veteran, he was excited to explain the tremendous economic benefits Suburban has gained from extensive vendor outreach.

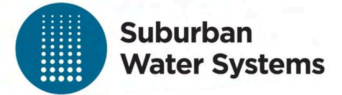


Water Acumen Training Entrepreneur Refinement



W.A.T.E.R. continues to mentor highly-capable businesses to gain insights into the water industry.

CWA W.A.T.E.R. 1.0



The annual California Water Association W.A.T.E.R. (Water Acumen Training Entrepreneur Refinement) vendor training cohort was instrumental in helping 13 highly qualified vendors increase their capacity to earn contracts from investor-owned water utilities.

In just three sessions, W.A.T.E.R. 1.0 graduates experienced BEFORE and AFTER transformations as they learned how to tailor their "pitches" to industry buyers. Melanie Rae, founder of Guided Business Plan, designed and facilitated the cohort which was held at Suburban Water Systems' corporate office. She coached them to create 60-Sec Intro Videos and organized a vendor showcase with buyers from 6 of the 7 utilities. The vendors learned how to discover forecasted opportunities by reading rate cases and annual reports.

Diverse Vendor Spotlight

Meet CWA WATER Alumn

Suburban Water Systems hired WBE business, Moments of Focus, to provide media training to our leadership team. Beneca Griffin, CEO of Moments of Focus, provided tips and best practices for our team to be prepared to engage with the news media should need arise to communicate with our customers.



Alumni of the CWA W.A.T.E.R. have collectively earned millions of dollars in contracts within the utility industry.



SUCCESS STORY

PROVIDING WATER CONSERVATION MESSAGING



Silvia Gutierrez

Green Media Creations, Inc.

Green Media Creations, Inc. has been offering water patrol services since 2014 as a way to decrease water waste through outreach and education.

As a response to the severe drought emergency in 2022, GMC was hired by Suburban Water Systems to patrol its San Jose Hills, Whittier, and La Mirada service areas to discover improper water use. Some of the issues included watering on wrong days or during wrong times, excessive runoff, and sprinkler damage or irrigation leaks. The purpose of the program was to educate customers on better outdoor water use practices. Sometimes customers are unaware of water use regulations, leaks, or incorrect irrigation controller schedules.

Throughout the course of the program, GMC staff noticed improper watering habits were corrected and saw a decline in reports.



Silvia Gutierrez is the President of Green Media Creations, Inc. (GMC), a conservation media company based in Glendora and established in 2011. The company is a certified Small Business Enterprise (micro) and Minority Owned Business.

GMC provides water efficiency messaging through various vehicles of public relations, outreach, education, and marketing, specializing in reaching out to disadvantaged communities. Services are offered in English, Spanish, and Mandarin.

Ms. Gutierrez has been with the company since 2015 and has worked with dozens of public agencies and private companies in the water industry. She has overseen successful projects including but not limited to canvassing, event tabling, class development, water patrolling, video production, and graphic design.

www.greenmediacreations.com

SUCCESS STORY



PROVIDING EMPLOYEE DEVELOPMENT SOLUTIONS



Ben Brooks, Founder & CEO PILOT

Designed to develop and retain talent, PILOT employs an innovative curriculum focused on enhancing core career competencies.

Ben embarked on a journey by investing his entire life savings into the creation of PILOT, driven by a singular mission: to make everyone feel powerful at work. PILOT, an acclaimed employee development program, consists of weekly reflection exercises, personalized manager feedback, enlightening executive fireside chats, and collaborative group coaching sessions. PILOT's virtual program is not only accessible and scalable but has also been proven effective.

PILOT proudly holds certification as a Certified LGBTBE diverse-owned small business, further underscoring SouthWest Water's commitment to inclusivity and diversity. PILOT is a multiyear vendor, emphasizing SouthWest Water's unwavering dedication to advancing supplier diversity and fostering an inclusive workplace environment.

PILOT

The impact of PILOT's program is tangible, as evidenced most recently from the 2023 cohort. A remarkable 100% of participants said being selected to participate made them feel valued by SouthWest Water. 88% reported they feel powerful at work — an impressive leap from the initial 38% at the program's inception.

PILOT has forged a robust and strategic partnership with SouthWest Water, marked by executive leadership's participation in progress meetings and exclusive chats with each cohort. Fireside chats have featured top executives, including President Jim McIntyre, Former Chairman of the Board Bob Carroll, and CEO Rob MacLean. Their dedication to fostering professional development across the organization has resulted in over 30% of employees completing the PILOT program, showcasing its efficacy and relevance in today's dynamic workplace landscape.

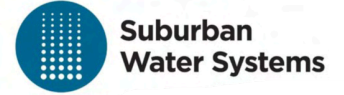


“The PILOT program has given our teams a common language to talk about their growth. This has opened the door for our leaders to have ongoing development conversations with employees going through the program. The participants have seen our company's investment in their career, and in turn, they and their managers have demonstrated commitment to their growth and development.”

JOANNE ELLIOTT
CHIEF HUMAN RESOURCES OFFICER
SOUTHWEST WATER

www.pilot.coach

CWA W.A.T.E.R. 2.0



CWA USDP launched WATER 2.0, a customized vendor development program designed to increase access to capital and build a business legacy for diverse business enterprises.



The 4-part, in-person workshops allowed participants to:



Expand access to Business Capital for growth



Receive in-depth knowledge of available Business Capital Programs



Understand lending requirements and how to expedite the lending process

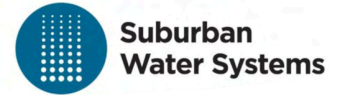


Complete a lending package for Business Capital loan requests for potential lender match

One participant qualified for a significant lending package allowing her to grow her business and expand her service offerings.



CWA MIX MINGLE & CONNECT



On December 5, 2023, the California Water Association hosted the CWA Mix, Mingle and Connect mixer to celebrate the CWA's \$300 million in diverse spend. Diverse vendors who have contracts, or may be interested in contracting, with the water utilities were invited to meet the Utility Supplier Diversity Program (USDP) team at the Four Bricks restaurant in Whittier, California.



Breaking away from the traditional Meet and Mingles, the USDP team approved hosting the event at a wedding venue with space for a small dance floor. Michael Moss, also a member of the USDP team, was the DJ and filled the venue with Bridgerton-style music as a backdrop for conversations. He then turned it up when dance coaches surprised guests with backflips as they entered the dance floor. The coaches, who have shared the stage with Brittany Spears and Ne-Yo, taught the group popular party dances and created a fun, unforgettable experience that deepened connections.



The end result of the much talked about event was stronger interest and increased exposure of contracting opportunities within the California water industry and beyond. Attendees forged relationships with the seven largest investor-owned utilities in the state.



CWA MIX MINGLE & CONNECT



Approximately 60 vendors from across the state attended such as Michael Melicia, president of Coastal Paving in Monterrey; Silvia Green whose Green Media Creations, Inc. offers water conservation enforcement in Los Angeles; Robin Thorne, founder of CTI Environmental Inc. and Demo Chicks in Orange County; and Kathy Tetreault, founder of Saddleback Surveys in Irvine.



Several small businesses were involved in the production of the event: Guided Business Plan, a Los Angeles entrepreneur education firm; Four Bricks restaurant, located on a quaint “Main Street” in Whittier; and Hollywood based Show Off Dance Center featuring Coach Ebonnee whose credits include choreographing a *Dancing with the Stars* finale.



Of significant note is that just a few months before the event, the CWA and its utilities were highlighted by commissioners at the annual En Banc event for exceeding the California Public Utilities Commission’s (CPUC) diverse spend goals. California American Water was the only utility among water, gas, electric and communication to meet all of four of the spend goals. Suburban Water Systems led all utilities in 2022 with 67.61% spend with a multitude of diverse vendors. The team demonstrates that intentional outreach results in more innovation and greater impact.



PRIME CONTRACTOR ENGAGEMENT



Prime Thank You Luncheon

CWA USDP hosted a CWA Prime thank you luncheon for each utility's Prime contractors to teach them about the opportunities and importance of 2nd tier diverse spend. Through networking, they connected with qualified certified 2nd tier vendors.

2nd Tier Reporting

Suburban's Engineering team continued to hold our Prime contractors accountable for 2nd tier spending by requiring reporting in contracts.

The Prime's contract is not considered complete until Suburban's Procurement Specialist receives the 2nd tier spend report. These efforts supported an overall increase in 2nd tier reports, spending, and diverse vendor utilization.

CWA Meet the Primes

A Prime contractor event

This event allows prime contractors to share their upcoming opportunities with certified subcontractors and discuss ways subcontractors can support them.

Vendors participated in business matchmaking activities to connect and build relationships to increase their 2nd tier spend.

Suburban has since started working with **FOUR** vendors they met at these two events.



INTERNAL ACTIVITIES

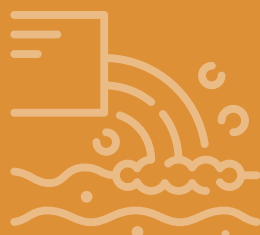
WE FOCUS ON CREATING AN ORGANIZATIONAL CULTURE THAT INCLUDES DIVERSE VENDORS IN ALL CONTRACT OPPORTUNITIES

Suburban continuously promotes the importance of the Supplier Diversity program and our annual goals to our employees.

We want to meet and exceed the CPUC goal of 21.5%.

Information about Suburban's Supplier Diversity program is shared by email, at the following meetings, and in conversations throughout the year:

- Mid-manager meetings
- Executive staff meetings
- District and departmental meetings
- Company internal newsletter and weekly announcements
- Luncheon Celebration
- Quarterly luncheons



The information included in these forums included:

- The purpose of the Supplier Diversity program
- How we accomplish our goals
- Awards of contracts to new or existing diverse firms
- Introduction of new diverse firms to operations personnel
- Review of bidding opportunities
- Discussion of outcomes of bidding opportunities
- Updates on YTD spend and measurements of success

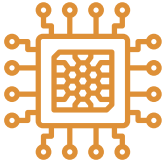
Spotlight

Monthly Supplier Diversity Champion email showcasing our YTD spend in each category alongside our goals and employee champion spotlights.

INTERNAL ACTIVITIES

SECTION 9.1.1

Efforts to involve diverse businesses
in bid opportunities included:



Software and
Technology Services



Engineering Design Services
(civil, mechanical, electrical, architectural,
structural, Geotech, Water Quality and Treatment)



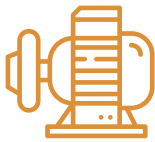
Construction Management Services
(inspection, project management)



Employee Engagement Training



Landscaping



Pump & Motor Installations
(wells and boosters)

Suburban
continues to
actively search for
qualified vendors
in these
categories.



Electrical
(instrumentation, conduits and
wiring, switchgear, and MCC)



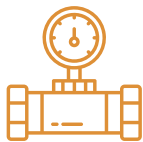
SCADA instrumentation and hardware
(equipment & services)



Earthwork and Grading



Demolition



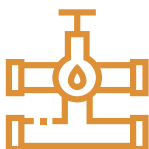
Meter Replacements



Well Drilling



Steel Tank Construction & Retrofits
(welding and painting)



Pipeline and Appurtenances including valves,
blow-offs, services, fire hydrants



AC Paving and Concrete
Surface Restoration



Sitework (chain-link fencing,
wrought iron fencing, CMU block walls)

SUMMARY OF PURCHASES OR CONTRACTS BY ETHNICITY

Annual Results By Ethnicity					
	Ethnicity	Direct \$ ¹	Sub \$ ²	Total \$	Percent%
Minority Male	African American	4,300	-	4,300	0.01%
	Asian Pacific American	454,007	-	454,007	1.07%
	Hispanic American	16,502,797	396,620	16,899,417	40.00%
	Native American	-	-	-	0.00%
	Total	\$16,961,104	\$396,620	\$17,357,724	41.08%
Minority Female	African American	3,250	-	3,250	0.01%
	Asian Pacific American	4,200	-	4,200	0.01%
	Hispanic American	-	23,039	23,039	0.05%
	Native American	-	-	-	0.00%
	Total	\$7,450	\$23,039	\$30,489	0.07%
	MBE	16,968,554	419,659	17,388,213	41.16%
	WBE	4,839,791	-	4,839,791	11.46%
	LGBTBE	5,487,272	-	5,487,272	12.99%
	DVBE	569,632	-	569,632	1.35%
	Persons with Disabilities Business Enterprise (DBE)	-	-	-	0.00%
	8(a)*	-	-	-	0.00%
	Total Supplier Diversity Spend	\$27,865,249	\$419,659	\$28,284,908	66.95%
	Net Procurement**	\$42,248,040			

NOTES:

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

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

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

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

% - Percentage of Net Procurement.

SUMMARY OF PURCHASES OR CONTRACTS BY PRODUCTS AND SERVICES (DIRECT)

Annual Results By Products and Services - Direct

	Ethnicity		Product \$	%	Services \$	%	Total \$	%
Minority Male	African American	Direct	-	0.00%	4,300	0.02%	4,300	0.01%
	Asian Pacific American	Direct	135,852	29.48%	318,155	1.16%	454,007	1.07%
	Hispanic American	Direct	305,207	66.24%	16,197,590	59.11%	16,502,797	39.06%
	Native American	Direct	-	0.00%	-	0.00%	-	0.00%
	Total Minority Male	Direct	\$441,059	95.72%	\$16,520,045	60.28%	\$16,961,104	40.14%
Minority Female	African American	Direct	800	0.17%	2,450	0.01%	3,250	0.01%
	Asian Pacific American	Direct	-	0.00%	4,200	0.02%	4,200	0.01%
	Hispanic American	Direct	-	0.00%	-	0.00%	-	0.00%
	Native American	Direct	-	0.00%	-	0.00%	-	0.00%
	Total Minority Female	Direct	\$800	0.17%	\$6,650	0.02%	\$7,450	0.02%
Total MBE	Direct	441,859	95.89%	16,526,695	60.31%	16,968,554	40.16%	
WBE	Direct	15,584	3.38%	4,824,207	17.60%	4,839,791	11.46%	
LGBTBE	Direct	-	0.00%	5,487,272	20.02%	5,487,272	\$0	
DVBE	Direct	3,342	0.73%	566,290	2.07%	569,632	1.35%	
Persons with Disabilities Business Enterprise	Direct	-	0.00%	-	0.00%	-	0.00%	
8(a)*	Direct	-	0.00%	-	0.00%	-	0.00%	
Total Supplier Diversity Spend	Direct	\$460,785	100.00%	\$27,404,464	100.00%	\$27,865,249	65.95%	

Net Procurement**	\$42,248,040
Net Product Procurement	\$460,785
Net Service Procurement	\$27,404,464
Total Number of Diverse Suppliers that Received Direct Spend	52

NOTES:

* 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business

Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

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

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

% - Percentage of Net Procurement.

SUMMARY OF PURCHASES OR CONTRACTS BY PRODUCTS AND SERVICES (SUB)

Ethnicity			Product \$	%	Services \$	%	Total \$	%
Minority Male	African American	Sub	-	0%	-	0%	-	0%
	Asian Pacific American	Sub	-	0%	-	0%	-	0%
	Hispanic American	Sub	37,513	100%	359,107	100%	396,620	100%
	Native American	Sub	-	0%	-	0%	-	0%
	Total Minority Male	Sub	\$37,513	100%	\$359,107	100%	396,620	100%

Minority Female	African American	Sub	-	0%	-	0%	-	0%
	Asian Pacific American	Sub	-	0%	-	0%	-	0%
	Hispanic American	Sub	-	0%	23,039	100%	23,039	100%
	Native American	Sub	-	0%	-	0%	-	0%
	Total Minority Female	Sub	0	100%	\$23,039	100%	\$23,039	100%

MBE	Sub	\$37,513	100.00%	\$382,146	100.00%	\$419,659	100.00%
WBE	Sub	-	0.00%	-	0.00%	-	0.00%
LGBTBE	Sub	-	0.00%	-	0.00%	-	\$0
DVBE	Sub	-	0.00%	-	0.00%	-	0.00%
Persons with Disabilities Business Enterprise (DBE)	Sub	-	0.00%	-	0.00%	-	0.00%
8(a)*	Sub	-	0.00%	-	0.00%	-	0.00%
Total Supplier Diversity Spend	Sub	\$37,513	100.00%	\$382,146	100.00%	\$419,659	100.00%

Net Procurement**	\$419,659
Net Product Procurement	\$37,513
Net Service Procurement	\$382,146

NOTE:

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

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

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

% - Percentage of Net Procurement.

WMDV LGTB BE PROCUREMENT BY STANDARD INDUSTRIAL CATEGORIES

Supplier Diversity Annual Report and Annual Plan

Page 5

SIC Code	Supplier Diversity Results by Standard Industrial Classification (SIC) Codes																8(a)*	Total Supplier Diversity Spend	Total Procurement	
	African American Male	African American Female	Asian Pacific American Male	Asian Pacific American Female	Hispanic American Male	Hispanic American Female	Native American Male	Native American Female	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)							
782	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	269,744	1.60%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	269,744	0.95%	269,744	0.95%
1623	\$ -	0.00%	\$ -	0.00%	\$ 13,402,121	79.31%	\$ -	0.00%	\$ 13,402,121	77.18%	\$ 1,400,377	28.80%	\$ 5,487,272	88.49%	\$ 50,408	0.00%	\$ 20,793,850	73.52%	\$ 20,793,850	73.52%
1629	\$ -	0.00%	\$ -	0.00%	\$ 16,352	0.10%	\$ -	0.00%	\$ 16,352	0.09%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 16,352	0.06%	\$ 16,352	0.06%
1731	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 481,264	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 481,264	0.45%	\$ 481,264	0.45%
1771	\$ -	0.00%	\$ -	0.00%	\$ 1,621,652	9.34%	\$ -	0.00%	\$ 1,621,652	9.34%	\$ 9,342	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 1,621,652	5.73%	\$ 1,621,652	5.73%
1794	\$ -	0.00%	\$ -	0.00%	\$ 128,573	0.74%	\$ -	0.00%	\$ 128,573	0.74%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 128,573	0.45%	\$ 128,573	0.45%
1795	\$ -	0.00%	\$ -	0.00%	\$ 944	0.01%	\$ -	0.00%	\$ 944	0.01%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 944	0.00%	\$ 944	0.00%
1796	\$ -	0.00%	\$ -	0.00%	\$ 42,416	0.25%	\$ -	0.00%	\$ 42,416	0.24%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 42,416	0.15%	\$ 42,416	0.15%
1799	\$ -	0.00%	\$ 6,050	1.33%	\$ -	0.11%	\$ -	0.00%	\$ 18,700	0.14%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 24,750	0.09%	\$ 24,750	0.09%
2752	\$ -	0.00%	\$ -	0.00%	\$ 354,419	2.10%	\$ -	0.00%	\$ 354,419	2.04%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 354,419	1.25%	\$ 354,419	1.25%
3713	\$ -	0.00%	\$ 135,852	29.92%	\$ -	0.00%	\$ -	0.00%	\$ -	0.78%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 135,852	0.48%	\$ 135,852	0.48%
3799	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 1,012	0.01%	\$ -	0.18%	\$ -	0.00%	\$ 1,561	0.01%	\$ 1,561	0.01%
4214	\$ -	0.00%	\$ -	0.00%	\$ 359,107	2.12%	\$ -	0.00%	\$ 359,107	2.07%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 359,107	1.27%	\$ 359,107	1.27%
4619	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 2,367,101	48.68%	\$ -	0.00%	\$ -	0.00%	\$ 2,367,101	8.37%	\$ 2,367,101	8.37%
5063	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 422	0.01%	\$ -	0.00%	\$ -	0.00%	\$ 422	0.00%	\$ 422	0.00%
5085	\$ -	0.00%	\$ -	0.00%	\$ 13,225	0.08%	\$ -	0.00%	\$ 13,225	0.08%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 13,225	0.05%	\$ 13,225	0.05%
5113	\$ -	0.00%	\$ -	0.00%	\$ 51,839	0.31%	\$ -	0.00%	\$ 51,839	0.30%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 51,839	0.18%	\$ 51,839	0.18%
5172	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 542,128	11.15%	\$ -	0.00%	\$ -	0.00%	\$ 542,128	1.92%	\$ 542,128	1.92%
5983	\$ -	0.00%	\$ -	0.00%	\$ 4,275	0.03%	\$ -	0.00%	\$ 4,275	0.02%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 4,275	0.02%	\$ 4,275	0.02%
7215	\$ -	0.00%	\$ 22,196	4.89%	\$ -	0.00%	\$ -	0.00%	\$ -	0.13%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 22,196	0.08%	\$ 22,196	0.08%
7342	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 4,335	0.09%	\$ -	0.00%	\$ -	0.00%	\$ 4,335	0.02%	\$ 4,335	0.02%
7371	\$ -	0.00%	\$ 140,850	31.02%	\$ -	0.00%	\$ -	0.00%	\$ -	0.81%	\$ 140,850	2.01%	\$ -	0.00%	\$ -	0.00%	\$ 140,850	0.50%	\$ 140,850	0.50%
7549	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 2,013	0.04%	\$ -	0.00%	\$ -	0.00%	\$ 2,013	0.01%	\$ 2,013	0.01%
7692	\$ -	0.00%	\$ -	0.00%	\$ 24,813	0.15%	\$ -	0.00%	\$ 24,813	0.14%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 24,813	0.09%	\$ 24,813	0.09%
7699	\$ -	0.00%	\$ -	0.00%	\$ 902	0.01%	\$ -	0.00%	\$ 902	0.01%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 902	0.00%	\$ 902	0.00%
8111	\$ -	0.00%	\$ -	100.00%	\$ 4,200	0.02%	\$ -	0.00%	\$ 4,200	0.02%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 4,200	0.01%	\$ 4,200	0.01%
8299	\$ 4,300	100.00%	\$ 2,450	75.38%	\$ -	0.00%	\$ -	0.00%	\$ -	0.04%	\$ 6,750	0.11%	\$ 1,250	0.22%	\$ -	0.00%	\$ 13,550	0.05%	\$ 13,550	0.05%
8711	\$ -	0.00%	\$ 149,060	32.83%	\$ -	0.00%	\$ 250,770	1.40%	\$ -	0.39%	\$ 399,830	2.30%	\$ 63,289	11.11%	\$ -	0.00%	\$ 463,119	1.64%	\$ 463,119	1.64%
8734	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 230,965	1.37%	\$ -	1.33%	\$ 230,965	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 230,965	0.82%	\$ 230,965	0.82%
8741	\$ -	0.00%	\$ 800	24.62%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 800	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 800	0.00%	\$ 800	0.00%
8742	\$ -	0.00%	\$ -	0.00%	\$ 108,602	0.64%	\$ -	0.00%	\$ 108,602	0.63%	\$ 5,055	0.10%	\$ -	0.00%	\$ -	0.00%	\$ 113,657	0.40%	\$ 113,657	0.40%
8743	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 1,023	0.02%	\$ -	0.00%	\$ -	0.00%	\$ 1,023	0.00%	\$ 1,023	0.00%
8748	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 50,132	1.03%	\$ -	0.00%	\$ -	0.00%	\$ 50,132	0.18%	\$ 50,132	0.18%
8999	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 2,883	0.06%	\$ -	0.00%	\$ -	0.00%	\$ 2,883	0.01%	\$ 2,883	0.01%
Total	\$ 4,300	0%	\$ 3,250	0%	\$ 454,007	2%	\$ 4,200	0%	\$ 16,899,417	60%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 28,284,908	100%	\$ 28,284,908	100%

Net Procurement* 42,250,289.01

Net Procurement = total goods and services procurement spend from all suppliers (both non-diverse and diverse suppliers) for the previous calendar year. It does not include Fuel and Power procurements.

\$ = Direct and Sub Spend for the row SIC Code.

% = Direct and Sub Spend Percentage of the row SIC Code Total Procurement.

Total Procurement = Total goods and/or services procurement spend with suppliers (non-diverse and diverse suppliers) for the previous calendar year, in the row SIC Code.

NOTES:

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

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

% = Percentage of row Total Procurement.

NUMBER OF WMDVLGBTBE SUPPLIERS AND REVENUE REPORTED TO THE CLEARINGHOUSE

Number of Diverse Suppliers Data														
Number of Diverse Suppliers	Revenue Reported to the Supplier Clearinghouse							Utility-Specific [2023] Summary						
	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)	8(a)*	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)	8(a)*	Total
Under \$1 million	11	5		5			21	31	15		5			51
Under \$5 million	9	8					17	2	1					3
Under \$10 million	3	2					5			1				1
Above \$10 million	11	1	1				13	1						1
Total	34	16	1	5	0	0	56	34	16	1	5	0	0	56

Revenue and Payment Data														
Revenue of Diverse Suppliers	Revenue Reported to the Supplier Clearinghouse							Utility-Specific [2023] Summary						
	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)	8(a)*	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)	8(a)*	Total
Under \$1 million	4.19	0.77		0.1			5.06	2.69	2.47		0.57			5.73
Under \$5 million	20.65	19.58					40.23	4.31	2.37					6.68
Under \$10 million	19.79	13.02					32.81			5.49				5.49
Above \$10 million	440.6	31.96	15	47.18			534.74	10.38						10.38
Total	485.23	65.33	15	47.28	0	0	612.84	17.38	4.84	5.49	0.57	0	0	28.28

NOTE:

* 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary

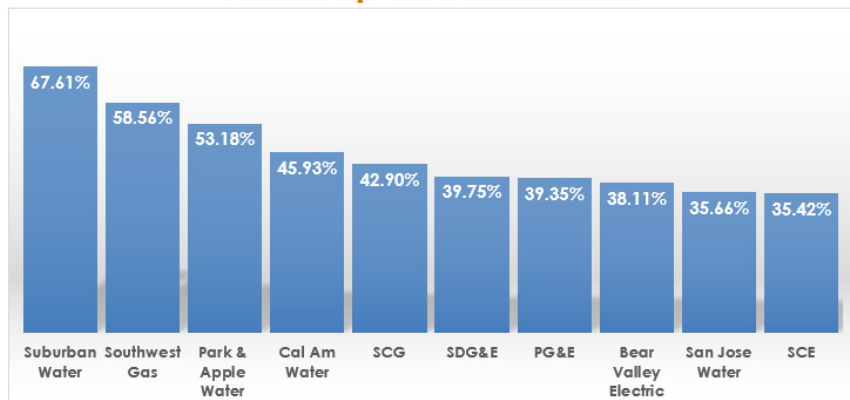
of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES

EXPENSE CATEGORY	
Wages	\$77,000
Other Employment Expense	
Reporting Expense	
Training	\$12,815.25
	\$987.25
Consulting	\$ 4,147.51
Program Expense	
TOTAL PROGRAM EXPENSES	\$90,802.50

Suburban Water Systems was recognized at the CPUC's En Banc 2023 for achieving the highest percentage diverse spend of all CPUC regulated utilities.

2022 Top 10 Performers

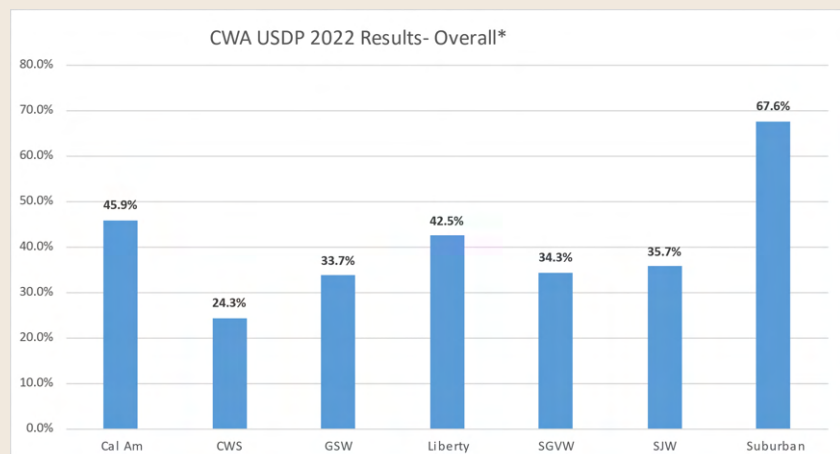


California Public Utilities Commission

PROGRESS IN MEETING OR EXCEEDING SET GOALS

Category	2023	2022
Minority Male Business Enterprise	41.08%	36.40%
Minority Female Business Enterprise	0.07%	9.32%
Minority Business Enterprise (MBE)	41.16%	45.72%
Women Business Enterprise (WBE)	11.46%	10.23%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	12.99%	11.04%
Disabled Veteran Business Enterprise (DVBE)	1.35%	0.61%
Persons with Disabilities Business Enterprise (DBE)	0.00%	0.00%
Total	66.95%	67.61%

California Water Association utilities' overall 2022 results.



WMDVLGBTBE SHORT-, MID- AND LONG-TERM GOALS



Category	2023 Results	Short Term Goals	Mid Term Goals	Long Term Goals
Minority Business Enterprise (MBE)	41.16%	10.00%	15.00%	20.00%
Women Business Enterprise (WBE)	11.46%	5.00%	10.00%	15.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)	12.99%	5.00%	7.00%	10.00%
Disabled Veteran Business Enterprise (DVBE)	1.35%	1.50%	3.50%	5.00%
Persons with Disabilities (PDBE)	0.00%	0.20%	0.50%	0.50%
TOTAL WMDVLGBTBE	66.95%	21.70%	36.00%	50.50%

EXTERNAL ACTIVITIES



In 2024, Suburban's goal will continue to strive to exceed the CPUC's stated goal of 21.5% spend with diverse businesses.

Drawing on our operational expertise and long-range planning, our strategic approach identified will help ensure the best possible inclusion of diverse businesses in procuring our goods and services in the future.

SECTION 9.1.5

SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVLGBTBE SUBCONTRACTORS

Subcontracting remains critical to the success of our Supplier Diversity program. Each time we enter a Master Service Agreement with a Prime we require them to complete Suburban's subcontracting form that aids our annual reporting. Suburban remains committed to subcontracting.

SECTION 9.1.6

WMDVLGBTBE COMPLAINTS RECEIVED

No WMDVLGBTBE complaints were received.



SECTION 9.1.7

RECRUITMENT EFFORTS IN UNDERUTILIZED

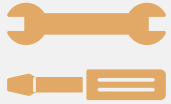
Recruitment efforts for WMDVLGBTBE firms remain part of Suburban's ongoing business strategy. Our effort to attract innovative suppliers who provide exceptional value, safety, quality service, and pricing is part of our day-to-day procurement sourcing.

We continue to recruit and build capacity for new diverse firms successfully. Suburban carefully monitors the successes and challenges of sourcing business opportunities with diverse firms.

We seek feedback about the need for vendors from both the internal buyer and field operations representatives. Our field representatives serve as our eyes and ears; their first-hand experience with the vendor renders feedback necessary for the growth of the relationship and our procurement processes and vendor opportunities.

2024 STRATEGIC PROGRAM GOALS

In 2024, Suburban will focus on carefully selected areas for maximum results:



Focused and intentional events with Primes and buyers (vendor showcases with buyers and matchmaking).

Partnerships with Community Based Organizations, including meeting with their members to reach a wider audience of potential vendors.

Specific focus on increasing purchases from:

oDisabled Veteran Businesses

oAmerican Indian Owned Businesses

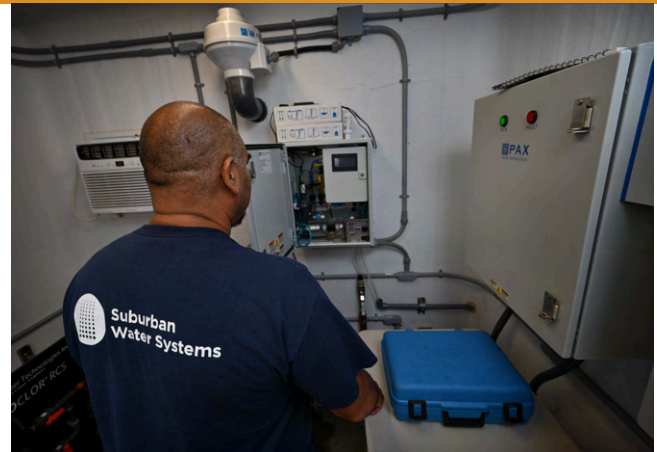
oAfrican American Businesses

oPersons with Disabilities Businesses



Integration of Sourcing and Planning

Suburban will continue to provide opportunities for diverse suppliers to partner with us to meet our capital expenditure and operational needs. Suburban remains committed to including diverse vendors on each bid opportunity to support our supplier inclusion effort.



In 2024, Suburban is planning to focus on finding opportunities to increase our spend with DVBE, W/MBE, American Indian, and African American service providers, and work on sustaining our program's successful model.



2ND TIER SUBCONTRACTING PROGRAM

Promoting the use of certified 2nd tier subcontracting creates opportunities for diverse businesses that do not have the scale to serve as the Prime.

In 2024 we will focus on the these critical areas of subcontracting:



Connect eligible diverse certified 2nd tier subcontractors to Prime contractors to partner on Suburban projects.



Continue to mandate Prime suppliers' completion of Suburban's 2nd tier subcontracting form.

Enhanced Reporting



Suburban will continue to enhance our reporting capabilities to support our diverse spend tracking and 2nd tier sub-contractor utilization.

Accurate monthly reporting is critical to tracking our overall success. We track results and compare performance to our goals.

Reviewing data from reporting reveals areas of opportunity to support more team discussions and problem-solving.

PLANNED INTERNAL/EXTERNAL ACTIVITIES

Planned Internal Activities

Suburban Prime Contractor Luncheon:
Networking event promoting the importance of diverse 2nd tier spend.




Suburban 2024 Celebration Luncheon:
Celebrate our 2023 Supplier Diversity program success, recognize our Supplier Diversity champions, and share our goals for 2024.

- Review and analyze procurement processes to ensure Supplier Diversity is a part of the day-to-day culture.
- Continued education through communication with company personnel, buyers, and stakeholders.
- Internal presentations and meetings with employees and managers.
- Monthly email announcements showcasing our Year to Date (YTD) Supplier Diversity spend numbers, champions, and success stories.



PLANNED EXTERNAL ACTIVITIES FOR THE CALENDAR YEAR

CWA W.A.T.E.R. PROGRAM

-  The W.A.T.E.R. Program is a 4-part quarterly workshop that provides diverse vendors with 22 hours of training that focuses on increasing their chances of being viewed as a "safe choice" to be a prime or 2nd tier sub-contractor on large utility projects.
-  They can connect with the seven (7) participating Class A water companies, including Suburban.
-  After completing the program, each participant receives a certificate demonstrating their company's skills and knowledge to do business with water companies.

CWA MEET THE PRIMES PRIME CONTRACTOR

Prime Contractors present upcoming subcontractor opportunities to certified 2nd tier sub-contractors.

CWA CBO/PRIME THANK YOU LUNCHEON

The event connects each utility and its Procurement departments with vendors in the categories they are sourcing. Vendors are hand-selected by each member agency based on member needs. They get a chance to introduce themselves and participate in matchmaking with the interested procurement buyers.

- Communication campaigns in the supplier community to raise awareness of Suburban's program to enlarge the company's footprint in the diverse supplier community.
- Participate in various outreach events and meetings.
- Collaborate with other utilities and CBOs on the identification of suppliers.

PLANS TO SEEK AND RECRUIT WMDVLGBTBE SUPPLIERS IN UNDERUTILIZED AREAS (FINANCIAL, LEGAL, ETC.)

Suburban will be intentional in 2024 when procuring suppliers in underutilized areas.

We plan to host a buyer showcase focused on connecting with diverse businesses to expand our vendor pool.

We will utilize our CBO partnerships to identify their members with offerings that align with our buyer's needs.

We will also identify registered vendors on the CPUC Supplier Clearinghouse to create a curated list to promote our events.

These deliberate approaches will garner increased vendor visibility and relationships in underutilized areas.



An organization needs to have a disciplined procurement approach that requires the participation of those who use the products and services.



SECTION 10.1.4

PLANS FOR SEEKING OR RECRUITING WMDVLGBTBE SUPPLIERS FOR EXCLUDED CATEGORIES

We continue to recruit and build capacity for new diverse firms successfully. Suburban carefully monitors the successes and challenges of sourcing business opportunities with diverse firms.

We seek feedback about the need for vendors from both the internal buyer and field operations representatives. Our field representatives serve as our eyes and ears; their first-hand experience with the vendor renders feedback necessary to the relationship and growth of our procurement processes and vendor opportunities.

PLANNED 2ND TIER SUBCONTRACTING OPPORTUNITIES

Suburban will continue to encourage our prime suppliers to utilize diverse certified vendors as 2nd tier sub-contractors, sharing our commitment to diversity and creating more opportunities for diverse, small businesses.

Suburban will host a **Prime contractor luncheon** focusing on the importance of 2nd tier subcontracting and the requirement of submitting their 2nd tier subcontracting report after job completion.

Suburban will also collaborate with CWA and the Joint Utilities to host and participate in **Prime contractor events** to bring more visibility to 2nd tier subcontracting opportunities.

SECTION 10.1.6

PROGRAM COMPLIANCE

Suburban Water Systems remains committed to Supplier Diversity.

Suburban's program continues to evolve and build on our strengths. Our three-pronged strategic approach of planning, 2nd tier subcontracting, and reporting will enable Suburban to continue successfully supporting the program.

Our leadership and management teams are committed to the Program and have created a culture that supports Suburban's robust Supplier Diversity procurement processes.

A key element to its program, Suburban looks to procure the highest quality products and services at the best possible prices by actively seeking the support of external stakeholders. Suburban will continue to look to diverse suppliers to meet our business needs.



For more information about Supplier Diversity at Suburban, contact:

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Email: LJames@swwc.com