

CAPITAL IMPROVEMENT PROGRAM UPDATE

Presentation to the Board of Directors

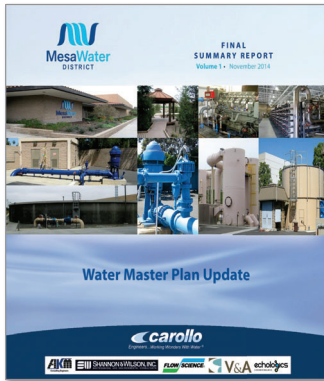
January 28, 2026

Presentation Outline

- Project Purpose
- Water Demand Forecast
- Supply Reliability Analysis
- Distribution System Analysis
- Facility Condition Assessment
- Regulatory Compliance
- Asset Management Roadmap
- Technological Advancements
- Capital Improvement Plan

Project Purpose

2014 WMP



2026 CIP Update



Executive Summary (3 p)
Summary Report (85 p)
10 Tech Memos (1630 p)

Update the 2014 Water Master Plan to prepare a CIP Update for the next decade (FY 2027-2036) and beyond to aid in the planning of future water supplies, water system improvements, and system operations.



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Water Demand Forecast

Description	2022	2025	2030	2035
Service Area Population	109,189	110,432	114,184	119,811
Residential Demand (AFY)	10,862	10,988	11,361	11,921
Non-Residential Demand (AFY)	5,467	5,467	5,467	5,467
Green Acres Project Conversion (AFY)	0	0	0	1,084
Total Demand (AFY)	16,329	16,455	16,828	18,742
Average Day Demand (mgd)	14.6	14.7	15.0	16.5
Maximum Day Demand (mgd)	21.9	22.0	22.5	24.7

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Up to 12% growth by 2035



Water Supply Reliability Analysis

Supply Capacities	mgd
Clear Wells	24.8
Amber Wells w/MWRF	8.6
Total GW Supply	33.4
Imported Connections	62.1
Total Potable Supply	95.5

Demands	mgd
2035 ADD	16.5
2035 MDD	24.7
115% 2035 MDD	28.4

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Conclusions:

- Mesa Water has sufficient groundwater supplies to meet 115% of MDD in 2035
- Without the use of imported water, there would be a 3.7 mgd supply deficit if MWRF would be out of service

Recommendations:

- Replacement of Well 5: +0.9 mgd
- Local Supply Improvement Project:
 - Phase 1 = +0.9 md
 - Phase 2 = +1.8 mgd
- Water Conservation: +0.7 mgd



Distribution System Analysis

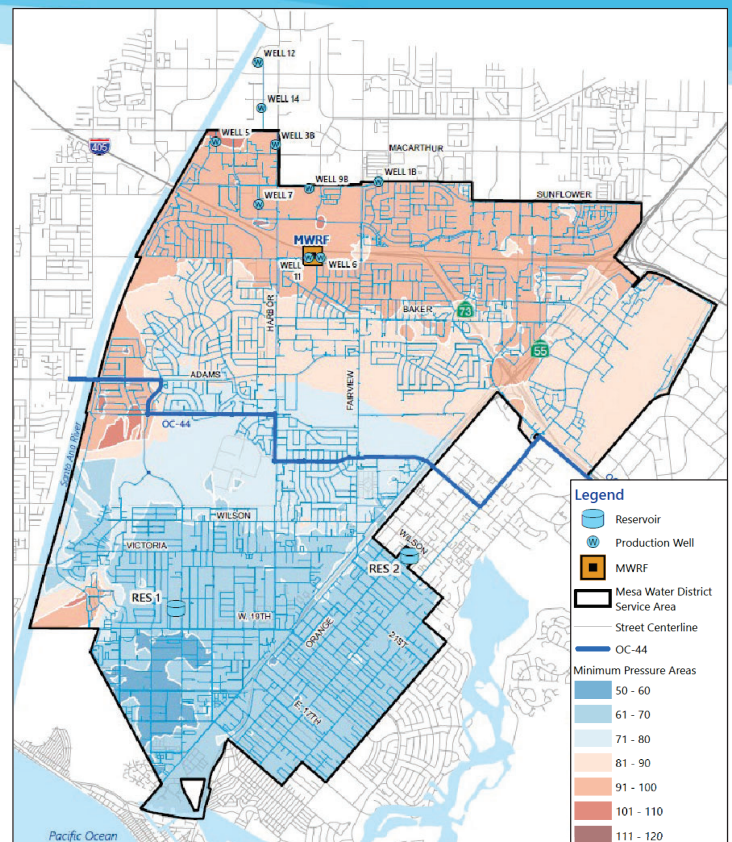
The hydraulic model was updated and recalibrated to evaluate hydraulic performance under existing and future demand conditions.

Conclusion:

The system meets all hydraulic criteria:

- Minimum Pressure > 40 psi ✓
- Min Pressure with fire flow > 20 psi ✓
- Maximum Pressure < 120 psi ✓
- Maximum Velocity < 7 fps ✓
- Maximum Velocity with fire flow < 15 fps ✓

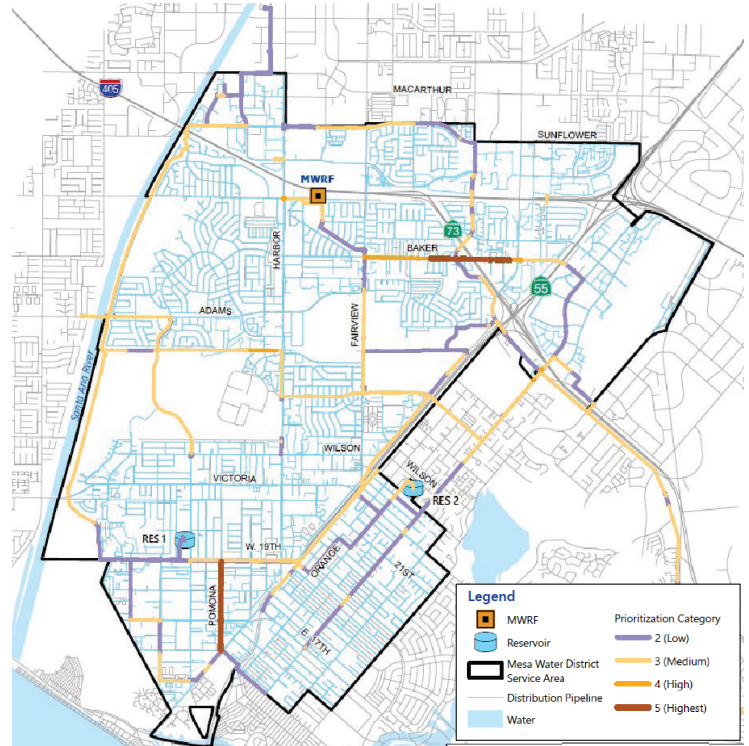
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Transmission System & Cathodic Protection Analysis

- Only 5% of Mesa Water's 43 miles of **transmission mains** falls high priority category (4-5), incl. mains on Pomona and Baker Ave.
- Field condition assessment of 11 **cathodic protection (CP)** systems identified need for:
 - Replacement of components on most other CP systems
 - New CP system on Conway & Orange Avenue mains

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Facility Condition Assessment

A multi-disciplinary field condition assessment was conducted with mechanical, structural, electrical, and instrumentation & controls engineering expertise to inspect the condition of:

- 6 groundwater wells
- Reservoirs 1 & 2 (dive inspection)
- MWRF clear well (dive inspection)
- MWRF treatment facilities
- Pump Stations 1 & 2
- Admin & Operations Buildings
- 6 Import Stations w/PRVs
- 12 Vaults with interties



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Regulatory Compliance

- **Drinking Water Regulations** ✓
 - Mesa Water meets all California Safe Drinking Water Act standards.
 - Monitoring is required for compliance with PFAs regulations by 2031 (extended from '29).
- **Air Quality Regulations** ✓
 - Mesa Water meets the annual emission reporting and thresholds of the California Air Resources Board
 - Starting 2027, 100% of new fleet is replaced with zero emission vehicles to comply with future regulations
- **Other Regulations** ✓
 - Fully in compliance with **California Accidental Release Prevention** regulations for aqueous ammonia tanks at 7 well sites.
 - Completed **Lead and Copper Rule** inventory (unlikely triggering 15 µg/L action level)
 - Mesa Water has already submitted assessments to comply with **America Water Infrastructure Act** (AWIA)

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Asset Management Roadmap

A phased approach is recommended to update Mesa Water's Asset Management program with new technological and software advancements.

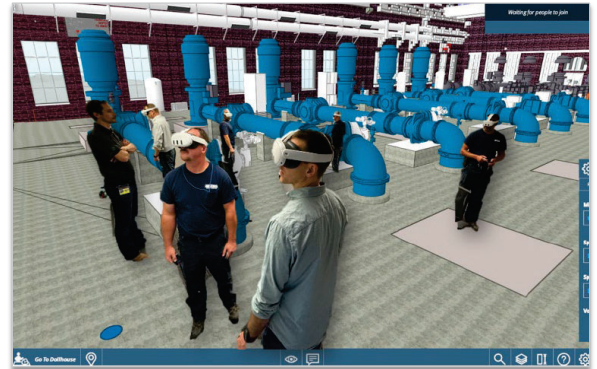


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Technological Advancements

Technologies evaluated include:

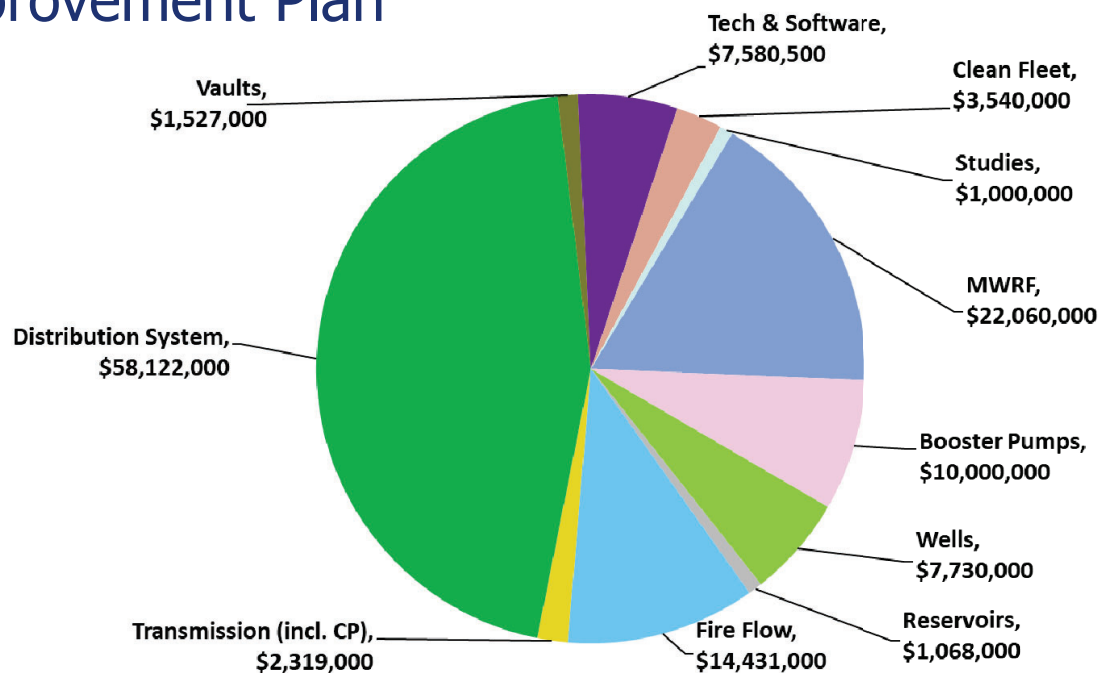
- **Advances in Software Architecture and Integration** (e.g. CMMS, Laboratory Information Management, SCADA, Financial, Customer Billing, etc)
- **Operation Data Management Systems**
- **Artificial Intelligence & Machine Learning**
- **Water Industry Technology Applications**
- **Geographic Information System Improvements**



Prior to implementation, it is recommended to consider existing software systems and then establish & prioritize desired case studies.

Capital Improvement Plan

**Total CIP
\$129 M**



Capital Improvement Plan

Near-Term CIP

- FY2027-2031 (5 years)
- \$17.7 M = \$3.5 M/year

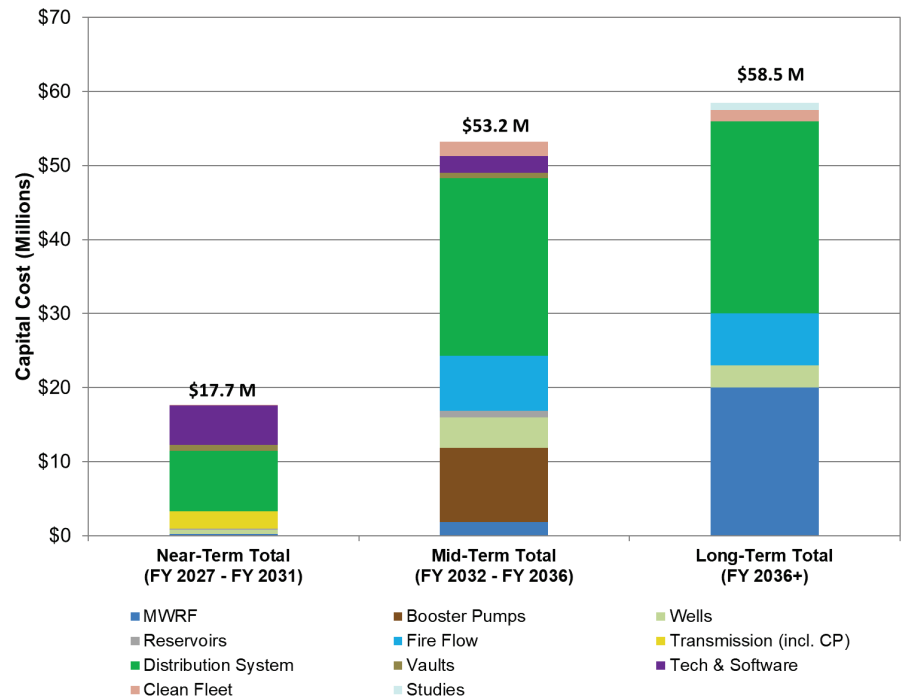
Mid-Term CIP

- FY2032-2036 (5 years)
- \$53.2 M = \$10.6 M/year

Long-Term CIP

- Beyond FY2036 (5 years)
- \$58.5 M = \$11.6 M/yr

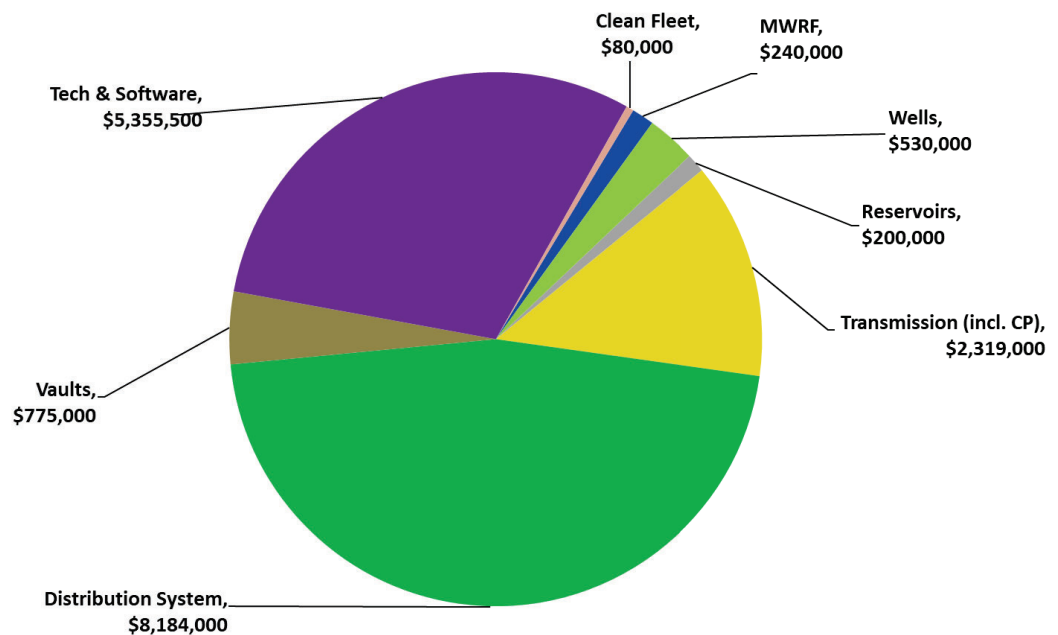
Total \$129.4 M = \$8.6 M/y



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Near-Term CIP

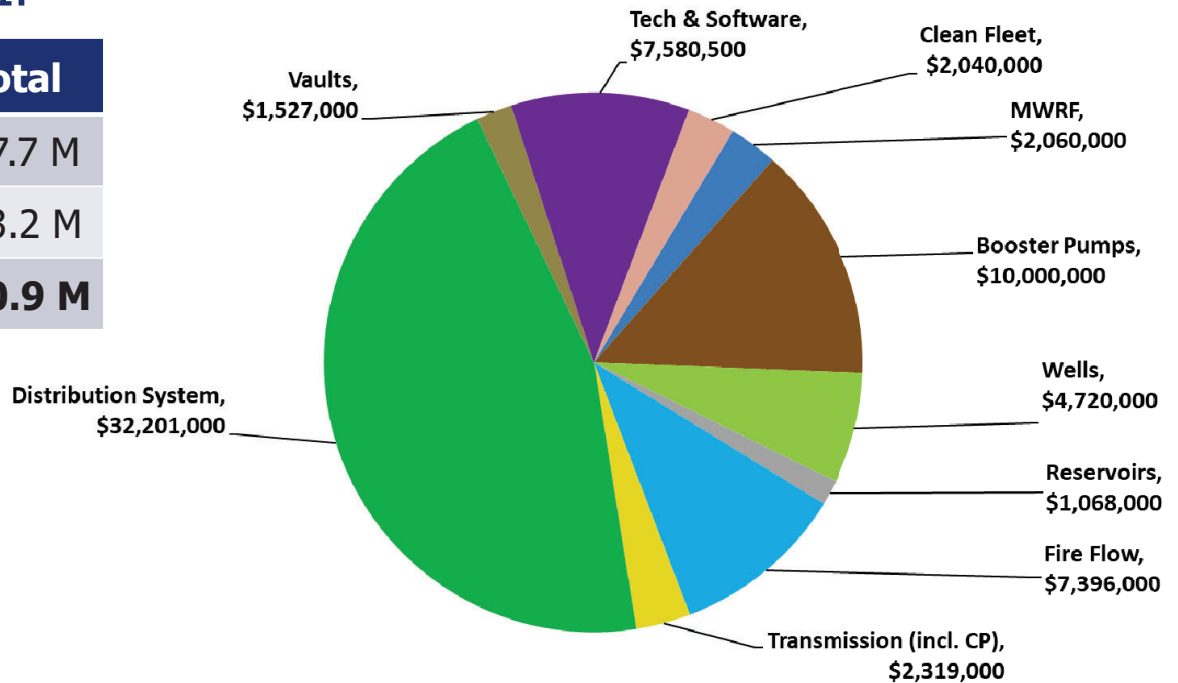
Period	Total
FY 2027	\$4.4 M
FY 2028	\$4.4 M
FY 2029	\$3.1 M
FY 2030	\$2.9 M
FY 2031	\$3.0 M
Total	\$17.7 M



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10-Year CIP

Period	Total
Near-Term	\$17.7 M
Mid-Term	\$53.2 M
Total	\$70.9 M





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Q & A

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