

FY 2024-25 AUDIT RESULTS

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Harry Lorick, PE, PWLF

Amie Drotning, PWLF



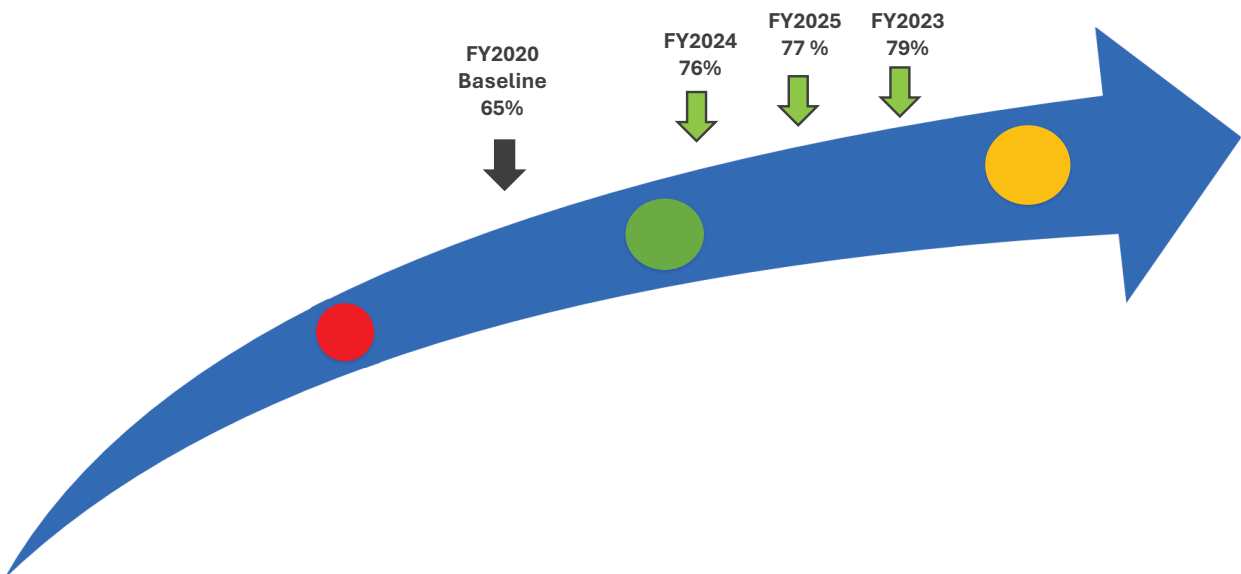
AUDIT SUMMARY

Action Item 1



1

ANNUAL PERFORMANCE AUDIT: THE ROAD TO GOLD



2



ADMINISTRATIVE SERVICES | PERFORMANCE RATING: 85



8 METRICS – 5 **GOLD** • 2 **GREEN** • 1 **RED** | PREVIOUS RATING: 85

RECOMMENDATIONS

NO. 1 – WORK REPORTING ACCURACY

- Expand KPI tracking and improve monitoring behaviors.
- Conduct a board workshop to refine metrics and ensure a more reliable, comprehensive performance audit.

NO. 3 - BOARD AND COMMITTEE MEETING MINUTES & NO. 6 - PUBLIC RECORDS REQUESTS COMPLIANCE

- Current system uses a strict gold (100%) or red (non-compliant) scale.
- Introduce a three-level performance scale to recognize mid-range green score.

3



CUSTOMER SERVICES | PERFORMANCE RATING: 93



6 METRICS – 5 **GOLD** • 1 **GREEN** • 0 **RED** | PREVIOUS RATING: 78

RECOMMENDATIONS

NO. 1 – ADD ANOTHER METRIC TO THE GROUP

- Only two indicators from the CMMS database are currently used for evaluation.
- Add at least one additional metric to provide a more accurate and representative performance rating.
- Though rejected in the last review, the auditors think at least one more should be added to better indicate performance.

ADD ANOTHER INDICATOR

- Two additional metrics previously suggested by LAC could better evaluate Customer Service performance:
 - Customer Service Cost per Active Account = $\frac{\text{Total Customer Service Cost}}{\text{Number of Active Accounts}}$
 - Ratio of Employees to Active Accounts
- Including these will enhance analysis capability and improve the robustness of the performance audit.

4



ENGINEERING | PERFORMANCE RATING: 79



12 METRICS – 7 **GOLD** • 2 **GREEN** • 3 **RED** | PREVIOUS RATING: 77

RECOMMENDATIONS

NO. 4 - CONSTRUCTION INSPECTIONS

- Refine and establish a process for updating and tracking "yellow cards" from inspection logs using MaintStar with document scanning to automate this process.
- This would allow managers to monitor this metric in real-time and facilitate easier sampling and evaluation for auditors.

NO. 6 – EFFICIENCY OF PLAN CHECK

- Develop and maintain an automated and computerized log of plan checks, including those that are started, completed, and their current status.
- This enables the manager to monitor the metric in real-time throughout the year, this process can be automated and established in MaintStar for each project/work order.
- Consider purchasing MaintStar plan check module to fully automate routing plan checks for review and approval.

NO. 10 – FILE COMPLETED PROJECTS PROMPTLY

- The time it takes to capture completed projects is significant, with a monitoring process planned, yet not implemented.
- Engineering and Finance should provide monthly joint status reports to the GM.

5



FINANCIAL SERVICES | PERFORMANCE RATING: 75



7 METRICS – 4 **GOLD** • 1 **GREEN** • 2 **RED** | PREVIOUS RATING: 64

RECOMMENDATIONS

NO. 4 – FILE COMPLETED PROJECTS IN A TIMELY MANNER

- A more thorough monitoring process should be established, and Engineering and Finance should provide monthly joint reports to the GM on the project's progress, including when it is closed.

NO. 5 – MONTHLY CLOSE DOCUMENTATION

- Develop a checklist with supporting information to enable the Auditor to review and score the performance compared with the target.
- Establish what actions and documentation are needed to perform a monthly close.

6



HUMAN RESOURCES | PERFORMANCE RATING: 67



12 METRICS – 4 **GOLD** • 2 **GREEN** • 5 **RED** | PREVIOUS RATING: 75

RECOMMENDATIONS

NO. 4 - TIME TO FILL AND ITEM NO. 7- TURNOVER RATE

- A plan should be prepared to address how this occurred and how these issues can be resolved, as they are significant factors that impact the District's operations, with numerous staff changes and a lengthy period to fill.
- These are recent occurrences.

NO. 9 - ANNUAL EMPLOYEE ENGAGEMENT SURVEY

- The District rating is not high compared to this industry benchmark.
- The HR section should review these factors in the rating and set up a plan to address them.
- This should include enhancing employees' relationships with the organization, their colleagues, and management.

GENERAL ISSUES WERE IDENTIFIED IN NO. 4, 5, 6, AND 7

- These measures bring significant challenges to recruiting, hiring, and retaining employees.
- An overall plan with staff engagement should be considered, with a specific plan for bringing on staff and training them.

7



PUBLIC AFFAIRS | PERFORMANCE RATING: 59



9 METRICS – 2 **GOLD** • 2 **GREEN** • 5 **RED** | PREVIOUS RATING: 87

RECOMMENDATIONS

NO. 2 - TWO-WEEK SCHEDULING & MONTHLY STATUS

- Completion requires more adherence to submitting the schedule and monthly status.
- The manager should systematically monitor this effort and make it a higher priority.
- Performance status meetings were not conducted, and schedules were only submitted bi-weekly in 6 months of the year.

NO. 5 - ANNUAL CUSTOMER SURVEY

- The methods that generated the survey results should be monitored quarterly.
- The results should then be reported to the GM with actions taken and planned to guide those affected to understand Mesa Water and what it produces.

NO. 8 – REVIEWING ALL ACTION PLANS

- This should be completed and documented, showing a decision made to resolve the recommendations with the General Manager's acceptance.

8



WATER OPERATIONS | PERFORMANCE RATING: 93



13 METRICS – 11 **GOLD** • 2 **GREEN** • 0 **RED** | PREVIOUS RATING: 84

RECOMMENDATIONS

NO. 2 - WORK REPORTING ACCURACY

- Daily reporting is now being input directly into MaintStar; another process should be considered, as the accuracy of this information is a critical component in the use of this management system.
- QC reports and/or a dashboard should be set up to verify data entry for various data entry components.

CONSIDERED A NEW INDICATOR FOR COMPLIANCE WITH PMs

- A key element in water operations is the PM tasks.
- Consideration should be given to establishing metrics for auditing the completion of PM/routine maintenance programs using MaintStar.
- Further metrics could be established to monitor the percentage of repairs versus PM work effort by utilizing GIS data to display, in a dashboard, to store and monitor the metrics.

9



DISTRICT FISCAL | PERFORMANCE RATING: 62



5 METRICS – 3 **GOLD** • 0 **GREEN** • 2 **RED** | PREVIOUS RATING: 57

RECOMMENDATIONS

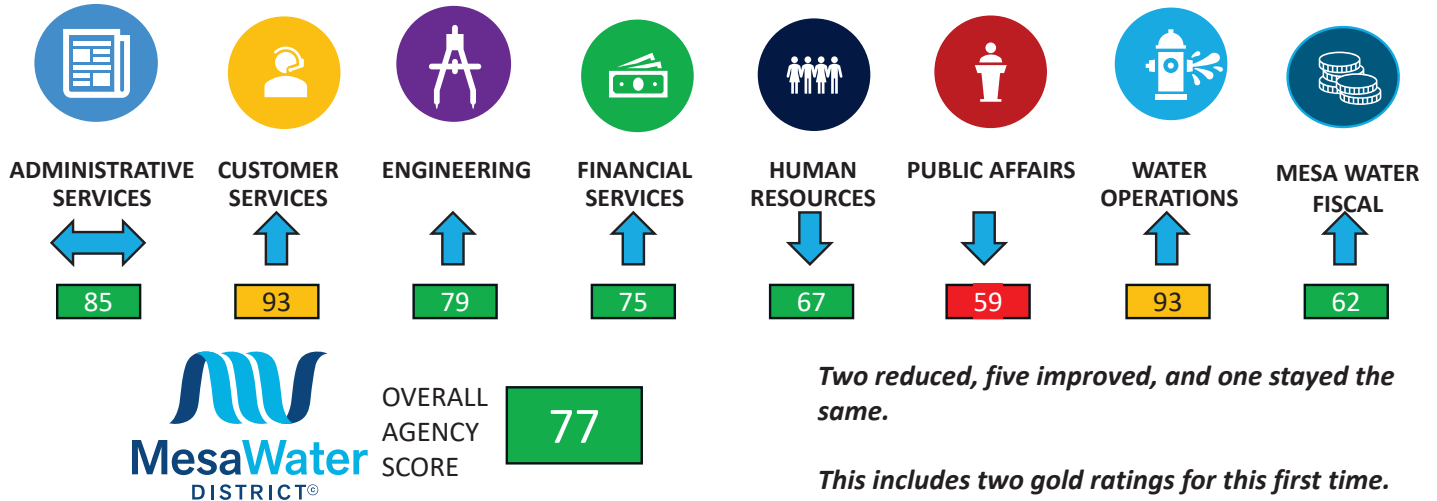
NO. 2 - INVESTMENT PERFORMANCE (OTHER INVESTMENTS)

- The return on investment from LAIF and OCIP significantly exceeds the District's investments.
- The District should evaluate and consider using other options for some portion of the portfolio using relatively safe investments.

Comment: It should be noted that the District does not internally use the S&P 500 as a benchmark, as outlined in the Audit manual; instead, Brown Advisory Small-Cap Growth Fund Investor (BAAPX) is used, whose return was 11.38% for the year, which would have resulted in a green rating (103%) for Item No. 1, if applied.

10

OVERVIEW



11

CONCLUSION

- ☒

Agency is improving in many key metrics with many improving recently to a 77% rating overall
- ☒

Managers take these seriously and are applying them to their work tasks.
- ☒

Opportunities exist for enhancement with 18 recommendations made.
- ☒

Process that focuses on continuous improvement (5 groups improved).

12

12

QUESTIONS?

Harry Lorick, PE, PWLF
Amie Drotning, PWLF

LA Consulting, Inc.
Ph: (310) 374-5777
hlorick@laconsulting.com
www.laconsulting.com



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