



February 29, 2024

VIA ELECTRONIC FILING

Ms. Rachel Peterson
CPUC Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3288

Ms. Stephanie Green
Supplier Diversity Program Manager
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3288

Re: Great Oaks Water Company's General Order 156 Compliance Filing - 2023

Dear Ms. Peterson and Ms. Green:

Pursuant to General Order 156 ("GO 156"), Great Oaks hereby electronically files its 2023 Annual Report and Annual Plan in compliance with GO 156, Sections 9 and 10. This report is available to others upon request.

Please contact us with any questions via email at jliem@greatoakswater.com.

Sincerely,

Juan Liem
Chief Financial Officer
Great Oaks Water Company



GREAT OAKS WATER COMPANY

20 Great Oaks Blvd.
Suite 120
San Jose, CA 95119
(408) 227-9540
[Click Here To E-Mail Us](#)

2023 ANNUAL REPORT AND ANNUAL PLAN

WOMEN, MINORITY, PERSONS WITH DISABILITIES, AND LGBT OWNED BUSINESS ENTERPRISES

**California Public Utilities Commission
March 1, 2024**



2023 ANNUAL REPORT AND ANNUAL PLAN

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NOTE:

*Covered Entity - electrical corporations, gas corporations, water corporations, telephone corporations, and wireless telecommunications service providers with gross annual California revenues between \$15,000,000 and \$25,000,000.

PAGE 1:

INTRODUCTION DESCRIPTION OF COVERED ENTITY

Great Oaks Water Company has been providing public water utility service to the Blossom Valley - Santa Teresa - Edenvale - Coyote Valley-Almaden Valley area of the City of San Jose since the early 1959. Our dedication to providing the highest quality water, best customer service and the lowest rates continues to this day. With more than 20,000 customers and a dedicated staff of 20 employees, Great Oaks is recognized as one of the most efficiently run utilities in the state.

PAGE 2:

DESCRIPTION OF SUPPLIER DIVERSITY PROGRAM, DIVERSE SUBCONTRACTING PROGRAM AND SUPPLIER DIVERSITY RELATED ACTIVITIES FOR PREVIOUS CALENDAR YEAR

Great Oaks Water Company (GOWC) is committed to being inclusive of diverse suppliers in our procurement processes. GOWC is a member of the California Water Association (CWA) which is a trade organization representing all California regulated water utilities. In an effort to comply with General Order 156, the leadership team has been participating in CWA board and the Supplier Diversity Committee meetings to expand the knowledge and the outreach for the company to be more inclusive of diverse suppliers.

During the fourth quarter of 2022, GOWC engaged The Diversity Advisors (TDA), an experienced result driven minority-owned supplier diversity consulting firm, to review 2022 vendor spend. TDA provided a review comment and recommendations for the company to create a program where the company can be more inclusive of diverse suppliers in procurement of goods and services. TDA worked with GOWC to draft and ultimately filed the 2022 Annual Report. TDA also submitted a proposal to extend the partnership to continue working with the diverse supplier program. GOWC is committed to partnering with TDA to create a robust supplier diversity strategy to improve the result of our inclusion of diverse suppliers in our vendor spend moving forward.

GOWC, in partnership with TDA, will build a results-driven supplier diversity program in 2023-2024 for full implementation in 2025 as the company strives to reflect the communities it serves.

The program will include:

- Developing internal processes/procedures to ensure that diverse suppliers are given the opportunity to submit proposals for procurement bids review.
- Providing training to ensure internal team members are aware of and understand the “why” behind supplier diversity and fully engage in our commitment to inclusion of diverse suppliers in all of our procurement efforts
- Developing outreach programs inclusive of diverse suppliers and community- based organizations

During the review and analysis of our spending for the year 2023, TDA contacted all the vendors the company had transactions with in 2023 to make sure that we cover both direct and indirect expenses related to subcontractors. The purpose was to determine if these vendors were themselves diverse or if they engaged diverse suppliers while providing us with goods and services. After conducting this review and outreach effort, once again we found that there were no expenditures on diverse subcontractors during the reporting period.

As part of our thorough evaluation of vendor expenses, including a detailed search through the Supplier Clearinghouse and other certifying agencies, we identified two vendors who were certified through the Supplier Clearinghouse in 2023. We have seen an increase in spending with the two diverse suppliers from 2022 to 2023.

For the year 2023, we utilized two diverse suppliers, maintaining the one diverse supplier utilized within our supply chain in 2022. Our goal is to continue building our portfolio of diverse suppliers engaged in sourcing initiatives by building exposure, opportunity, and selection of diverse suppliers in all areas of the business. TDA has provided an index of diverse suppliers from their years of supplier engagement utilized in their past corporate life so we know they are qualified to work with us. Also, TDA strategic relationships with California community-based organizations has provided us with inroads to build a sustainable supply chain of diverse suppliers.

As the supplier diversity program is developing over time, the company will begin implementing specific actions in 2024 and beyond. GOWC remain dedicated to increasing the number of diverse suppliers we engage in our business operations.

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SUPPLIER DIVERSITY PROGRAM WEBSITE ADDRESS AND CONTACT INFORMATION

Great Oaks Water Company continued its partnership with The Diversity Advisors, a firm led by individuals with extensive experience collaborating with regulated utilities in California. This partnership entails The Diversity Advisors taking the lead on Great Oaks' supplier diversity initiatives, working in tandem with the leadership at Great Oaks. As a crucial step in this partnership, The Diversity Advisors will develop a comprehensive supplier diversity page, which will be a key component of our strategy for the year 2024. For all communication related to this initiative, kindly direct your correspondence to the following two designated contacts:

Great Oaks Water Company
% The Diversity Advisors
14900 Magnolia Blvd. #5722
Sherman Oaks, CA 91403
info@thediversityadvisors.com
Edward Simon
(314) 575-1715

Great Oaks Water Company
20 Great Oaks Blvd., Suite 120
San Jose, CA 95119
Name: Juan Liem
Telephone Number: (408) 227-9540
Email: Jliem@greatoakswater.com

Supplier Diversity Annual Report										
Great Oaks Water Company					2023 of Report					
Supplier Diversity Results of Goods and Services (Exclude Fuel and Power Purchases)										
			2023 of Report							
			Direct Spend ¹ \$	Sub Spend ² \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%
1	Minority Male	African American	0	0	0	0	0	0	0	0
2		Asian Pacific American	\$ 32,192.50	0	0	0	0	\$ 32,192.50	\$ 32,192.50	0.41%
3		Hispanic American	0	0	0	0	0	0	0	0
4		Native American	0	0	0	0	0	0	0	0
5		Total Minority Male	\$ 32,192.50	0	0	0	0	\$ 32,192.50	\$ 32,192.50	0.41%
6	Minority Female	African American	\$ 35,000.00	0	0	0	0	\$ 35,000.00	\$ 35,000.00	0.46%
7		Asian Pacific American	0	0	0	0	0	0	0	0
8		Hispanic American	0	0	0	0	0	0	0	0
9		Native American	0	0	0	0	0	0	0	0
10		Total Minority Female	\$ 35,000.00	0	0	0	0	\$ 35,000.00	\$ 35,000.00	0.46%
11	Total Minority Business Enterprise (MBE)		\$ 67,192.50	0	0	0	0	\$ 67,192.50	\$ 67,192.50	0.87%
12	Women Business Enterprise (WBE)		0	0	0		0	0	0	0
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		0	0	0		0	0	0	0
14	Disabled Veteran Business Enterprise (DVBE)		0	0	0		0	0	0	0
15	Persons with Disabilities Business Enterprise (DBE)		0	0	0		0	0	0	0
16	8(a)*		0	0	0		0	0	0	0
17	Total Supplier Diversity Spend		\$ 67,192.50	0	0	0	0	\$ 67,192.50	\$ 67,192.50	0.87%
18	Net Procurement**						\$7,814,644.10			
19	Net Product Procurement		\$				6,001,999.04			
20	Net Service Procurement		\$				1,812,645.06			
21	Total Number of Diverse Suppliers that Received Direct Spend									2

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.
¹ Direct - Means Direct Procurement: when a covered entity directly procures from a supplier.
² Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a covered entity, procures from a subcontractor to fulfill its contractual obligation(s).
% - Percentage of Net Procurement.

2022 vs 2023 Comparison: “We started and finished a one-time well construction project in 2022 that increased our procurement spend significantly during that year.” – Juan Liem, Chief Financial Officer

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SUPPLIER DIVERSITY RESULTS IN POWER (ENERGY PROCUREMENT)

NOT APPLICABLE

SUPPLIER DIVERSITY RESULTS IN FUEL PROCUREMENT

NOT APPLICABLE

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DESCRIPTION OF ESTABLISHED SUPPLIER DIVERSITY GOALS FOR THE PREVIOUS CALENDAR YEAR

Great Oaks Water Company reporting requirement began in 2022 with first report due September 2023. Great Oaks has not Established goals for our program just yet. We only engaged experts in the 3rd quarter of 2023. We are in the infancy stages of our program development. Our plans are to use years 2023-2025 (3 years) as our test years and use the three-year average to determine goals for 2026 and beyond. We believe this is the best method as these years will include the tail end and beginning years of rate cases as account for higher and lower dollar net procurement.

Supplier Diversity Annual Report 2023						
						Page 6
Great Oaks Water Company				2023 of Report		
Supplier Diversity Results Compared to Set Goals						
				Category	2023 Result %	2023 Goal %
				Minority Business Enterprise (MBE)	0	0.87%
				Women Business Enterprise (WBE)	0	0
				Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0	0
				Disabled Veteran Business Enterprise (DVBE)	0	0
				Persons with Disabilities Business Enterprise (DBE)	0	0
				Total	0	0.87

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DESCRIPTION OF BARRIERS TO SUPPLIER DIVERSITY

Great Oaks Water Company continued to anticipate potential challenges related to its procurement team members adjusting their mindset to embrace suppliers they are less familiar with, as well as actively engaging experienced, certified diverse suppliers.

Additionally, GOWC is well aware of The Diversity Advisors' extensive 20-year experience in the realm of supplier diversity. TDA has compiled and shared a list of diverse vendors specializing in water-related operations. It's important to recognize that the integration of these new diverse suppliers will require a period of about one to two years before substantial improvements in supplier diversity performance become evident.