



Dedicated to  
Satisfying our Community's  
Water Needs

**AGENDA**  
**MESA WATER DISTRICT**  
**BOARD OF DIRECTORS**  
**Thursday, December 10, 2020**  
**1965 Placentia Avenue, Costa Mesa, CA 92627**  
**6:00 p.m. Regular Board Meeting**

**IN AN EFFORT TO MITIGATE THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON. MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:**  
**DIAL: (949) 207-5455**  
**CONFERENCE ID: 130371#**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

***PRESENTATION OF AAA CREDIT RATINGS FROM STANDARD & POOR'S AND FITCH***

***OATH OF OFFICE TO RE-ELECTED DIRECTORS***

***PRESENTATION OF DIRECTOR SERVICE AWARD PINS***

**PUBLIC COMMENTS**

**Items Not on the Agenda:** Members of the public are invited to address the Board regarding 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. ELECTION OF BOARD OFFICERS:

**Recommendation:** As directed by the Board, the District Secretary will conduct the election of officers.



### **CONSENT CALENDAR ITEMS:**

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.

2. Approve minutes of adjourned regular Board meeting of October 27, 2020.
3. Approve minutes of regular Board meeting of November 12, 2020.
4. Approve attendance considerations (additions, changes, deletions).
5. Board Schedule:
  - Conferences, Seminars, and Meetings
  - Board Calendar

### **ACTION ITEMS (CONT.):**

6. SUPPORT OF ENERGY SOLUTIONS:

**Recommendation: Adopt Resolution No. 1536 Supporting Balanced Energy Solutions and Maintaining Local Control of Energy Solutions.**

7. STATE ADVOCACY CONSULTING SERVICES:

**Recommendation: Award a five-year contract to [California Advocates](#) for State Advocacy Consulting Services for a total amount not to exceed \$93,000 annually for Calendar Years 2021 and 2022, and \$97,000 annually for Calendar Years 2023-2025.**

8. ORDINANCE NO. 29 – DIRECTORS’ COMPENSATION AND EXPENSE REIMBURSEMENT:

**Recommendation: Discuss Directors’ fees and, if determined, direct staff to schedule a public hearing for the January 14, 2021 Board meeting.**

9. DISTRICT OFFICERS:

**Recommendation:**

- a. Confirm Denise Garcia as District Secretary;
- b. Confirm Wendy Duncan as Assistant District Secretary;
- c. Confirm Marwan Khalifa as District Treasurer;
- d. Confirm Phil Lauri as Assistant District Treasurer;
- e. Confirm the delegation of the same authority to the Assistant District Secretary and Assistant Treasurer, as the District Secretary and District Treasurer respectively, as previously authorized and approved by the Board of Directors and as authorized by the California Water Code; and
- f. Authorize the continuance of the monthly stipends for the offices of District Secretary and District Treasurer in the amount of \$380 and a prorated stipend of \$190 per meeting for the Assistant District Secretary and Assistant District Treasurer.



## **PRESENTATION AND DISCUSSION ITEMS:**

10. FISCAL YEAR 2020 CUSTOMER SERVICE AUDIT:

**Recommendation: Receive the presentation.**

11. ANNUAL PERFORMANCE MEASURES AND AUDITS:

**Recommendation: Receive the presentation.**

## **REPORTS:**

12. REPORT OF THE GENERAL MANAGER:

- November Key Indicators Report
- Other (no enclosure)

13. DIRECTORS' REPORTS AND COMMENTS

## **INFORMATION ITEMS:**

14. DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)

15. OTHER (NO ENCLOSURE)

## **CLOSED SESSIONS:**

16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

Pursuant to California Government Code Sections 54956.9 (d)(1) and 54954.5 (c)

Case: *Mesa Water District v. KDC, INC., dba KDC SYSTEMS, INC., dba DYNALECTRIC*  
Orange County Superior Court Case No. 30-2016-00832860-CU-BC-CJC

17. CONFERENCE WITH SPECIAL LEGAL COUNSEL – EXISTING LITIGATION:

Pursuant to California Government Code Section 54956.9 (d)(1)

Case: *Irvine Ranch Water District v. Orange County Water District and related cross-actions*,  
Los Angeles County Superior Court Case Nos. BS168278 and BS 175192

*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 contact the District Secretary at (949) 631-1206. 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 utilizing 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](http://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 AN ADJOURNED REGULAR BOARD MEETING SCHEDULED FOR THURSDAY,  
DECEMBER 17, 2020 AT 3:30 P.M.**



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## MEMORANDUM

TO: Board of Directors  
FROM: Denise Garcia, Administrative Services Manager  
DATE: December 10, 2020  
SUBJECT: Election of Officers

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### RECOMMENDATION

Continue with the practice, as stated in Resolution No. 1479 Protocols of the Board of Directors, to have the District Secretary conduct the election of Board officers.

### 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.

### DISCUSSION

As per Board Resolution No. 1479 Protocols of the Board of Directors, the Board's consensus is that within 30 days after taking office following each general election, the Directors shall elect one of its members as President of the Board and one of its members as Vice President of the Board. The process of conducting the election of Board officers shall be performed by the District Secretary.

The process has been briefly outlined as follows:

- The Board President turns the meeting over to the District Secretary to conduct the nomination/election process;
- The District Secretary describes the process to be followed;
- Asks for nominations and seconds for the office of President;
- Closes nominations;
- Calls the roll for a vote on the first nominee;
- Announces the result of the vote and, if a majority, announces that the nominee is elected to that office; and
- If the first nominee does not receive a majority, calls for a vote on the second nomination.
- Continues until a nominee has received a majority vote.

The process as described above is for the offices of the President and Vice President. The term of office for each of the newly elected officers of the Board is on every even-numbered year for a two-year term and begins as soon as the District Secretary declares the election complete. The



newly elected President, or in the absence of the newly elected President the newly elected Vice President, may assume the function of the presiding officer at the conclusion of the election, or may ask the immediate past President to act as presiding officer for the remainder of the Board meeting.

If a new President is elected, photos will be taken of the passing of the gavel.

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

None.



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**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Tuesday, October 27, 2020  
1965 Placentia Avenue, Costa Mesa, CA 92627  
3:30 p.m. Adjourned Regular Board Meeting**

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**BOARD OF DIRECTORS COMMITTEE MEETING**

<b>CALL TO ORDER</b>	The meeting of the Board of Directors was called to order at 3:32 p.m. by President Dewane.
<b>PLEDGE OF ALLEGIANCE</b>	Director Bockmiller led the Pledge of Allegiance.
Directors Present	Shawn Dewane, President <i>(teleconference)</i> Marice H. DePasquale, Vice President <i>(teleconference)</i> Jim Atkinson, Director <i>(teleconference)</i> <i>(joined the meeting at 3:34 p.m.)</i> Fred R. Bockmiller, P.E., Director <i>(teleconference)</i> James R. Fidler, Director <i>(teleconference)</i>
Directors Absent	None
Staff Present	Paul E. Shoenberger, P.E., General Manager <i>(teleconference)</i> Phil Lauri, P.E., Assistant General Manager <i>(teleconference)</i> Denise Garcia, Administrative Services Manager/ District Secretary Wendy Duncan, Records Management Specialist/ Assistant District Secretary <i>(teleconference)</i> Marwan Khalifa, CPA, MBA, Chief Financial Officer/ District Treasurer <i>(teleconference)</i> Stacie Sheek, Customer Services Manager <i>(teleconference)</i> Tracy Manning, Water Operations Manager <i>(teleconference)</i> Stacy Taylor, Water Policy Manager <i>(teleconference)</i> Celeste Carrillo, Public Affairs Coordinator <i>(teleconference)</i>
<b>Others Present</b>	Jonathan Aparicio, IT Support Engineer, T2 Technology Group John Lewis, President, Lewis Consulting Group, LLC <i>(teleconference)</i> Robert Konishi, Managing Partner, T2 Technology Group <i>(teleconference)</i> Kevin Torf, Managing Partner, T2 Technology Group <i>(teleconference)</i>

President Dewane stated that the Board of Directors was attending the meeting via teleconference per Governor Newsom's Executive Order N-29-20 which suspended certain provisions of the Ralph M. Brown Act.

President Dewane stated that for each action, a roll call vote was taken in accordance with California Government Code Section 54953(b)(2) which states, "all votes taken during a teleconferenced meeting shall be by roll call."

President Dewane proceeded with the meeting.

**PUBLIC COMMENTS**

President Dewane asked for comments on items not on the agenda.

Director Bockmiller offered that the candidate running for Mesa Water District's Board of Directors has not attended any Mesa Water Board or Committee meetings.

President Dewane thanked Director Bockmiller for his comment and proceeded with the meeting.

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

Director Fisler pulled Items 8, 9, and 10. There were no objections.

**CONSENT CALENDAR ITEMS:**

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.

1. Receive and file the Developer Project Status Report.
2. Receive and file the Mesa Water and Other Agency Projects Status Report.
3. Receive and file the Water Quality Call Report.
4. Receive and file the Water Operations Status Report.
5. Receive and file the Accounts Paid Listing.
6. Receive and file the Monthly Financial Reports.
7. Receive and file the Major Staff Projects.
8. Receive and file the State Advocacy Update.
9. Receive and file the Orange County Update.
10. Receive and file the Outreach Update.

President Dewane asked for comments from the Board. There were no comments.

President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by Director Bockmiller, second by Vice President DePasquale, to approve Items 1 - 7 of the Consent Calendar. Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fisler, DePasquale, Dewane
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

ITEM 9 – Receive and file the Orange County Update.

General Manager Shoenberger introduced Lewis Consulting Group President John Lewis who provided an Orange County Update. Mr. Lewis responded to questions from the Board and they thanked him for the update.

ITEM 8 – Receive and file the State Advocacy Update.

Water Policy Manager Taylor provided a State Advocacy update. There were no questions from the Board.

ITEM 10 – Receive and file the Outreach Update.

GM Shoenberger provided the Outreach Update. There were no questions from the Board.

President Dewane asked for comments from the Board. There were no comments.

President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by Vice President DePasquale, second by Director Fisler, to approve Items 8, 9, and 10 of the Consent Calendar. Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fisler, DePasquale, Dewane
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

**ACTION ITEMS:**

11. METER TECHNOLOGY PILOT PROJECT:

President Dewane asked for comments from the Board. There were no comments.

President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by President Dewane, second by Vice President DePasquale, to approve an amendment to W. A. Rasic Construction Company, Inc.'s on-call contract for an additional \$674,550 and a 10% contingency of \$67,455 for a total contract amount not to exceed \$892,005 for the Meter Technology Pilot Project. Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fisler, DePasquale, Dewane
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

**PRESENTATION AND DISCUSSION ITEMS:**

12. INFORMATION TECHNOLOGY DATA CENTER:

GM Shoenberger introduced Administrative Services Manager Garcia who provided an overview of the topic. Ms. Garcia introduced T2 Technology Group Managing Partner Kevin Torf who proceeded with a presentation which highlighted the following:



- 5-Year IT Master Plan
- Cloud Data Center Platform
- Assessment: Cloud vs. On-site
- Industry Best Practices
- Amazon Market Leadership
- Financials
- IT Security Initiative Alignment.
- Recommendation

President Dewane asked for comments from the Board.

President Dewane recognized Director Bockmiller. Director Bockmiller stated his first question which was related to the Supervisory Control and Data Acquisition System (SCADA), "How will this proposed transition affect or interact with SCADA? We have invested and dedicated a lot of time, money, and effort on SCADA physical security and reliability by creating a sophisticated frequency-hopping redundant radio communication system.

The second question is that we currently have a data center located physically within the building. Staff's computers are connected directly to a server inside the data center that is about 100 feet away. The system is then connected to the Internet. By moving the system to a cloud-based platform (someone else's computers), you reduce the entire reliability of the system to the reliability of your connection to the Internet. The proposal to move to a cloud-based system would make us only as reliable as the electronic communications between the physical location of Mesa Water and the cloud-based platform and then back to Mesa Water."

Mr. Torf responded, "None of the current proposals includes the SCADA system. The SCADA system will still be located offsite and is structured and designed in such a way that it doesn't tie into the existing network within Mesa Water for the reasons you just mentioned and for maintaining the levels of security that are needed.

A comment you made was that you had seen some organizations move to the cloud but not move everything. Our intention is not to move everything. Some key critical capabilities like a directory of security controls and some other critical applications will still reside at Mesa Water. You might have noticed an expenditure of \$100,000 to purchase some infrastructure equipment that will still reside within the Mesa Water facility. That is still the intention that some applications will need to be kept where they belong.

With respect to security, I would say that moving to AWS is probably more secure than what Mesa Water currently can afford and spends today on security. If you look at statistics and you look at some of the challenges the industry as a whole has seen, most of them have come through internal nexus (within the way things are done with in-house security and are run and operated within an organization)."

Director Bockmiller stated that (though his concerns included software) his comments related to reliability were concerned with the physical connection. "Mesa Water's connection to the Internet will become absolutely essential - do we have standby capacity? What are we going to do to ensure the reliability of communication between our system and the cloud-based system?"

Mr. Torf responded, "There is a cost of \$20,000 per year, which will allow the award of two diverse circuits coming into the facility. They will be point-to-point connections into the AWS environment into two separate facilities going over two separate parts of connectivity. You are right, there is some risk, but that risk has been mitigated as much as possible. We have taken into account potential earthquakes that could sever both circuits and to try and maintain connectivity into another facility within AWS. Due to the fact that people work remotely, and I hope it isn't forever, we also have the ability for people to remotely connect to AWS without having to bypass Mesa Water in order to get that connectivity into the data center due to some security initiatives which are already implemented. That will provide another level of redundancy in the event it is needed. I guess it is never going to be as reliable as a piece of wire that is six-feet-long, but I think we have tried to mitigate whatever that risk might be to the extent possible."

Director Bockmiller requested Mr. Torf's responses be placed in the meeting minutes and the Board agreed. He reiterated, "The SCADA system has no part in this. There will be some physical hardware on our site in the traditional data closet on the second floor to have certain critical applications that will still be residing on-site, so there will probably be some residual capital, and you are providing two circuit pathways to our District headquarters through AWS to the tune of \$20,000 a year to ensure a good and hardened communications pathway in the event of various forms of disasters. Is that a correct summation?"

Mr. Torf responded, "That is correct. All three of those statements are correct."

Director Atkinson stated, "On the concept of the cloud, I would like to echo Director Bockmiller's concerns about the connection to the cloud. I truly suspect that we are going to see a much more restricted environment for electricity in the coming years because of the trend or the State's plans to go to an all-electric system. Maybe it's not in the next five years when this plan is expected to be operational, but if we were to encounter those kinds of power shortages, the sources of these fiber optic systems are we, in fact, going to be subjected to the same problems as other users without fiber-optic connectivity? I would be very concerned about the long-term security of the cloud-based system when we are experiencing these kinds of power shortages. Am I incorrect in assuming there is a problem when there is an electrical shortage?"

Mr. Torf responded, "There are things that could happen, and it is hard to anticipate the potential outcome. Let's talk about power and current use in Mesa Water today. Mesa Water's data center draws about 20 kilowatts. When we move to the cloud, that will reduce to about 3 kilowatts, which will reduce the load on the standby generator system and allow longer run time on the existing fuel supply.

AWS has its own power facilities. These data centers have their own powers, they sit on top of dams, they sit on hydrogen plots. These are some of the most sophisticated power pods in the world. It has been reported how innovative they have been and what they have done to reduce the amount of power these data centers use right now, even by placing them in areas on the east coast where they are using the outside air temperature to cool the actual units. These data centers employ some of the most innovative technology in the world, which is one of the reasons that the trend is to move to these data centers.

By contrast, like many smaller systems, Mesa Water's data center was an office space

converted into a data center. We look at these in tiered levels. Mesa Water's data center is probably at one of the highest tiers. The lower the tier, the better. In the case of AWS and some of these others, you are talking about some of the best data facilities in the world. I would say they have less chance of losing power than Mesa Water would have with running the current technology and equipment. I understand we need redundancies, but the Emergency Operations Center (EOC) will be available with equipment in it in the event there is a total outage of any form. The current EOC, with the way it is being designed, will have satellite uplinks and other technologies to allow you to operate in the event you were shut off from the rest of the world. An additional part of this effort would be to upgrade the EOC, as needed."

Director Atkinson stated, "I still have concerns about the transmission of the fiber optic signals and the reliability of the systems that carry the fiber optic signals from point to point. It's just a concern whether it's an outage, a planned maintenance operation, an earthquake to sever some connections. I don't know. I just get concerned that when we are talking about moving a lot of this stuff offsite, that we have continued access to our information and systems. I am hearing that you are assuring us that we are not going to have that kind of a problem, and I appreciate that. I am in support of the reliability and the reduced costs, but I am also concerned about what happens when we do have a catastrophic outage."

Mr. Torf responded, "Let me add one comment, and maybe it will make you a little more comfortable. The two largest medical record suppliers in the world are Server and Airbig. They manage 70% of all hospital systems in the U.S. These are systems that, if they weren't available, patients' lives could be impacted. It doesn't mean these things can't happen, I want to be clear. It's not guaranteed. But with the EOC and the way services are being designed at Mesa Water, you will still be able to operate even in the event these services did fail you, which is very unlikely but possible, and there are a couple of redundancies designed into the plan."

Director Atkinson stated, "I appreciate your comments and appreciate your assurances. I tend to think over the next five years we aren't going to see that kind of an issue, but my concern, like Director Bockmiller's, is that in the long run we have a truly reliable system for all things."

Director Bockmiller asked, "You mentioned there were two physical circuits. I wasn't aware that Amazon was in the fiber optic cable business. Who does the physical circuits connecting to what system?"

Mr. Torf responded, "Yes, these would be provided by the current carriers that are servicing Mesa Water today - AT&T, Verizon, and Cox. Google would be one of the two best providers."

Mr. Torf responded to questions from the Board and they thanked him for the presentation.

**MOTION**

Motion by Director Atkinson, second by Vice President DePasquale, to:

- a. Award a five-year contract to Amazon Web Services in the amount of \$132,000 per year for a total contract not to exceed \$660,000 for a cloud-based center services platform;
- b. Award a contract to T2 Technology Group, LLC for an amount not to exceed \$835,452 for the transition of the onsite information technology data center to a cloud-based data center; and
- c. Approve an additional amount not to exceed \$175,000 for infrastructure, license subscription, and circuit connection to Amazon Web Services.

Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fisler, DePasquale, Dewane
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

**REPORTS:**

- 13. REPORT OF THE GENERAL MANAGER
- 14. DIRECTORS' REPORTS AND COMMENTS

**INFORMATION ITEMS:**

- 15. STATEMENT OF INVESTMENT POLICY
- 16. OTHER (NO ENCLOSURE)

President Dewane adjourned the meeting at 4:56 p.m. to an Adjourned Regular Board Meeting scheduled for Tuesday, November 10, 2020 at 8:00 a.m.

Approved:

\_\_\_\_\_  
Shawn Dewane, President

\_\_\_\_\_  
Denise Garcia, District Secretary



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**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Thursday, November 12, 2020  
1965 Placentia Avenue, Costa Mesa, CA 92627  
6:00 p.m. Regular Board Meeting**

**CALL TO ORDER**

The meeting of the Board of Directors was called to order at 6:01 p.m. by President Dewane.

**PLEDGE OF ALLEGIANCE**

Director Fisler led the Pledge of Allegiance.

**Directors Present**

Shawn Dewane, President *(teleconference)*  
Marice H. DePasquale, Vice President *(teleconference)*  
Jim Atkinson, Director *(teleconference)*  
Fred R. Bockmiller, P.E., Director *(teleconference)*  
James R. Fisler, Director *(teleconference)*

**Directors Absent**

None

**Staff Present**

Paul E. Shoenberger, P.E., General Manager *(teleconference)*  
Phil Lauri, P. E., Assistant General Manager *(teleconference)*  
Denise Garcia, Administrative Services Manager/  
District Secretary  
Wendy Duncan, Records Management Specialist/  
Assistant District Secretary *(teleconference)*  
Stacy Taylor, Water Policy Manager *(teleconference)*  
Celeste Carrillo, Public Affairs Coordinator *(teleconference)*  
Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo  
*(teleconference)*

**Others Present**

Jonathan Aparicio, IT Support Engineer, T2 Technology  
Steve Delaney, Member of the Public *(teleconference)*

President Dewane stated that the Board of Directors was attending the meeting via teleconference per Governor Newsom’s Executive Order N-29-20 which suspended certain provisions of the Ralph M. Brown Act.

President Dewane stated that for each action, a roll call vote was taken in accordance with California Government Code Section 54953(b)(2) which states, “all votes taken during a teleconferenced meeting shall be by roll call.”

President Dewane proceeded with the meeting.

**PUBLIC COMMENTS**

President Dewane asked for public comments on items not on the agenda.

There were no comments on non-agendized topics and President Dewane proceeded with the meeting.

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

General Manager Shoenberger reported there were no items to be added, removed, or reordered on the agenda.

### **CONSENT CALENDAR ITEMS:**

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.

1. Approve minutes of regular Board meeting of October 8, 2020.
2. Approve attendance considerations (additions, changes, deletions).
3. Board Schedule:
  - Conferences, Seminars, and Meetings
  - Board Calendar
  - Upcoming Community Outreach Events
4. Receive the Quarterly Training Report for July 1, 2020 to September 30, 2020.
5. Ratify Vice President Marice H. DePasquale as the designated director assigned to CalDesal and President Shawn Dewane as the designated alternate for Mesa Water District's 2021 Board Committee & Other Agency Liaison Assignments.

President Dewane asked for comments from the Board. There were no comments.

President Dewane asked for comments from the public. There were no comments.

### **MOTION**

Motion by Vice President DePasquale, second by Director Fisler, to approve Items 1 – 5 of the Consent Calendar. Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fisler, DePasquale, Dewane
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

### **ACTION ITEMS:**

6. CONFLICT OF INTEREST CODE:

General Manager Shoenberger introduced District Secretary Garcia who provided a brief overview of the topic.

President Dewane asked for comments from the Board. There were no comments.

President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by Director Fisler, second by Director Atkinson, to adopt Resolution No. 1535 Amending its Conflict of Interest Code Superseding Resolution No. 1516. Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fisler, DePasquale, Dewane
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

**7. PROCLAMATION HONORING JOAN FINNEGAN:**

GM Shoenberger introduced Water Policy Manager Taylor who provided a brief overview of the topic announcing Ms. Finnegan's retirement.

President Dewane asked for comments from the Board. There were no comments.

President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by Vice President DePasquale, second by Director Atkinson, to approve a proclamation honoring Joan Finnegan for her dedicated service and commitment to the Municipal Water District of Orange County and the water industry. Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fisler, DePasquale, Dewane
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

**PRESENTATION AND DISCUSSION ITEMS:**

None.

**REPORTS:**

**8. REPORT OF THE GENERAL MANAGER:**

- October Key Indicators Report
- Other (no enclosure)

**9. DIRECTORS' REPORTS AND COMMENTS**

**INFORMATION ITEMS:**

**10. RATE ADJUSTMENT COMMUNICATION**

**11. DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)**

12. OTHER (NO ENCLOSURE)

President Dewane adjourned the meeting at 6:31 p.m. to an Adjourned Regular Board Meeting scheduled for Thursday, November 19, 2020 at 3:30 p.m.

Approved:

\_\_\_\_\_  
Shawn Dewane, President

\_\_\_\_\_  
Denise Garcia, District Secretary

Unapproved





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Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: December 10, 2020  
SUBJECT: Attendance at Conferences, Seminars, Meetings, and Events

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### RECOMMENDATION

In accordance with Ordinance No. 29, adopted February 14, 2019, authorize attendance at conferences, seminars, meetings, and events.

### 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

At its June 11, 2020 meeting, the Board of Directors (Board) approved Fiscal Year 2021 attendance at Conferences, Seminars, Meetings, and Events.

### DISCUSSION

During the discussion of this item, if any, the Board may choose to delete any item from the list and/or may choose to add additional conferences, seminars, meetings, or events for approval, subject to available budget or additional appropriation.

### FINANCIAL IMPACT

None.

### ATTACHMENTS

None.

**2021 CONFERENCES, SEMINARS, AND MEETINGS:**

<b>January 25 - 26, 2021</b>	
CMUA Capitol Days	
Virtual	
<b>February 2021, Tentative</b>	
ACWA Annual Washington D.C. Conference	
<b>February 10 - 11, 2021</b>	
CalDesal Annual Conference	
Virtual	
<b>February 17 - 18, 2021</b>	
Urban Water Institute Spring Conference	
Virtual	
<b>March 2021, Tentative</b>	
ACWA Legislative Symposium	
<b>March 15 - 25, 2021</b>	
WaterReuse Conference	
Virtual	
<b>April 2021, Tentative</b>	
MWDOC Elected Officials Forum	
<b>April 6 - 8, 2021</b>	
WaterNow Alliance 6th Annual Summit	
Virtual	
<b>April 19 - 22, 2021</b>	
California United Water Conference	
San Diego, CA	
<b>May 4 - 7, 2021</b>	
ACWA/JPIA Spring Conference	
Monterey, CA	
<b>May 18 - 19, 2021</b>	
CSDA Legislative Days	
Save the Date	
<b>June 13 - 16, 2021</b>	
AWWA ACE21 Conference	
San Diego, CA	
<b>July 19 - 22, 2021</b>	
Jt. CA-NV AWWA/AMTA Conference	
West Palm Beach, FL	
<b>July 27 - 29, 2021</b>	
SWMOA 2021 Annual Symposium	
Pico Rivera, CA	

# December 2020

December 2020							January 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30
							31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 29	30	Dec 1 7:30am ISDOC Executive Committee Meeting (ZOOM) 10:00am ACWA JPIA Virtual Seminar (Zoom) 12:00pm Ad Hoc Meeting (Panian Conference Room) 5:30pm Costa Mesa City Council Meeting (ZOOM)	2 ACWA Fall Conference (Virtual) 8:30am CANCELED Jt. MWDOC/MWD Workshop (Zoom) 5:30pm OCWD Board Meeting (ZOOM)	3 Pay Period Ends 7:30am WACO Meeting (ZOOM)	4	5
6	7 8:30am R/S to 12/14 MWDOC Planning & Operations Committee Meeting (Conference Room 101)	8 7:30am OCBC Infrastructure Committee Meeting (ZOOM)	9 Payday 8:00am LAFCO Meeting (ZOOM) 8:30am MWDOC Admin and Finance Committee (ZOOM) 11:30am CM Chamber Event - "Careful Connecting" (TBD)	10 1:00pm ACWA Region 10 Membership Meeting (ZOOM) 6:00pm Mesa Water Board Meeting (ZOOM)	11	12
13	14 CANCELED Colorado River Water Users Association Conference 8:30am R/S from 12/7 MWDOC Planning & Operations Committee Meeting (ZOOM) 5:00pm IRWD Board Meeting (ZOOM)	15 7:30am WACO Planning Committee (ZOOM) 5:30pm Costa Mesa City Council Meeting (ZOOM)	16 8:30am MWDOC Board Meeting (ZOOM) 5:30pm OCWD Board Meeting (ZOOM)	17 8:30am MWDOC Executive Committee (ZOOM) 11:30am CANCELED CM Chamber Event 3:30pm Board of Directors Committee Meeting (ZOOM)	18 Pay Period Ends	19
20	21 8:30am MWDOC Public Affairs & Legislation (ZOOM)	22	23 Payday	24 District Holiday	25 District Holiday	26
27	28 5:00pm CANCELED IRWD Board Meeting (15600 Sand Canyon Avenue in Irvine)	29	30	31 District Holiday	Jan 1, 21	2

# January 2021

January 2021							February 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28						
31													

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Dec 27	28	29	30	31	Jan 1, 21 District Holiday Pay Period Ends 7:30am R/S to 1/08 WACO Meeting (ZOOM)	2
3	4 8:30am MWDOC Planning & Operations Committee Meeting (Virtual)	5 7:30am ISDOC Executive Committee Meeting (Virtual) 5:30pm Costa Mesa City Council Meeting (Virtual)	6 Payday 8:30am Jt. MWDOC/MWD Workshop (Virtual) 5:30pm OCWD Board Meeting (Virtual)	7	8 7:30am R/S from 1/01 WACO Meeting (Virtual)	9
10	11 5:00pm IRWD Board Meeting (Virtual) 5:00pm GWRs Steering Committee (Virtual)	12	13 8:00am LAFCO Meeting (Virtual) 8:30am MWDOC Admin and Finance Committee (Virtual) 11:30am CM Chamber Event - "Careful Connecting" (TBD)	14 6:00pm Mesa Water Board Meeting (ZOOM)	15 Pay Period Ends	16
17	18 District Holiday 8:30am MWDOC Public Affairs & Legislation (Virtual)	19 5:00pm Costa Mesa City Council Meeting (Virtual)	20 Payday 8:30am MWDOC Board Meeting (Virtual) 5:30pm OCWD Board Meeting (Virtual)	21 8:30am MWDOC Executive Committee (Virtual) 4:00pm Costa Mesa Chamber of Commerce Board Meeting (Virtual)	22	23
24	25 8:00am - 3:30pm CMUA Capitol Days (VIRTUAL) 5:00pm IRWD Board Meeting (Virtual)	26 3:30pm Board of Directors Committee Meeting (ZOOM)	27 8:30am Jt. MWDOC/OCWD Meeting (Virtual)	28 11:30am ISDOC Quarterly Event (Virtual)	29 Pay Period Ends	30
31	Feb 1	2	3	4	5	6

# February 2021

February 2021							March 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6		1	2	3	4	5	6
7	8	9	10	11	12	13	7	8	9	10	11	12	13
14	15	16	17	18	19	20	14	15	16	17	18	19	20
21	22	23	24	25	26	27	21	22	23	24	25	26	27
28							28	29	30	31			

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 31	Feb 1 8:30am MWDOC Planning & Operations Committee Meeting (Virtual)	2 7:30am ISDOC Executive Committee Meeting (Virtual) 5:30pm Costa Mesa City Council Meeting (Virtual)	3 Payday 8:30am Jt. MWDOC/MWD Workshop (Virtual) 5:30pm OCWD Board Meeting (Virtual)	4	5 7:30am WACO Meeting (Virtual)	6
7	8 5:00pm IRWD Board Meeting (Virtual)	9	10 CalDesal Annual Conference (VIRTUAL) 8:00am LAFCO Meeting (Virtual) 8:30am MWDOC Admin and Finance Committee (Virtual) 11:30am CM Chamber Event - "Careful Connecting" (TBD)	11 6:00pm Mesa Water Board Meeting (ZOOM)	12 Pay Period Ends	13
14	15 District Holiday 8:30am MWDOC Public Affairs & Legislation (Virtual)	16 5:00pm Costa Mesa City Council Meeting (Virtual)	17 Urban Water Institute Sorina Conference (VIRTUAL) Payday 8:30am MWDOC Board Meeting (Virtual) 5:30pm OCWD Board Meeting (Virtual)	18 8:30am MWDOC Executive Committee (Virtual) 4:00pm Costa Mesa Chamber of Commerce Board Meeting (Virtual)	19	20
21	22 5:00pm IRWD Board Meeting (Virtual)	23 3:30pm Board of Directors Committee Meeting (ZOOM)	24	25	26 Pay Period Ends	27
28	Mar 1	2	3	4	5	6



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## MEMORANDUM

TO: Board of Directors  
FROM: Stacy Taylor, Water Policy Manager  
DATE: December 10, 2020  
SUBJECT: Support of Energy Solutions

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### RECOMMENDATION

Adopt Resolution No. 1536 Supporting Balanced Energy Solutions and Maintaining Local Control of Energy Solutions.

### 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

At its November 19, 2020 meeting, the Board of Directors (Board) received a presentation from a Southern California Gas Company representative regarding California energy policies, technologies, and solutions that can address climate change. The Board directed staff to draft a resolution in support of energy solutions and to agendaize for the December 10, 2020 meeting.

### DISCUSSION

California Governor Newsom, along with several administrative agencies, legislators and regulators, are proposing new policies, legislation, and regulations that would eliminate energy choices by mandating full electrification of homes and businesses and, in the future, limiting or eliminating the use of natural gas and other fossil fuels. These mandates would remove local control, limit customer choice and, in so doing, suppress innovation in power solutions, reduce reliability, and unnecessarily increase costs to Mesa Water District (Mesa Water®) residents and businesses. At the Board's request, staff has prepared Resolution No. 1536 signifying the District's support of balanced energy solutions that can: 1) provide Mesa Water with decision-making authority and the resources needed to achieve California's climate goals; and, 2) retain Mesa Water's local control by allowing the use of all technologies and energy resources that can power buildings and facilities while also meeting or exceeding emission reduction mandates.

### FINANCIAL IMPACT

None.

### ATTACHMENTS

Attachment A: Draft Resolution No. 1536

## **RESOLUTION NO. 1536**

### **RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS SUPPORTING BALANCED ENERGY SOLUTIONS AND MAINTAINING LOCAL CONTROL OF ENERGY SOLUTIONS**

WHEREAS, the Mesa Water District (Mesa Water or District) is a county water district organized and operating pursuant to the provisions of the laws of the State of California (State or California); and

WHEREAS, California's energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

WHEREAS, the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and facilities, as a strategy to achieve the State's climate goals; and

WHEREAS, clean, affordable and reliable energy is crucial to the material health, safety and well-being of Mesa Water customers, particularly the most vulnerable; and

WHEREAS, energy policies directly impact Mesa Water's ability to provide a clean, affordable and reliable water supply, which is similarly essential to protecting public health and safety; and

WHEREAS, properly treated wastewater is also vital to preventing disease and protecting the environment; and

WHEREAS, Mesa Water values local control and the right to choose the policies and investments that most affordably and efficiently enables the District to comply with state requirements; and

WHEREAS, technology mandates eliminate local control and choice, suppress innovation, reduce reliability and unnecessarily increase costs for Mesa Water and its customers; and

WHEREAS, Mesa Water understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

WHEREAS, Public Safety Power Shutoffs can impact water pumping and water treatment plants, putting public health and safety at risk and potentially hampering firefighting efforts; and

WHEREAS, Mesa Water understands the need to mitigate the impacts of climate

change and is committed to doing its part to help the State achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of the District and its customers.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MESA WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

**Section 1.** Mesa Water District supports balanced energy solutions that provide it with the decision-making authority and resources needed to achieve the State’s climate goals and supports proposed state legislation and regulation that retains local control by allowing all technologies and energy resources that can power buildings and facilities, and also meet or exceed emissions reductions regulations.

ADOPTED, SIGNED, and APPROVED this 10th day of December 2020 by a roll call vote.

AYES: DIRECTORS:  
NOES: DIRECTORS:  
ABSENT: DIRECTORS:  
ABSTAIN: DIRECTORS:

\_\_\_\_\_  
Shawn Dewane  
President, Board of Directors

\_\_\_\_\_  
Denise Garcia  
District Secretary





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## MEMORANDUM

TO: Board of Directors  
FROM: Stacy Taylor, Water Policy Manager  
DATE: December 10, 2020  
SUBJECT: State Advocacy Consulting Services

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### RECOMMENDATION

Award a five-year contract to [California Advocates](#) for State Advocacy Consulting Services for a total amount not to exceed \$93,000 annually for Calendar Years 2021 and 2022, and \$97,000 annually for Calendar Years 2023-2025.

### 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 November 21, 2013 meeting, the Legislative & Public Affairs Committee determined to seek lobbyist services to advocate for Mesa Water District's (Mesa Water®) legislative platforms. Following a competitive selection process, Mesa Water retained California Advocates (CA Advocates) initially for \$4,000 per month to focus on a single issue from February through December 2014.

At its August 14, 2014 meeting, the Board of Directors (Board) approved increasing CA Advocates' activities for the District to include an additional issue, following which the District increased its contract with CA Advocates to \$7,000 per month from September through December 2014.

Subsequently, Mesa Water annually renewed CA Advocates' consulting services at the \$7,000 monthly level for calendar years 2015, 2016, 2017, 2018, 2019, and 2020. The District's "no evergreen contracts" policy limits service contract renewals to seven consecutive years at which time a full Request for Proposal (RFP) process is required.

### DISCUSSION

Since engaging with Mesa Water, CA Advocates has lobbied state administrative, legislative, and regulatory audiences on issues relevant to the District. Advocacy for Mesa Water's legislative platforms and [policy positions](#) requires significant work in Sacramento on multiple issues.

CA Advocates has proven to be effective for Mesa Water on several fronts, through active issues monitoring and engagement with: the Governor's administration; the California legislature and its leadership, committees, consultants and staff; the State Water Resources Control Board; and



staff, lawyers and lobbyists for the Association of California Water Agencies, CalDesal, California Municipal Utilities Association, California Special Districts Association, WaterReuse CA, etc. Per Mesa Water's procurement practice, staff conducted an RFP process (outlined below) for State Advocacy Services, whereby only one firm -- CA Advocates -- submitted a proposal.

1. Mesa Water staff contacted 14 qualified firms regarding the upcoming State Advocacy RFP issuance, and offered the firms the opportunity to provide feedback on the scope of work.
2. Mesa Water obtained emails for 8 of the 14 firms and sent them the scope of work for review.
3. Mesa Water staff emailed the RFP to all 8 firms, and staff posted the [RFP to MesaWater.org](#).
4. Mesa Water emailed the RFP Addendum to 5 of the 8 firms (and not to 3 of the 8 firms that declined to participate), and staff posted the [RFP Addendum to MesaWater.org](#).
5. The RFP closed on October 26, 2020, with only 1 submission received (from CA Advocates) which was fully responsive to the RFP.

Staff recommends issuing a new five-year agreement to CA Advocates for State Advocacy Consulting Services.

#### FINANCIAL IMPACT

For Calendar Years 2021 and 2022, the total not-to-exceed cost will be \$93,000 (\$7,700 monthly plus expenses). For Calendar Years 2023-2025, the total not-to-exceed cost will be \$97,000 (\$8,000 monthly plus expenses).

#### ATTACHMENTS

None.



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## MEMORANDUM

TO: Board of Directors  
FROM: Denise Garcia, Administrative Services Manager  
DATE: December 10, 2020  
SUBJECT: Ordinance No. 29 - Directors' Compensation and Expense Reimbursement

---

### RECOMMENDATION

Discuss Directors' fees and, if determined, direct staff to schedule a public hearing for the January 14, 2021 Board meeting.

The Executive Committee reviewed this item at its March 3, 2020 meeting.

### 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 March 26, 2018 workshop, the Board deferred action on increasing Directors Compensation.

At its February 14, 2019 meeting, the Board adopted Ordinance No. 29 – Directors Compensation and Expense Reimbursement Superseding Ordinance No. 28, setting the rate in Section 1 to \$291 effective July 1, 2019 and adopting all proposed changes.

At its March 12, 2020 meeting, the Board directed staff to schedule a public hearing for the April 9, 2020 Board meeting to address Directors' compensation and expense reimbursement.

Prior to the April 9, 2020 public hearing, this item was deferred at the request of the Board President.

### BACKGROUND

At its October 31, 2008 workshop, the Board directed staff to prepare an ordinance increasing Directors' fees concurrent with the District's budget cycle, thus changing from a calendar year to a fiscal year.

In addition, a public hearing must be held prior to the Board taking action to increase Directors compensation. Prior to the date of the public hearing, Mesa Water is required to place an advertisement once a week for two weeks, each published with at least five days intervening between publication dates, in a local newspaper announcing the public hearing. If the Board approves the ordinance, a minimum of sixty days must elapse prior to the increase becoming effective.



## DISCUSSION

The current Directors compensation amount of \$291 per meeting was approved February 14, 2019 and effective July 1, 2019. The Board reviews the topic of Directors compensation annually. At this time, the Water Code allows for an increase of up to five percent per year; therefore, the Board may approve an increase for an amount not to exceed \$305.55. If the Board approves an increase in 2021, the next available increase could be no sooner than one year later. If the Board directs staff to schedule a public hearing, staff will place the required advertisements in the newspaper.

## FINANCIAL IMPACT

In Fiscal Year 2021, \$1,000 is budgeted for Regulatory Compliance/Permits; no funds have been spent to date.

Should the Board approve an increase, staff will include the additional cost in the Fiscal Year 2022 budget, as well as the mandatory payroll-related Social Security (FICA), Medicare, and Workers' Compensation costs.

## ATTACHMENTS

Attachment A: Agency Board of Directors Fees Survey

Attachment B: Ordinance No. 29

**AGENCY BOARD OF DIRECTORS FEES SURVEY  
(November 2020)**

<b>Agency</b>	<b>Effective Date</b>	<b>Per Diem/Mtg.</b>	<b>Max Mtgs. Per Month</b>
Yorba Linda Water District	January 2003	\$150.00	10
El Toro Water District	March 2018	\$219.00	10
Moulton Niguel Water District	February 2020	\$242.55	10
South Coast Water District	August 2019	\$255.00	10
Santa Margarita Water District	November 2019	\$270.00	10
Mesa Water District	July 2019	\$291.00	10
Irvine Ranch Water District	January 2020	\$300.00	10
Orange County Water District <sup>1</sup>	March 2019	\$300.00	10
Municipal Water District of OC <sup>1</sup>	January 2020	\$327.43	10
Costa Mesa Sanitary District	July 2015	\$295.00	6
Newport Mesa Unified School District	School Year	\$470.11	Per Month
City of Costa Mesa - City Council	April 2009	\$904.40	Per Month

<sup>1</sup> Compensation automatically increases each year unless suspended.

## ORDINANCE NO. 29

### ORDINANCE OF THE MESA WATER DISTRICT BOARD OF DIRECTORS REGARDING DIRECTORS COMPENSATION AND EXPENSE REIMBURSEMENT SUPERSEDING ORDINANCE NO. 28

WHEREAS, Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of California law; and

WHEREAS, the California Water Code (Water Code) governs compensation of Mesa Water Board of Directors (collectively, the Board and individually, a Director) for each day of service rendered as a Director by request of the Board, together with any expenses incurred in the performance of his or her duties required or authorized by the Board; and

WHEREAS, the Board of Directors has previously adopted Ordinance No. 28 regarding compensation for Directors attendance at Board meetings, days of service at committee meetings, attendance at conferences, seminars, and other water related agencies' meetings and other activities, as specified by action of the Board, and the Board desires to supersede Ordinance No. 28 by adoption of this Ordinance, including the provisions hereof; and

WHEREAS, notice of the consideration of this Ordinance has been provided consistent with the applicable requirements of California law; and

WHEREAS, it is the further desire of the Board to provide for reimbursement to Directors for expenses incurred in the performance of his or her duties as required or authorized by the Board.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF MESA WATER DISTRICT AS FOLLOWS:

**Section 1:** **Board of Directors Meetings; Days of Service:** The compensation paid to Directors shall be Two Hundred Ninety One Dollars (\$291.00) per day for each day's attendance at Board meetings, or for each day's service rendered as a Director by request of, or with the authorization of, the Board as further set forth herein.

**Section 2:** **Meetings/Activities that Constitute Days of Service for the Purpose of Section 1:** The following meetings and activities shall constitute a day of service for purposes of Section 1 of this Ordinance:

- (a) Committee and Other Agency Meetings: Committee meetings for those Directors assigned, or attending, as applicable, shall include the following:
- (i). Engineering & Operations Committee;
  - (ii). Executive Committee;
  - (iii). Finance Committee;
  - (iv). Legislative and Public Affairs Committee;
  - (v). Other public agency meetings (including regular, adjourned regular and special meetings of the governing bodies of such public agencies as shall be designated and/or authorized by the Board from time to time); and
  - (vi). Other Mesa Water committees, including, but not limited to, *ad hoc* committees, as the Board shall designate by Board action from time to time.
- (b) Teleconferencing: Participation at any public agency meeting that is covered under Section 2(a) by teleconference, or equivalent means, shall be considered as a day of service for the purpose of this Ordinance.
- (c) Conferences and Seminars: Attendance at authorized conferences or seminars as assigned, designated and/or authorized by action of the Board.
- (d) Meetings with Agencies, Organizations, and/or Representatives Concerning or relating to Water, Governmental or Environmental Matters or Issues: Meetings by Director(s) of or with agencies or organizations, and/or representatives of such, in or related to the public water industry or governmental or environmental matters or issues to discuss, review, and/or receive information relating to Mesa Water, Mesa Water's business or operations, governmental or environmental matters or issues and/or water industry standards, operations, policy matters and/or fiscal issues.
- (e) Other Activities Approved by Action(s) of the Board: Activities by Director(s) other than as described in Sections 2 (a), (b), (c), or (d) above, as authorized by action(s) of the Board in advance of such activity(ies).

**Section 3: Limitations:**

- (a) Maximum Number of Meetings/Days: The fee paid to the Directors shall be made for no more than one meeting per each day of service, and the maximum number of days for which any Director may receive

compensation under Sections 1 or 2 hereof, in any calendar month shall be ten (10).

- (b) No Duplicate Compensation: Notwithstanding the foregoing provisions of Sections 1 or 2, any Director that receives compensation from any other entity for attendance and/or participation of any meeting(s), conference(s), seminar(s) or other activity(ies) set out in Sections 1 or 2 shall not be compensated by Mesa Water.

**Section 4:** **Director Reimbursement(s)**: In addition to the compensation described in Section 1, and subject to applicable California law, Director's expenses shall be reimbursed if they are reasonable and necessary to conduct Mesa Water's business pursuant to provisions of the Mesa Water Director reimbursement policy(ies) as adopted by the Board, as are in effect on the date the expense is incurred.

**Section 5:** **Authorization (Statutory Requirements)**: This Ordinance is adopted pursuant to Water Code Sections 30523 and 20203. To the extent required by law, this Ordinance shall satisfy the requirements of Water Code Sections 20201 and 20202 and California Government Code Section 53232.1.

**Section 6:** **Effective Date**: This Ordinance No. 29 shall take effect from and after July 1, 2019 (Effective Date).

**Section 7:** **Superseding Prior Ordinance**: This Ordinance No. 29 shall supersede Ordinance No. 28 upon the Effective Date hereof.

PASSED AND APPROVED at the regular meeting of the Board of Directors held on the 14<sup>th</sup> day of February 2019, and adopted by the following roll call vote:

AYES: DIRECTORS: Bockmiller, Fislser, DePasquale, Dewane  
NOES: DIRECTORS: Atkinson  
ABSENT: DIRECTORS:  
ABSTAIN: DIRECTORS:

ATTEST:

  
\_\_\_\_\_  
Denise Garcia  
District Secretary

  
\_\_\_\_\_  
Shawn Dewane  
President, Board of Directors





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## MEMORANDUM

TO: Board of Directors  
FROM: Denise Garcia, Administrative Services Manager  
DATE: December 10, 2020  
SUBJECT: District Officers

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### RECOMMENDATION

- a. Confirm Denise Garcia as District Secretary;
- b. Confirm Wendy Duncan as Assistant District Secretary;
- c. Confirm Marwan Khalifa as District Treasurer;
- d. Confirm Phil Lauri as Assistant District Treasurer;
- e. Confirm the delegation of the same authority to the Assistant District Secretary and Assistant Treasurer, as the District Secretary and District Treasurer respectively, as previously authorized and approved by the Board of Directors (Board) and as authorized by the California Water Code; and
- f. Authorize the continuance of the monthly stipends for the offices of District Secretary and District Treasurer in the amount of \$380 and a prorated stipend of \$190 per meeting for the Assistant District Secretary and Assistant District Treasurer.

### 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 December 8, 2009 meeting, the Board of Directors (Board) appointed Paul E. Shoenberger, P.E. as Assistant District Treasurer. The prorated per meeting stipend for assistant District Treasurer does not apply when this position is held by the General Manager.

At its December 8, 2016 meeting, the Board confirmed its District Officers. The Board has chosen to review the Appointment of District Officers to coincide with the Election of Officers which is conducted every two years, per Resolution No. 1479 Protocols of the Board.

At its April 13, 2017 meeting, the Board appointed Coleen L. Monteleone as District Treasurer and awarded the existing Treasurer stipend of \$285 per month.

At its June 8, 2017 meeting, the Board appointed Phil Lauri as District Treasurer and Wendy Duncan as Assistant District Secretary. The Board approved an increase to the District Secretary and District Treasurer monthly stipend in the amount of \$350 and a prorated stipend of \$175 per meeting for the Assistant District Secretary, effective July 1, 2017.



At its February 8, 2018 meeting, the Board appointed Marwan Khalifa as District Treasurer and awarded the existing stipend for the Treasurer in the amount of \$350 per month, and appointed Phil Lauri as Assistant District Treasurer.

At its December 13, 2018 meeting, the Board awarded the monthly stipends for the District Secretary and District Treasurer in the amount of \$380 and prorated stipends of \$190 per meeting for the Assistant District Secretary and Assistant District Treasurer.

### DISCUSSION

For the past several years, it has been the Board's practice to confirm biennially the District Officers' positions and authorize the continuance of the monthly stipends for the offices of District Secretary and District Treasurer, and the prorated stipends for the Assistant District Secretary and Assistant District Treasurer. These prorated stipends are awarded when the Assistant District Secretary and Assistant District Treasurer are acting in the roles of the District Secretary or District Treasurer, respectively.

### FINANCIAL IMPACT

The stipends in the amount of \$4,600 per year each for the District Secretary and District Treasurer, totaling \$9,200, are included in the Fiscal Year 2021 budget. The Assistant District Secretary and Assistant District Treasurer stipend is estimated at a combined \$4,600 in the Fiscal Year 2021 budget and funds will only be expended when warranted.

### ATTACHMENTS

None.



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Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Kurt Lind, Business Administrator  
DATE: December 10, 2020  
SUBJECT: Fiscal Year 2020 Customer Service Audit

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### RECOMMENDATION

Receive the presentation.

### 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 Customer Service Audit

At its March 7, 2019 Board Workshop, the Board received a presentation item on the 2<sup>rd</sup> Quarter results of the Fiscal Year (FY) 2019 Customer Service Audit.

At its November 19, 2019 meeting, the Board received a presentation item on the FY 2019 Customer Service Audit.

### BACKGROUND

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 implemented.

### DISCUSSION

The Customer Service Audit focuses on the following key performance indicators:

- Overall Customer Satisfaction
- First Call Resolution
- Overall Call Quality
- Speed to Answer
- Call Abandonment

An overall KPI score of 86% was achieved for FY 2020 which is a strong plus above the industry standard. This was a 6-point reduction from FY 2019 due to fewer calls being answered within 10 seconds and an increase in the call abandonment rate.



A gold performance level of 100% was achieved in Overall Customer Satisfaction which is based on customer feedback provided via phone. Staff also achieved a gold performance level of 98% for 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.

The overall scores continue to demonstrate a strong commitment to service excellence for our Mesa Water customers. Going forward, Mesa Water is focused on achieving and maintaining this high level of Elite Customer Service.

### FINANCIAL IMPACT

In Fiscal Year 2020, \$17,000 was budgeted for Conducting Audit and Report on Quarterly Customer Service Metrics; \$17,000 has been spent to date.

### ATTACHMENTS

Attachment A: Fiscal Year 2020 Customer Service Audit Report

Phil Lauri  
Mesa Water District  
1965 Placentia Avenue  
Costa Mesa, CA 92627

July 22, 2020

Re: Customer Service Audit Report – 2020 Mesa Water Fiscal Q4 / Calendar Q2

Dear Mr. Lauri:

On July 22, 2020, Kimera Hobbs with Moran Consulting, Inc. performed a customer service audit of the Mesa Water District Customer Service Department. Performance was measured against previously determined key performance indicators and compared to previous quarter performance and both industry average and best-practice metrics. For each audit, metrics were evaluated from the report data and analysis of documentation provided by Mesa Water. For each key performance indicator, the following scoring key was used:

**Code**

**Red: Below industry standard average scores**

**Green: Above industry standard average scores and below industry best practice**

**Gold: At or above best practice**

The Overall KPI Score was appropriately weighted and is scored as follows:

<b>Below Average Performance for Overall Satisfactions &lt;72%</b>
<b>Industry Average for Overall Satisfaction - 72-89%</b>
<b>Industry Best Practice for Overall Satisfaction - &gt;90%</b>

Generally, metrics in “Red” do not meet customer service performance expectations; metrics in “Green” meet expectations by matching or exceeding industry standard average metrics; and metrics in “Gold” exceed expectations and represent industry best practice. Mesa Water challenges themselves and strives to meet this “Gold Standard” in all areas of measurement.

All key performance indicator scores are listed in the table, along with findings/observations from the audit that impacted the scores. Recommended corrective actions are also provided.

The data provided in this report, compared with the data from the three previous quarters provides a continued basis for the goals of the Customer Service team and will identify and highlight the specific training and coaching opportunities to help them achieve those goals. This audit evaluated performance on all five of the available Key Performance Indicators.

The Audit Process is detailed in the procedure document: “Mesa Water District Customer Service Auditor Manual v13” delivered to Mesa Water in October 2018.

The Audit Summary (please see charts below for detailed Audit Findings and Recommendations/Action):

**The audit conducted on July 22, 2020, followed the process as outlined. However, due to the Covid-19 Pandemic the audit was conducted offsite and further due to technical issues with InContact ECHO, the Consultant was unable to acquire some data points. Not all Key Performance Indicators (KPI) have been included.**

74 recorded calls were evaluated against the Road to Gold metric and the customer service team is focused on creating a positive experience always. The entire Customer Services Team has worked together to earn a 98% score in Overall Call Quality for the quarter, earning a Gold Score for this metric for the 7<sup>th</sup> consecutive quarter.

Submitted by:



Kimera Hobbs

Sr. Consultant, Moran Consulting, Inc.

## KEY PERFORMANCE INDICATORS – AUDIT FINDINGS

### CUSTOMER SERVICE DEPARTMENT KPIs

No.	KPI	Action/Training
1.	<b>Overall Customer Satisfaction</b>	Moran Inc and the CS Manager will continue Elite Customer Service reinforcement: Weekly one-on-one coaching; Spot-coaching by CS Manager Monthly Reinforcement Workshop; Quarterly Post-Audit Review (coincide with Monthly Workshop) Priority: Continue strategy for collecting more data from customers and increase the amount of feedback provided. Redesign the surveys to simplify and align with other metrics during the implementation of Vonage.
2.	<b>First Call Resolution</b>	Enforce use of Call Dispositioning consistently Continued Recommendation: Coaching for CS Manager to observe and provide feedback of live calls with CS Agents.
3.	<b>Overall Call Quality</b>	Continued Recommendation: Auditor or Trainer to conduct periodic Call Evaluations <u>with</u> CS Manager.
4.	<b>Speed to Answer</b>	This is still an Uncertain Metric. Recommend changing the metric to track the percentage of call answered within 20 seconds (best practice metric). Encourage “taking control of the call” to improve Speed to Answer and reduce Call Abandonment.
5.	<b>Call Abandonment Rate</b>	Evaluate staffing levels and processes to determine impact on this metric. Encourage “taking control of the call” to improve Speed to Answer and reduce Call Abandonment.

# Call Center Metrics Scorecard

Key Performance Indicator	Industry Standard	Best Practice	KPI Weight	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Current Qtr Trend	New Goal
<b>Overall Customer Satisfaction</b>								<b>Overall Customer Satisfaction</b>	
Phone: Very Satisfied / Satisfied	72%	90%	35%	90%	100%	100%	100%	Sustained	98%
Walk-in: Very Satisfied / Satisfied			0%	100%	75%	75%	NO DATA	NO DATA	
<b>First Call Resolution</b>								<b>First Call Resolution</b>	
Percentage of customers whose needs were met on the first call.	85%	87%	20%	74%	77%	88%	84%	Sustained	87%
<b>Overall Call Quality : Call Center Evaluations</b>								<b>Overall Call Quality : Call Center Evaluations</b>	
Average Score of all Call Center Evaluations conducted. (Scale is 1-12)	N/A	N/A	20%	97%	97%	98%	98%	Sustained	100%
<b>Service Level Agreement (Speed to Answer)</b>								<b>Service Level Agreement (Speed to Answer)</b>	
Percentage of calls answered within 10 seconds.	No data	100% within 20 seconds	15%	75%	45%	57%	34%	Uncertain Results	90% within 10 seconds
<b>Call Abandonment Rate</b>								<b>Call Abandonment Rate</b>	
Percentage of customers who hang up before an agent answers.	8%	2%	10%	3.57%	7.84%	6.18%	5.79%	Improved	2%
<b>Current Qtr Audit Overall KPI Score</b>								<b>Current Qtr Audit Overall KPI Score</b>	
Combined and weighted five KPIs (above).	72%	90%	N/A	87%	86%	89%	86%	Sustained	95%

Data Sources:

American Water Works Association, 2017. *AWWA Utility Benchmarking Study*. Performance Indicators – Customer Relations, 59-66.

Aberdeen Research Group, 2016. *The Intelligent Contact Center: Master Low-cost, High-Impact Customer Interactions*. Minkara, Omer.

Aberdeen Research Group, 2015. *Contact Center WFO: How to Balance Customer Needs with Agent Productivity*. Minkara, Omer.



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Kurt Lind, Business Administrator  
DATE: December 10, 2020  
SUBJECT: Annual Performance Measures and Audits

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### RECOMMENDATION

Receive the presentation.

### 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.

At its April 7, 2019 workshop, the Board received a presentation from LA Consulting showing the results of Mesa Water's Business Improvement Process Implementation. Mesa Water staff then outlined the District's process for developing performance measures and conducting performance audits for Mesa Water. The Board directed staff to include in the proposed Fiscal Year (FY) 2020 budget third-party auditors to conduct the annual performance audit for FY 2019.





## 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 many opportunities were identified for improvement that have saved Mesa Water an estimated \$6.3 million over five years and significantly improved productivity. Staff efforts have benefitted Mesa Water customers by optimizing the workforce and the resources, while reducing overall operational costs.

## DISCUSSION

Mesa Water is embracing the opportunity to keep this optimization moving forward and 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 its aligned Department Goals.

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

The final step is to secure an independent, third-party auditor to verify the results each 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; and
- Ensuring critical programs and processes are in place and operating properly.

The Annual Performance Audit provides the Board with confidence that these performance standards are being addressed effectively.

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

### **Change Process - Annual Performance Audits**

The development of performance measures and the implementation of a process to audit annually is a significant change to the organization. To do this successfully, the implementation team needed to get buy-in from the departments, work in a collaborative manner, listen to the ideas



from staff, and provide feedback.

In an effort to facilitate the development of the performance measures, the implementation team used this process to manage organizational change for a successful outcome.

**Awareness of the Change:** The General Manager and the Management Team introduced to staff the importance of developing performance measures and performing an independent audit on an annual basis. This communication, or awareness, was established through Mesa Water's All Hands Meetings, Department Meetings, and staff one-on-one meetings.

**Desire for Change:** As with any change, people deal with it in a variety of ways. In general, ten percent of employees fully embrace and support change; ten percent have a tough time with change, and eighty percent go with the flow of change. The important thing here for the implementation team was to understand staff reaction and help them by listening, having an open mind, and communication.

**Knowledge & Ability:** The performance measures had to be simple (easy to understand and set up), meaningful (focus on the vital work that we do), and impactful (the work represents 80% of our efforts). Moreover, staff has to have the knowledge associated with the measures, and the ability to perform the work. For example, one of the measures is ensuring that we complete our California Highway Patrol Basic Inspection of Terminals (BIT) every year. We had to ensure that the employees that are assigned to make this happen have the knowledge (trained on what to do) and ability (utilize a professional fleet vendor) to carry out this work.

**Reinforcement:** In order to ensure this change becomes part of the Mesa Water perpetual agency philosophy, we have to anchor it in. This is accomplished through the annual performance audit as performed by an independent auditor. This brings credibility and confidence to the process and assures the Board that the vision of Mesa Water is more than just words on a placard.

### **FY2019 Performance Audit – Dry Run**

In the fall of 2019, LA Consulting conducted a dry run audit for FY 2019. The goal of the dry run was to help staff and auditors understand the audit process and prepare for the first "Go Live" Performance Audit. Checklists were prepared for each department that stated each performance indicator, provided a clear definition of each measure, and outlined what information to prepare for the auditor so they could conduct their work. This simple checklist allows for an efficient and effective audit process.

After the dry run audit was completed, LA Consulting provided recommendations that will improve the audit process and bring clarity to select performance indicators, for example - eliminating some measures since they were similar to other existing measures. In conjunction with individual department performance scores, LA Consulting also recommended that we develop an overall Mesa Water performance score. This will clearly help us understand if we are moving the performance needle in the right direction.

Staff is currently developing the Mesa Water Performance Audit Guide that will communicate the background, strategy, and purpose for the performance audit. This detailed document will outline



each measure for every department and describe the following:

- **Target:** What we are measuring
- **Source:** Where the information is derived
- **Frequency:** How often in the fiscal year the department would be reviewing the information related to the measure
- **Purpose:** Why Mesa Water is measuring this target
- **Audit Preparation:** Expectation of what the department staff need to accomplish in order to prepare for the performance audit.
- **Strategic Plan:** Links the Mesa Water Strategic Plan Goal to the measure

### **Perpetual Agency Philosophy**

This is the greatest of all business processes. The Board sets the vision and establishes policy to carry out their vision. The vision is embodied in their strategic plan, that drives the goals, which in turn drives the KPI's -- and the independent audit confirmation anchors their vision.

This process is perpetual, because it is flexible. Future Boards of Mesa Water will most likely have a different vision, and that vision will have different goals, which will then drive different KPI's. The embracement of this process will assure transparency and accountability for our current ratepayers and for future generations of our community.

### **FINANCIAL IMPACT**

In Fiscal Year 2020, funds were budgeted for third-party auditors to conduct the Annual Performance Measures and Audits.

### **ATTACHMENTS**

Attachment A: LA Consulting 5-Year Performance Audit Proposal



**Consulting, Inc.**

September 22, 2020

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

***Subject: Update Proposal Scope of Work and Cost for Performance Audit (5 Years)***

Dear Mr. Lind:

Pursuant our discussions last week, LA Consulting, Inc. (LAC) has provided an updated scope of work with cost and description. Based upon our recent communications, as well as our knowledge of your operations, we have costed and scheduled the tasks in which we can assist the District to audit each group's performance over the next 5 years. The update is based on current staff to be assigned and current rates.

We appreciate the opportunity to assist Mesa Water District in continuing with the enhancement and institutionalization of your systems approach and optimizing District resources. LAC will perform this effort for \$142,358. We also, included an optional task order base amount annually for any efforts requested outside of our scope that then results in a total of \$162,079. We look forward to assisting Mesa Water with continuing to improve operations and processes, as well as provide professional guidance.

LAC has the capabilities and necessary resources to ensure a successful project. We look forward to helping the District evaluate and optimize your organization. The main effort would be done by Mr. Thomas Fraher with support and guidance from myself and support others as needed. Should you need any clarification or further information, please contact us.

Sincerely,

A handwritten signature in blue ink that reads "Harry C. Lorick". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Harry C. Lorick, P.E., PWLF  
Principal

*Phone: 310-374-5777 • Fax: 310-374-5557 • email: info@laconsulting.com  
124 11<sup>th</sup> Street • Manhattan Beach, California 90266  
Internet address: www.LAConsulting.com*

Enclosure

**Scope of Work**

LAC will audit the performance of each department within Mesa Water District each year for the next 5 fiscal years. The performance audit will follow the auditing guidelines and spreadsheets formalized by Mesa Water District. The following task description and deliverables chart outlines the work that will be performed for each fiscal year's audit.

No	Task	Deliverable
<b>1</b>	<b>Project Kickoff</b>	
Task 1	<i>Overview and Schedule</i> A project kickoff meeting with the Project Manager and GM shall be conducted to provide a project overview, identify the project objectives, outline the tasks, and review the project schedule.	LAC will prepare and present a kickoff presentation outline and discuss.
<b>Task 2</b>	<b>Work Performance</b>	
Task 2	<i>On-site Data Review</i> LAC will be on-site to review all data provided related to the performance audit of all identified groups at Mesa Water District. Data will be confirmed and rated according to the performance scale developed by the District.	LAC will use the previously developed spreadsheet with performance indicators for the Performance Audit to rate each group's performance. The ratings will provide the basis for the overall performance score, which will be provided to Mesa Water on the same spreadsheets.
<b>Task 3</b>	<b>Data Compilation</b>	
Task 3	<i>Off-site data compilation</i> LAC will work off-site to compile and document all of the collected data and follow the related rating scheme.	A document will be prepared summarizing all the data compiled and rated while on-site and outline the initial findings.
<b>Task 4</b>	<b>Prepare Presentation</b>	
Task 4a	<i>Initial Presentation</i> LAC will compile results from a complete evaluation and organize the information. A presentation will be made to key managers - one at a time.	LAC will make an initial presentation of findings and analysis to the Project Manager and each group manager.
Task 4b	<i>Gather feedback</i> LAC will update the complete evaluation and organize the information with all comments addressed.	LAC will compile all feedback from the Project Manager and other staff as appropriate into a document and incorporate feedback into the final presentation and report.
<b>Task 5</b>	<b>Audit Report</b>	
Task 5a	<i>Draft Analysis/Findings Section</i> LAC will provide input on findings to address deficiencies and receive input.	Draft report completed with evaluation and ideas for improvement.
Task 5b	<i>Draft Recommendations Section</i> Outline all suggestions with recommendations for improvement.	All comments for improvement of process and report will be addressed.
Task 5c	<i>Final Report</i>	Submit final report.
<b>Task 6</b>	<b>Audit Report</b>	
Task 6a	<i>Prepare Draft Presentation for Board</i> LAC will prepare and discuss presentation with GM and PM.	Draft presentation and receive input and revise
Task 6b	<i>Presentation to the Board</i> Make final presentation to Board	Presentation onsite

## Cost Estimate

We estimate that this audit effort will cost \$142,368 that we would do on a percentage complete of lump sum by task. An undefined optional Task 7 is shown annually for a task assignment basis if requested by Mesa Water on a time and material basis making the total \$162,079.

<b>Mesa Water Performance Audit</b>		FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	FY2024-2025	
<b>Task No.</b>	<b>Task Description</b>	<b>Task Amount</b>	<b>Task Amount</b>	<b>Task Amount</b>	<b>Task Amount</b>	<b>Task Amount</b>	
<b>Task 1</b>	<b>Project Kickoff</b>						
Task 1	Overview and Schedule	\$ 1,042	\$ 1,068	\$ 1,095	\$ 1,122	\$ 1,150	
<b>Task 2</b>	<b>Work Performance</b>						
Task 2	On-site Data Review	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	
<b>Task 3</b>	<b>Data Compilation</b>						
Task 3	Off-site data compilation	\$ 3,333	\$ 3,416	\$ 3,502	\$ 3,589	\$ 3,679	
<b>Task 4</b>	<b>Prepare Presentation</b>						
Task 4a	Prepare Initial Presentation	\$ 2,500	\$ 2,563	\$ 2,627	\$ 2,692	\$ 2,760	
Task 4b	Gather feedback	\$ 1,667	\$ 1,709	\$ 1,751	\$ 1,795	\$ 1,840	
<b>Task 5</b>	<b>Audit Report</b>						
Task 5a	Draft Analysis/Findings Section	\$ 2,917	\$ 2,990	\$ 3,065	\$ 3,141	\$ 3,220	
Task 5b	Draft Recommendations Section	\$ 2,917	\$ 2,990	\$ 3,065	\$ 3,141	\$ 3,220	
Task 5c	Final Report	\$ 2,917	\$ 2,990	\$ 3,065	\$ 3,141	\$ 3,220	
<b>Task 6</b>	<b>Board Presentation</b>						
Task 6a	Draft Presentation	\$ 1,875	\$ 1,922	\$ 1,970	\$ 2,019	\$ 2,070	
Task 6b	Final Presentation	\$ 2,917	\$ 2,990	\$ 3,065	\$ 3,141	\$ 3,220	
		\$ -					
		<b>\$ 27,085</b>	<b>\$ 27,762</b>	<b>\$ 28,456</b>	<b>\$ 29,168</b>	<b>\$ 29,897</b>	<b>\$ 142,368</b>
<b>Task 7 Unplanned, out of scope and undefined requested effort on task order on time and material basis</b>							
		\$ 3,750	\$ 3,844	\$ 3,940	\$ 4,038	\$ 4,139	
	<b>Total</b>	<b>\$ 30,835</b>	<b>\$ 31,606</b>	<b>\$ 32,396</b>	<b>\$ 33,206</b>	<b>\$ 34,036</b>	<b>\$ 162,079</b>

**REPORTS:**

12. REPORT OF THE GENERAL MANAGER:
  - November Key Indicators Report
  - Other (no enclosure)

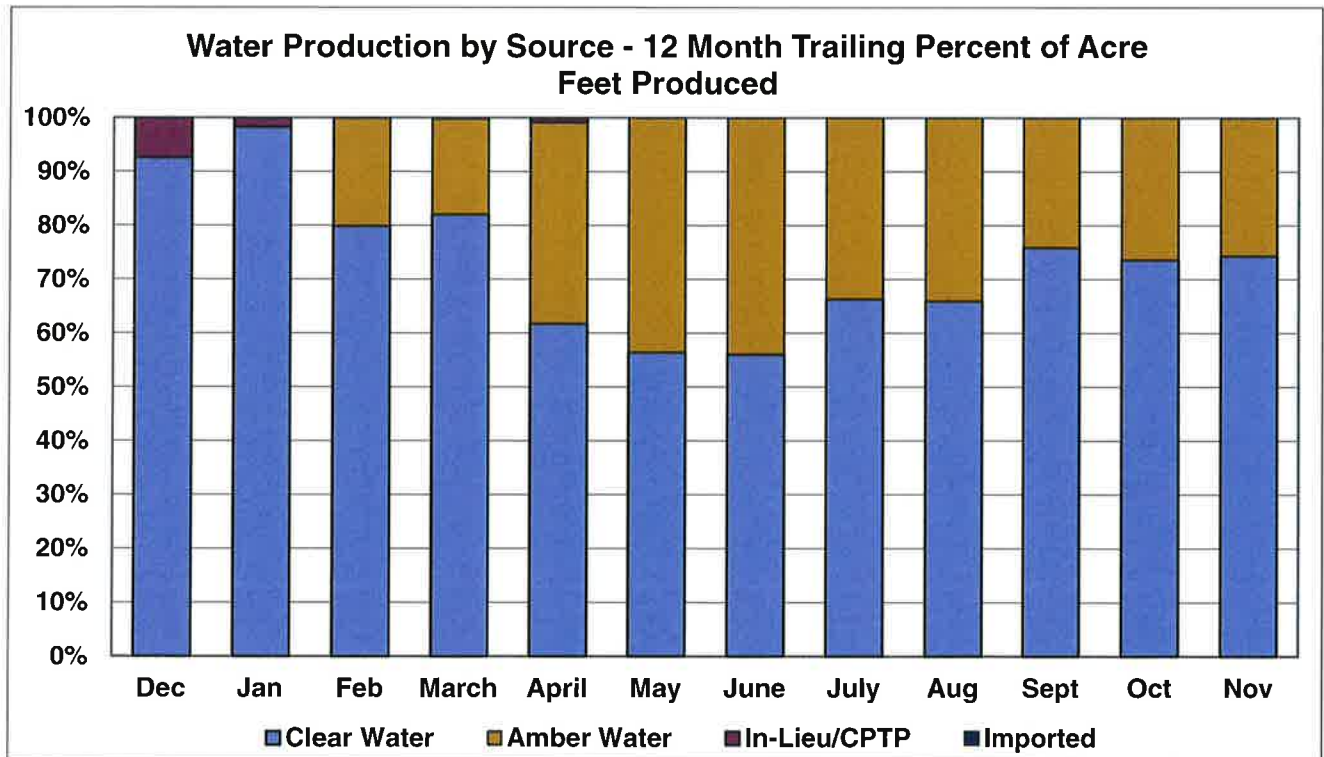
**Monthly Key Indicators Report  
For The Month of November 2020**

***Goal #1: Provide a safe, abundant, and reliable water supply***

**FY 2021 Potable Production (Acre Feet)**

<b>Water Supply Source</b>	<b>FY 2021 YTD Actual (AF)</b>	<b>FY 2021 YTD Budget (AF)</b>	<b>FY 2021 Annual Budget (AF)</b>
<b>Clear Water</b>	5,364	5,415	12,160
<b>Amber Water (MWRP)</b>	2,197	1,835	3,636
<b>Imported</b>	0	0	0
<b>Basin Management Water</b>	0	0	0
<b>Total Production</b>	7,561	7,250	15,796

YTD actual water production (AF) through November 30, 2020





**Monthly Key Indicators Report  
For The Month of November 2020**

**Goal #1: Provide a safe, abundant, and reliable water supply**

**FY21 System Water Quality – This data reflects samples taken in October**

<b>Distribution System:</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L) <i>Compliance</i>	1.67	0.33 – 3.36 <b>Current RAA = 1.70</b>	4 RAA
Coliform Positive % <i>Compliance</i>	0	0	5
Temperature (° F)	77	71 – 83	None

<b>Reservoir I &amp; II:</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L)	0.65	0.17 – 1.22	None
Monochloramine (mg/L)	0.63	0.15 – 1.18	None
Ammonia (mg/L)	0.17	0.03 - 0.32	None
Temperature (° F)	74	70 – 80	None

<b>Wells (Treated):</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L)	2.18	1.82 – 2.68	None
Monochloramine (mg/L)	2.48	2.17 – 2.95	None
Ammonia (mg/L)	0.54	0.38 – 0.66	None
Temperature (° F)	76	71 – 86	None

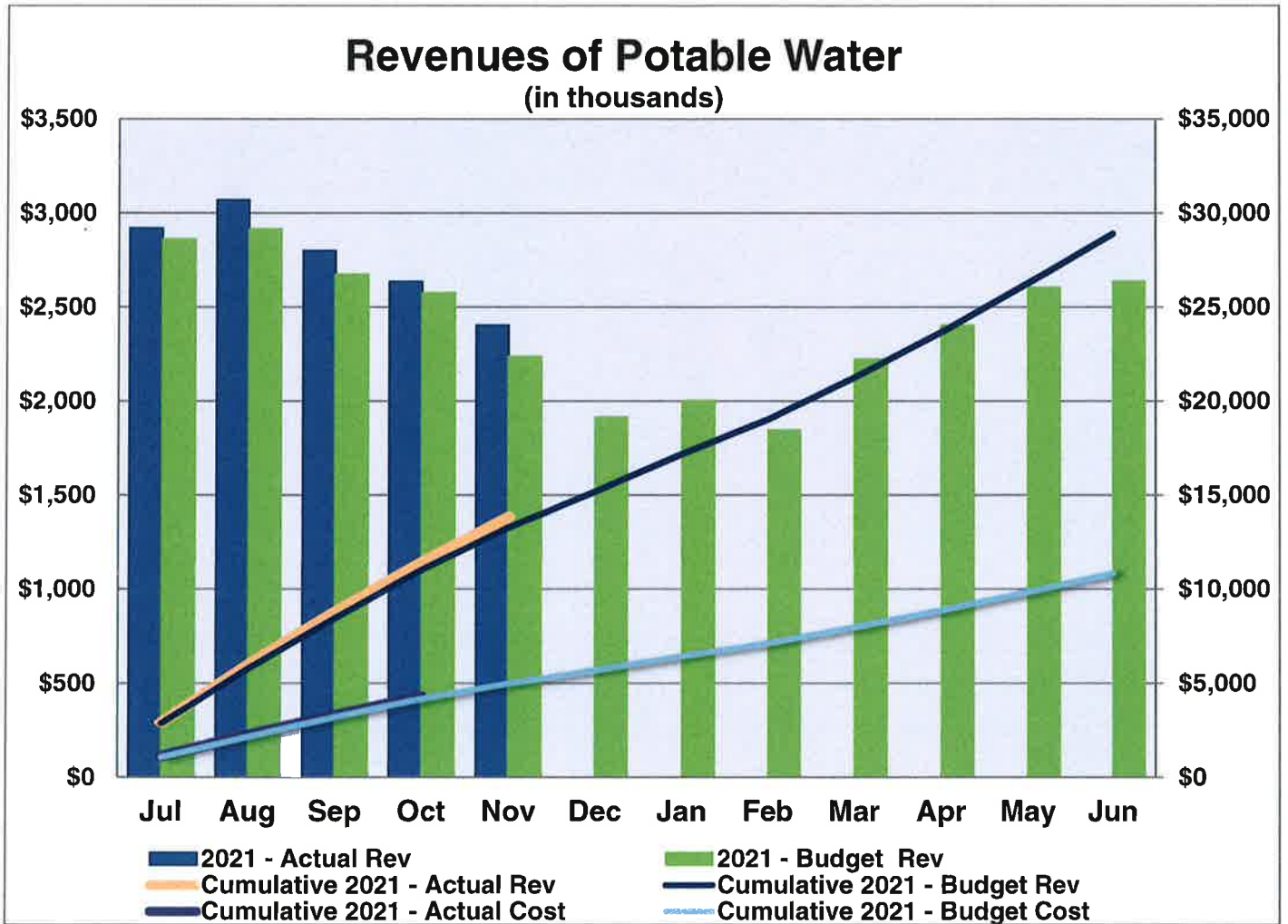
<b>MWRF:</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L)	2.20	1.74 – 2.65	None
Monochloramine (mg/L)	2.19	1.82 – 2.68	None
Ammonia (mg/L)	0.55	0.40 – 0.69	None
Temperature (° F)	81	79 – 85	None
Color (CU) <i>Compliance</i>	ND	ND	15
Odor (TON) <i>Compliance</i>	ND	ND	3

**Water Quality Calls/Investigations:**

Total Calls	2
Total Investigations (from calls)	0

**Monthly Key Indicators Report  
For The Month of November 2020**

**Goal #2: Practice perpetual infrastructure renewal and improvement**



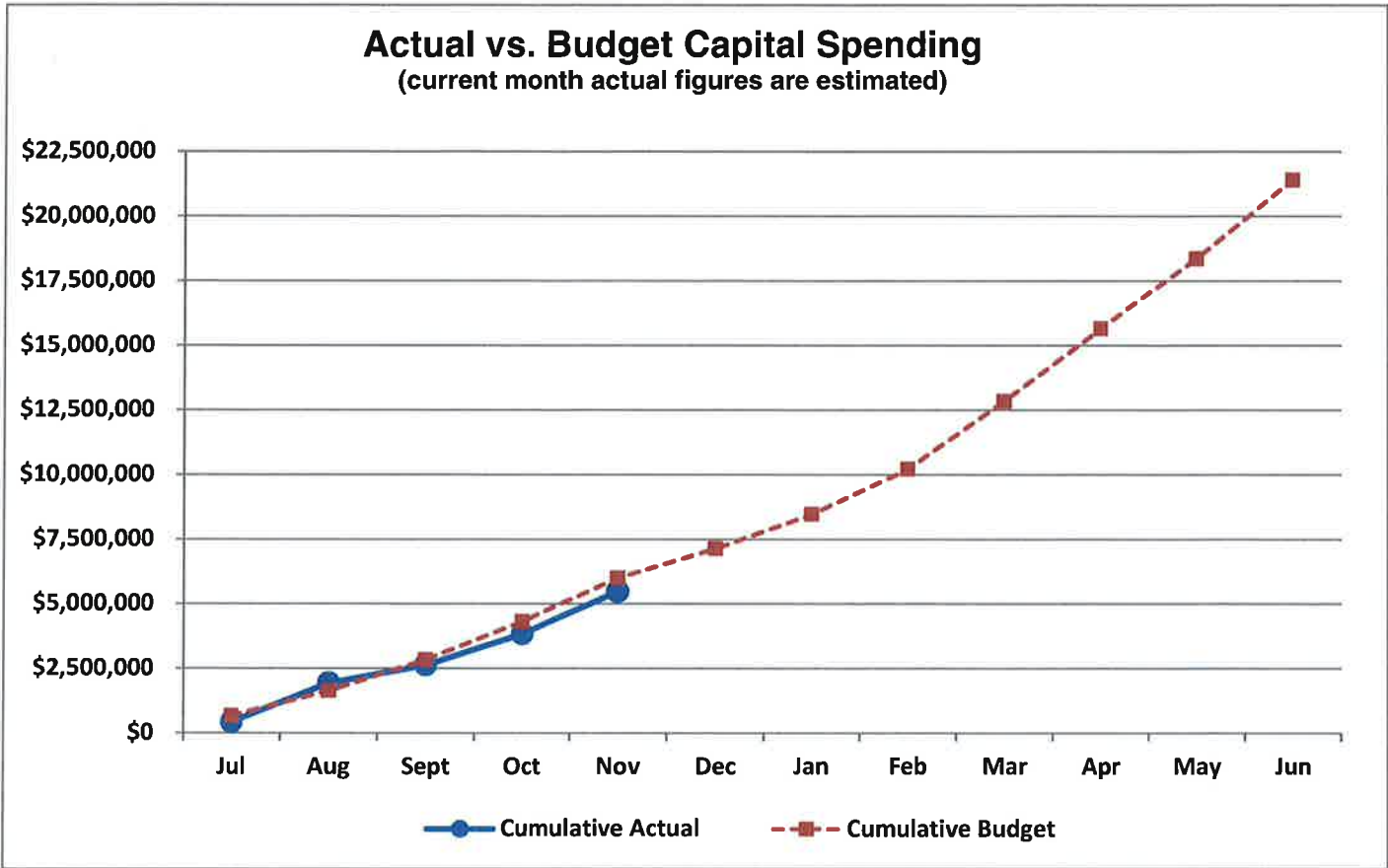
	Actual	Budget	Favorable (Unfavorable)	
			Difference	%
Total YTD Revenue \$	13,823,650	13,262,331	561,319	4.23%

	Actual	Budget	UnFavorable (Favorable)	
			Difference	%
Total YTD Cost \$ *	4,299,658	4,162,732	136,926	3.29%

\* YTD Cost is trailing YTD Revenue by one month due to the timing of when costs are available.

Monthly Key Indicators Report  
For The Month of November 2020

**Goal #3: Be financially responsible and transparent**



**Monthly Key Indicators Report  
For The Month of November 2020**

***Goal #4: Increase public awareness about Mesa Water® and about water***

**Web Site Information**

<b>Web Site Information</b>	<b>October 2020</b>	<b>November 2020</b>
Visits to the web site	10840	10286
Unique visitors (First time to the site)	8746	8304
Average per day	350	343
Average visit length	46 seconds	40 seconds
Page visited most	Press Releases	Home
Second most visited page	Home	Press Releases
Third most visited page	Online Bill Pay	Online Bill Pay
Fourth most visited page	Election Information	Election Information
Fifth most visited page	Human Resources	Human Resources
Most downloaded file	Standard Specifications and Standard Drawings for the Construction of Water Facilities	Salary Ranges by Job Classification & Level
Second most downloaded file	Board Packet	Standard Specifications and Standard Drawings for the Construction of Water Facilities
Most active day of the week	Thursday	Monday
Least active day of the week	Sunday	Saturday

<b>Total visits since July 1, 2002</b>	<b><u>1,466,777</u></b>
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**Water Vending Machine Information**

<b>Vending Machine Location</b>	<b>Vend Measurement</b>	<b>November 2020 Vends</b>	<b>Totals Vends</b>
Mesa Water Office	1 gal	6,022	465,497

**Monthly Key Indicators Report**  
**For the Month of November 2020**  
***Goal #5: Attract and retain skilled employees***

DEPARTMENT:	FY 2020			COMMENTS:
	BUDGET	FILLED	VACANT	
<b>OFFICE OF THE GENERAL MANAGER:</b>				
General Manager	1.00	1.00	0.00	
Business Administrator	1.00	1.00	0.00	
<b>Subtotal</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>	
<b>ADMINISTRATIVE SERVICES:</b>				
Administrative Services	5.00	5.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>CUSTOMER SERVICES:</b>				
Conservation	1.00	1.00	0.00	
Customer Service	4.00	4.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>ENGINEERING:</b>				
Engineering	5.00	5.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>WATER POLICY:</b>				
Legislative & Governmental Affairs	1.50	1.50		
<b>Subtotal</b>	<b>1.50</b>	<b>1.50</b>	<b>0.00</b>	
<b>FINANCIAL SERVICES:</b>				
Financial Reporting/ Purchasing	4.00	4.00	0.00	
Accounting	1.00	1.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>HUMAN RESOURCES:</b>				
Human Resources	3.00	3.00	0.00	
<b>Subtotal</b>	<b>3.00</b>	<b>3.00</b>	<b>0.00</b>	
<b>PUBLIC AFFAIRS:</b>				
Outreach, Education & Communications	1.50	1.50	0.00	
<b>Subtotal</b>	<b>1.50</b>	<b>1.50</b>	<b>0.00</b>	
<b>WATER OPERATIONS:</b>				
Supervision/Support	7.00	7.00	0.00	
Distribution	10.00	9.00	1.00	Sr. Operator - vacant; recruitment in process.
Field Customer Service	4.00	4.00	0.00	
Production	3.00	2.00	1.00	Sr. Operator - vacant; recruitment in process.
Water Quality	2.00	2.00	0.00	
<b>Subtotal</b>	<b>26.00</b>	<b>24.00</b>	<b>2.00</b>	
<b>* TOTAL BUDGETED POSITIONS:</b>	<b>54.00</b>	<b>52.00</b>	<b>2.00</b>	

**Monthly Key Indicators Report  
For The Month of November 2020**

***Goal #6: Provide outstanding customer service***

**Customer Calls**

<b>Call Type</b>	<b>FY21 YTD</b>	<b>November 2020</b>	<b>YTD Weekly Average</b>
General Billing Question	570	92	26
Service Requests	652	125	30
High Bill	669	121	30
Payments	924	107	42
Late Fee	80	13	4
Account Maintenance	604	118	27
On-Line Bill Pay	1091	196	50
Water Pressure	19	3	1
No Water	175	39	8
Conservation	69	12	3
Water Waste	24	5	1
Other (District info. other utility info. etc.)	1323	171	60
Rate Increase	24	20	1
Fluoridation	3	2	0
<b>TOTAL CUSTOMER CALLS</b>	<b>6227</b>	<b>1024</b>	<b>283</b>
<b>AVERAGE ANSWER TIME (Seconds)</b>	<b>61</b>	<b>78</b>	<b>61</b>

**Online Bill Pay Customers**

<b>Current Customers Enrolled</b>	<b>FY 2021 YTD</b>	<b>November 2020</b>	<b>YTD Weekly Average</b>
14297	1303	221	59

**REPORTS:**

13. DIRECTORS' REPORTS AND COMMENTS

**DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT  
CODE SECTION 53232.3 (d)**

*In accordance with CA Government Code 53232.3 (d), the following report identifies the meetings for which Mesa Water Directors received expense reimbursement.*

**Jim Atkinson** **Meetings Attended**

Reimbursement Date:	Description, Date
N/A	

**Fred R. Bockmiller, P.E.** **Meetings Attended**

Reimbursement Date:	Description, Date
11/23/20	Mesa Water Board Workshop, 11/10/20

**Marice H. DePasquale** **Meetings Attended**

Reimbursement Date:	Description, Date
N/A	

**Shawn Dewane** **Meetings Attended**

Reimbursement Date:	Description, Date
11/16/20	Meeting with Mesa Water Director, 11/09/20
11/23/20	Mesa Water Board Workshop, 11/10/20

**James R. Fisler** **Meetings Attended**

Reimbursement Date:	Description, Date
N/A	



There are no support materials for this item.

**CLOSED SESSION:**

16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:  
Pursuant to California Government Code Sections 54956.9 (d)(1) and 54954.5 (c)  
Case: *Mesa Water District v. KDC, INC., dba KDC SYSTEMS, INC., dba DYNALECTRIC*  
Orange County Superior Court Case No. 30-2016-00832860-CU-BC-CJC

**CLOSED SESSION:**

17. CONFERENCE WITH SPECIAL LEGAL COUNSEL – EXISTING LITIGATION:  
Pursuant to California Government Code Section 54956.9 (d)(1)  
Case: *Irvine Ranch Water District v. Orange County Water District and related cross-actions*  
Los Angeles County Superior Court Case Nos. BS168278 and BS175192