



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, March 7, 2019
1965 Placentia Avenue, Costa Mesa, CA 92627
9:00 a.m. Adjourned Regular Board Meeting**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Items Not on the Agenda: Members of the public are invited to address the Board on items which are not on the agenda. Each speaker is limited to three minutes. The Board will set aside 30 minutes for public comments.

Items on the Agenda: Members of the public may comment on agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to three minutes. The Board will set aside 60 minutes for public comments.

ITEMS TO BE ADDED, REMOVED, OR REORDERED ON THE AGENDA

At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

ACTION ITEMS:

1. CUSTOMER SERVICE AUDIT:

Recommendation: Receive the presentation and take action as the Board desires.

2. ANNUAL PERFORMANCE MEASURES AND AUDITS:

Recommendation: Receive the presentation and direct staff to include in the proposed Fiscal Year 2020 Budget third-party auditors to conduct the annual performance audits.

3. FORMATION AND DISSOLUTION OF COMMITTEES:

Recommendation:

- a. **Approve combining the Finance and Legislative and Public Affairs Committee into one monthly meeting;**
- b. **Rename the Finance Committee and the Legislative and Public Affairs Committee meeting to FinLPAC;**
- c. **Confirm the 2019 FinLPAC regular meetings for the fourth Monday, beginning in March, starting at 3:30 p.m., and**
- d. **Appoint the Committee Chair.**



4. STRATEGIC PLAN:

Recommendation: Identify new strategic goals, objectives and outcomes for Mesa Water District, thereby updating the Strategic Plan for 2019 and beyond.

5. FINANCIAL GOALS AND RESERVES:

Recommendation: Receive the information and take action as the Board desires.

6. BRANDING COMMUNITY ASSETS:

Recommendation: This item is provided for information.

7. NEW CUSTOMER WELCOME PROGRAM:

Recommendation: This item is provided for information.

8. REGIONAL WATER ISSUES:

Recommendation: Receive the information and take action as the Board desires.

REPORTS:

9. REPORT OF THE GENERAL MANAGER

10. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

11. OTHER (NO ENCLOSURE)

In compliance with California law and the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please call the District Secretary at (949) 631-1205. Notification 48 hours prior to the meeting will enable Mesa Water District (Mesa Water) to make reasonable arrangements to accommodate your requests.

Members of the public desiring to make verbal comments using a translator to present their comments into English shall be provided reasonable time accommodations that are consistent with California law.

Agenda materials that are public records, which have been distributed to a majority of the Mesa Water Board of Directors (Board), will be available for public inspection at the District Boardroom, 1965 Placentia Avenue, Costa Mesa, CA and on Mesa Water's website at www.MesaWater.org. If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.

ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR THURSDAY, MARCH 14, 2019 AT 6:00 P.M.



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MEMORANDUM

TO: Board of Directors
FROM: Stacie Sheek, Customer Services Manager
DATE: March 7, 2019
SUBJECT: Customer Service Audit

RECOMMENDATION

Receive the presentation and take action as the Board desires.

STRATEGIC PLAN

Goal #5: Attract and retain skilled employees.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

At its August 9, 2018 meeting, the Board of Directors (Board) received a presentation item on the first Customer Service Audit.

DISCUSSION

In 2016, Moran Consulting, Inc. (Moran) was selected through a competitive bid process to evaluate Mesa Water District's (Mesa Water®) customer service processes. Based on their findings, Moran developed and implemented a training program to elevate customer service to an elite level. To ensure this high level of customer service continues to be provided by Mesa Water, an accountability program that includes routine audits and additional training was also developed.

To measure the strength of key performance indicators that have been identified as most important to the customer, Moran has completed the first and second quarter audits for Fiscal Year 2019. The audits consist of analyzing data collected from the following key performance indicators:

- Customer Satisfaction
- First Call Resolution
- Call Quality
- Speed to Access
- Call Abandonment

Scores of 88% and 87% were achieved for the first and second quarter audits, respectively. The aggregate Fiscal Year 2018 score was 81%. These scores indicate an upward trend in the level of service provided by Mesa Water staff. The District is focused on achieving an Elite Customer Service score of at least 90%.

Over the course of the two audits, a gold performance level was achieved and maintained in Overall Customer Satisfaction which is based on customer feedback provided via phone and walk-in surveys. In the second quarter audit, staff achieved a gold performance level for the first time in Overall Call Quality which is based on the Customer Services Manager's review and evaluation of recorded customer phone calls and validated further by Mesa Water's third party auditor.



In addition to identifying and mitigating challenges associated with Mesa Water's goal of progressing to an Elite Customer Service performance level, Moran will continue to perform similar reviews on a quarterly basis to ensure long-term monitoring for success. In addition, Moran will provide an overview of the results and audit scorecard at the March 7, 2019 Board workshop.

FINANCIAL IMPACT

In Fiscal Year 2019, \$94,650 is budgeted for Elite Customer Service; \$40,000 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Kurt Lind, Business Administrator
DATE: March 7, 2019
SUBJECT: Annual Performance Measures and Audits

RECOMMENDATION

Receive the presentation and direct staff to include in the proposed Fiscal Year 2020 Budget third-party auditors to conduct the annual performance audits.

STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water® and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

At its April 11, 2013 meeting, the Board of Directors (Board) approved the Business Process Evaluation project. The purpose of this evaluation was to investigate and document current organizational operations and identify opportunities to improve various business processes, including organizational structure, labor usage, technology utilization and needs, work management, effectiveness, and efficiency.

At its May 22, 2014 meeting, the Board approved the Business Improvement Process Implementation. The purpose of this implementation was to institutionalize and optimize Mesa Water District's (Mesa Water®) business processes, as well as establish new systems and upgrade existing automated tools in order to increase accountability to allow for process improvement.

At its March 26, 2018 workshop, the Board directed staff to develop District-wide key performance indicators and performance audits. The purpose of this direction was to provide the final feedback link to a sound business process strategy. The Strategic Plan establishes the vision that the Board has created. Management and staff work together to develop the plans and measures detailing how to reach that vision. The Performance Audit is an independent, third-party check of our system and processes to ensure they are functioning as designed.

DISCUSSION

Background

In 2013, Mesa Water obtained professional consulting services to optimize their business operating units. LA Consulting, Inc. (LAC) was retained by Mesa Water in April 2013, through a competitive selection process, to evaluate the business processes of six departments including



Administrative Services, Customer Services, Engineering, Financial Services, Public & Government Affairs and Water Operations.

The evaluation was completed in March 2014 and found Mesa Water having many good and innovative existing practices, such as creating a positive workplace environment and an existing process improvement process in Water Operations. There were, however, many additional opportunities identified for improvement that would help Mesa Water save millions of dollars annually.

The evaluation outlined 76 specific recommendations for optimization of business operations. 44 of the most impactful recommendations were implemented and 17 are currently in-progress and managed by Mesa Water staff. The remaining recommendations are either planned for the future or are not warranted for implementation. LAC's final task was to evaluate and document the results of the five-year effort to improve management and business processes. The results of this review are provided as Attachment A.

Results

The implementation of recommendations has saved Mesa Water an estimated \$6.3 million over five years and significantly improved productivity. This has resulted in staff accomplishing more work with fewer dollars and in less time than expected. Mesa Water is:

- Doing 17.6% more work with:
 - 16% less labor hours
 - 6.6% less labor budget

Staff achieved these excellent results with an increase in customer population and assets while important time utilization measures remained consistent and steady:

- 3.5% increase in population
- 2.5% increase of assets to maintain
- Maintaining 2% overtime
- Maintaining 3% duty call time

The estimated savings also takes into account an overall 15.38% salary increase that occurred over the five-year period.

Staff invested a significant amount of time, energy, and ideas that helped transform Mesa Water into a more efficient and effective organization. Their contributions were, and continue to be, valuable input that makes a difference during implementation and adds tremendous value for a successful change of operation. Their efforts have benefitted Mesa Water customers by optimizing the workforce and the resources, while reducing overall operational costs.

Forward Progression

Mesa Water is embracing the opportunity to keep this optimization moving forward. We accomplish this by enacting a complete performance management process. The first two steps of the performance management process have been established with the Strategic Plan and aligned Department Goals.



The last two vital steps of this process are developing Key Performance Indicator's (KPI's) for each department and performing an Annual Audit. KPI's were established working together with management and staff. KPI's are the heartbeat of our performance management process. They are simple to produce, meaningful, and impactful. The KPI's tell us whether we are making progress towards our Department Goals which are linked to the Strategic Plan.

The final step is to secure an independent, third-party auditor to verify the results every year. This will allow Mesa Water to identify gaps and areas of improvement related to:

- Ensuring the quality of the information staff uses to measure
- Ensuring that our business systems and related processes are set up and operating appropriately
- Ensuring that critical activities are completed on time and with quality
- Ensuring critical programs and processes are in place and operating properly

The Performance Audit provides the Board with confidence that these Key Performance standards are being addressed effectively. Staff is planning to move forward with competitively selecting independent auditors and will present the audit results at a future Board meeting.

The results from the Work Optimization Final Report show that, as an organization, we champion the concept of continuous improvement. The Performance Management Process will become our compass. Embracing this process will help guide our direction and keep Mesa Water on the path of a top performing public water agency.

FINANCIAL IMPACT

In Fiscal Year 2019, no funds are budgeted for the Annual Performance Measures and Audits. Staff will include in the proposed Fiscal Year 2020 Budget third-party auditors to conduct the annual performance audits.

ATTACHMENTS

Attachment A: Mesa Water District Work Optimization Final Report



Consulting, Inc.

February 25, 2019

Mr. Kurt B. Lind, MPA
District Business Administrator
Office of the General Manager
Mesa Water District
1965 Placentia Avenue
Costa Mesa, CA 92627

Subject: 075-006 Task 2a-21 Final report and presentation

Dear Kurt:

LA Consulting, Inc. (LAC) is pleased to submit our final report on Mesa Water optimization effort and results of implementing the 2014 report. Mesa Water's effort and results are impressive with productivity improvements estimated at \$6.3 million over a five-year period. Congratulations on Mesa Water success!

We appreciate the opportunity to assist the Mesa Water over the last two projects. If you have questions, please contact us at (310) 374-5777.

Sincerely,

A handwritten signature in blue ink that reads "Harry C. Lorick".

Harry C. Lorick, PE, PTOE
Principal

Enclosure

"We Help Public Works Work"

.....
Phone: 310-374-5777 • Fax: 310-374-5557 • email: info@laconsulting.com
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Internet address: www.laconsulting.com

Mesa Water District Work Optimization Final Report

The implementation of recommendations based on a 2014 evaluation of Mesa Water District (Mesa Water) by LA Consulting, Inc. (LAC) has now saved Mesa Water an estimated \$6.3 million. Mesa Water leadership initiated the endeavor to determine the impact of staff's efforts over the past five years based on the information collected before and after implementation of many of the recommended improvements described in the 2014 evaluation.

Background

In 2013, Mesa Water decided to obtain professional consulting services to optimize their business operating units. LAC, a national management consulting firm, was retained by Mesa Water in April 2013, through a competitive selection process. LAC was tasked to evaluate the business processes of six departments including Water Operations, Financial Services, Engineering, Administrative Services, Customer Service, and Public & Government Affairs

The evaluation was completed in March 2014 and documented by a 273-page report (Mesa Water - Business Process Evaluation). The evaluation outlined seventy-six (76) specific recommendations for optimization of business operations. This effort was accomplished with considerable input from Mesa Water employees and management.

The Business Process Evaluation was prepared as part of the implementation to document and outline specific opportunities, or the "game plan", that was used by Mesa Water to improve operational efficiency. In June 2014, LAC was then tasked to assist Mesa Water with the implementation of select recommendations. The project had two phases:

- A Evaluate and document current operations (April 2013 through January 2014).
- B. Implement business and system processes (June 2014 through December 2018).

Mesa Water, governed by a five-member board of directors, currently provides service to over 115,000 customers within an 18-square mile area. Mesa Water's service area includes the City of Costa Mesa, parts of the City of Newport Beach, and some unincorporated sections of Orange County, including John Wayne Airport. Mesa Water is responsible for 23,786 water meters, 350 miles of distribution lines, two reservoirs, seven active well sites, and the Mesa Water Reliability Facility (MWRF).

Mesa Water's key areas of success include providing 100% local water reliability, low water loss, low water rates without hidden charges, high system integrity, and accepted public support. Mesa Water is the only water provider in Orange County that delivers 100% local water compared to other agencies in Orange County which must buy imported water, leading to increased cost and volatility.

LAC Evaluation

LAC performed a complete evaluation of Mesa Water. The evaluation found Mesa Water having many good and innovative existing practices, such as creating a positive workplace environment and an existing process improvement process in Water Operations. There were, however, many additional opportunities identified for improvement that would help Mesa Water save millions of dollars annually.

Mesa Water District Work Optimization Final Report

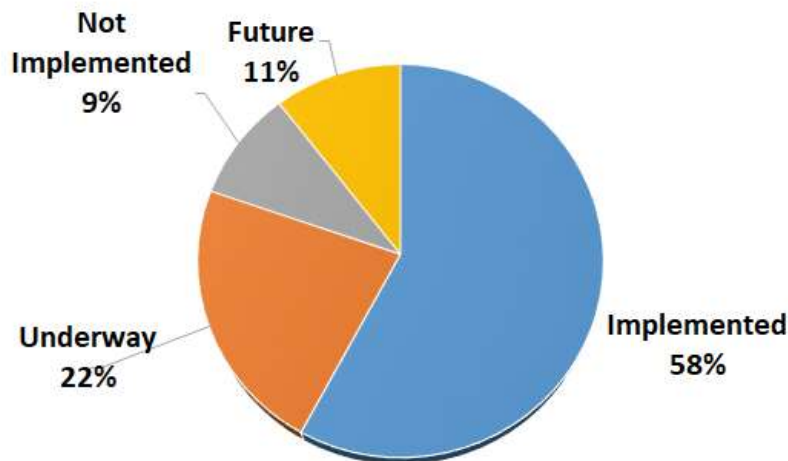
After Mesa Water implemented these recommendations, LAC's final task was to evaluate and document the results of the five-year effort to improve management and business processes.

Five-Year Results

Since the initial evaluation, many of the business practices outlined in the 2014 were successfully implemented by staff through Mesa Water's commitment to continuous improvement. Mesa Water fully implemented the work planning component of their MaintStar computerized maintenance management system (CMMS) for all departments. This functionality, coupled with the two-week scheduling process and the capability to produce monthly performance reports, provided the accountability component that is the key to efficiency improvement. The results have been impressive.

Of the seventy-six (76) recommendations, forty-four (44) have been implemented. Another seventeen (17) are underway and eight (8) are planned for future implementation. Seven (7) were not implemented nor planned, as other factors led them to not be warranted. The status of these recommendations by percentage is depicted in Figure 1 below.

Figure 1: Implementation Status of Recommendations (%)



The implementation of the initial recommendations from the 2014 evaluation has significantly improved productivity for Mesa Water. This has resulted in staff accomplishing more work with fewer dollars and in less time than expected.

The most impactful accomplishments for Mesa Water include:

- Developing work performance plans and tracking time to work activities
- Preparing two-week schedules
- Simplifying the chart of accounts
- Designing and implementing the project accounting system
- Implementing an automated purchase request system
- Implementing an integrated payroll/human resource system

Mesa Water District Work Optimization Final Report

Several factors and a variety of operational information sources were considered when evaluating the changes, including Mesa Water's Comprehensive Annual Financial Report (CAFR) documents (2013 through 2018) and data from MaintStar CMMS. Mesa Water has realized approximately \$6.3 million in cumulative savings in several areas after the implementation. The following narrative provides some detail of the noteworthy changes and savings.

Organizational Changes

Mesa Water has a unique organizational challenge where certain positions and functions resulted in full time plus partial time requirements. Mesa Water took the necessary steps to make strategic organizational changes to streamline business operations. These actions demonstrate that by combining related work roles and responsibilities where it made sense, Mesa Water could add value and gain efficiencies without increasing additional labor hours. These changes are partially accounted for the reduction of labor hours and productivity improvements that are discussed later in this report.

Listed below are some of the key organizational changes during this five-year period from 2013 to 2018:

- Created Assistant General Manager (AGM) role
- Organized Water Operations and Engineering Departments under AGM
- Moved Inspection and Cross Connection from Engineering to Water Operations
- Combined Inspection and Underground Service Alert functions
- Cross Train Water Quality and Cross Connection functions
- Combined Water Production Supervisor and Water Distribution Supervisor roles
- Combined Water Maintenance Crew Leader, Water Maintenance Worker, Senior Water System Operator, and Water System Operator roles into Senior Operator and Operator roles
- Created Water Operations Coordinator role
- Combined Controller and Financial Analyst roles
- Combined Secretary and Office Assistant roles
- Reorganized independent/specialized assistant roles into a single Department Assistant role
- Created Lead Customer Service role
- Combined Meter Readers into Field Customer Service Representative roles
- Transitioned Meter Program from Water Operations to Customer Services

Population and Assets

LAC utilized information from Mesa Water's independently audited and accepted Comprehensive Annual Financial Report (CAFR) for FY2013 and FY2018 to determine two very important statistics related to service and workload. The population served by Mesa Water in FY2013 was 111,358 while over the past five years this increased by 3.5% to 115,296.

During this same timeframe, a second key indicator for Mesa Water - - the number of services provided - - increased by 2.5%. The resulting additional population and service accounts directly

Mesa Water District Work Optimization Final Report

impacts the business functions for Water Operations, Customer Services, Engineering, and Financial Services.

Budget and Staffing

LAC utilized information from Mesa Water's Annual Operating Budget for FY2013 and FY2018 to determine labor costs and staffing levels. The actual amount of labor dollars utilized over the five-year period was adjusted for inflation using actual pay increases for employees that occurred during the five years (15.36%). The cost of labor in FY2013 was \$9.33 million (adjusted to current dollars) compared to \$8.72 million in FY2018. This resulted in a reduction of \$610,000, or a difference of approximately 6.6% between FY2018 and FY2013.

There was additional savings of \$1.2 million that occurred in the interim years from FY2013 to FY2017. This is due a reduction of labor hours that came off the books during the re-organization. The estimated cumulative impact of these labor adjustments is \$1.8 million in total savings over a five-year period. The number of actual paid labor hours decreased by 16% from FY2013 to FY2018, which equates to eight (8) fewer positions.

It should also be noted that if labor hour needs were directly related to population, the amount of labor hours required would have be greater in 2018 than 2013. Further, if labor hour needs were directly related to services to be maintained, more labor hours and staff would have been increased as well. However, the presumed labor hour needs were absorbed in the business and process improvements that were made, which are discussed later and demonstrated in Figure 3

Productivity

Performance indicators are utilized by high-performing organizations to measure the success or completion of the tasks or units that they have planned (De Waal A., The High Performance Organization (HPO) Framework, 2016). Utilizing data from Mesa Water's MaintStar CMMS (2019), the amount of work units done (valves turned, new meters installed, etc.) per year for maintenance and repair activities within the Water Operations Department increased by 17.6% over the five-year period.

It should be noted; the other Mesa Water departments were not tracking in a similar manner as Water Operations at the time of the 2014 evaluation to allow for comparable analysis. It is estimated that the other departments experienced similar improvement. However, by just comparing the reduction in labor hours of 16% and increase of services of 2.5%, the stated productivity increase of 17.6 % projection value appears to be consistent with other collected data.

Figure 2 shows a summary of change in productivity for most of the Mesa Water's maintenance and operational activities between FY2013 and FY2018, using data from MaintStar CMMS. Mesa Water has experienced an increase in productivity, indicating more work being completed, for 69% of activities.

Mesa Water District Work Optimization Final Report

Figure 2: Mesa Water District Productivity Changes (Change since 2013)

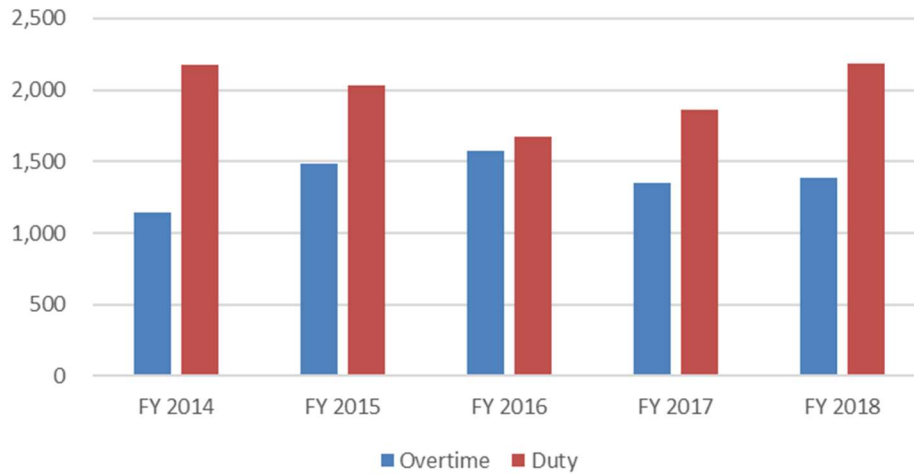
Activity	UOM		
HYDRANT MAINTENANCE	HYDRANTS	↓	
CAPITAL HYDRANT UPGRADE	HYDRANTS	↓	
MAIN LINE REPAIR	REPAIRS		↑
UNDERGROUND SERVICE ALERT	TICKETS		↑
DISTRIBUTION VALVE MAINTENANCE	VALVES		↑
CAPITAL MAINLINE VALVE REPLACE	VALVES	↓	
WATER QUALITY SAMPLING	SITES	↓	
SERVICE LINE REPAIRS	REPAIRS		↑
CAPITAL SMALL METERS	METERS		↑
ANGLE STOP/BALL VALVE REPLACE	REPLACE		↑
INSTRUMENT CALIBRATION CHECK	INSTRUMENT		↑
METER LEAK INVESTIGATE/REPAIR	INV/REP		↑
HYDRANT REPAIR	HYDRANTS	↓	
EMISSIONS COMPLIANCE TEST	TESTS	↓	
NEW METER INSTALLATION	METERS		↑
HYDRANT PAINTING	HYDRANTS		
EVENT SET UP	HOURS	↓	
PROCESS BACKFLOW TEST REPORTS	EACH		↑
DATA REVIEW AND UPLOADS	UPLOAD		↑
CUSTOMER COMMUNICATION & ED	CALLS		↑
MWRP SAMPLES	SITES		↑
AIR VAC MAINTENANCE/REPAIR	AIR VACS	↓	
TROUBLESHOOT/INVESTIGATE	EACH	↓	
CAPITAL SERVICE LINE REPLACE	SERVICES		↑
RAISE REPLACE METER BOX	BOXES	↓	
CAPITAL LARGE METERS	METERS		↑
CUSTOMER NOTIFICATIONS	EACH		↑
CAPITAL SAMPLE STATION REPLACE	STATIONS		↑
CAPITAL AIR VACUUM REPLACE	AIR VACS		↑
REGULATORY REPORTING	EACH		↑
WQ CALLS/INVESTIGATIONS	CALLS	↓	
ENGINE PM	PM		↑
BATTERY PM - QUARTERLY	BATTERIES		↑
ROOF EXHST FAN PM - BI ANNUAL	PM		↑
ISOLATION VALVE PM	PM		↑
CHLORINE INJECTOR PM	PM		↑
AMMONIA INJECTOR PM	PM		↑
GENSET LOAD TEST	GENSET	↓	
CHEMICAL DOSING PUMP PM	PM		↑

Overtime

The amount of overtime and duty time in the five-year period has been nearly constant as shown in Figure 3. The reduction in dollars reported in prior section also included all overtime and duty time. The reduction in the amount of labor hours from 2014 to 2018 appeared to have little effect on overtime and duty time.

Mesa Water District Work Optimization Final Report

Figure 3: Mesa Water Overtime and Duty Time



The actual amount of overtime reported by Mesa Water increased slightly by 243 hours from 2014 to 2018 and 6 hours for duty time. It should be noted, however, that the overtime has reduced on average every year since 2015. Regardless, that amount of overtime and duty time is minor (1.4%) compared to the 16,000+ hours of reduction of labor hours. Also note, overtime and duty time was already considered in the dollar labor amount reduction.

Conclusion

Over the past five years, Mesa Water has implemented innovative practices through their commitment to continuous improvement, a dedicated workforce, experienced managers, as well as the support of senior and executive leadership. Mesa Water's willingness to implement most of the recommendations for improvement shows that it is committed to operating an efficient and effective business for their ratepayers.

One of the many benefits that Mesa Water has realized is a 17.6% increase in number of units completed (producing more work) in Water Operations and a 6.6% decrease in overall personnel service costs, while adding 2.5% more services. In addition, Mesa Water was able to reduce labor hours by 16% (coupled with an increase in productivity), despite an increase in total population served and services to be maintained. The increase in services and decrease in service costs equate to \$2.1 million in savings in FY2018 alone and approximately \$6.3 million in cumulative savings over a five-year period.

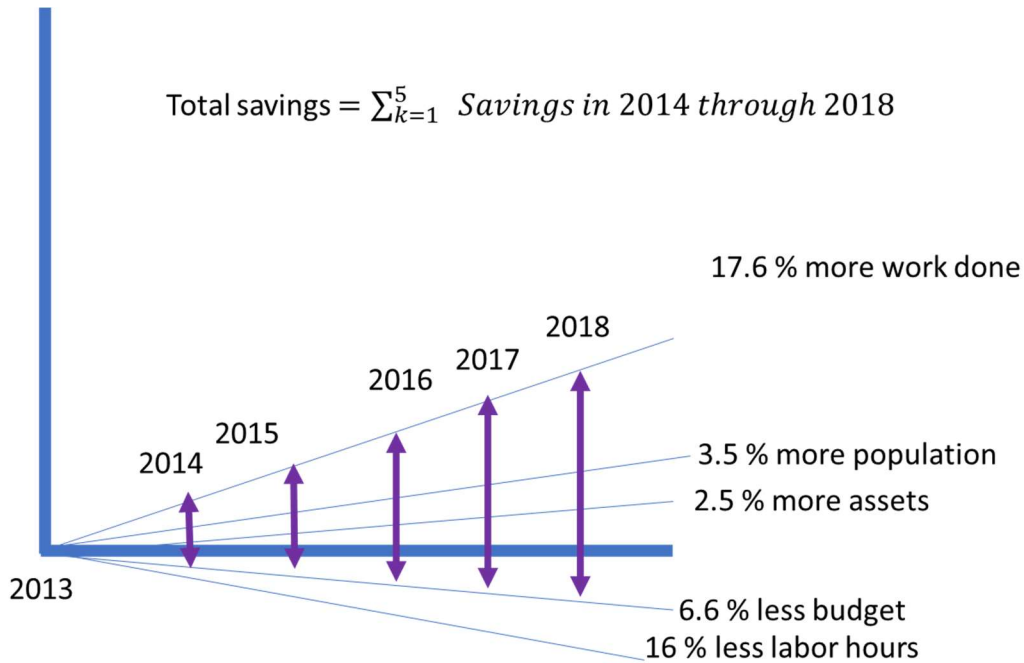
In summary, the five-year assessment indicates that Mesa Water is *doing more work with fewer labor hours and financial resources*, while the *amount of services has increased*. This does not indicate that further improvement cannot be made, but rather that the data shows significant improvement has occurred in the last five years.

The improvements in Water Operations is estimated to be the same in the rest of the departments. Figure 4 indicates a cost-savings of 24.1% from FY2013 to FY2018 through a

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combination of lower costs and increased productivity. Each year, the sum of all cumulative cost-savings is represented by adding all improvements as indicated by the purple arrows. It should be noted that this improvement would most likely continue to grow if the current business practices are maintained.

Figure 4: District Summary of Changes



Mesa Water staff and management are to be congratulated for accepting ideas from an independent evaluation and for making the effort to implement those ideas. These efforts have benefitted Mesa Water customers by optimizing the workforce and the resources, while reducing overall operational cost.

References

- De Waal, A. (2016). The High-Performance Organization Framework. Retrieved from <http://www.hpocenter.com/hpo-framework>
- MaintStar. (2019). Compiled production date from mesa water. Retrieved from Mesa Water MaintStar Database
- Mesa Water. (2019). Comprehensive annual financial report: Fiscal year 2018. Retrieved from <https://www.mesawater.org>.
- Mesa Water. (2019). Operating budget: Fiscal year 2019. Retrieved from <https://www.mesawater.org>.
- Mesa Water. (2017). Operating budget: Fiscal year 2017. Retrieved from <https://www.mesawater.org>.



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MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: March 7, 2019
SUBJECT: Formation and Dissolution of Committees

RECOMMENDATION

- a. Approve combining the Finance Committee and the Legislative and Public Affairs Committee into one monthly meeting;
- b. Rename the Finance Committee and the Legislative and Public Affairs Committee to FinLPAC;
- c. Confirm the 2019 FinLPAC regular meetings for the fourth Monday, beginning in March, starting at 3:30 p.m.; and
- d. Appoint the Committee Chair.

STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #2: Practice perpetual infrastructure renewal and improvement.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #5: Attract and retain skilled employees.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

At its July 14, 2016 meeting, the Board of Directors (Board) adopted Resolution No. 1479 Protocols of the Board of Directors Superseding Resolution No. 1457. This resolution states:

Section IV. Committee Appointments:

- d) *Formation and Dissolution of Committees. The Board reserves its right to form or dissolve Standing Committees by action of the Board.*

At its February 12, 2013 meeting, the Board adopted Resolution No. 1428 Adopting Protocols of the Board of Directors Superseding Resolution No. 1409. The new Committee format designates that all Committee meetings will be noticed as Board meetings and held as joint meetings of the Committee and entire Board. All members of the Board may attend and participate in the discussion. The Executive Committee is excluded from this Committee format.

DISCUSSION

- In an effort to increase efficiency and productivity at meetings, staff recommends the following:
- Combine the Finance Committee and the Legislative and Public Affairs Committee into one monthly meeting
 - Rename the Finance Committee and the Legislative and Public Affairs Committee to FinLPAC



- Confirm the 2019 FinLPAC regular meetings for the fourth Monday of every month, beginning in March, starting at 3:30 p.m.
- Appoint the Committee Chair

If the Board concurs, following are the proposed FinLPAC meeting dates; in the case that the date has a conflict or falls on a holiday the meeting moves to the Thursday prior (as noted with an asterisk below):

- March 25
- April 22* - *propose rescheduling to Thursday, April 18*
- May 27* - *reschedule to Thursday, May 23*
- June 24
- July 22
- August 17
- September 23
- October 28
- November 25* - *propose rescheduling to Thursday, November 21*
- December 23* - *reschedule to Thursday, December 19*

FINANCIAL IMPACT

There is no financial impact for the discussion of this item.

ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: March 7, 2019
SUBJECT: Strategic Plan

RECOMMENDATION

Identify new strategic goals, objectives and outcomes for Mesa Water District, thereby updating the Strategic Plan for 2019 and beyond.

STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water® and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION

Each year, Mesa Water District's Board of Directors (Board) provides staff with direction regarding Mesa Water's goals, objectives and outcomes for the coming year. Based on this direction, priorities are established, resources are allocated, and staff works to accomplish the goals and objectives, as directed.

DISCUSSION

As a starting point for this discussion, it is instructive to review the current Strategic Plan. This document was last reviewed and updated by the Board in 2018.

This workshop provides a forum to discuss the potential opportunities and long-term strategic initiatives for the District. Staff has prepared an update to the current Strategic Plan. The status of each goal, objective, and outcome is signified using the following three color system:

- ◆ Green - completed/on schedule
- ◆ Yellow - pending/behind schedule
- ◆ Red - not achieved

Staff has also prepared a "strawman" list of potential new goals, objectives and outcomes for the Board to use in considering future opportunities and potential new initiatives for Mesa Water in 2019 and beyond.

The intent of this agenda item is for the Board to discuss additions, modifications and deletions to the Strategic Plan in a "brainstorming" forum. In discussing both reports, the General Manager will act in a facilitator role. Based on input received from the Board, staff will incorporate any revisions to the Strategic Plan and the District's Mission and Vision Statements and further analyze



opportunities and constraints associated with the list of proposed initiatives. Staff will discuss the modifications with the Board to determine the feasibility of the proposed initiatives and develop work plans and schedules. Staff will further incorporate this material into a new Strategic Plan document for review and potential adoption at a subsequent Board meeting.

FINANCIAL IMPACT

None.

ATTACHMENTS

- Attachment A: 2018 Strategic Plan, Status
- Attachment B: 2019 Strategic Plan, Strawman
- Attachment C: 2019 Strategic Plan, Redline



MesaWater
DISTRICT®

2018 Strategic Plan

Mission Statement

“Dedicated to satisfying our community’s water needs”

Vision

To be a top performing public water agency

Strategic Goals

1. Provide a safe, abundant, and reliable water supply.
2. Practice perpetual infrastructure renewal and improvement.
3. Be financially responsible and transparent.
4. Increase public awareness about Mesa Water and about water.
5. Attract and retain skilled employees.
6. Provide outstanding customer service.
7. Actively participate in regional water issues.

WATER SUPPLY AND RELIABILITY

Strategic Goal #1

Provide a safe, abundant, and reliable water supply.

Objective A: Continue to meet and surpass water quality standards.

- ◆ Meet and surpass primary water quality standards
- ◆ Meet and surpass secondary water quality standards
- ◆ Perform required water quality tests annually
- ◆ Analyze nitrification modeling results and implement recommendations

Objective B: Maintain and protect a high quality water supply.

- ◆ Efficiently maintain backflow, cross-connection, and recycled water programs to protect the water system from contamination

Objective C: Continue to ensure a reliable and abundant supply of water.

- ◆ Provide a 100 percent local and reliable water supply portfolio
- ◆ Report on our ability to supply 100 percent local water with marginal capacity
- ◆ Initiate design of a new well to provide 115% of demand

Objective D: Ensure emergency operations.

- ◆ Conduct regular testing of all backup power and communications systems
- ◆ Evaluate, identify, and implement emergency power plan needs at Operations and Administrative facilities
- ◆ Upgrade EOC equipment and facilities as needed
- ◆ Participate in Regional Emergency Response exercises

Outcome 1: Meet all water quality standards – in both health and aesthetics.

Outcome 2: Drought-proof local water supply in all conditions.

Outcome 3: Maintain the ability to serve 100 percent imported water supply.

WATER INFRASTRUCTURE

Strategic Goal #2

Practice perpetual infrastructure renewal and improvement.

Objective A: Manage water infrastructure assets to assure reliability.

- ◆ Continue Well Rehabilitation and Automation Construction Project
- ◆ Complete and implement an Asset Management Plan
- ◆ Continue actively managing Pipeline Integrity Testing Program
- ◆ Solicit construction bids for OC-44 Pipeline Rehabilitation Project FY 2019 Construction

Objective B: Efficiently manage our water system.

- ◆ Develop efficient operational protocols for production distribution and water quality systems
- ◆ Fully utilize Mesa Water's Computerized Maintenance Management System (CMMS)
- ◆ Routinely evaluate operational energy and chemical consumption metrics

Objective C: Manage Mesa Water's information technology infrastructure assets to assure reliability.

- ◆ Implement Business Process Evaluation
- ◆ Implement Information Technology Master Plan

Outcome 1: Orderly infrastructure refurbishment and replacement.

Outcome 2: Fund and execute the 5-year Capital Improvement and Replacement Plan for each fiscal year.

Outcome 3: Train and fully use Mesa Water's CMMS.

Outcome 4: Implement Business Process Evaluation recommendations.

Outcome 5: Achieve world-class water loss status.

Outcome 6: Develop and monitor operational energy and chemical tracking tool in Mesa Water's CMMS.

Outcome 7: Develop standard operating procedures for operations work.

FINANCIAL RESPONSIBILITY

Strategic Goal #3

Be financially responsible and transparent.

Objective A: Maintain AAA financial goals and meet the appropriate designated fund level goals.

- ◆ Report quarterly on AAA goals and designated funds

Objective B: Maintain competitive rates and efficiency in per capita expenditures.

- ◆ Evaluate true cost of water to the customer compared to benchmark agencies
- ◆ Administer investment portfolio consistent with policies
- ◆ Support rates that are fair, understandable, and prudent for the District's financial stability and sustainability as a perpetual agency

Objective C: Fund the Board's and District's priorities.

- ◆ Prepare a balanced budget that funds Board and District priorities
- ◆ Produce timely and accurate financial reports including Comprehensive Annual Financial Report and State Controller's Report
- ◆ Prepare quarterly financial reports and accurately projected year end results
- ◆ Conduct accurate and timely monthly close accounting

Objective D: Encompass Financial Responsibility and Transparency.

- ◆ Provide key financial documents on the website
- ◆ Provide Board and staff total compensation, salary, and benefits structure on the website
- ◆ Provide Board meeting agendas, meeting packets, and meeting minutes on the website
- ◆ Prohibit evergreen contracts
- ◆ Develop and operate Fraud Hotline

Outcome 1: Meet Board's annual targets for cash on hand and days cash ratio.

Outcome 2: Maintain debt service ratio.

Outcome 3: Comprehensive organizational transparency.

WATER AWARENESS

Strategic Goal #4

Increase public awareness about Mesa Water and about water.

Objective A: Enhance Mesa Water’s visibility and positive recognition.

- ◆ Facilitate accolades/awards for and from Mesa Water
- ◆ Improve Mesa Water’s news bureau and social media
- ◆ Establish MesaWater.org analytics

Objective B: Increase awareness of Mesa Water and water among key audiences.

- ◆ Manage Mesa Water’s community relations campaign
- ◆ Operate Mesa Water’s water education and ambassador programs
- ◆ Update and Implement Mesa Water Speaker’s Bureau
- ◆ Leverage MWRF for outreach opportunities

Objective C: Unify Mesa Water messaging and publications.

- ◆ Continue industry relations to promote awareness of District’s name and brand
- ◆ Strengthen Mesa Water’s communications by using consistent look and voice
- ◆ Provide Mesa Water Board and staff with key messages and information

Outcome 1: Create social media benchmark assessment and plan to grow engagement.

Outcome 2: Implement new format for Water Issues Study Group/ambassador program.

Outcome 3: Finalize Crisis Communication Plan and conduct training.

HUMAN RESOURCES

Strategic Goal #5

Attract and retain skilled employees.

Objective A: Attract and retain a qualified, skilled, and capable workforce.

- ◆ Prepare Annual Employee Turnover Report
- ◆ Negotiate a new Memorandum of Understanding

Objective B: Build employee skills.

- ◆ Fully train a minimum of two employees in key processes to ensure accountability and sustainability
- ◆ Develop and implement an operational and institutional knowledge transfer plan
- ◆ Provide employee training

Objective C: Enhance employee relations.

- ◆ Survey and report on employee events
- ◆ Implement Human Resources Information System

Objective D: Provide annual safety program audit.

Outcome 1: Fully staffed organization.

Outcome 2: Minimize turnover.

Outcome 3: Provide quarterly training report.

CUSTOMER SERVICE

Strategic Goal #6

Provide outstanding customer service.

Objective A: Provide outstanding internal and external customer service in a timely, courteous, and effective manner.

- ◆ Encourage and support colleagues and help others find solutions to problems
- ◆ Speak professionally with a positive tone of voice
- ◆ Resolve issue on first point of contact

Objective B: Enhance the customer experience.

- ◆ Update and implement customer service standards
- ◆ Listen carefully to understand the real need of the customer
- ◆ Be empathetic to the customer's situation
- ◆ Respond to all requests promptly and, when information isn't immediately available, provide a timeframe for the resolution

Objective C: Measure success.

- ◆ Establish and implement measures of success that ensure continuous improvement
- ◆ Survey customer satisfaction for walk-in and telephone service

Objective D: Continuous improvement and reinforcement.

- ◆ Implement reinforcement system for customer service skills and behaviors
- ◆ Use feedback from customers and the internal organization for continuous process improvement

Outcome 1: Answer telephone calls in less than 10 seconds (average).

Outcome 2: Smile and greet customers and colleagues in a warm and friendly manner.

Outcome 3: Train staff on both universal and function specific standards.

Outcome 4: Implement monthly metrics report.

Outcome 5: All staff participates in annual customer service training.

Outcome 6: Recognize and celebrate the good work of employees.

REGIONAL COMMITMENT

Strategic Goal #7

Actively participate in regional water issues.

Objective A: Actively engage in regional water issues.

- ◆ Attend OCWD and MWDOC meetings and engage in regional water issues
- ◆ Update the Board's policy positions and legislative platforms for issues that impact Mesa Water

Objective B: Facilitate Board and staff participation in water, governance utility, community and environmental organizations.

- ◆ Support current Board and staff participation in organizations such as LAFCO, OCWA, ACWA, WACO, ACWA/JPIA, CalDesal, SAWPA and Groundwater Producers; proactively seek opportunities for additional participation
- ◆ Support Board and staff participation in non-governmental associations, as appropriate

Objective C: Accomplish the Board's Policy Priorities.

- ◆ Develop the Board's local and regional water policy priorities
- ◆ Work to achieve the Board's local and regional water policy priorities

Outcome 1: External Affairs Plan.

Outcome 2: 2017 Legislative Platforms.

Outcome 3: Positively influence and be a leader of water issues important to Mesa Water.

Outcome 4: Increase awareness of Mesa Water in the water industry and community.



MesaWater
DISTRICT®

2019 Strategic Plan

Mission Statement

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Strategic Goals

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2. Practice perpetual infrastructure renewal and improvement.
3. Be financially responsible and transparent.
4. Increase public awareness about Mesa Water and about water.
5. Attract and retain skilled employees.
6. Provide outstanding customer service.
7. Actively participate in regional water issues.

WATER SUPPLY AND RELIABILITY

Strategic Goal #1

Provide a safe, abundant, and reliable water supply.

Objective A: Continue to meet and surpass water quality standards.

- ◆ Meet and surpass primary water quality standards
- ◆ Meet and surpass secondary water quality standards
- ◆ Perform required water quality tests annually
- ◆ Analyze nitrification modeling results and implement recommendations

Objective B: Maintain and protect a high quality water supply.

- ◆ Efficiently maintain backflow, cross-connection, and recycled water programs to protect the water system from contamination

Objective C: Continue to ensure a reliable and abundant supply of water.

- ◆ Provide a 100 percent local and reliable water supply portfolio
- ◆ Report on our ability to supply 100 percent local water with marginal capacity
- ◆ Finalize design of new wells to provide 115% of demand

Objective D: Ensure emergency operations.

- ◆ Conduct regular testing of all backup power and communications systems
- ◆ Evaluate, identify, and implement emergency power plan needs at Operations and Administrative facilities
- ◆ Upgrade EOC equipment and facilities as needed
- ◆ Participate in Regional Emergency Response exercises

Outcome 1: Meet all water quality standards – in both health and aesthetics.

Outcome 2: Drought-proof local water supply in all conditions.

Outcome 3: Maintain the ability to serve 100 percent imported water supply.

WATER INFRASTRUCTURE

Strategic Goal #2

Practice perpetual infrastructure renewal and improvement.

Objective A: Manage water infrastructure assets to assure reliability.

- ◆ Complete Well Rehabilitation and Automation Construction Project
- ◆ Complete and implement an Asset Management Plan
- ◆ Continue actively managing Pipeline Integrity Testing Program
- ◆ Complete construction on OC-44 Pipeline Rehabilitation Project
- ◆ Finalize design and permitting of two new wells and pipeline

Objective B: Efficiently manage our water system.

- ◆ Monitor and revise efficient operational protocols for production distribution and water quality systems
- ◆ Fully utilize Mesa Water's Computerized Maintenance Management System (CMMS)
- ◆ Routinely evaluate operational energy and chemical consumption metrics
- ◆ Provide field support services to achieve world-class water audit goal

Objective C: Manage Mesa Water's information technology infrastructure assets to assure reliability.

- ◆ Implement Information Technology Master Plan
- ◆ Develop and report on New Key Metrics for all areas of the District

Outcome 1: Orderly infrastructure refurbishment and replacement.

Outcome 2: Fund and execute the 5-year Capital Improvement and Replacement Plan for each fiscal year.

Outcome 3: Train and fully use Mesa Water's CMMS.

Outcome 4: New Key Metrics.

Outcome 5: Achieve world-class water loss status.

Outcome 6: Develop and monitor operational energy and chemical tracking tool in Mesa Water's SCADA system.

Outcome 7: Develop standard operating procedures for operations work.

FINANCIAL RESPONSIBILITY

Strategic Goal #3

Be financially responsible and transparent.

Objective A: Maintain AAA financial goals and meet the appropriate designated fund level goals.

- ◆ Report quarterly on AAA goals and designated funds
- ◆ Report annually on status of OPEB and Pension Liability

Objective B: Maintain competitive rates and efficiency in per capita expenditures.

- ◆ Evaluate true cost of water to the customer compared to benchmark agencies
- ◆ Administer investment portfolio consistent with policies
- ◆ Support rates that are fair, understandable, and prudent for the District's financial stability and sustainability as a perpetual agency

Objective C: Fund the Board's and District's priorities.

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- ◆ Conduct accurate and timely monthly close accounting

Objective D: Encompass Financial Responsibility and Transparency.

- ◆ Provide key financial documents on the website
- ◆ Provide Board and staff total compensation, salary, and benefits structure on the website
- ◆ Provide Board meeting agendas, meeting packets, and meeting minutes on the website
- ◆ Prohibit evergreen contracts

Outcome 1: Meet Board's annual targets for cash on hand and days cash ratio.

Outcome 2: Maintain debt service ratio.

Outcome 3: Comprehensive organizational transparency.

WATER AWARENESS

Strategic Goal #4

Increase public awareness about Mesa Water and about water.

Objective A: Enhance Mesa Water’s visibility and positive recognition.

- ◆ Facilitate accolades/awards for and from Mesa Water
- ◆ Improve Mesa Water’s news bureau and social media
- ◆ Improve MesaWater.org Information Management processes

Objective B: Increase awareness of Mesa Water and water among key audiences.

- ◆ Manage Mesa Water’s community relations campaign
- ◆ Operate Mesa Water’s water education and ambassador programs
- ◆ Improve community awareness through community asset branding and customer welcome kits
- ◆ Support Grant application for MWRF Outreach Center

Objective C: Unify Mesa Water messaging and publications.

- ◆ Continue industry relations to promote awareness of District’s name and brand
- ◆ Strengthen Mesa Water’s communications by using consistent look and voice and updating style guide
- ◆ Provide Mesa Water Board and staff with updated strategic messages framework

Outcome 1: Create social media benchmark assessment and plan to grow engagement.

Outcome 2: Implement new format for Water Issues Study Group/ambassador program.

Outcome 3: Conduct community and industry meetings.

HUMAN RESOURCES

Strategic Goal #5

Attract and retain skilled employees.

Objective A: Attract and retain a qualified, skilled, and capable workforce.

- ◆ Prepare Annual Employee Turnover Report
- ◆ Update Employee Rules and Regulations

Objective B: Build employee skills.

- ◆ Fully train a minimum of two employees in key processes to ensure accountability and sustainability
- ◆ Develop and implement an operational and institutional knowledge transfer plan
- ◆ Provide employee training

Objective C: Enhance employee relations.

- ◆ Implement Human Resources Information System

Objective D: Provide annual safety program audit.

Outcome 1: Fully staffed organization.

Outcome 2: Minimize turnover.

Outcome 3: Provide quarterly training report.

CUSTOMER SERVICE

Strategic Goal #6

Provide outstanding customer service.

Objective A: Provide outstanding internal and external customer service in a timely, courteous, and effective manner.

- ◆ Encourage and support colleagues and help others find solutions to problems
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Objective B: Enhance the customer experience.

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Objective C: Measure success.

- ◆ Establish and implement measures of success that ensure continuous improvement
- ◆ Survey customer satisfaction for walk-in and telephone service

Objective D: Continuous improvement and reinforcement.

- ◆ Implement reinforcement system for customer service skills and behaviors
- ◆ Use feedback from customers and the internal organization for continuous process improvement

Outcome 1: Answer telephone calls in less than 10 seconds (average).

Outcome 2: Smile and greet customers and colleagues in a warm and friendly manner.

Outcome 3: Train staff on both universal and function specific standards.

Outcome 4: Implement monthly metrics report.

Outcome 5: All staff participates in annual customer service training.

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REGIONAL COMMITMENT

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- ◆ Update the Board's policy positions and legislative platforms for issues that impact Mesa Water

Objective B: Facilitate Board and staff participation in water, governance, utility, community and environmental organizations.

- ◆ Support current Board and staff participation in organizations such as LAFCO, OCWA, ACWA, WACO, ACWA/JPIA, CalDesal, SAWPA, and Groundwater Producers; proactively seek opportunities for additional participation
- ◆ Support Board and staff participation in non-governmental associations, as appropriate
- ◆ Continue legislative and regulatory affairs, and governmental relations, to promote awareness of Mesa Water

Objective C: Accomplish the Board's Policy Priorities.

- ◆ Develop the Board's local and regional water policy priorities
- ◆ Work to achieve the Board's local and regional water policy priorities

Outcome 1: 2019 Legislative Platforms and Policy Positions.

Outcome 2: Positively influence and be a leader of water issues important to Mesa Water.

Outcome 3: Increase awareness of Mesa Water in the water industry and community.



MesaWater
DISTRICT®

20189 Strategic Plan

Mission Statement

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Vision

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- ◆ Provide a 100 percent local and reliable water supply portfolio
- ◆ Report on our ability to supply 100 percent local water with marginal capacity
- ◆ ~~Initiate~~Finalize design of ~~a~~ new wells to provide 115% of demand

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WATER INFRASTRUCTURE

Strategic Goal #2

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Objective C: Manage Mesa Water's information technology infrastructure assets to assure reliability.

- ◆ ~~Implement Business Process Evaluation~~
- ◆ Implement Information Technology Master Plan
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Outcome 1: Orderly infrastructure refurbishment and replacement.

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Outcome 3: Train and fully use Mesa Water's CMMS.

Outcome 4: ~~Implement Business Process Evaluation recommendations~~New Key Metrics.

Outcome 5: Achieve world-class water loss status.

Outcome 6: Develop and monitor operational energy and chemical tracking tool in Mesa Water's ~~CMMS~~SCADA system.

Outcome 7: Develop standard operating procedures for operations work.

FINANCIAL RESPONSIBILITY

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- ◆ Prohibit evergreen contracts
- ◆ ~~Develop and operate Fraud Hotline~~

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WATER AWARENESS

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- ◆ ~~Establish~~Improve MesaWater.org ~~analytics~~Information Management processes

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- ◆ ~~Update and implement Mesa Water Speaker’s Bureau~~Improve community awareness through community asset branding and customer welcome kits
- ◆ ~~Leverage~~Support Grant application for MWRF ~~for e~~Outreach opportunities~~Center~~

Objective C: Unify Mesa Water messaging and publications.

- ◆ Continue industry relations to promote awareness of District’s name and brand
- ◆ Strengthen Mesa Water’s communications by using consistent look and voice and updating style guide
- ◆ Provide Mesa Water Board and staff with ~~key~~updated strategic messages framework messages and information

Outcome 1: Create social media benchmark assessment and plan to grow engagement.

Outcome 2: Implement new format for Water Issues Study Group/ambassador program.

Outcome 3: ~~Finalize Crisis Communication Plan and conduct training.~~Conduct community and industry meetings.

HUMAN RESOURCES

Strategic Goal #5

Attract and retain skilled employees.

Objective A: Attract and retain a qualified, skilled, and capable workforce.

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- ◆ ~~Negotiate a new Memorandum of Understanding~~Update Employee Rules and Regulations

Objective B: Build employee skills.

- ◆ Fully train a minimum of two employees in key processes to ensure accountability and sustainability
- ◆ Develop and implement an operational and institutional knowledge transfer plan
- ◆ Provide employee training

Objective C: Enhance employee relations.

- ◆ ~~Survey and report on employee events~~
- ◆ Implement Human Resources Information System

Objective D: Provide annual safety program audit.

Outcome 1: Fully staffed organization.

Outcome 2: Minimize turnover.

Outcome 3: Provide quarterly training report.

CUSTOMER SERVICE

Strategic Goal #6

Provide outstanding customer service.

Objective A: Provide outstanding internal and external customer service in a timely, courteous, and effective manner.

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Objective D: Continuous improvement and reinforcement.

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- ◆ Use feedback from customers and the internal organization for continuous process improvement

Outcome 1: Answer telephone calls in less than 10 seconds (average).

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Outcome 3: Train staff on both universal and function specific standards.

Outcome 4: Implement monthly metrics report.

Outcome 5: All staff participates in annual customer service training.

Outcome 6: Recognize and celebrate the good work of employees.

REGIONAL COMMITMENT

Strategic Goal #7

Actively participate in regional water issues.

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- ◆ Attend OCWD and MWDOC meetings and engage in regional water issues
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Objective B: Facilitate Board and staff participation in water, governance, utility, community and environmental organizations.

- ◆ Support current Board and staff participation in organizations such as LAFCO, OCWA, ACWA, WACO, ACWA/JPIA, CalDesal, SAWPA, and Groundwater Producers; proactively seek opportunities for additional participation
- ◆ Support Board and staff participation in non-governmental associations, as appropriate
- ◆ Continue legislative and regulatory affairs, and governmental relations, to promote awareness of Mesa Water

Objective C: Accomplish the Board's Policy Priorities.

- ◆ Develop the Board's local and regional water policy priorities
- ◆ Work to achieve the Board's local and regional water policy priorities

~~Outcome 1: External Affairs Plan.~~

Outcome ~~21~~: 201~~79~~ Legislative Platforms, and Policy Positions.

Outcome ~~32~~: Positively influence and be a leader of water issues important to Mesa Water.

Outcome ~~43~~: Increase awareness of Mesa Water in the water industry and community.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer
DATE: March 7, 2019
SUBJECT: Financial Goals and Reserves

RECOMMENDATION

Receive the information and take action as the Board desires.

STRATEGIC PLAN

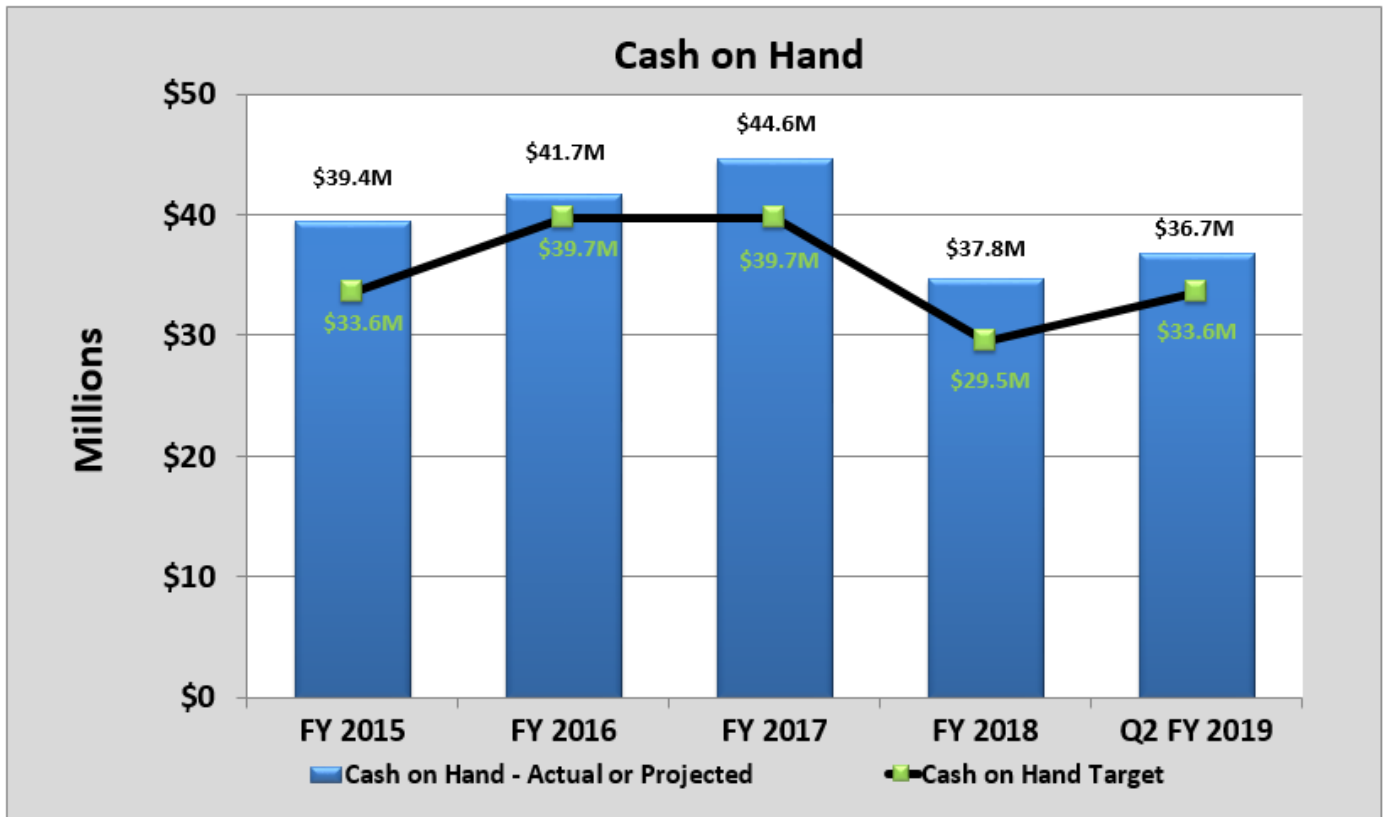
- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At its May 3, 2018 meeting, the Board of Directors (Board) approved the Fiscal Year (FY) 2019 Budget.

DISCUSSION

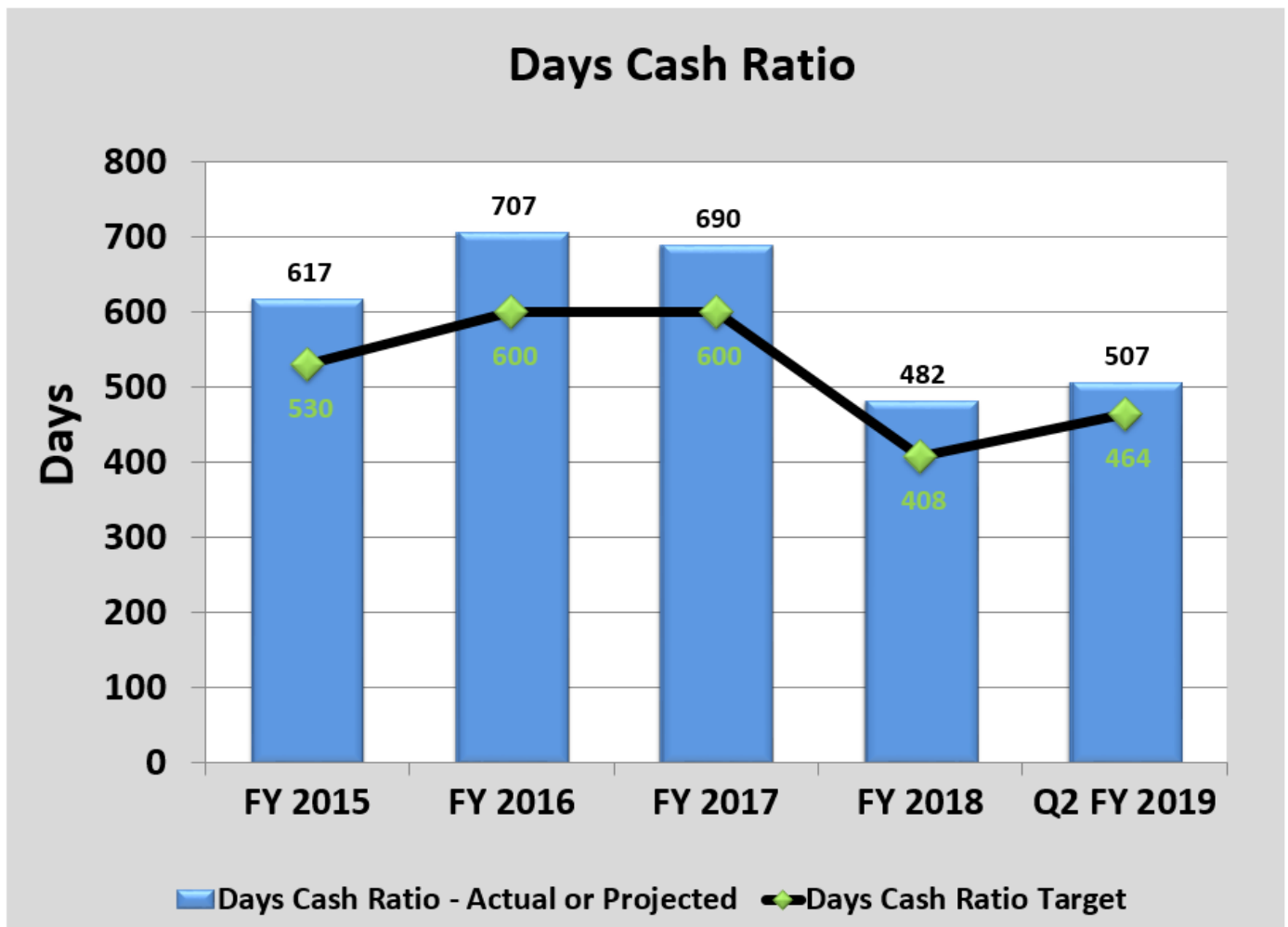
Through the first two quarters of FY 2019, Cash on Hand totaled \$36,710,800. Projected Cash on Hand at year-end is \$33,600,000.



There are several significant cash expenditures in the final two quarters of FY 2019 that will bring the year-end cash balance to approximately the budgeted \$33,600,000 including:

- Forecasted Capital Expenditures totaling approximately \$4,000,000
- Second 2017 Revenue Certificates of Participation (COPs) payment totaling approximately \$3,300,000

Additionally, 507 Days Cash exceeds the budgeted Days Cash estimate of 464 days at year end by 43 days. Staff expects that Days Cash as of June 30, 2019 will be approximately 464 days due to the expenditures mentioned above.



The current Debt Coverage ratio is 182%, which exceeds both the requirement for the 2017 COPs and the Designated Funds Policy. The Debt Coverage ratio goal of the Board is 130% and was established in the Designated Funds Policy.

The current Designated Funds Policy lists three types of funds including restricted funds, capital funds and liquidity funds. Restricted funds include monies to cover customer and development deposits and bond proceeds. Capital funds include the capital replacement fund. Finally, liquidity funds include the administrative & general fund, catastrophe fund, rate stabilization fund and operating fund.



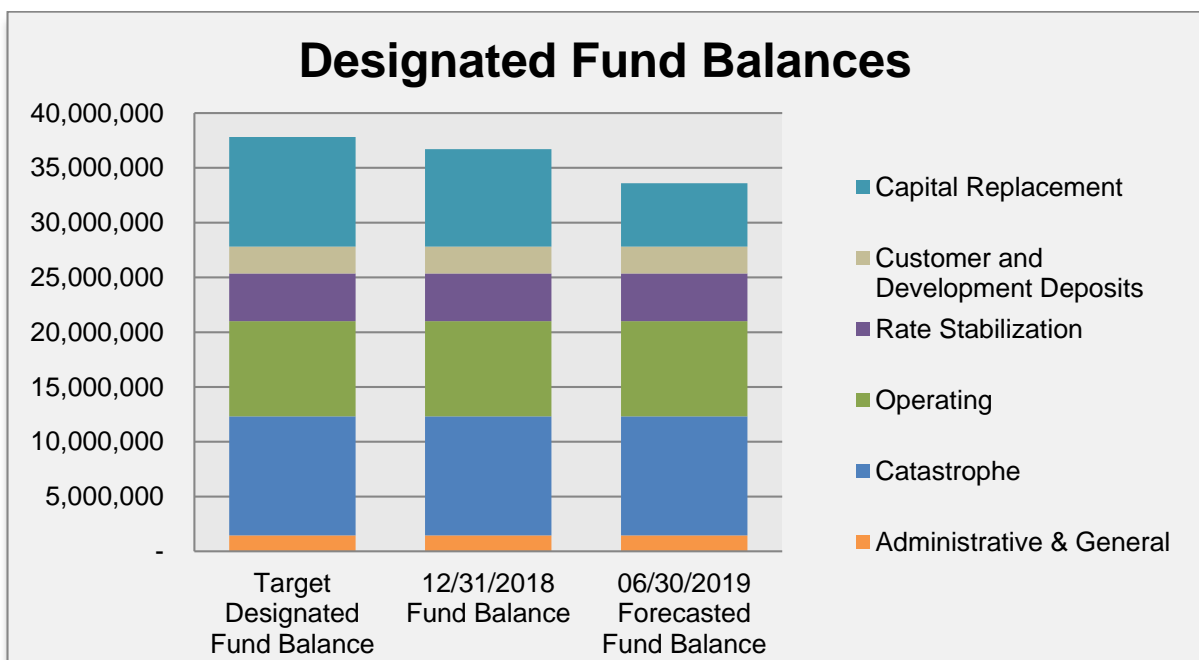
The chart below reflects the minimum cash reserves target for each fund:

Type of Fund	Days Cash	Cash Balance
Administrative & General	20	\$1,450,000
Catastrophe	150	\$10,865,000
Operating	120	\$8,700,000
Rate Stabilization	60	\$4,350,000
Customer and Development Deposits	N/A	\$2,450,000
Capital Replacement	N/A	\$10,000,000
Total		\$37,815,000

The current Cash on Hand at the end of the second quarter of FY 2019 is \$36,710,000, which is below the minimum target of the Designated Funds Policy of \$37,815,000. The current forecasted cash balance at the end of FY 2019 is \$33,600,000 and is reflected in the chart below:

Type of Fund	Target Designated Fund Balance	12/31/2018 Fund Balance	06/30/2019 Forecasted Fund Balance
Administrative & General	1,450,000	1,450,000	1,450,000
Catastrophe	10,865,000	10,865,000	10,865,000
Operating	8,700,000	8,700,000	8,700,000
Rate Stabilization	4,350,000	4,350,000	4,350,000
Customer and Development Deposits	2,450,000	2,450,000	2,450,000
Capital Replacement	10,000,000	8,895,000	5,785,000
Total	\$37,815,000	\$36,710,000	\$33,600,000

The Designated Fund Balances graph below reflects an additional decrease in the fund balances by fiscal year-end:





Water production through December 31, 2018 was up 2.6% year-to-date, and corresponds with a similar increase in water revenue through the first six months of FY 2019. There was a significant decrease in water production for the month of January due to heavy rainfall, which dropped water production to -1.99% year-to-date.

The mix of water production between clear and amber has been tracking close to projections. This mix is shown in the table below:

	Acre Feet		
	Budgeted	Actual	Variance
Clear Water	5,126	5,194	(68)
Amber Water	2,550	2,828	(278)
Basin Managed (CPTP) Water	1,000	879	121
Total	8,676	8,901	(225)

Operating revenues, year-to-date through December, have a favorable balance of \$280,000 or approximately 1.5%. This is predominantly a result of higher than expected water consumption sales. This is not expected to continue as there has already been a 29% reduction in water demand in January, due to heavy rainfall, which is also expected to continue into February. Additionally, operating expenses through the first two quarters of FY 2019 have a favorable balance of \$1,175,000 or 8.7%. This is predominately a result of lower than budgeted general and administrative expenses year-to-date. As a result, the operating income through December 31, 2018 has a favorable balance of \$1,430,000 or 51.25%.

In addition, non-operating expenses through two quarters have an unfavorable variance of \$779,900 or 339.25% due to lower than expected investment earnings, as a result of the September to December 2018 performance of the stock market.

Overall, the change in Net Position has a favorable balance of \$720,650 or 28% through December 31, 2018.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Sara J. Fahy, Public Affairs Manager
DATE: March 7, 2019
SUBJECT: Branding Community Assets

RECOMMENDATION

This item is provided for information.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water and about water.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Mesa Water District (Mesa Water®) owns and maintains a number of working community assets which present various opportunities for increasing public awareness about Mesa Water and about water. Historically, most Mesa Water community assets have remained unbranded, while some, such as well sites, had been signposted and signage was removed or modified due to safety concerns following 9/11.

While there is good cause for certain assets to remain unbranded, there is equal cause to leverage specific Mesa Water community assets as platforms for raising public awareness of Mesa Water and about water in the community. Precedents exist in our community and neighboring communities such as:

- [City of Costa Mesa's Art in Public Places Utility Box Beautification Project](#)
- Costa Mesa Sanitary District's branded waste carts

Criteria assessed for the branding of community assets included: security concerns, visibility, durability, and safety, such as trip hazards.

Currently, the majority of Mesa Water's community assets, except for fleet vehicles, remain unbranded.

INVENTORY

The following table outlines the community assets evaluated which staff recommends are considered for branding to increase public awareness of Mesa Water and of water:

Community Asset	Inventory / Location (estimates)	Recommendation
Hydrants	3,400	Commence branding program of all hydrants over one year.
Meter Lids	24,500	Commence branding program of meter box lids with “Mesa Water” imprint over seven years.
Sample Stations	60 above ground	Commence branding program with Mesa Water or I Heart Mesa Water logo and Mesa Water key messages over one year.
Vehicle Fleet + Rolling Stock	50	Design and install decals with American Flag, I Heart Mesa Water logo and key messages over one year.
Well Sites	7	Remain unbranded for security purposes until further notice.
District Headquarters	1965 Placentia Avenue Costa Mesa, CA 92627	Community Outreach Messaging: Source local artist for Placentia Avenue Mural or Succulent Wall for Water Education on flat portion of 1965 Placentia Ave.

FINANCIAL IMPACT

In Fiscal Year 2019, no funds are budgeted for Branding Community Assets. Staff will include funds for Branding Community Assets in the proposed Fiscal Year 2020 Budget.

ATTACHMENTS

- Attachment A: Hydrants
- Attachment B: Meter Lids and Meter Lid Inserts
- Attachment C: Sample Stations
- Attachment D: Vehicle Fleet



Attachment A: Mesa Water® Branded Hydrants



Hydrant Front



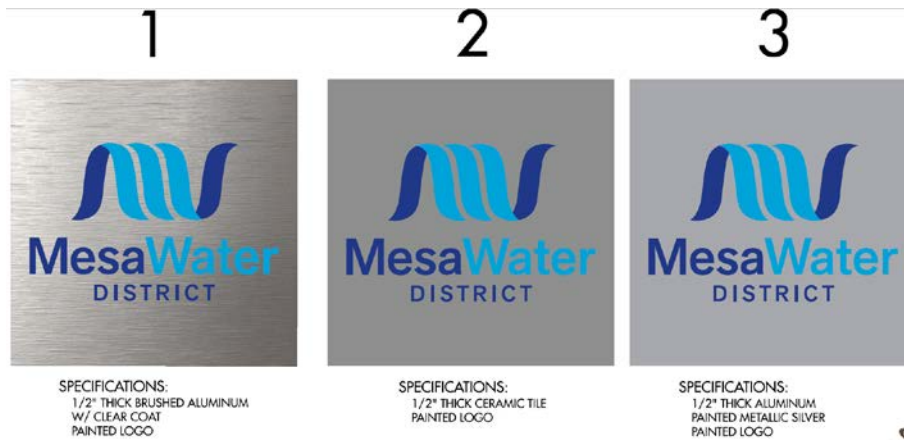
Hydrant Back



Hydrant Alternative



Attachment B: Mesa Water® Branded Meter Lids and Inserts



SPECIFICATIONS:
1/2" THICK BRUSHED ALUMINUM
W/ CLEAR COAT
PAINTED LOGO

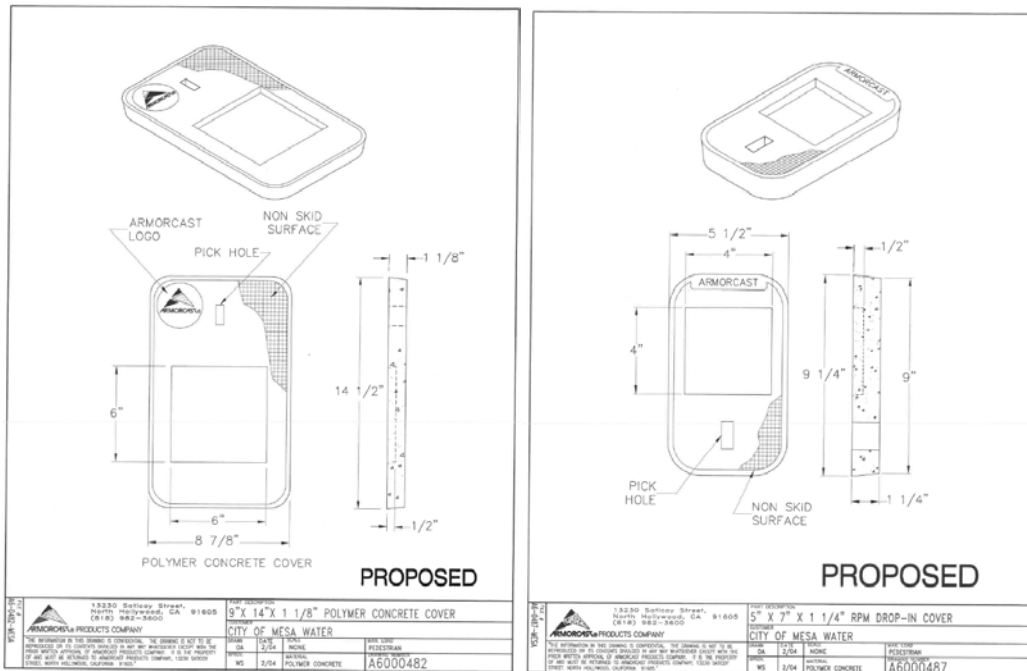
SPECIFICATIONS:
1/2" THICK CERAMIC TILE
PAINTED LOGO

SPECIFICATIONS:
1/2" THICK ALUMINUM
PAINTED METALLIC SILVER
PAINTED LOGO



1/2" THICK PROTOTYPE INSERTS FOR ARMORCAST METER BOX LIDS

Tile Inserts Design



Armorcast Meterbox Design



Meterbox and Tile Prototype



Attachment C: Mesa Water® Branded Sample Stations





Attachment D: Mesa Water® Branded Vehicle Fleet + Rolling Stock





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Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Sara J. Fahy, Public Affairs Manager
DATE: March 7, 2019
SUBJECT: New Customer Welcome Program

RECOMMENDATION

This item is provided for information.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water and about water.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Mesa Water District (Mesa Water®) processed approximately 2,500 move-in and move-out requests in 2018. Of these 2,063 are single family or multi-family residential – single unit homes. In 2018, 1,032 move-ins were processed who would be part of Mesa Water's New Customer Welcome Program. Mesa Water currently has 17,606 single-family and multifamily residential – single unit customers.

Currently all new Mesa Water customers receive a "Welcome to the Neighborhood" door hangar (sample attached). There is an opportunity to further develop Mesa Water District's customer onboarding process to meet the Board's strategic plan goal to raise public awareness about Mesa Water and about water through the development of a comprehensive New Customer Welcome Program.

The Welcome Program will contain the following components:

1. Customer Service – New Customer Welcome Script

- A short and simple welcome to the neighborhood script will be developed for customers who call in to establish a new service. The script will share 1 – 3 key messages about Mesa Water's clean, safe and affordable water and let the customer know they will soon receive a welcome kit. The kit will include a form asking the customer for their email and if they would like to sign up for our emergency notices and news. They will also receive a follow up call on their service provided.

2. Mesa Water Customer Welcome Kit

Mesa Water Welcome Kits may include:

- Public Information about Mesa Water® and about water such as:
 - Mesa Water Newsletter
 - Mesa Water Brochure (bilingual)
- Useful reusable branded items with Mesa Water logo, or key messages such as; reusable grocery bag, water bottle, mug, pen, notepad, bag clip, jar opener etc.



3. Follow up phone call from your Board Director (or Public Affairs Team)

- Phone calls will be made approximately 1 – 2 weeks after move-in to check on the customer and welcome them to the neighborhood. If the move-ins are evenly divided by division this equates to approximately 17 calls per month per Director. If a Director is unable to make the phone calls the Public Affairs team will assist.

4. Co-branding opportunities for the Welcome Kits may exist with local businesses

- Opportunities may exist to involve local businesses in the development and funding of the Welcome Kits. This may include sponsorship opportunities for local businesses or nonprofits to assist in covering the cost of the bags and welcome kit items in exchange for co-branding of the materials or having the opportunity to insert a coupon or promotional item into the bags to promote their local cause or business.

FINANCIAL IMPACT

In Fiscal Year 2019, no funds are budgeted for the New Customer Welcome Program. Staff will include funds for the New Customer Welcome Program in the proposed Fiscal Year 2020 Budget.

ATTACHMENTS

Attachment A: Welcome to the Neighborhood Door Hanger



***WELCOME
to the
NEIGHBORHOOD!***



MesaWater
DISTRICT®

*Dedicated to Satisfying
our Community's
Water Needs*



MesaWater.org



BE INFORMED of EMERGENCIES
Register at AlertOC.com

24-HOUR EMERGENCY SERVICE
949.631.1200

CUSTOMER SERVICES
Billing/Payments, Customer Surveys, Water Service
949.631.1200

EXECUTIVE OFFICES
Board of Directors, General Manager, Records Requests
949.631.1206

HUMAN RESOURCES
Job Opportunities
949.574.1020

INFORMATION & NEWS
Events, Education Programs
949.631.1201, info@MesaWater.org

WATER QUALITY – 949.574.1031

WATER USE EFFICIENCY
Conservation Requirements, Rebates,
Report Water Waste, Water-Wise House Calls
949.631.1200

PAYMENT OPTIONS
MesaWater.org/OnlineBillPay
Mail / Drop Box / Walk-In:
1965 Placentia Ave., Costa Mesa 92627
Mondays-Thursdays 7:30 a.m. – 5:00 p.m.
Fridays 8:00 a.m. – 5:00 p.m.

MesaWater.org



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Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: March 7, 2019
SUBJECT: Regional Water Issues

RECOMMENDATION

Receive the information and take action as the Board desires.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #3: Be financially responsible and transparent.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Mesa Water District (Mesa Water®) actively participates in water issues on both a regional and statewide basis. Major regional ongoing water policy issues include the following:

- Historical Single Day Low Flow
- Individual Producers Basin Storage Accounts
- Storage and Exchange Program with South County

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

REPORTS:

9. REPORT OF THE GENERAL MANAGER

REPORTS:

10. DIRECTORS' REPORTS AND COMMENTS

There are no support materials for this item.