



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Wednesday, August 9, 2023
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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

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

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.

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 July 12, 2023.
2. Approve minutes of regular Board meeting of July 26, 2023.
3. Approve attendance considerations (additions, changes, deletions).
4. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events

PRESENTATION AND DISCUSSION ITEMS:

5. 2023 EMPLOYEE ENGAGEMENT SURVEY:
Recommendation: Receive the presentation.
6. PUBLIC AFFAIRS FISCAL YEAR 2024 PLAN:
Recommendation: Receive the presentation.



7. MESA WATER EDUCATION CENTER LOBBY EXHIBIT:

Recommendation: Direct staff to move forward with Option 1 or Option 2.

8. BOARD WORKSHOP PLANNING:

Recommendation: Review agenda topics and discuss planning for the October 17, 2023 Board of Directors' workshop.

ACTION ITEMS:

9. POTABLE AND RECYCLED WATER RATES:

Recommendation: Award a contract to Raftelis Financial Consultants, Inc. for \$42,430 to provide a potable and recycled water rate study for the purpose of establishing water rate schedules for the next five years, and authorize the execution of the contract.

REPORTS:

10. REPORT OF THE GENERAL MANAGER

11. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

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

CLOSED SESSION:

13. CONFERENCE WITH GENERAL LEGAL COUNSEL – ANTICIPATED LITIGATION:
Initiation of litigation pursuant to California Government Code Section 54956.9(d)(4)
Number of Cases: 1

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

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

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

ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR WEDNESDAY, AUGUST 23, 2023 AT 4:30 P.M.



*Dedicated to
Satisfying our Community's
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Wednesday, July 12, 2023
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order at 4:30 p.m. by President Dewane.

PLEDGE OF ALLEGIANCE

Director Atkinson led the Pledge of Allegiance.

Directors Present

Shawn Dewane, President
Marice H. DePasquale, Vice President
Jim Atkinson, Director
Fred R. Bockmiller, P.E., Director
James R. Fidler, Director

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager
Wendy Duncan, Records Management Specialist/
Acting District Secretary
Marwan Khalifa, CPA, MBA, Chief Financial Officer/
District Treasurer
Tracy Manning, Chief Operating Officer
Andrew D. Wiesner, P.E., District Engineer
Greg Pentoney, Accountant
Anthony Phou, Controller
Cherlynn Hurdle, Financial Services Assistant
Kaitlyn Norris, Public Affairs Specialist
Eva Pierce, Senior Buyer
Celeste Carrillo, Senior Public Affairs Specialist
Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo

Others Present

None

**FISCAL YEAR 2021 ANNUAL FINANCIAL REPORT AWARD FROM GOVERNMENT
FINANCE OFFICERS ASSOCIATION**

Chief Financial Officer Khalifa provided an overview of the award and thanked the Financial Services' staff for their contributions and efforts.

Photographs were taken.

PUBLIC COMMENTS

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

There was no public present 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:

1. Approve minutes of regular Board meeting of June 14, 2023.
2. Approve attendance considerations (additions, changes, deletions).
3. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events

MOTION

Motion by Director Bockmiller, second by Vice President DePasquale, to approve Items 1 – 3 of the Consent Calendar. Motion passed 5 – 0.

PRESENTATION AND DISCUSSION ITEMS:

None.

ACTION ITEMS:

4. MAINLINE VALVE REPLACEMENT PROJECT:

Discussion ensued amongst the Board.

District Engineer Wiesner responded to questions from the Board.

MOTION

Motion by Vice President DePasquale, second by Director Bockmiller, to approve a change order with Big Ben Engineering, Inc. for the Mainline Valve Replacement Project contract for an amount not to exceed \$116,530 to execute construction change orders in excess of the project's 10% contingency, and authorize the execution of the change order. Motion passed 5 – 0.

REPORTS:

5. REPORT OF THE GENERAL MANAGER
6. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

- 7. CLAIM OF BRIAN RICHARDSON
- 8. DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)

President Dewane adjourned the meeting at 5:07 p.m. to a Regular Board Meeting scheduled for Wednesday, July 26, 2023 at 4:30 p.m.

Approved:

Shawn Dewane, President

Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer

Unapproved



*Dedicated to
Satisfying our Community's
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Wednesday, July 26, 2023
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order at 4:30 p.m. by Acting President DePasquale.

PLEDGE OF ALLEGIANCE

Director Bockmiller led the Pledge of Allegiance.

Directors Present

Marice H. DePasquale, Acting President/Vice President
Jim Atkinson, Director
Fred R. Bockmiller, P.E., Director
James R. Fisler, Director

Directors Absent

Shawn Dewane, President

Staff Present

Paul E. Shoenberger, P.E., General Manager
Denise Garcia, Chief Administrative Officer/
District Secretary
Marwan Khalifa, CPA, MBA, Chief Financial Officer/
District Treasurer
Tracy Manning, Chief Operating Officer
Andrew D. Wiesner, P.E., District Engineer
Stacy Taylor, Water Policy Manager
Kurt Lind, District Business Administrator
Celeste Carrillo, Senior Public Affairs Specialist
Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo

Others Present

None

PUBLIC COMMENTS

Acting President DePasquale asked for public comments on items not on the agenda.

There was no public present and Acting President DePasquale 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:

1. Approve minutes of regular Board meeting of June 28, 2023.
2. Receive and file the Developer Project Status Report.
3. Receive and file the Mesa Water and Other Agency Projects Status Report.

4. Receive and file the Water Quality Call Report.
5. Receive and file the Accounts Paid Listing.
6. Receive and file the Monthly Financial Reports.
7. Receive and file the Outreach Update.

MOTION

Motion by Director Atkinson, second by Director Fisler, to approve Items 1 – 7 of the Consent Calendar. Motion passed 4 – 1, with President Dewane absent.

PRESENTATION AND DISCUSSION ITEMS:

8. CAPITAL IMPROVEMENT PROGRAM RENEWAL QUARTERLY UPDATE:

District Engineer Wiesner provided a presentation that highlighted the following:

- Overview
- Wells Program
- Reservoirs Program
- Distribution Program
- Routine Planned Capital
- District Facilities Program
- Financial Summary
- CIPR Program Planned vs. Actual

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

ACTION ITEMS:

9. ORANGE COUNTY GRAND JURY REPORT – *HISTORIC RAIN, YET DROUGHT REMAINS*:

MOTION

Motion by Director Fisler, second by Director Atkinson, to direct staff to respectfully decline to submit a response to the Orange County Grand Jury Report - *Historic Rain, Yet Drought Remains*. Motion passed 4 – 1 with President Dewane absent.

10. GRANT WRITING AND GRANT ADMINISTRATION SUPPORT SERVICES:

Water Policy Manager Taylor provided an overview of the topic and responded to questions from the Board.

The Board thanked Ms. Taylor for the information.

MOTION

Motion by Director Bockmiller, second by Director Atkinson, to award a one-year contract to Brown and Caldwell for an amount not to exceed \$100,000 to provide Grant Writing and Grant Administration Support Services. Motion passed 4 – 1, with President Dewane absent.

11. CLAIM OF DENNIS KONDO:

District Engineer Wiesner provided an overview of the topic.

MOTION

Motion by Director Atkinson, second by Director Fisler, to approve and settle the claim of Dennis Kondo for an amount not to exceed \$10,000. Motion passed 4 – 1, with President Dewane absent.

12. PUBLIC HEARING REGARDING THE PROPOSED COLLECTION OF A CAPITAL CHARGE BY WAY OF THE OFFICE OF THE ORANGE COUNTY TREASURER-TAX COLLECTOR:

Acting President DePasquale announced the Public Hearing was opened for the purpose of receiving comments regarding the Proposed Collection of a Capital Charge by Way of The Office of the Orange County Treasurer-Tax Collector.

District Secretary Garcia reported that a Notice of Public Hearing was posted at Mesa Water District's office and website, and at Costa Mesa City Hall. Legal advertisements were published in the *Daily Pilot* on July 13, 2023 and July 20, 2023.

Chief Financial Officer Khalifa provided an overview of the topic.

Acting President DePasquale opened the floor for discussion by the Board. Comments were offered.

CFO Khalifa and Attorney Anslow responded to questions from the Board.

Acting President DePasquale opened the floor for public comments. There were no members of the public present.

District Secretary Garcia reported that the District had not received any written or verbal comments.

Acting President DePasquale declared the public comments segment closed.

Acting President DePasquale opened the floor for discussion by the Board. Discussion ensued amongst the Board.

Acting President DePasquale declared the Public Hearing closed.

MOTION

Motion by Director Atkinson, second by Director Bockmiller, to adopt Resolution No. 1582 Determining Compliance with Procedural Requirements, Making Findings, Authorizing Collection of Mesa Water Fiscal Year 2023/24 Capital Charge by Way of The Office of The Orange County Treasurer-Tax Collector and County Property Tax Roll Process and Taking Related Actions. Motion passed 4 – 1, by the following roll call vote:

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

REPORTS:

13. REPORT OF THE GENERAL MANAGER:
 - June Key Indicators Report
14. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

15. ZERO USAGE ACCOUNTS
16. FEDERAL ADVOCACY UPDATE
17. STATE ADVOCACY UPDATE
18. ORANGE COUNTY UPDATE

RECESS

Acting President DePasquale declared a recess at 5:35 p.m.

The Board meeting reconvened at 5:40 p.m.

Acting President DePasquale announced the Board was going into Closed Session at 5:41 p.m.

CLOSED SESSION:

19. CONFERENCE WITH GENERAL LEGAL COUNSEL – EXISTING LITIGATION:
Pursuant to California Government Code Sections 54956.9(a) & (d)(1) and 54954.5(c)
Number of Cases: 1
Claim No. 23-0205

The Board returned to Open Session at 5:49 p.m.

District Secretary Garcia announced that the Board conducted one Closed Session with the General Manager, District Secretary, Chief Financial Officer, and General Legal Counsel pursuant to California Government Sections 54956.9(a) & (d)(1) and 54954.5(c). The Board received information and there was no further announcement.

Acting President DePasquale adjourned the meeting at 5:50 p.m. to a Regular Board Meeting scheduled for Wednesday, August 9, 2023 at 4:30 p.m.

Approved:

Shawn Dewane, President

Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer

Unapproved



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Denise Garcia, Chief Administrative Officer
DATE: August 9, 2023
SUBJECT: Attendance at Conferences, Seminars, Meetings, and Events

RECOMMENDATION

In accordance with Ordinance No. 35, adopted March 22, 2023, authorize attendance at conferences, seminars, meetings, and events.

STRATEGIC PLAN

- Goal #1: Provide an abundant, local, reliable and safe water supply.
- Goal #2: Perpetually renew and improve our infrastructure.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase favorable opinion of Mesa Water.
- Goal #5: Attract, develop and retain skilled employees.
- Goal #6: Provide excellent customer service.
- Goal #7: Actively participate in regional and statewide water issues.

PRIOR BOARD ACTION/DISCUSSION

At its June 14, 2023 meeting, the Board of Directors (Board) approved Fiscal Year 2024 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.

2023 CONFERENCES, SEMINARS, AND MEETINGS:

August 23 - 25, 2023	
Urban Water Institute Annual Conference	<i>Atkinson</i>
San Diego, CA	
August 28 - 31, 2023	
CSDA Annual Conference	<i>Bockmiller</i>
Monterey, CA	
September 7 - 8, 2023	
8th Annual CA Water Data Summit	
Palo Alto, CA	
September 21 - 22, 2023	
P3 Water Summit	
San Diego, CA	
September 30 - October 4, 2023	
WEFTEC Conference	
Chicago, IL	
October 13, 2023	
OC Water Summit	<i>Atkinson, Fisler</i>
Costa Mesa, CA	
October 18 - 20, 2023	
CALAFCO Annual Conference	
Monterey, CA	
October 23 - 28, 2023	
AWWA CA-NV Annual Fall Conference	
Las Vegas, NV	
November 7 - 9, 2023	
SWMOA Annual Symposium	
Irvine, CA	
November 28 - 30, 2023	
ACWA JPIA Fall Conference	<i>Bockmiller</i>
Indian Wells, CA	
December 13 - 15, 2023	
Colorado River Water Users Association Conference	
Las Vegas, NV	

2024 CONFERENCES, SEMINARS, AND MEETINGS:

February 5, 2024	
CMUA Annual Capitol Day	
Sacramento, CA	
February 8 - 9, 2024	
CalDesal Annual Conference	
Sacramento, CA	
February 21 - 23, 2024	
Urban Water Institute Spring Conference	
Palm Springs, CA	
February 27 - 29, 2024	
ACWA Annual Washington D.C. Conference	
Washington, D.C.	
March 3 - 7, 2024	
Jt. CA-NV AWWA/AMTA Spring Conference	
West Palm Beach, FL	

August 2023

August 2023							September 2023						
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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jul 30	31	Aug 1 7:30am ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	2 Payday 8:30am Jt. MWDOC/MWD 12:00pm Executive Committee Meeting 5:30pm OCWD Board	3 8:00am Addressing Drought Through 11:30am Costa Mesa Chamber Event (1641) 12:00pm OCWD Communications/Legi	4 7:30am WACO (VITRUAL)	5
6	7 8:30am MWDOC Planning & Operations Committee Meeting (VIRTUAL)	8 8:00am OCBC Infrastructure Committee (VIRTUAL)	9 8:15am LAFCO Meeting (400 W Civic Center) 8:30am MWDOC Admin & Finance Committee 12:00pm OCWD Water 4:30pm Board Meeting	10 Pay Period Ends 12:00pm OCWD Admin & Finance (IN PERSON & VIRTUAL)	11	12
13	14 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	15 7:30am WACO Planning Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	16 Payday 8:30am MWDOC Board Meeting (VIRTUAL) 5:30pm OCWD Board Meeting (VIRTUAL)	17 8:30am MWDOC Executive Committee (VIRTUAL) 1:00pm Costa Mesa Chamber Event (1701 Golf Course Drive)	18	19
20	21	22	23 Urban Water Institute Annual Conference (Hyatt Regency Mission Bay, 1441 Quivira Road, San Diego) 4:30pm Board Meeting (Boardroom) 5:30pm Costa Mesa Chamber Event (2957 Randolph Ave. Unit B)	24 Pay Period Ends	25	26
27	28 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	29	30 Payday	31	Sep 1	2

September 2023

September 2023							October 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	8	9	1	2	3	4	5	6	7
10	11	12	13	14	15	16	8	9	10	11	12	13	14
17	18	19	20	21	22	23	15	16	17	18	19	20	21
24	25	26	27	28	29	30	22	23	24	25	26	27	28
							29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 27	28	29	30	31	Sep 1 7:30am WACO (VITRUAL)	2
3	4 District Holiday 8:30am MWDOC Planning & Operations Committee Meeting (VIRTUAL)	5 7:30am ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	6 8:30am Jt. MWDOC/MWD 12:00pm Executive Committee Meeting 5:30pm OCWD Board Meeting	7 8th Annual CA Water Data Summit (Palo Alto, CA) Pay Period Ends 12:00pm OCWD Communications/Legislative (IN PERSON AND VIRTUAL)	8	9
10	11 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	12-13 2023 CAJPA Fall Conference (South Lake Tahoe)		14 11:00am State of the City Luncheon (3050 Bristol Street Costa 12:00pm OCWD Admin & Finance (IN	15	16
17	18	19 7:30am WACO Planning Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	20 8:30am MWDOC Board Meeting (VIRTUAL) 5:30pm OCWD Board Meeting (VIRTUAL)	21 P3 Water Summit (San Diego, CA) Pay Period Ends 8:30am MWDOC Executive Committee 4:00pm Costa Mesa Chamber of	22	23
24	25 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	26	27 Payday 4:30pm Board Meeting (Boardroom)	28	29	30 WEFTEC Conference (Chic →)

October 2023

October 2023							November 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 1	2	3	4	5	6	7
← From Sep 30	WEFTEC Conference (Chicago, IL)			Pay Period Ends	7:30am WACO (VITRUAL)	
	8:30am MWDOC Planning & Operations Committee Meeting (VIRTUAL)	7:30am ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting	8:30am Jt. MWDOC/MWD 12:00pm Executive Committee Meeting 5:30pm OCWD Board	12:00pm OCWD Communications/Legislative (IN PERSON AND VIRTUAL)		
8	9	10	11	12	13	14
	5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	8:00am OCBC Infrastructure Committee (HYBRID)	Payday 8:15am LAFCO Meeting (400 W Civic Center) 8:30am MWDOC Admin 12:00pm OCWD Water 4:30pm Board Meeting	12:00pm OCWD Admin & Finance (IN PERSON & VIRTUAL)	7:00am OC Water Summit (The Westin South Coast Plaza, Costa Mesa (686 Anton Blvd, Costa Mesa, CA 92626)) -	
15	16	17	18	19	20	21
		7:30am WACO Planning Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	CALAFCO Annual Conference (JF is a no) (Monterey, CA)		Pay Period Ends 8:30am MWDOC Executive Committee (VIRTUAL)	
22	23	24	25	26	27	28
	AWWA CA-NV Annual Fall Conference (Las Vegas, NV)					
	5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)		Payday 8:30am Jt. MWDOC/OCWD 4:30pm Board Meeting (Boardroom)			
29	30	31	Nov 1	2	3	4



UPCOMING COMMUNITY OUTREACH EVENTS

Event	Date & Time	Location
Festival of Children	September 2 – 24, 2023	Jewel Court South Coast Plaza 3333 Bristol Street Costa Mesa, CA 92626



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: August 9, 2023
SUBJECT: 2023 Employee Engagement Survey

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

Goal #5: Attract, develop and retain skilled employees.

PRIOR BOARD ACTION/DISCUSSION

At its November 9, 2022 meeting, the Board of Directors (Board) received a presentation item regarding the 2022 Employee Engagement Survey.

DISCUSSION

In 2019, Mesa Water District (Mesa Water®) partnered with Gallup, Inc. (Gallup) to measure employee engagement using Gallup's Q¹² Employee Engagement Survey. Gallup defines employee engagement as the involvement and enthusiasm of employees in their work and workplace. Employee engagement helps measure and manage employees' perspectives on crucial elements of the workplace culture.

In order to achieve Goal #5 of the Boards' Strategic Plan, staff continues their partnership with Gallup to annually administer the employee engagement survey to ensure that the District is comprised of a thriving workforce. The purpose of the employee engagement initiative is to provide an environment where employees feel motivated to perform their best each day. Working to increase employee engagement can lead to increased overall employee wellbeing and higher performance on several key business outcomes (e.g., safety, productivity, customer service).

In June 2023, Gallup administered the survey and received a 93% staff participation, a rate that far exceeds Gallup's average. Survey results found that Mesa Water's overall average score increased by a significant .28 points, moving from 3.78 in 2022 to 4.06 in 2023.

Gallup contributes this percentage rise to the creation of an employee engagement program that goes beyond measurement, including training for managers and supervisors to become more impactful in employees' engagement at work. Managers and supervisors are beginning to have meaningful discussions with their staff about this year's results, developing goals and action plans for the coming year.

Gallup will present its key findings from the Mesa Water Employee Engagement Report at the August 9, 2023 meeting.



FINANCIAL IMPACT

In Fiscal Year 2024, \$19,525 is budgeted for the Employee Engagement Survey; \$19,525 has been spent to date.

ATTACHMENTS

None.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Celeste Carrillo, Senior Public Affairs Coordinator
DATE: August 9, 2023
SUBJECT: Public Affairs Fiscal Year 2024 Plan

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

Goal #4: Increase favorable opinion of Mesa Water.
Goal #6: Provide excellent customer service.

PRIOR BOARD ACTION

None.

DISCUSSION

Mesa Water District's (Mesa Water®) outreach program aims to connect Mesa Water with its constituents to achieve Goal #4 of the Board of Directors' (Board) Strategic Plan. Outreach activities include educating and informing the District's constituents about Mesa Water, water issues, and water in general.

In Fiscal Year (FY) 2023, staff put concerted effort toward enhancing its Public Affairs program to increase awareness with customers about who their water provider is, and that Mesa Water delivers a 100% local water supply, as measured by the annual customer survey. Staff leveraged the Customer Welcome Program and 25-Year Anniversary Program; hosted a number of in-person events (Water Issues Study Group, REALTORS Luncheon, Yo Amo Mesa Water and Institute for Conservation Research and Education Symposium), participated in various community events, and used its owned communication channels (social media, direct-mail and newsletter) to continue to expand reach and amplify messaging to customers and new audiences.

In FY 2024, staff will continue to leverage its Public Affairs program, looking for new ways to increase awareness and improve outreach. This includes a plan for the opening of the Mesa Water Education Center, which will be presented to the Board later this year. Staff will present the Public Affairs Fiscal Year 2024 Plan at the August 9, 2023 meeting.

FINANCIAL IMPACT

In Fiscal Year 2024, \$906,450 is budgeted for Public Affairs Support Services; \$13,950 has been spent to date.

ATTACHMENTS

None.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Celeste Carrillo, Senior Public Affairs Coordinator
DATE: August 9, 2023
SUBJECT: Mesa Water Education Center Lobby Exhibit

RECOMMENDATION

Direct staff to move forward with Option 1 or Option 2.

STRATEGIC PLAN

Goal #4: Increase favorable opinion of Mesa Water.
Goal #6: Provide excellent customer service.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

As part of the future Mesa Water Education Center, an exhibit featuring the Board of Directors (Board) will be on display in the lobby to welcome visitors. For the Board's consideration, staff will present two video options for the lobby exhibit at the August 9, 2023 meeting.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: August 9, 2023
SUBJECT: Board Workshop Planning

RECOMMENDATION

Review agenda topics and discuss planning for the October 17, 2023 Board of Directors' workshop.

The Executive Committee reviewed this item at its August 2, 2023 meeting.

STRATEGIC PLAN

- Goal #1: Provide an abundant, local, reliable and safe water supply.
- Goal #2: Perpetually renew and improve our infrastructure.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase favorable opinion of Mesa Water.
- Goal #5: Attract, develop and retain skilled employees.
- Goal #6: Provide excellent customer service.
- Goal #7: Actively participate in regional and statewide water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

For the Board of Directors' review, the proposed agenda topics are as follows:

- Regional Water Issues
- Fiscal Year 2023 Strategic Plan Status
- Annual Performance Evaluation for the General Manager

FINANCIAL IMPACT

In Fiscal Year 2024, \$1,000 is budgeted for Board workshop expenses; no funds have been spent to date.

ATTACHMENTS

None.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer
DATE: August 9, 2023
SUBJECT: Potable and Recycled Water Rates

RECOMMENDATION

Award a contract to Raftelis Financial Consultants, Inc. for \$42,430 to provide a potable and recycled water rate study for the purpose of establishing water rate schedules for the next five years, and authorize execution of the contract.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.
Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At its January 12, 2022 meeting, the Board adopted Resolution No. 1559 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Adopting a Capital Charge, Revising Fireline Stand-By Charges, and Adopting a Rate and Charge Implementation Schedule, Amending the Water Rate and Charge Schedule, and Taking Related Actions.

At its April 18, 2023 workshop, the Board received a presentation from staff detailing recent inflation numbers and their impact on the District's financial landscape and budget for the foreseeable future. The Board directed staff to agendize Rate Adjustment Options at a future meeting.

At its May 24, 2023 meeting, the Board directed staff to implement Budgetary Option 1 – hire a rate consultant to conduct a rate study in 2023, conduct a rate hearing in December 2023 and implement any rate adjustments in January 2024.

BACKGROUND

Mesa Water District (Mesa Water®) has a perpetual agency philosophy requiring a scheduled, systematic review of its long-range financial plan and goals. This review includes the evaluation and updating of the District's rate schedules to ensure sufficient funds are available to meet the Board's Strategic Plan. To ensure the abundance of local, reliable and safe water for the community, it is important to conduct a regular review of rates, in relation to costs, and to make any needed adjustments.

In January 2022, the Board set water rates based upon a multi-year financial study which projected the future costs of providing high quality and reliable water service, servicing long-term debt, financing current and planned infrastructure projects, and funding Mesa Water's designated funds.



The rate study conducted in 2021 considered a number of inflationary costs; these assumptions were significantly below the actual inflation numbers encountered in 2022 and 2023. With these historically high inflation numbers, the rising Replenishment Assessment from Orange County Water District, and soaring utility costs, staff recommended conducting a rate study to consider a new rate schedule.

DISCUSSION

On May 30, 2023, a Request for Quote for Potable and Recycled Water Cost of Service and Rate Study was sent to nine qualified firms. Three quotes were received. Proposals were evaluated by a selection panel comprised of Mesa Water staff representing administrative, financial and operational disciplines. Each firm’s proposal was evaluated based upon the following criteria: develop revenue and revenue requirements, a cost-of-service analysis, rate design, meetings and reports, rate model, public outreach, and an on-going water efficiency analysis.

The results are as follows:

Rank	Proposing Firm	Submitted Cost
1	Raftelis Financial Consultants, Inc.	\$42,430
2	Robert D. Niehaus, Inc.	\$44,760
3	Black & Veatch Management Consultants	\$66,995

All three firms are well qualified to perform the work effort and provided a solid approach to meeting the required scope. Based on the proposal rankings, qualifications, experience, and base cost, the selection panel determined that Raftelis Financial Consultants, Inc. (Raftelis) would best be able to meet the District’s accelerated timeline and satisfy the scope of work as defined in the Request for Quote. Raftelis has shown extensive experience with rate studies, specifically in Orange County. The firm specializes in water and wastewater analysis and studies, and have an extensive team to assist with outreach to the public.

Staff recommends that the Board award a contract to Raftelis Financial Consultants, Inc. for \$42,430 to provide a potable and recycled water rate study for the purpose of establishing water rate schedules for the next five years, and authorize execution of the contract.

FINANCIAL IMPACT

In Fiscal Year 2024, \$548,000 is budgeted for Financial Support Services; \$0 has been spent to date.

ATTACHMENTS

None.

REPORTS:

10. REPORT OF THE GENERAL MANAGER

REPORTS:

11. 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
07/27/23	City of Costa Mesa Meeting, 7/18
07/27/23	Meeting w/ General Manager, 7/21

Marice H. DePasquale **Meetings Attended**

Reimbursement Date:	Description, Date
N/A	

Shawn Dewane **Meetings Attended**

Reimbursement Date:	Description, Date
N/A	

James R. Fisler **Meetings Attended**

Reimbursement Date:	Description, Date
07/27/23	Irvine Ranch Water District Board Meeting, 7/10
07/27/23	South Coast Water District Board Meeting, 7/13
07/27/23	Newport Beach Chamber of Commerce Event, 7/19
07/27/23	Surfside Colony Community Services District Board Meeting, 7/24

CLOSED SESSION:

13. CONFERENCE WITH GENERAL LEGAL COUNSEL – ANTICIPATED LITIGATION:
Initiation of litigation pursuant to California Government Code Section 54956.9(d)(4)
Number of Cases: 1