

# Executive Summary

California Domestic Water Company's Strategic Plan creates a blueprint for the organization to realize the vision of both the Board of Directors and the Company's leadership team.

## Methodology Milestones



## Mission

To Ensure Shareholders receive a High-Quality, Reliable Water Supply at a Sustainable and Reasonable Price.

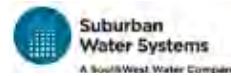
## Vision

To continually build and sustain the resources needed to provide Shareholders with a resilient water supply and diverse water rights portfolio, now and for the future.

## Values

- **Reliable, Trusted Service**
- **Regional and Industry Leadership**
- **Collaboration and Teamwork**
- **Accountability and Accessibility**

## Shareholder Feedback & Themes



A series of three meetings with primary shareholders were conducted, identifying areas of success, needed improvements and general insight. The topics most on top of mind include the following themes:



### Cost

California Domestic Water Company is perceived as a good value. The price for what shareholders receive is seen as a fair price for the service provided.



### System Reliability

The overall system works well, though there is a need to ensure continued reliability and address new contaminants.



### Succession Planning

This topic was a key concern for all shareholders. A comprehensive strategy to address upcoming gaps in institutional knowledge will support a future effective leadership.



### Regional Leadership

California Domestic Water Company's participation in local and regional agencies and organizations is viewed as a benefit to Shareholders. California Domestic Water Company's presence allows Shareholders to have a voice in regional decisions without having to invest the resources to engage directly.



### Shareholder Engagement

Shareholder's consistently found that California Domestic Water Company's communications were sufficient to inform interested parties.



### Shareholder Benefit

Though overall California Domestic Water Company is viewed as a significant benefit for the cost, an added advantage was identified. Shareholders stated that outreach support would be useful to educate customers using relevant messages and vital information.



### Public Perception, Trust & Mutual Responsibility

California Domestic Water Company has made significant progress toward increasing Shareholder trust and openness; maintaining this progress relies on candid, honest dialogue between Shareholders and the Company and a shared commitment to prioritizing thoughtful collaboration and engagement.



## Finance

- Conduct Cost of Service Study to determine rate structure and fee schedule options moving forward
- Develop long-range financial plan to lower financial risk and maximize investment
- Ensure consistent cash flow to be able to leverage potential water rights acquisitions, system enhancements and share buy-back opportunities
- Manage expenses with a focus on efficiency and reductions without compromising reliability or organizational effectiveness
- Establish reserve policy to support cash flow priorities and other financial initiatives

## Water Supply

- Advance water rights opportunities, purchasing additional water rights when fiscally advantageous
- Manage and protect Company's ability to produce water for our shareholders
- Leverage resources to meet the current and future water supply needs of Shareholders
- Address current and future PFAS regulations by finishing construction on new PFAS treatment options
- Negotiate BPOU agreement and secure funding for groundwater remediation treatment for constituents of concern
- Maintain ability to address and mitigate water quality issues and emerging constituents as State and Federal regulations evolve

## Water Systems & Operations

- Enhance shareholder reliability of water deliveries
- Create a capital improvement plan to address future reliability needs and potentially add to capacity, if needed
- Evaluate sustainability options and measures to incorporate into systems and operations
- Consider opportunities and processes to further progress towards 100% wholesale operations

## Succession Planning

- Create an organizational plan to strengthen staff development and build a foundation of institutional knowledge that can be transferred to a future workforce
- Develop cross-training program to increase employee knowledge and understanding of other department functions
- Implement professional development training options for senior management and key staff
- Perform comparative analysis of environmental, social and corporate governance benchmarks and industry compensation
- Ensure diversity, equity and inclusion are a primary focus for the Company

## Governance

- Evaluate Board qualifications and establish succession criteria framework
- Review and update Rules and Regulations Governing Water Service to reflect current utility management practices and provide Shareholders with an understanding of their water entitlements and service
- Review and update Corporate By-Laws and formalize Policy Manuals to reflect current organizational values and strategic initiatives

## Outreach & Communications

- Identify opportunities to highlight Company successes and strengths to various audiences
- Craft Strategic Communications Plan, including resources for Shareholders, a re-envisioning of the reporting process and continuing to build staff visibility
- Leverage Main San Gabriel Basin Watermaster Conservation Campaign materials and collateral
- Actively participate in Main San Gabriel Basin activities on behalf of shareholders; provide related feedback to shareholders regularly

## Regional Leadership & Strategic Partnerships

- Support efforts among industry associations and organizations to advance the Company's positions and strategic initiatives
- Increase and leverage President's profile to retain leadership positions in the region
- Play visible role in supporting mutual water companies by representing their interests and needs across the region and the state
- Prioritize continual direct engagement and relationship-building opportunities with Basin parties
- Maximize Company's ability to leverage water rights opportunities by making sure leadership is in the right room at the right time
- Continue to deepen relationships with regulatory agencies and other governing bodies to ensure the Company plays a vital role in water quality legislation and compliance guidelines