

# Golden State Water Company

A Subsidiary of American States Water Company

## 2014 Annual Report On The Utilization Of Women, Minority and Disabled Veteran Business Enterprises



About the cover

Golden State Water Company's cover features one of our Diverse Prime Contractors, J De Sigio Construction, Inc. JDC has worked with GSWC for over 10 years. This project is located in the City of Claremont on Indian Hill N/O Arrow Hwy.

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## **Introduction**

Golden State Water Company (GSWC) hereby submits the 2014 Annual Supplier Diversity Program report and the 2015 Annual Plan per the requirements of the California Public Utilities Commission (CPUC) General Order 156. This report outlines the program activities and results that GSWC achieved for the period beginning January through December, 2014. The report will describe Supplier Diversity Program objectives for 2015 and supplier diversity purchasing goals through 2016.

Golden State Water Company recognizes the value of Supplier Diversity as a strategic business decision, and is committed to seek and identify diverse suppliers and offer them equitable opportunities to compete for contracts to supply materials and services to our Company.

We acknowledge that a robust Supplier Diversity initiative broadens the supplier base, stimulates competition, and ensures that Golden State Water receives the highest quality materials and services at the best available prices.

## **Corporate Commitment to Supplier Diversity**

Golden State Water Company (GSWC) is dedicated to providing equal opportunity to all potential business partners. It is the policy of Golden State Water to encourage and afford opportunities to diverse suppliers including, but not limited to, Women Business Enterprises (WBEs), Minority Business Enterprises (MBEs) and Disabled Veteran Business Enterprises (DVBES), while simultaneously ensuring the best combination of quality, service and price is provided in accordance with the highest ethical and professional standards.



## 2014 Annual Report

### Message from the President and CEO

Golden State Water Company is pleased to submit its 2014 Annual Report on the Utilization of Women, Minority and Disabled Veteran Business Enterprises (WMDVBE). This year's annual report highlights the past year's success of Golden State Water's commitment to diversity, and describes our continuing efforts to improve our program going forward.

Golden State Water Company (GSWC) follows the guidelines established by the California Public Utilities Commission's (CPUC) General Order 156 for the inclusion of (WMDVBE) to build our supply chain that will benefit our company and our customers. GSWC recognizes the importance of a diverse supply base which reflects the communities we serve and the impact this has on competition to receive the best combination of quality, service and price.

I am pleased to report that our total payments to WMDVBE exceeded the goals set forth in General Order 156 for the second consecutive year. In 2014, Golden State Water's spending with WMDVBE certified suppliers was \$22.3 million, or 23.1% of our total qualified procurement spending. GSWC was able to exceed the GO156 goal for a second year as a result of hard work and dedication from our employees and contributions from the efforts of our Prime Contractors.

In addition to the overall success of surpassing the goal established in GO156, Golden State Water experienced a number of other notable achievements this past year, including:

- In June 2014, GSWC was awarded the *Utility Company of the Year Award* by the Black Business Association (BBA). We were honored to receive this award from the BBA, which recognized our commitment to support the growth and development of the BBA and for providing equal opportunities for diverse suppliers including Women, Minority and Disabled Veteran Businesses.
- In 2014, GSWC sponsored a Mentor-Protégé Pilot Program (MP3) designed to support the capacity building and technical support assistance objectives of GO 156. The MP3-Program is designed to prepare WMDVBES for potential water utility contracting opportunities. We were pleased to celebrate the end of Phase I of our MP3 program by honoring our participants, including Mr. Thomas Gibbs, owner of Precision Contractors. As we move to Phase II of this program, we have committed to continue to work with Mr. Gibbs' success as one of our new pipeline contractors.

Golden State Water continues to lead the path with new innovation for the water utilities. In 2015, we will implement an e-Procurement program which will improve outreach efforts with suppliers and gain control and visibility over spending by streamlining the procurement process.

Golden State Water actively participates in a number of outreach events within the communities we serve. Going forward, we will continue our involvement and support with the many community-based organizations and outreach events in 2015, as these activities allow us to share opportunities to increase diversity.

*Robert J. Sprowls*

Robert J. Sprowls, President and CEO

## Golden State Water Company 2014 Annual WMDVBE Report

### 2014 Highlights

GSWC is reporting SIC codes officially for the first time in this report. The results revealed categories of spend that were not known to us before. This information will provide us a better picture to focus on our ongoing outreach endeavors. We will continue to capture this data and work to make this an effortless process.

GSWC, along with CWA member utilities, supports the Commission's effort to update GO 156 to bring it into compliance with AB 1678, by expanding the provisions of the Commission's Supplier Diversity Program to include Lesbian, Gay, Bisexual and/or Transgender (LGBT) Business Enterprises. We look forward to the opportunities to work with other utilities and engage in outreach efforts with the LGBT community.

GSWC along with member utilities of the California Water Association (CWA), sponsored a Mentor-Protégé Pilot (MP3) program, in compliance with Ordering Paragraph No. 4 of D11-05-019 (in R.09-07-027), a Multi-Tiered Technical Assistance and Capacity Building Program. The program supports and prepares diverse business enterprises for potential utility contracting opportunities. We were pleased to celebrate the end of Phase I of our MP3 program by honoring our protégé during a celebration held in Ontario, CA. Jack Hawks, Executive Director of CWA and our program consultant, Oscar Edwards of Infinity Business Solutions, presented Mr. Thomas Gibbs, owner of Precision Contractors, his certificate of completion. As we move to Phase II of this program, we will continue to support Mr. Gibbs' success as one of our new pipeline contractors. We look forward to Phase II and working with our new protégé.



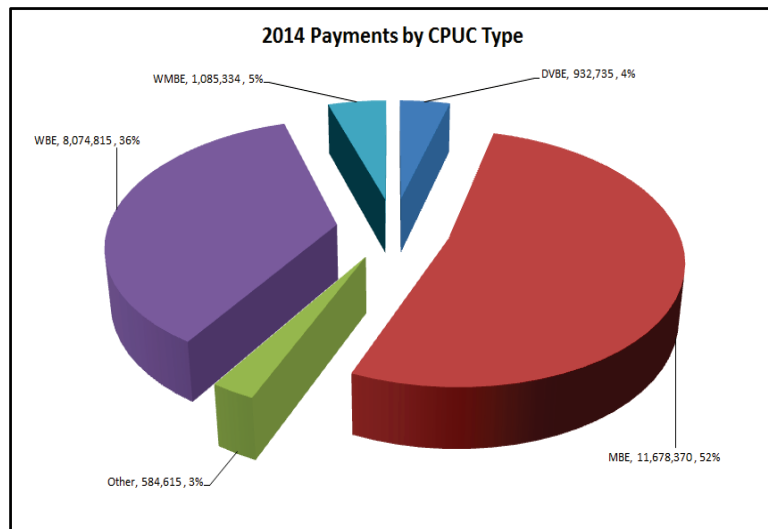
Oscar Edwards of Business Solutions; Emma Maxey, Supplier Diversity Manager, GSWC; Thomas Gibbs, Owner of Precision Contractors; and Jack Hawks, Executive Director, CWA

## 2014 Challenges

Our Tier 2 program continues to be a challenge, although we have put the appropriate language in all of our bid documents that encourages our Primes to subcontract with WMDVBEs when they are rewarded contracts totaling \$250K or more. We are receiving the requested subcontracting reports at the end of the year since the feedback from many of the Primes requested that they send it annually instead of quarterly. Annual reporting will not allow time to get the subs that are not certified through the process if we continue to receive reports annually. Many Primes do not take the time to verify their status. As a result, we are, requiring quarterly reporting beginning in 2015.

DVBE spend is an ongoing challenge for us, although we improved from last year's spend. We will continue with our outreach efforts to find qualified DVBEs. We acknowledge the low category of spend with minority women, and are using groups like WBENC, Minority Supplier Development Council, Community-based organization and others to focus for sourcing needs.

2014 Payments		
CPUC Type	Payment	%
Other	584,615	2.60%
DVBE	932,735	4.20%
WMBE	1,085,334	4.90%
WBE	8,074,815	36.10%
MBE	11,678,370	52.20%
<b>Total</b>	<b>22,355,871</b>	<b>100.00%</b>



## SEC. 9.1.1 Description of WMDVBE Program Activities-Internal/External

### Internal Activities

Our Supplier Diversity Program continues to be a high priority of our President and CEO. Everyone is held accountable for their diversity efforts and implementation. Internal goals and objectives for diversity spending are set annually by our management team. Adherence and progress is reported accordingly.

In 2014, GSWC's WMDVBE spend represented a total of 23.1% of total procurement spend. Our procurement dollars decreased from \$118.7 million the previous year to \$96.6 million, resulting in payments to certified suppliers in the amount of \$22.3 million (or 23.1%).

Internal communication is critical to the success of GSWC's Supplier Diversity Program. Important supplier diversity information is shared by providing monthly updates of our WMDVBE spend, comparing each month with the final totals of the previous year. This report also provides a list of the Top 15 WMDVBE vendors paid for the month, and indicates which of the WMDVBE firms listed are first time contractors with GSWC. Another important component of the report flags whether each WMDVBE's certification is current or nearing expiration. Maintaining a supply base of certified suppliers is crucial to the success of our supplier diversity efforts.

We will incorporate language in our new hire employee's pamphlets, and make supplier diversity an informational topic as part of the presentation done during orientation.

In addition to internal reporting, Supplier Diversity information is shared through different channels, such as the GSWC company website, staff meetings, conference calls and, training opportunities as part of our Supplier Diversity Council meetings.

### *Supplier Diversity Council*

Every month the Supplier Diversity Council meets to discuss current diversity issues as well as the ongoing implementation of the Diversity Action Plan. The committee is made up of senior level Managers and VPs. We continue to discuss best practices that support our initiative to win supplier diversity.

### External Activities

Our calendar of CWA collective activities, as provided in Table A, will provide all dates and locations of the external activities supported by GSWC. There were over 57 outreach events. Many are monthly meetings or sponsorships for award recognition dinners as requested by the Community-based organization. Others include: training; conferences (local and national); matchmaking; Advisory Council Representation and specific requests to participate as a panelist about water-related issues. We have also had mandatory requests for meetings, whereby our presence was imperative that we

attend including, workshops, hosted by the CPUC or Greenlining, when a request from them is made to discuss our annual reports.

### *Business Opportunity Fair for Our Primes*

California Water Association's (CWA) Utility Supplier Diversity Program (USDSP) committee hosted two (2) business opportunity fairs geared exclusively to our Primes and Sub-Contractors. The first was held in Northern California with over (70) attendees, and the second in Southern California with over (120) attendees. These meetings supported the growing efforts to develop our respective second tier subcontracting programs. They provided a forum to share information from each of our companies about our Supplier Diversity Program and how our Primes play a major role in its success. Both events were followed by opportunities to meet one-on-one with the member company executives, managers of the various business units and network with one another and many of our Sub-contractors.

GSWC along with the USDSP team will continue to host this important event in 2015.

#### **Highlights from Northern California Business Opportunity Fair**

Charles Twamugabo, networking



Emma Maxey & Charmaine Jackson



Emma Maxey, sharing with our Prime



Rep. from CPUC Douglas Phason





## Highlights from Southern California Business Opportunity Fair

Contractors Networking together



Holley Joy, Matchmaking Session



Danny Rodriguez with Contractor



Paul Rowley & Larry Fordham



Jose Perez with Prime Contractor



Emma Maxey, Matchmaking Session



## Award Recognition

GSWC's participation in outreach events within the communities we serve contributed to GSWC receiving recognition as *Utility Company of The Year*, by the Black Business Association (BBA). We were honored to receive this award and recognition for our commitment to support the growth and development of the BBA, and providing equal opportunities for diverse suppliers, including Women, Minority and Disabled Veteran Businesses. We look forward to our continuous involvement and support with the many community-based organizations and outreach events.



Keith Switzer, VP of Regulatory Affairs and Emma Maxey, Supplier Diversity Manager  
Recipients: "Utility Company of the Year Award" from the Black Business Association.

## Involvement in the Communities We Serve

Supplier Diversity initiatives towards outreach and community participation is an important priority and focus for us, both at the networking and leadership levels. Listed below are just a few of the organizations we collaborate with and additional associations listed in Table B.

- Asian Business Association (Los Angeles Chapter) - Advisory Council
- American Indian Chamber of Commerce - Advisory Council
- Elite Service Disabled Veteran-Owned Business Network (Los Angeles Chapter)-Member
- Sacramento Asian Pacific Chamber of Commerce - Chamber Member

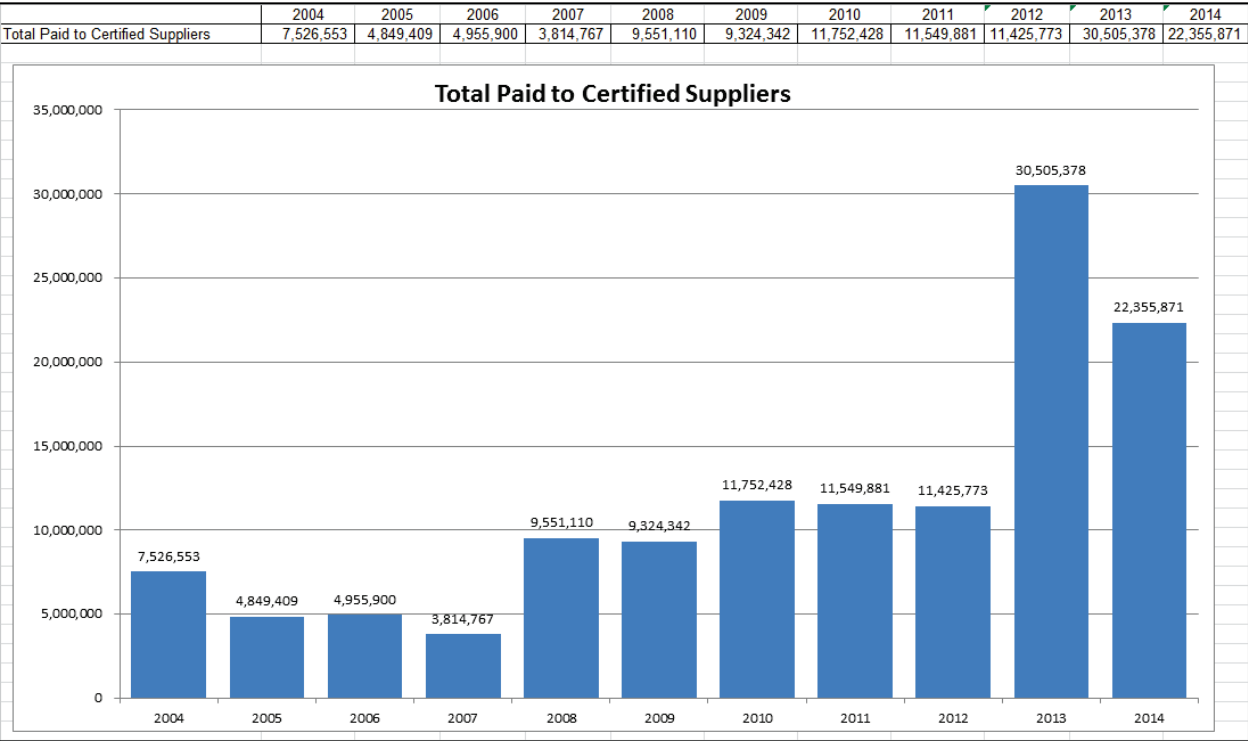
California Utilities Diversity Council (CUDC) activities include serving in the following capacities:

- Co-Chair - Procurement Committee
- Committee Member - Governance
- Committee Member - Work Force
- Committee Member - Philanthropy
- Coordinated all CUDC data requested for the water utilities on behalf of the CUDC's annual CPUC reporting

**SEC. 9.1.2 Summary of WMDVBE Purchases/Contracts**

**Total Paid to Certified Suppliers**

The table and bar graph below show the progress GSWC has made since the inception of its Supplier Diversity Program. There has been a steady increase towards the goal as set forth in GO 156.



The number of WMDVBE suppliers in GSWC’s database, verified using CPUC’s Supplier Clearinghouse is 341. This includes 26 new WMDVBEs added in 2014.

Payments to certified suppliers totaled \$22.3M, a 6.8% decrease from the prior year. With everyone working together we still obtained positive results.

## SEC. 9.1.2 Summary of WMDVBE Purchases/Contracts

### Utility Supplier Diversity Program Annual Results By Ethnicity 2014

2014 ANNUAL REPORT SECTION 9.1.2						
UTILTIY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY ETHNICITY						
2014						
Line No.			Direct \$	Sub \$	Total \$	%
1	Minority Men	Asian/Pacific America	1,762,986	0	1,762,986	1.8%
2		Black American	167,910	0	167,910	0.2%
3		Hispanic American	9,641,871	72,696	9,714,567	10.1%
4		Native American	18,187	0	18,187	0.0%
5		<b>Total Minority Men</b>	<b>\$ 11,590,953</b>	<b>\$ 72,696</b>	<b>\$ 11,663,649</b>	<b>12.1%</b>
6	Minority Women	Asian/Pacific America	15,270	0	15,270	0.0%
7		Black American	858,899	0	858,899	0.9%
8		Hispanic American	210,021	15,865	225,886	0.2%
9		Native American	0	0	0	0.0%
10		<b>Total Minority Womer</b>	<b>\$ 1,084,190</b>	<b>\$ 15,865</b>	<b>\$ 1,100,055</b>	<b>1.1%</b>
11	Other		584,615	0	584,615	0.6%
12		<b>Total Other</b>	<b>\$ 584,615</b>	<b>\$ 0</b>	<b>\$ 584,615</b>	<b>0.6%</b>
13	<b>Total Minority Business Enterprise (MBE)</b>		<b>\$ 13,259,759</b>	<b>\$ 88,561</b>	<b>\$ 13,348,320</b>	<b>13.8%</b>
14	<b>Women Business Enterprise (WBE)</b>		<b>8,009,799</b>	<b>65,016</b>	<b>8,074,815</b>	<b>8.3%</b>
15	<b>Subtotal Women, Minority Business</b>		<b>21,269,558</b>	<b>153,577</b>	<b>21,423,135</b>	<b>22.2%</b>
16	<b>Service Disabled Veteran Business</b>		<b>899,873</b>	<b>32,862</b>	<b>932,735</b>	<b>1.0%</b>
17	<b>Total Business Enterprise (WMDVBE)</b>		<b>22,169,431</b>	<b>186,439</b>	<b>22,355,871</b>	<b>23.1%</b>
18	<b>Gross Procurement</b>				<b>\$156,875,139</b>	
19	<b>Exclusions</b>				<b>\$ 60,270,048</b>	
20	<b>Net Procurement</b>				<b>\$ 96,605,091</b>	
21	<b>Total Procurement</b>				<b>\$ 96,605,091</b>	

GSWC exceeded the overall GO 156 goal of 21.5% WMDVBE spend for our second filing since coming under the guidelines of GO 156. We continue to have the support from our CEO, who mandated a portion of the compensation for all GSWC Executive Officers be directly linked to the achievement of GO 156 goals. Incentives are also included in Managers' compensation.

## SEC. 9.1.2 Summary of WMDVBE Purchases/Contracts

### Procurement by Products and Service Categories - Direct

UTILITY SUPPLIER DIVERSITY PROCUREMENT BY DIRECT - PRODUCTS & SERVICES										
			Product		Services		Total			
				\$	%	\$	%	\$	%	
1	Minority Male	Asian-Pacific	Direct	10,114	0.0%	1,752,872	1.8%	1,762,986	1.8%	
2		Black	Direct	47,470	0.0%	120,441	0.1%	167,910	0.2%	
3		Hispanic	Direct	69,081	0.1%	9,572,789	9.9%	9,641,871	10.0%	
4		Native American	Direct	0	0.0%	18,187	0.0%	18,187	0.0%	
5		Other	Direct	0	0.0%	0	0.0%	0	0.0%	
6		Total Minority Men	Direct	126,665	0.1%	11,464,289	11.9%	11,590,953	12.0%	
7	Minority Female	Asian-Pacific	Direct	1,687	0.0%	13,583	0.0%	15,270	0.0%	
8		Black	Direct	784,095	0.8%	74,804	0.1%	858,899	0.9%	
9		Hispanic	Direct	0	0.0%	210,021	0.2%	210,021	0.2%	
10		Native American	Direct	0	0.0%	0	0.0%	0	0.0%	
11		Other	Direct	0	0.0%	0	0.0%	0	0.0%	
12	Total Minority Women	Direct	785,782	0.8%	298,408	0.3%	1,084,190	1.1%		
13	Other	Total	Direct	0	0.0%	584,615	0.6%	584,615	0.6%	
14	Total Minority Business Enterprise (MBE)		Direct	912,446	0.9%	12,347,312	12.8%	13,259,759	13.7%	
15	Women Business Enterprise (WBE)		Direct	286,274	0.3%	7,723,526	8.0%	8,009,799	8.3%	
16	Subtotal Women, Minority Business Enterprise		Direct	1,198,720	1.2%	20,070,838	20.8%	21,269,558	22.0%	
17	Service Disabled Veteran Business Enterprise		Direct	0	0.0%	899,873	0.9%	899,873.38	0.9%	
18	TOTAL WMDVBE		Direct	1,198,720	1.2%	20,970,711	21.7%	22,169,431	22.9%	
19	Total Procurement								156,875,139	
20	Exclusions								60,270,048	
21	Net Procurement								96,605,091	

Percentages for "Products" expenditures are WMDVBE compared to "Total Product Procurement"  
 Percentage for "Services" expenditures are WMDVBE compared to "Total Services Procurement"  
 Percentages for "Total" expenditures are WMDVBE compared to "Net Procurement."

## SEC. 9.1.2 Summary of WMDVBE Purchases/Contracts

### Procurement by Products and Service Categories - Subcontracting

UTILITY SUPPLIER DIVERSITY PROCUREMENT BY SUBCONTRACTORS - PRODUCTS & SERVICES								
			Product		Services		Total	
			\$	%	\$	%	\$	%
1	Minority Male	Asian-Pacific	0	0.0%	0	0.0%	0	0.0%
2		Black	0	0.0%	0	0.0%	0	0.0%
3		Hispanic	9,672	0.0%	63,024	0.1%	72,696	0.1%
4		Native American	0	0.0%	0	0.0%	0	0.0%
5		Other	0	0.0%	0	0.0%	0	0.0%
6		Total Minority Men	Sub	9,672	0.0%	63,024	0.1%	72,696
7	Minority Female	Asian-Pacific	0	0.0%	0	0.0%	0	0.0%
8		Black	0	0.0%	0	0.0%	0	0.0%
9		Hispanic	0	0.0%	15,865	0.0%	15,865	0.0%
10		Native American	0	0.0%	0	0.0%	0	0.0%
11		Other	0	0.0%	0	0.0%	0	0.0%
12	Total Minority Women	Sub	0	0.0%	15,865	0.0%	15,865	0.0%
13	Other	Total	0	0.0%	0	0.0%	0	0.0%
14	Total Minority Business Enterprise (MBE)		9,672	0.0%	78,889	0.1%	88,561	0.1%
15	Women Business Enterprise (WBE)		28,395	0.0%	36,621	0.0%	65,016	0.1%
16	Subtotal Women, Minority Business Enterprise		38,067	0.0%	115,510	0.1%	153,577	0.2%
17	Service Disabled Veteran Business Enterprise		0	0.0%	32,862	0.0%	32,862	0.0%
18	TOTAL WMDVBE		38,067	0.0%	148,372	0.2%	186,439	0.2%
19	Net Procurement						96,605,091	



## SEC. 9.1.2 Summary of WMDVBE Purchases/Contracts

### 2 Digit Standard Industrial Classification (SIC) Codes

2 DIGIT STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES		
<b>AGRICULTURE, FORESTRY AND FISHING</b> 07 — AGRICULTURAL SERVICES 08 — FORESTRY <b>CONSTRUCTION</b> 14 — NONMETALLIC MATERIALS, EXCEPT FUEL 15 — GENERAL BUILDING CONTRACTORS 16 — HEAVY CONSTRUCTION, EXCEPT BUILDING 17 — SPECIAL TRADE CONTRACTORS <b>MANUFACTURING</b> 24 — LUMBER AND WOOD PRODUCTS 25 — FURNITURE AND FIXTURES 26 — PAPER AND ALLIED PRODUCTS 27 — PRINTING AND PUBLISHING 28 — CHEMICALS AND ALLIED PRODUCTS 29 — PETROLEUM AND COAL PRODUCTS 30 — RUBBER AND MISC. PLASTICS PRODUCTS 31 — LEATHER AND LEATHER PRODUCTS 32 — STONE, CLAY, AND GLASS PRODUCTS 33 — PRIMARY METAL INDUSTRIES 34 — FABRICATED METAL PRODUCTS 35 — INDUSTRIAL MACHINERY AND EQUIP. 36 — ELECTRONIC & OTHER ELECTRIC EQUIP. 37 — TRANSPORTATION EQUIPMENT 38 — INSTRUMENTS AND RELATED PRODUCTS 39 — MISC. MANUFACTURING INDUSTRIES <b>TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES</b> 42 — TRUCKING AND WAREHOUSING 43 — U.S. POSTAL SERVICE	44 — WATER TRANSPORTATION 45 — TRANSPORTATION BY AIR 46 — PIPELINES, EXCEPT NATURAL GAS 47 — TRANSPORTATION SERVICES 48 — COMMUNICATION 49 — ELECTRIC, GAS, AND SANITARY SERVICES <b>WHOLESALE TRADE</b> 50 — WHOLESALE TRADE - DURABLE GOODS 51 — WHOLESALE TRADE - NONDURABLE GOODS <b>RETAIL TRADE</b> 52 — EATING AND DRINKING PLACES 53 — GENERAL MERCHANDISE STORES 54 — FOOD STORES 55 — AUTOMOTIVE DEALERS & SERVICE STATIONS 56 — APPAREL AND ACCESSORY STORES 57 — FURNITURE AND HOME FURNISHINGS STORES 58 — EATING AND DRINKING PLACES 59 — MISCELLANEOUS RETAIL <b>FINANCE, INSURANCE, AND REAL ESTATE</b> 60 — DEPOSITORY INSTITUTIONS 61 — NON DEPOSITORY INSTITUTE 62 — SECURITY AND COMMODITY BROKERS 63 — INSURANCE CARRIERS 64 — INSURANCE AGENTS, BROKERS, & SERVICES 65 — REAL ESTATE 67 — HOLDING AND OTHER INVESTMENT OFFICE <b>SERVICES</b> 70 — HOTELS AND OTHER LODGING PLACES 72 — PERSONAL SERVICES	73 — BUSINESS SERVICES 75 — AUTO REPAIR, SERVICES, AND PARKING 76 — MISCELLANEOUS REPAIR SERVICES 81 — LEGAL SERVICES 82 — EDUCATIONAL SERVICES 83 — SOCIAL SERVICES 84 — MUSEUMS, BOTANICAL, ZOOLOGICAL GARDENS 86 — MEMBERSHIP ORGANIZATIONS 87 — ENGINEERING & MANAGEMENT SERVICES 89 — SERVICES (NOT ELSEWHERE, CLASSIFIED) <b>PUBLIC ADMINISTRATION</b> 91 — EXECUTIVE, LEGISLATIVE AND GENERAL 92 — JUSTICE PUBLIC ORDER AND SAFETY 93 — FINANCE, TAXATION & MONETARY POLICY 94 — ADMINISTRATION OF HUMAN RESOURCES 95 — ENVIRONMENTAL QUALITY AND HOUSING



### SEC. 9.1.3 Itemization of WMDVBE Expenses

SEC. 9.1.3 Program Expenses	
Expense Category	2014 Actuals
Wages	98,621.00
Other Employment Expense	87,552.00
Program Expense	20,986.00
Reporting Expense	776
Training	3,370.00
*Consultants	2,332.00
**Other	42,153.00
<b>Total:</b>	<b>255,790.00</b>

Wages: Salary and Payroll related costs of employee working on WMDVBE matters.

- Other Employee Expenses: Office space, travel, and non-wage costs
- Program Expenses: Printing, postage, supplies, outreach and other costs directly related to the program
- Reporting Expenses: Computer, accounting and other expenses in preparing report to CPUC
- Training: Costs related to training employees (internal) and suppliers (external)
- Consultants: \*GSWC's portion of cost for the CPUC Supplier Diversity Clearinghouse
- Other: \*\*GSWC's portion of expenses captured and distributed by CWA for Class A Companies Utility Supplier Diversity Program.

### SEC. 9.1.4 Description of Progress in Meeting or Exceeding Set Goals

Category	Current Year Results	CPUC GO 156 Goals
Minority Men	12.10%	12.00%
Minority Women	1.10%	3.00%
Other	0.60%	
Subtotal Minority Business Enterprise (MBE)	13.80%	15.00%
Women Business Enterprise (WBE)	8.30%	5.00%
Subtotal Women, Minority Business Enterprise (WMBE)	22.20%	20.00%
Service Disabled Veteran Business Enterprises (DVBE)	1.00%	1.50%
<b>Total WMDVBE</b>	<b>23.10%</b>	<b>21.50%</b>

GSWC achieved a 23.1% spend with Diverse Business Enterprises, exceeding the overall 21.5% goal as established in GO 156. We will continue to focus on categories where direct spend can be improved specifically with Minority Women and Service Disabled Veteran Business Enterprises.

## SEC.9.1.5 Summary of Prime Contractor Utilization of WMDVBE Subcontractors

	Minority Male	Minority Female	Other	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service-Disabled Veterans Enterprise (SDVBE)	Total WMDVBE
Direct \$	\$ 11,590,953	\$ 1,084,190	\$ 584,615	\$13,259,759	\$ 8,009,799	\$ 21,269,558	\$ 899,873	\$ 22,169,431
Subcontracting \$	\$ 72,696	\$ 15,865	\$ -	\$ 88,561	\$ 65,016	\$ 153,577	\$ 32,862	\$ 186,439
<b>Total \$</b>	<b>\$ 11,663,649</b>	<b>\$ 1,100,055</b>	<b>\$ 584,615</b>	<b>\$13,348,320</b>	<b>\$ 8,074,815</b>	<b>\$ 21,423,135</b>	<b>\$ 932,735</b>	<b>\$ 22,355,871</b>
Direct %	12.0%	1.1%	0.6%	13.7%	8.2%	22.0%	0.9%	22.9%
Subcontracting %	0.1%	0.0%	0.0%	0.1%	0.1%	0.2%	0.0%	0.2%
<b>Total %</b>	<b>12.1%</b>	<b>1.1%</b>	<b>0.6%</b>	<b>13.8%</b>	<b>8.3%</b>	<b>22.2%</b>	<b>1.0%</b>	<b>23.1%</b>
Net Procurement**	\$ 96,605,091							

## SEC. 9.1.6 List of WMDVBE Complaints

Golden State Water Company did not receive any complaints, formal or otherwise, in 2014.

## SEC. 9.1.7 Description of Excluded Categories

Section 9.1.2 contains a table labeled “Utility Supplier Diversity Program Annual Results by Ethnicity”. In this table, on line 19 the Exclusions total of \$60,270,048 represents payments made in the categories of Costs of Obtaining Water Supply, Purchased Power, and Replenishment Fees (pump taxes). Other categories subject to Section 8.9, Other Utilities, Taxes, Franchise Fees, and Postage, have not been included in the Gross Procurement.

The reporting of these categories as Exclusions in the table by water companies is intended to provide information to staff regarding these categories. This method of procurement reporting for water companies results from workshops convened by the Commission’s USDP Staff, pursuant to Ordering Paragraph No. 4 of D.11-05-019 (in R.09-07-027), and subsequent additional discussions. This approach facilitates the staff and utilities to reach a common understanding of what is to be reported as a result of the amendments to General Order 156 (GO 156), and to address and resolve any confusion regarding adapting water companies’ procurement reporting to the General Order 156 requirements.

## SEC. 9.1.8 Description of Recruitment Efforts in Low Utilization Areas

Golden State Water Company (GSWC) is aware we have a low WMDVBE spend in professional services, including minority owned Law Firms, Financial Services, Consulting and Investment Management. Amounts spent on professional services for water utilities are relatively small. The professional services here at GSWC are mainly for audits & tax fees, finance, IT and printing services.

In addition, we have over 315 DBEs that have met our approval requirements, including Law Firms, Engineering, Accounting, IT Consultants and more waiting to be integrated into the master vendor database to provide more inclusion and RFP opportunities.

GSWC will continue its outreach efforts, and will work diligently to find the opportunities to match the skill sets required with contracting opportunities offered in these various fields.

## GO156 OIR Scorecard

<b>GO 156 OIR Scorecard</b>											
Year	UTILITY	Capacity Building & Technical Assistance	Mentor Program	Employee Education on Supplier Diversity	Outreach & Comm. On Supplier Diversity	Mandatory requirement of sub-contract	Number of New Vendors (Given Year)	Total value - contracts awarded under \$1M	Number of contracts to vendors who are under \$1M	Number of contracts to vendors who are \$1-\$5 M	Number of contracts to vendors who are over \$5 M
2011	Golden State Water	No	No	Yes	Yes	No	55	3,465,897	51	4	0
2012	Golden State Water	Yes	No	Yes	Yes	No	55	7,238,283	55	2	0
2013	Golden State Water	Yes	Yes	Yes	Yes	No	51	7,278,818	66	7	1
2014	Golden State Water	Yes	Yes	Yes	Yes	No	26	8,682,277	64	7	0

To ensure GSWC is fully compliant with all of GO 156 requirements, the information provided in the Scorecard above reflects where we are on each of the areas referenced.

## 2015 Annual Plan

### SEC. 10.1.1 WMDVBE Short, Mid and Long Term Goals

Category	2014 Current Goals	2015 Goals	2016 Goals
Minority Owned	13.20%	15%	15%
Women Owned	8.30%	5%	5%
Other	0.60%		
Disabled Veteran Owned	1.00%	1.50%	1.50%
Total	23.10%	21.50%	21.50%

#### Short-Term Goals

GSWC will continue to focus on inclusion of WMDVBEs in all sourcing opportunities within the organization. Beginning early 2015, the Company's immediate plan is to implement an e-procurement program that we feel will be a more efficient and cost effective process to enhance the bidding process. It is imperative that the procurement team and supplier diversity continue to work closely together to ensure this type of bidding will continue to foster the needs of our WMDVBE, as well as our LGBT supply chains.

#### Mid and Long Term Goals

GSWC will continue our efforts to identify underutilized business opportunities in which we currently have no spend or low spend, by working with specific groups such as chambers and many of the CBO organizations. We will continue to work with our Prime suppliers to assist us in achieving this goal.

We will work with the other utilities and the CWA member utilities to share contracting information, especially for areas such as legal, finance, and advertisement traditionally classified as underutilized with in our industry, to increase spend with many of these business types.

## **SEC. 10.1.2 WMDVBE Planned Internal/External Activities**

### **Planned Internal/External Activities**

GSWC has named a new Director of Procurement and centralized the procurement process for improved efficiency. This will allow a closer relationship with the Procurement Team and the Supplier Diversity Manager.

GSWC will launch a new e-Procurement (supplier exchange) program. E-procurement is the business-to-business purchase and sale of supplies and services over the internet. This will help to improve outreach efforts with suppliers and to gain greater control and visibility over spend by streamlining the traditional time-consuming procurement practices. E-procurement is expected to be integrated with the trend toward computerized supply chain management. This will require training those responsible for sourcing and managing contracts throughout the company.

GSWC looks forward to continuing with our Mentor Protégé Program and have committed to working with our 2013-2014 Mentee, Thomas Gibbs owner of Precision Contractors. Mr. Gibbs' company provides installation of water supply and irrigation systems. Our plans for 2015 is to continue with our Mentor Protégé Program to provide technical assistance and capacity building skills for our future mentee as we continue to the work towards the success of Mr. Gibbs as a new pipeline contractor.

Our 2014 reporting represents the first year that the water companies officially reported using SIC codes. We will provide training to make sure we are capturing the data continuously and utilize the finding from this information to benefit our diversity program.

We will continue our monthly meetings with our internal Supplier Diversity Council Committee with plans to add additional members who are committed to supporting our supplier diversity program. They will be able to look at sourcing opportunities within their areas of responsibility to help facilitate deficiencies we have identified to be under served categories. We consider having each line of business to compete against each other and track their progress. We will have a special celebration for that group's entire department at the end of the year to celebrate and express appreciations for their accomplishment. This will serve as an incentive for the whole team to get involved.

The Supplier Diversity Manager will continue to work with the different ethnic chambers, community-based organizations, joint utilities, CWA's member utilities, CPUC and CUDC to increase opportunities for WMDVBEs through various events, conferences and workshops. .

GSWC will participate in training and support for AB 1678, which extends Utilities' Supplier Diversity Program to Lesbian, Gay, Bisexual and / or Transgender (LGBT) Business Enterprises.

### **SEC. 10.1.3 Plans for Recruiting WMDVBE Suppliers in Low Utilization Areas**

The low utilization of providing opportunities to WMDVBEs in professional services including legal, information technology, and various consulting services will be a continued focus for the company. Those who are responsible for sourcing in some of these areas will be educated when doing business with a potential candidate to inquire about getting certified or work with the Supplier Diversity Manager to assist them in this effort. This will better reflect an increase of spend if the certification is part of the conversation when soliciting opportunities to work with GSWC.

We will continue with our outreach in underutilized areas for additional inclusion.

### **SEC. 10.1.5 Plans for Encouraging Primes to Engage in Subcontracting**

GSWC continues to encourage our Primes to engage in sub-contracting with diverse vendors including Women, Minorities and Disabled Veterans. We reiterate this during our annual Business Fair for our Primes and Subcontractors. In addition to these categories, we will now include Lesbian, Gay, and Bi-Sexual/Transgender Business Enterprises. We will require quarterly reports to be submitted beginning 2015 to allow time to qualify the WMDVBEs they may be using, but not certified, time to complete the process.

We will continue to host the same event in 2015.

### **SEC. 10.1.6 Program Compliance with WMDVBE Program Guidelines**

Golden State Water Company will continue its efforts to meet or exceed all requirements as stipulated under General Order 156.

## Table A USDP Calendar of CWA Collective Activities

### *January 2014*

CUDC Monthly Meeting	1/10/2014	SFO
American Indian Chamber of Commerce Advisory Council	1/13/2014	Conf. Call
USDP Monthly Meeting	1/21/2014	Fontana, CA
SAPCC 21st Annual Installation & Awards Dinner	1/24/2014	Sacramento, CA

### *February 2014*

NARUC/UMA Winter Meeting	2/9-12/2014	Washington, DC
CUDC Monthly Meeting	2/14/2014	Web-EX
USDP Monthly Meeting	2/19/2014	San Jose, CA
Business Matchmaking 2014	2/20/2014	Oakland, CA
ISM Supply Chain Diversity Summit	2/26-28/2014	SFO

### *March 2014*

SCMSDC Minority Bus Opp. Day	3/5/2014	Universal City, CA
CWA Board of Director's Meeting	3/6/2014	San Jose, CA
CUDC Monthly Meeting - Host Comcast	3/14/2014	Livermore, CA
WBENC National Conference	3/17-20/2014	New Orleans, LA
Joint Utilities Quarterly Meeting - Gas Co	3/26/2014	Downey, CA
USDP Monthly Meeting - Suburban Water System	3/27/2014	Covina, CA
BBA - Solute to Black Women	3/29/2014	Los Angeles, CA

### *April 2014*

CPUC Small Business Expo	4/2/2014	Los Angeles, CA
Greenlining - 21st Annual Economic Summit	4/4/2014	Oakland, CA
CUDC Monthly Meeting	4/11/2014	Web-Ex
USDP Monthly Meeting - California Water Service Co.	4/16/2014	San Jose, CA
CWA Board of Director's Meeting	4/17/2014	San Dimas, CA
Western Region MSDC Awards Gala	4/25/2014	San Francisco, CA

### *May 2014*

ISM International Supply Management Conf.	5/5-6/2014	Las Vegas, NV
CUDC Monthly Meeting - Host AT&T	5/9/2014	SFO
USDP Monthly Meeting	5/12/2014	Garden Grove, CA
KTP DVBE Bus Alliance	5/12-13/2014	Garden Grove, CA
AICOC-Summit on Energy, Telco & Water	5/20-21-2014	Lincoln, CA
CWA Annual Spring Conference	5/21/2014	Sacramento, CA

### *June 2014*

CUDC Monthly Meeting	6/13/2014	Web-Ex
California Small Business Association	6/16/2014	Sacramento, CA
USDP Monthly Meeting - San Jose Water Co.	6/18/2014	San Jose, CA
USDP Prime Contractors Meeting	6/19/2014	San Jose, CA
WBENC National Conference	6/23-25/2014	Philadelphia, PA
BBA- 40th Annual Awards Dinner	6/25/2014	Los Angeles, CA
Joint Utilities Meeting	6/27/2014	SFO

### *July 2014*

NARUC/UMA Summer Committee Meeting	7/13-16/2014	Dallas, TX
USDP Monthly Meeting - California America Water Co.	7/16/2014	Coronado, CA
AICOC Expo 11th Anniversary	7/20-22/2014	Rancho Mirage,
CUDC Advertisement/Media Forum	7/24/2014	Irwindale, CA
CUDC Monthly Meeting - Verizon	7/25/2014	Los Angeles, CA

### *August 2014*

CHCC Annual Convention	8/13-15/2014	Garden Grove, CA
The Regalettes Annual White Linen Affair-Exposition Park Rose Garden	8/17/2014	Los Angeles, CA
USDP Monthly Meeting - San Jose Water Co.	8/20/2014	San Jose, CA
CALBCC Ron Brown Annual Conference	8/21-23/2014	Los Angeles, CA
Elite SDVOB 11th Annual National Conference	8/20-22/2014	New York, NY
LBA Women's Conference	8/27/2014	Burbank, CA

### *September 2014*

USDP Protégé' Network Luncheon	9/11/2014	Ontario, CA
CUDC Monthly Meeting - Host CWA	9/12/2014	Ontario, CA
USDP Monthly Meeting - Golden State Water Co.	9/17/2014	Ontario, CA
USDP Prime Contractors Meeting	9/18/2014	Ontario, CA
Joint Utilities Quarterly Meeting - Host CWA	9/24/2014	Corona, CA



### **October 2014**

Leadership Excellence Award Dinner	10/1/2014	Los Angeles, CA
2014 RHCC So Calif. Business Development Conference	10/3/2014	Long Beach, CA
USDP Monthly Meeting - California Water Service Co.	10/8/2014	Torrance, CA
CPUC En Banc USC	10/9/2014	Los Angeles, CA
CUDC Monthly Meeting	10/10/2014	Web-Ex
ABA Annual Award Banquet	10/15/2014	Universal City, CA
BBA Procurement Exchange	10/16/2014	Los Angeles, CA C
NAMC Southern California Chapter	10/17/2014	Culver City, CA
California Minority Counsel Program	10/20-21/2014	SFO
38th Annual LBA Sol Business Awards Gala	10/22/2014	SFO
NAAC 11th Annual Economic Develop. Summit	10/24/2014	Redwood, CA
Business Matchmaking 2014	10/27/2014	San Luis Obispo,

### **November 2014**

NMSDC Annual Conference	11/2-5/2014	Orlando, FL
USDP Monthly Meeting - CWA Annual conference	11/12/2014	Monterey, CA
CWA Annual Conf.	11/12-14/2014	Monterey, CA
CUDC Meeting - Host SCE	11/14/2014	Downey, CA
NARUC 126th Annual Meeting	11/16-19/2014	SFO
CPUC Small Business Expo	11/19/2014	Sacramento, CA

### **December 2014**

Joint Utilities Quarterly Meeting - Host AT&T	12/10/2014	SFO
CWA Board of Director's Meeting	12/11/2014	San Jose, CA
CUDC Monthly Meeting - Plan 2015	12/12/2014	Web-Ex
Business Matchmaking 2014	12/16/2014	Pasadena, CA
USDP Monthly Meeting/Mentor Protégé Finale	12/17-18/2014	Ontario, CA

## **Table B Community Organizations and Affiliations**

### **2014 Golden State Water Company Participation**

- ❖ Los Angeles Chapter of Elite Network Monthly Meeting, *January 31*
- ❖ USDP Workshop on Tier 1 Assistance and Capacity Building Workshop, *February 22*
- ❖ American Indian Chambers Advisory Council Meeting, *February 12 - 15*
- ❖ CPUC Small Utilities Workshop, *April 23*
- ❖ Los Angeles Chapter of Elite Network Monthly Meeting, *April 13*
- ❖ The LA Chapter Elite SDVOB Network, *May 7*
- ❖ ABA Small Business Exchange, City of Industry, *May 10*
- ❖ CPUC Small Utilities Workshop, *June 4*
- ❖ AICC-CAL Luncheon, *June 5*
- ❖ CUDC/Procurement Committee, Consulting /Service Forum, *June 14*
- ❖ CUDC/Customer Service Committee, Advertisement & Media Forum, *July 19*
- ❖ CWA Annual Winter Meeting, Monterey, CA, *November 30, December 1*
- ❖ NAACP 24th Annual State Convention, San Mateo, CA, *October 21*
- ❖ ABA Membership Appreciation Night, *December 4*
- ❖ Utilities Town Hall Meeting, Los Angeles, CA, *December 10*

### **Other Affiliation/Membership in 2014**

- ❖ California Utilities Diversity Council, Procurement/Government Committee
- ❖ Asian Business Association, Advisory Council
- ❖ American Indian Chambers of Commerce, Advisory Council
- ❖ Disabled Veteran Business Alliance, Advisory Council
- ❖ Sacramento Asian Pacific Chamber of Commerce, Membership
- ❖ California Black Chambers of Commerce, Advisory Council
- ❖ California Hispanic Chambers of Commerce, Advisory Council

## Table C California Water Association USDP Representatives

**San Jose Water Company**  
(Program Chair)  
Charmaine Jackson  
Manager of Supplier Diversity  
& Community Involvement

**Suburban Water Systems**  
Program Co-Chair  
Stephanie Swenseid  
Procurement/Diversity Manager

**California American Water**  
Holley Joy  
Supplier Diversity Manager

**California Water Service Co**  
Jose Espinoza  
Supplier Diversity Manager

**Golden State Water Company**  
Emma Maxey  
Supplier Diversity Manger

**Park Water Company**  
Danny Rodriguez  
Purchasing Manager/Diversity Rep

**San Gabriel Valley Water Co**  
Jackie Glover  
Supplier Diversity Coordinator

### California Water Association Utility Supplier Diversity Program Committee





# Golden State Water Company

A Subsidiary of American States Water Company

2014 Annual Report Prepared By

Emma E. Maxey

Supplier Diversity Manager

Golden State Water Company

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