



Strategic Plan

OCTOBER 2020

Collaboration. Community. Commitment.



For nearly 135 years, California Domestic Water Company, and its predecessor the East Whittier Land and Water Company, have been providing Shareholders with high quality water, service and value. In 2009, the Company embarked on a process to develop its inaugural strategic plan prioritizing capital planning and an expansion of business opportunities.

Since then, the Company has not only managed costs, operations and water rights effectively and efficiently, but has remained highly competitive in its role as a water provider in the region. Additionally, the Company has worked diligently to strengthen partnerships with regional stakeholders including the Main San Gabriel Basin Watermaster, Metropolitan Water District of Southern California, Cal Mutuals, and the San Gabriel Valley Water Association among others.

“Collaboration. Community. Commitment.” represents a course for guiding us as we enter 2021 and plan for the next several years.

In late 2019, it was determined that the Company would benefit from a comprehensive strategic planning process. Under the direction of the Strategic Planning Committee, the Company has spent the last nine months developing an updated Strategic Plan.

The objective was not only to build a roadmap for initiatives and strategies for the future, but also to solicit feedback and input from our Shareholders who place trust in us day in and day out to manage the water resources they rely upon. A series of management team workshops took a broad look at the Company's service and function and set a recommended course over the next five years. **Below is a brief list of the process elements included in the organizational analysis.**

Organizational Strengths

- Company History
- Financial Structure & Position
- Competitive Water Rates
- Reliable Water Supply
- Recent Facility Upgrades
- Experienced Staff
- Industry Reputation
- Local Engagement



Process Elements

- Staff Workshops
- Operational Analysis
- Culture Session
- Shareholder Focus Groups
- Committee Workshops
- Board Adoption

Company Culture

Through the staff and Strategic Planning Committee workshops, operational analysis and culture session, this process yielded updated branding elements that renew the Company's long-term vision for water service and act as a guiding focus for the organization when implementing strategic initiatives.

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

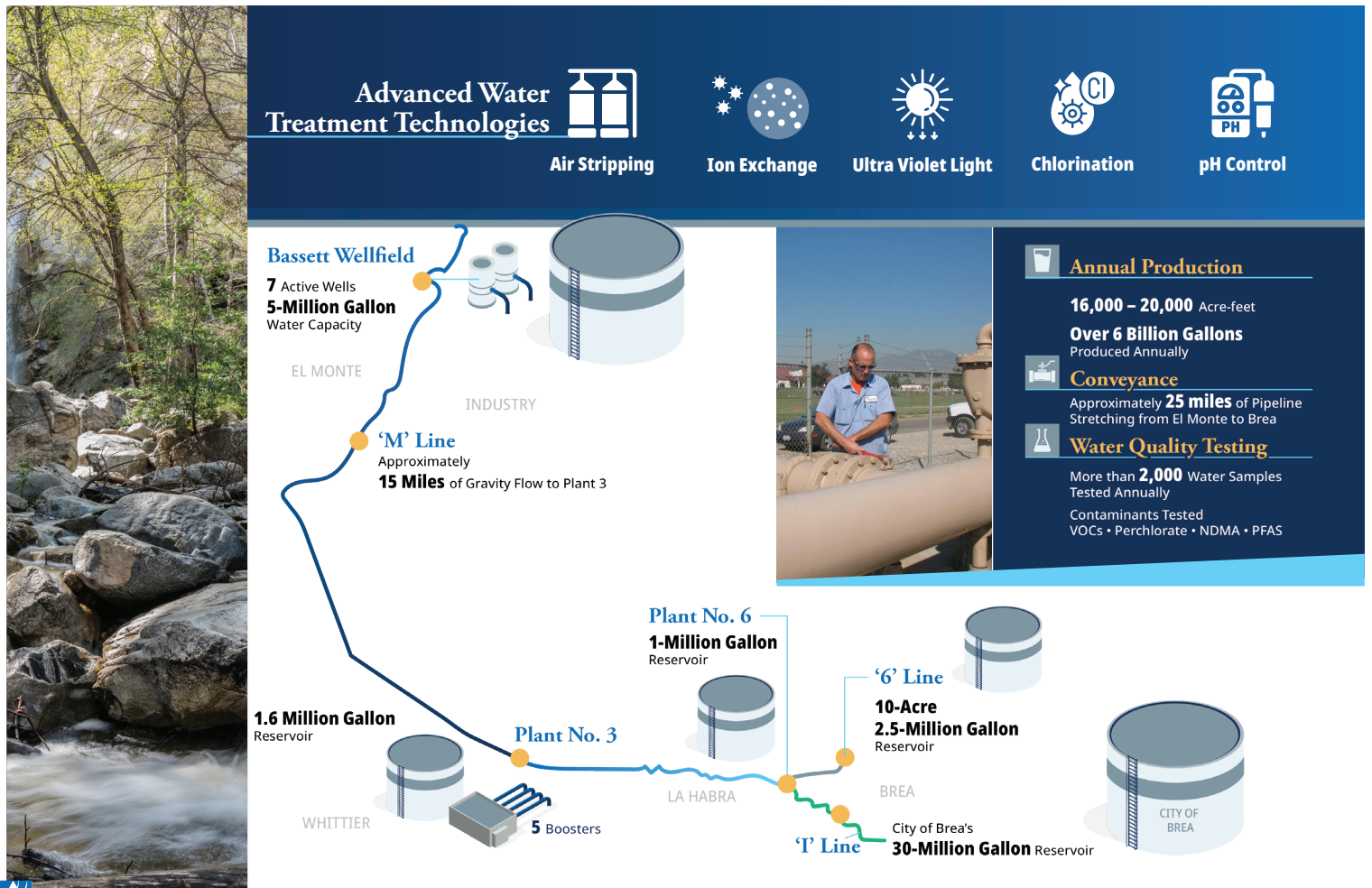


Collaboration and Teamwork



Accountability and Accessibility

Company At-a-Glance





Planning Goals

The purpose of this Strategic Plan is to create a framework for decision making that will shape and guide the Company's actions. It is a structured approach to establishing the Company's direction and to preparing for the future, using the Planning Goals listed to the right to ensure a long-lived, comprehensive Plan.

These goals led to a process with a focus on Shareholder feedback and a deep dive into organizational strengths, weaknesses, opportunities and threats, as well as a holistic review of Company policies, procedures and practices.



A Plan Created with Shareholders In Mind

Collaboration. Community. Commitment. is an illustration of California Domestic Water Company's dedication to engaging Shareholders and ensuring their input and recommendations are thoughtfully represented in the Company's future vision and planning. A primary tenet of the process, the Strategic Planning Committee asked CV Strategies to facilitate a series of meetings with Shareholders designed to solicit comments directly related to water operations, capital planning, outreach and regional leadership. The Company is firmly committed to maintaining an open dialogue with its Shareholders and continuously providing a forum, whether through this planning process or through regular meetings and correspondence, to obtain constructive feedback.

Highlights

- Shareholders generally believe they are receiving good value, exceptional service and superior system reliability at a fair price. They are confident that the Company is well positioned to address emerging contaminant concerns, water supply needs and other issues as they arise.
- Shareholders appreciate the Company's focus on succession planning and long term capital improvements.
- Shareholders believe the Company's communications are sufficient, but are interested in additional engagement tools to assist in their outreach to their retail customers.
- The Company's participation in local and regional organizations is a benefit to Shareholders, and they appreciate the direct representation on their behalf.
- Shareholders welcome the Company's attitude of trust and openness and acknowledge a mutual responsibility and shared commitment to prioritizing thoughtful collaboration and engagement now and in the future.

Over several weeks in July and August of 2020, meetings with Shareholders were conducted, identifying areas of success, needed improvements and general insight. Participants included:

City of La Habra

July 15, 2020



Suburban Water Systems

July 17, 2020



City of Brea

August 4, 2020



Over the next several years, the Company's staff and Board of Directors will make decisions guided within the context of the plan and built on its fundamental principle: *To create a blueprint that meets and exceeds the water needs of its Shareholders for years to come.*

Areas of Focus & Strategic Initiatives



Finance

California Domestic Water Company is committed to managing expenses with a focus on efficiency without compromising reliability or organizational effectiveness. A long-range financial plan will ensure additional value to Shareholders, provide clarity and inform decisions surrounding the Company's fiscal landscape well into the future.



Water Supply

Water regulations are constantly shifting and California Domestic Water Company is poised to mitigate any quality or supply impacts. By proactively addressing emerging constituents and advancing water rights opportunities, the Company is furthering its purpose to deliver a reliable water supply at a sustainable price.



Water Systems & Operations

California Domestic Water Company's water system is a complex network of pipes, pumps and reservoirs. To protect this system and advance its operations, the Company will be crafting a capital improvement plan to address future reliability needs and potentially add to capacity, if needed.



Succession Planning

Preparing California Domestic Water Company's employees for the future is a priority. California Domestic Water Company is ready to meet this challenge by grooming and growing its current staff, strengthening staff and Board advancement and building a foundation of institutional knowledge that can be transferred to a future workforce, with a focus on diversity, equity and inclusion.



Governance

Governed by a six-member Board of Directors, California Domestic Water Company will regularly review and update its Rules and Regulations Governing Water Service, Corporate By-Laws and Policy Manuals to reflect current industry best practices and organizational values.



Outreach & Communications

Without community support, achieving the Company's strategic initiatives becomes increasingly difficult. Keeping efficiency in mind, the Company will focus on planning communications strategically and leveraging currently available materials to connect with our Shareholders.



Regional Leadership & Strategic Partnerships

California Domestic Water Company's position within the industry and region is key to supporting its strategic initiatives and representing Shareholder interests. To realize the Company's vision, California Domestic Water Company will continue to deepen relationships with regulatory agencies and other governing bodies, as well as foster connections with local, regional and industry organizations.

Next Step: Implementation

Under the direction and guidance of the Strategic Planning Committee, the Implementation Plan will begin with an analysis of each strategic initiative, and then organize each according to specific factors including cost implications, staffing considerations, deadlines and benchmarks, and other circumstances which may impact progress. It is also crucial that each strategic initiative identified contain a related performance metric, or key performance indicator, to monitor and measure results and ensure alignment with the Strategic Plan.

For more information:

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