



Strategic Plan Goals:

- Safe, Abundant Reliable Water Supply
- Perpetual Infrastructure
- Financial Responsibility
- Public Awareness
- Retain Skilled Employees
- Outstanding Customer Service
- Participate in Regional Water Issues



Mesa Water

- Financially Strong
- AAA ratings

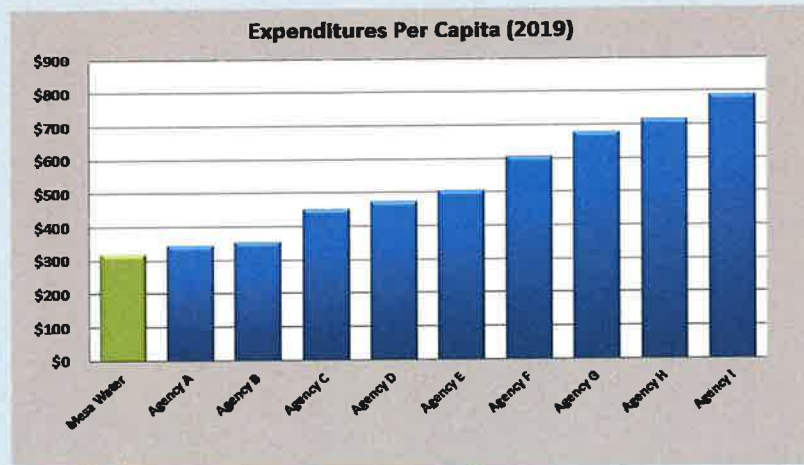
**STANDARD
& POOR'S**

FitchRatings



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Efficient



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Clean, Safe, Local & Reliable

Mesa Water Reliability Facility (MWRF) Benefits:

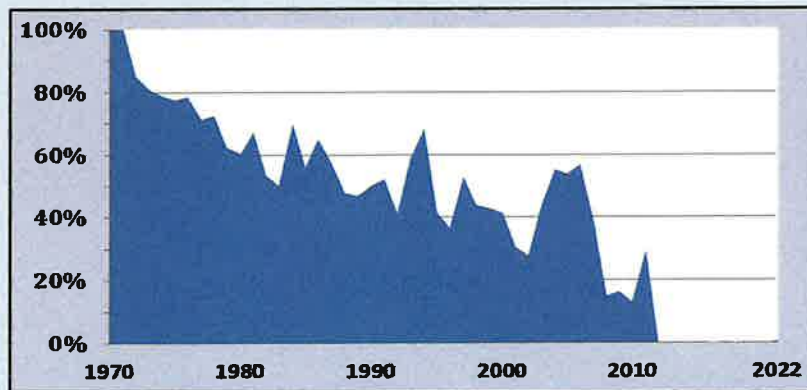
- High-quality water
- Groundwater basin clean-up
- Drought-resilient local water supply
- Lower carbon foot-print



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Clean, Safe, Local & Reliable

Historical % of Annual Imported Water



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Committed to Transparency

District Transparency Certificate of Excellence

January 2020 – March 2023

The Special District Leadership Foundation is proud to present this
District Transparency Certificate of Excellence to

Mesa Water District

In recognition of the district's completion of all transparency program requirements
designed to promote transparency in their operations and governance
to the public and other stakeholders.


David Arends, SDLF Board President




Neil McCormick, SDLF Chief Executive Officer

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District of Distinction

District of Distinction

January 2020 – March 2023

The Special District Leadership Foundation is proud to present this
District of Distinction Re-accreditation certificate to

Mesa Water District

In recognition of the district's commitment to good governance and to ethical and
sound operating practices, the Special District Leadership Foundation presents this
District of Distinction award.


David Arends, SDLF Board President




Neil McCormick, SDLF Chief Executive Officer

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Budget Assumptions

- Increase in budgeted water production FY 2022 budgeted potable water production of 17,369 acre feet vs. 16,869 acre feet in FY 2021 (3% Increase)
- Fourth/Fifth year of approved 5-year rate adjustments
- FY 2022 includes Basin Managed Water
- Replenishment Assessment (RA) increased \$22
- BPP for FY 2022 remained at 77% from FY 2021

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Budget Assumptions

Increased water costs:

Year		Per Acre Foot		
		Replenishment Assessment	Recycled Water	Imported Variable Cost
2017	Actual	402.00	478.40	942/979
2018	Actual	445.00	738.00	979/1,015
2019	Actual	462.00	838.00	1,015/1,050
2020	Actual	487.00	867.00	1,050/1,078
2021	Actual	487.00	905.00	1,078/1,104
2022	Budgeted	509.00	905.00	1,104/1,143

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FY 2022 Proposed Budget

- FY 2022 Budget funds the Board's objectives and supports the goals of the Strategic Plan
- FY 2022 Budget Operating Revenues Increased by 6.1% to \$41.1 Million from \$39.0 Million
- Operating Expenses increased by 7.3% in the FY 2022 budget to \$29.3 Million from \$27.3 Million

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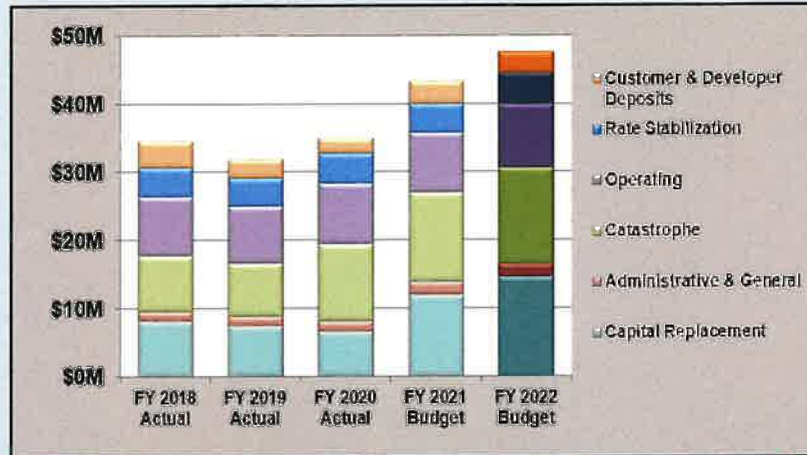
FY 2022 Proposed Budget

- Debt Service of \$6.7 Million in FY 2022 vs. \$6.2 Million in FY 2021
- Capital Expenditures is \$33.3 Million with focus on Water Infrastructure (2 new well construction, operations routine capital, other agency projects) the SCADA control room and wet lab upgrades, and IT security upgrades
- No change in Full Time Equivalent employees.

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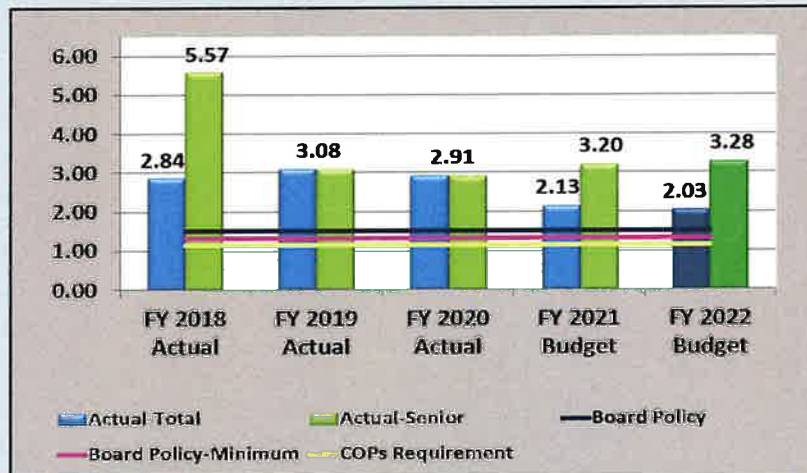
Designated Funds



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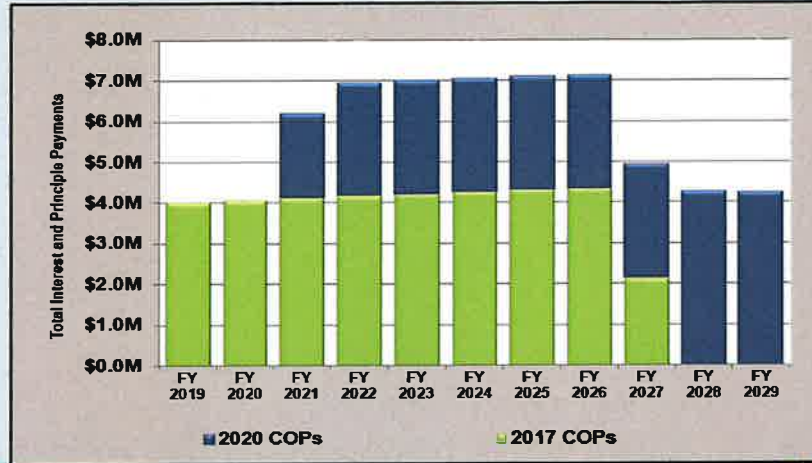
Debt Service Coverage Ratio



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Debt Service Payments



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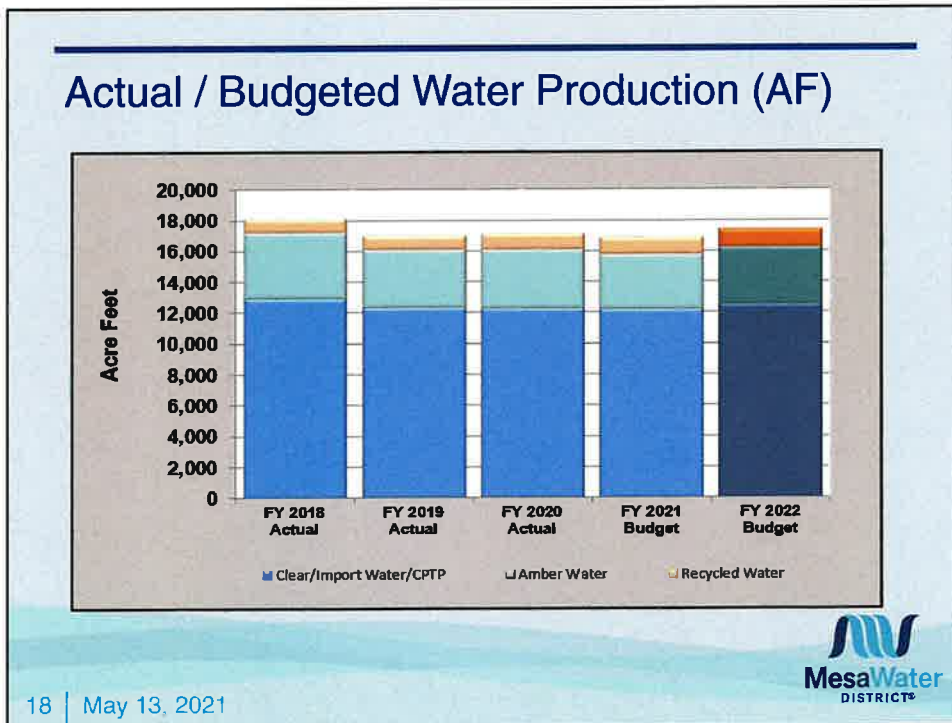
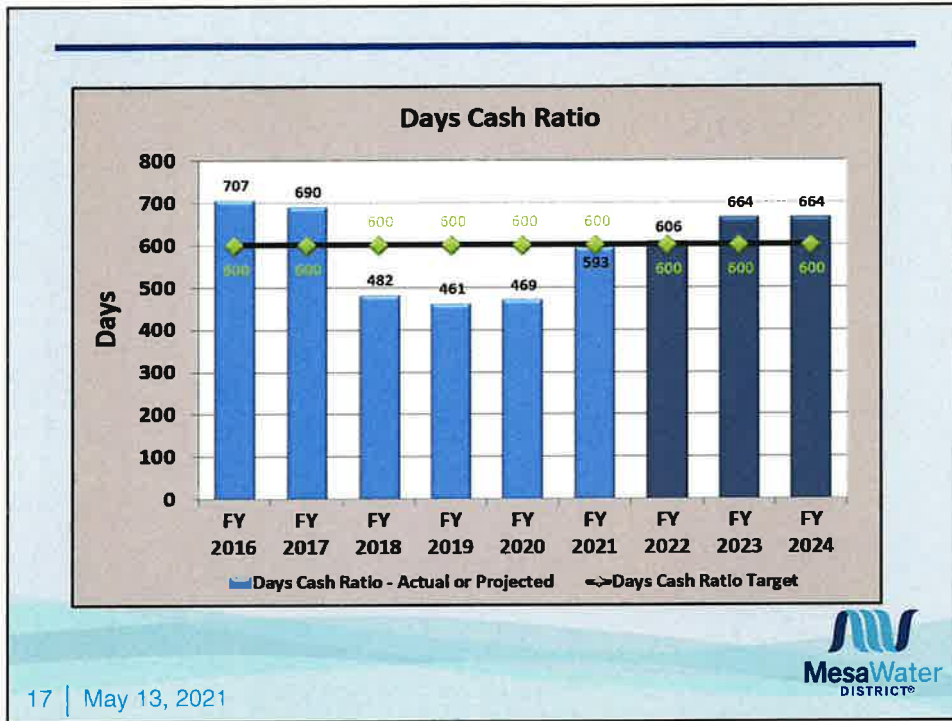


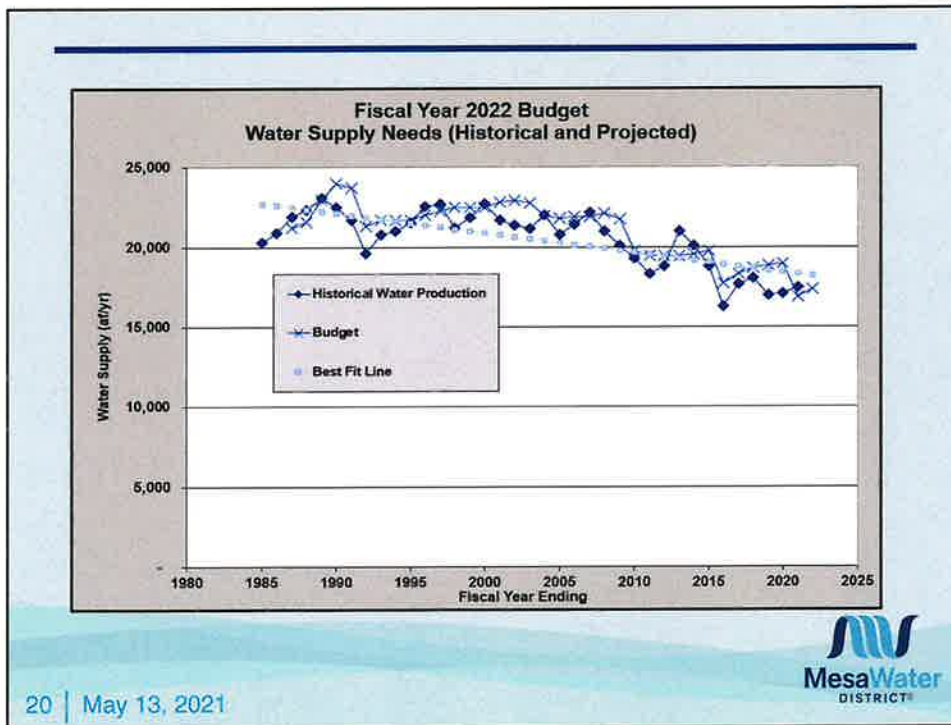
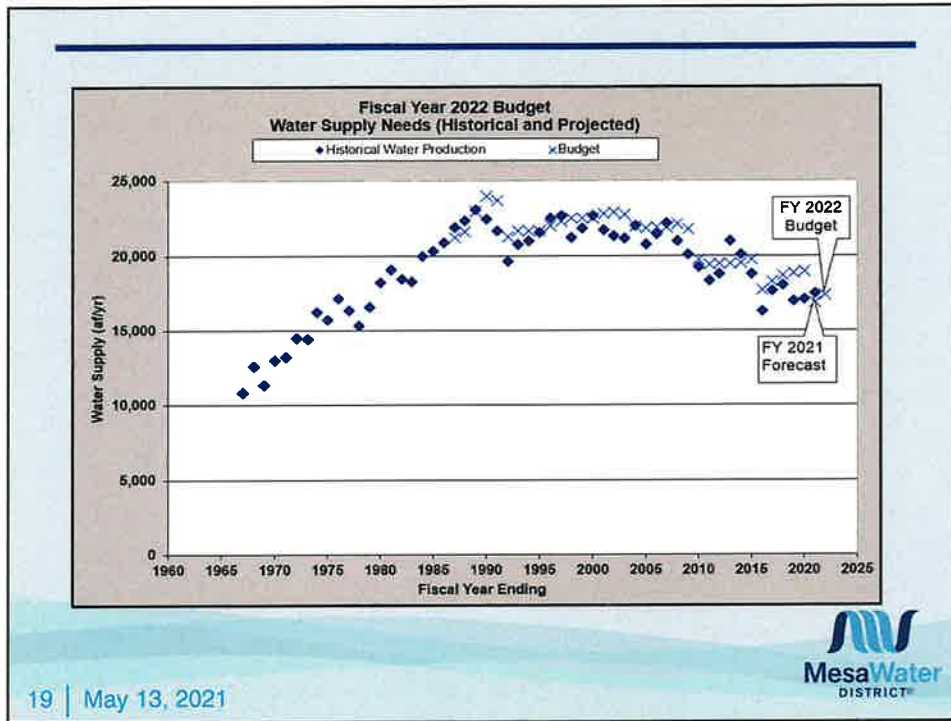
Cash on Hand



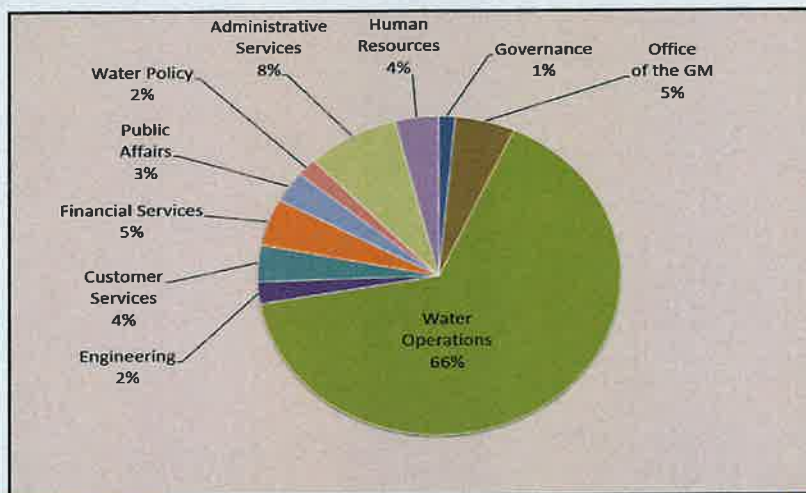
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Operating Expenses by Department As a Percentage



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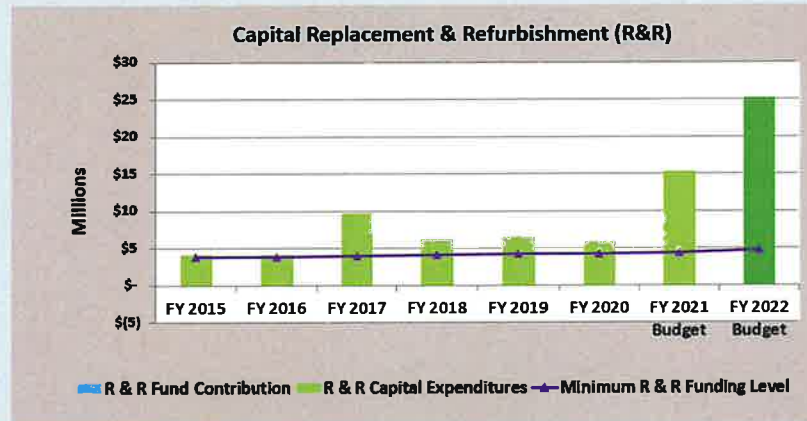
Capital

Description	Amount	Percent of Total
Croddy/Chandler Well Construction	\$ 12,845,409	38.6%
SCADA Control Room and Wet Lab Upgrades	5,307,652	15.9%
Valve and Pipeline Replacements	5,183,956	15.6%
IT Upgrades & Project Support	2,367,300	7.1%
Abandoned Vault Closures	1,648,663	5.0%
Other Agency Projects	1,139,172	3.4%
Internal Labor, Material, Overhead & Contingency	1,120,201	3.4%
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	3.0%
Reservoir Upgrades	800,400	2.4%
Operations Non-Routine Capital (Vehicles, Other)	550,000	1.7%
District Facilities Upgrade	442,278	1.3%
Operational Infrastructure Security Upgrades	400,000	1.2%
Pipeline Integrity Testing Program	250,000	0.7%
On-Call Services (Design, Paving, Const., & CM)	249,750	0.7%
Total Capital	\$ 33,304,781	100.0%

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Capital Replacement & Refurbishment (R&R)



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District Memberships

District Memberships	Cost
Association of California Water Agencies	\$26,000
CalDesal	\$20,000
AWWA Water Research Foundation	\$11,850
California Special Districts Association	\$7,850
Association of CA Cities - Orange County	\$5,000
California Municipal Utilities Association	\$5,000
Costa Mesa Chamber of Commerce	\$5,000
Orange County Business Council	\$5,000
UCI Water Board	\$5,000
American Water Works Association	\$4,500
California Water Efficiency Partnership	\$4,350
WaterReuse	\$4,000
The Bond Buyer	\$3,650
Miscellaneous	\$3,000

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District Memberships

District Memberships	Cost
Urban Water Institute	\$2,500
Foundation for Cross Connection Control & Hydraulic Research	\$1,000
Newspaper Subscriptions	\$1,000
Orange County Forum	\$1,000
Southern California Water Committee	\$1,000
Newport Beach Chamber of Commerce	\$600
Mountain Counties Water Resources Association	\$550
South Coast Metro Alliance	\$500
Southwest Membrane Operator Association	\$500
Friends of Costa Mesa Libraries	\$100
Independent Special Districts of Orange County	\$50
Total District Memberships	\$119,000

- District Memberships increased \$20,000 in FY 2022 from FY 2021



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Board Conferences & Seminars

Board Conference and Seminar	Cost
ACWA/JPIA Fall Conference	\$6,000
ACWA/JPIA Spring Conference	\$6,000
ACWA DC Conference	\$3,000
Urban Water Institute Conferences	\$3,000
ACWA Committee Meetings	\$2,000
CSDA Annual Conference	\$2,000
Miscellaneous Conferences & Seminars	\$2,000
ACWA Legislative Symposium	\$1,000
AWWA ACE Conference	\$1,000
CA-NV AWWA Fall Conference	\$1,000
California United Water Conference	\$1,000
Colorado River Water Users Association Conference	\$1,000
CSDA Legislative Days	\$1,000
Total Board Conferences and Seminars	\$30,000

- Board Conferences & Seminars remained the same in FY 2022 from FY 2021



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Community Outreach

Community Outreach Event	Cost
Community Chats	\$12,500
Association of California Water Agencies	\$10,500
Orange County Fair	\$10,500
Orange County Water Summit	\$7,500
KOCI	\$6,500
Concerts in the Park	\$5,000
Festival of Children @ South Coast Plaza	\$5,000
Vanguard University	\$2,750
Industry Events	\$2,500
Costa Mesa High School & Estancia High School	\$2,000
Newport Chamber of Commerce	\$2,000
Southern California Water Coalition	\$2,000

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Community Outreach

Community Outreach Event	Cost
Urban Water Institute	\$2,000
Southwest Membrane Operator Association (SWMOA)	\$1,500
CALAFCO	\$1,000
CALWEP Peer to Peer Sponsorship	\$1,000
Costa Mesa Lions	\$1,000
Ducks Unlimited	\$1,000
Newport Mesa Unified Schools Foundation	\$1,000
Orange County Tax	\$1,000
Save Our Youth (S.O.Y.)	\$250
Total Community Outreach	\$78,500

- Community Outreach decreased by \$25,860 in FY 2022 from FY 2021.

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FY 2022 Budget Summary

- Proposed Budget funds Board Mission, Vision & Strategic Goals
- Key Financial Goals:
 - Cash on Hand of \$47.5 Million
 - Days Cash Ratio of 606 days
- 100% reliable with locally-sourced water
- Most efficient water agency in OC with lowest annual per capita expenditures

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Recommendation

- Approve the proposed FY 2022 Budget, or
- Direct Staff to modify the proposed FY 2022 Budget as requested by the Board of Directors

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Questions



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