



*Dedicated to  
Satisfying our Community's  
Water Needs*

**AGENDA  
MESA WATER DISTRICT  
BOARD OF DIRECTORS  
Wednesday, June 11, 2025  
1965 Placentia Avenue, Costa Mesa, CA 92627  
4:30 p.m. Regular Board Meeting**

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**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 May 28, 2025.
2. Board Schedule:
  - Conferences, Seminars and Meetings
  - Board Calendar
  - Upcoming Community Outreach Events
3. Approve the Fiscal Year 2026 Attendance at Conferences, Seminars, Meetings and Events.
4. Authorize President Marice H. DePasquale to be the voting delegate for the Association of California Water Agencies' election of Board President, Vice President and region board members for the 2026 – 2027 term.

**PRESENTATION AND DISCUSSION ITEMS:**

5. DELTA CONVEYANCE PROJECT ADVOCACY REPORT:

**Recommendation: Receive the presentation.**

6. PIPELINE INTEGRITY PROGRAM:

**Recommendation: Receive the presentation.**

7. PROPOSED FISCAL YEAR 2026 BUDGET:

**Recommendation: Discuss the proposed Fiscal Year 2026 Budget and choose:**

**Option 1: Approve the proposed Fiscal Year 2026 Budget, or  
Option 2: Direct staff to modify the proposed Fiscal Year 2026 Budget as  
requested by the Board of Directors.**

8. INFORMATION TECHNOLOGY SUPPORT SERVICES:

**Recommendation: Approve a contract with T2 Tech to provide Information Technology Support Services in the amount of \$1,392,000 in FY 2026 plus \$696,000 for the first half of FY 2027, totaling \$2,088,000 through December 31, 2026, and authorize the General Manager to execute the contract.**

**ACTION ITEMS:**

9. MESA WATER DISTRICT'S STRATEGIC PLAN:

**Recommendation: Modify Mesa Water District's Strategic Plan to include the adoption of Strategic Goal #8: Practice continual business improvement.**

**REPORTS:**

10. REPORT OF THE GENERAL MANAGER

11. DIRECTORS' REPORTS AND COMMENTS

**INFORMATION ITEMS:**

12. SINGLE METER POLICY

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

**CLOSED SESSIONS:**

14. CONFERENCE WITH LABOR NEGOTIATOR:  
Pursuant to California Government Code Section 54957.6(a)  
District Negotiator: General Manager  
Employee Organization: Represented and Non-Represented Employees



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

### **15. FISCAL YEAR 2026 STAFFING PLAN:**

**Recommendation: Take action as the Board of Directors desires.**

*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](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 A REGULAR BOARD MEETING SCHEDULED FOR WEDNESDAY, JUNE 25, 2025 AT 4:30 P.M.**



*Dedicated to  
Satisfying our Community's  
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Wednesday, May 28, 2025  
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 DePasquale.

**PLEDGE OF ALLEGIANCE**

Vice President Dewane led the Pledge of Allegiance.

**Directors Present**

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

**Directors Absent**

None

**Staff Present**

Paul E. Shoenberger, P.E., General Manager  
Denise Khalifa, Chief Administrative Officer/  
District Secretary  
Tyler Jernigan, Water Operations Manager/  
Acting District Treasurer  
Andrew D. Wiesner, P.E., District Engineer  
Stacy Taylor, Water Policy Manager  
Kurt Lind, Business Administrator  
Kirk Harper, Interim Chief Financial Officer  
Karyn Igar, Senior Civil Engineer  
Kaitlyn Norris, Senior Public Affairs Specialist  
Hester Petropoulos, Water Use Efficiency and Education  
Coordinator  
Rob Anslow, General Legal Counsel

**Others Present**

Alejandro Sanchez, Costa Mesa High School Student  
Diego Perez, Costa Mesa High School Student  
Graydon Sage, Costa Mesa High School Student  
India Howerton, Costa Mesa High School Student  
Logan Bell, Costa Mesa High School Student  
Family Members of Students  
Sarah Portwood, Costa Mesa High School Teacher  
Karl W. Seckel, P.E., Director, Municipal Water District of  
Orange County (MWDOC)  
Jasmine Orozco, Public Affairs Coordinator, MWDOC



## **MESA WATER 2025 VIDEO CONTEST WINNERS**

President DePasquale welcomed the top student finalists of Mesa Water's 2025 Video Contest, along with their family members and winning Costa Mesa High School Teacher Sarah Portwood.

Senior Public Affairs Specialist Norris provided a brief overview of the topic noting that the contest was open to local high school and college students to bring awareness of Mesa Water and its local water system to the younger residents in the District's service area.

Awards were presented for:

- 3<sup>rd</sup> place to Logan Bell and Diego Perez from Costa Mesa High School
- 2<sup>nd</sup> place to Alejandro Sanchez from Costa Mesa High School
- 1<sup>st</sup> place to India Howerton and Graydon Sage from Costa Mesa High School

Photographs were taken and the Board thanked the winners and teacher for their participation in the contest.

## **CERTIFICATE OF RECOGNITION FROM MWDOC**

Water Use Efficiency and Education Coordinator Petropoulos introduced MWDOC Director Karl Seckel and Public Affairs Coordinator Jasmine Orozco who presented Mesa Water with a Certificate of Recognition for their support and engagement in hosting a coordinated education program between MWDOC and the Girl Scouts of America.

Photographs were taken and the Board thanked Mr. Seckel and Ms. Orozco for their participation in the event.

## **PUBLIC COMMENTS**

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

There were no comments and President DePasquale proceeded with the meeting.

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

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

## **CONSENT CALENDAR ITEMS:**

1. Approve minutes of adjourned regular Board meeting of April 3, 2025.
2. Approve minutes of regular Board meeting of April 9, 2025.
3. Approve minutes of regular Board meeting of April 23, 2025.
4. Approve attendance considerations (additions, changes, deletions).
5. Board Schedule:
  - Conferences, Seminars and Meetings
  - Board Calendar
  - Upcoming Community Outreach Events
6. Receive and file the Developer Project Status Report.

7. Receive and file the Mesa Water and Other Agency Projects Status Report.
8. Receive and file the Water Quality Call Report.
9. Receive and file the Accounts Paid Listing.
10. Receive and file the Monthly Financial Reports.
11. Receive and file the Fiscal Year 2025 Third Quarter Financial Update.
12. Receive and file the Quarterly Training Report for January 1, 2025 to March 31, 2025.

**MOTION**

Motion by Director Bockmiller, second by Director Atkinson, to approve Items 1 – 12 of the Consent Calendar. Motion passed 5 – 0.

**PRESENTATION AND DISCUSSION ITEMS:**

**13. FISCAL YEAR 2024 WATER LOSS AUDIT:**

District Engineer Wiesner introduced Senior Civil Engineer Igar who proceeded with a presentation that highlighted the following:

- Water Loss Audit Regulations
- Real Loss and Apparent Loss
- FY 2024 Water Loss Audit Results
- Compliance Status
- Real Loss
- Apparent Loss
- Infrastructure Leakage Index
- Data Validity Score
- FY 2025 MWDOC Leak Detection Results

Ms. Igar responded to questions from the Board and they thanked her for the presentation.

**ACTION ITEMS:**

**14. ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD OF DIRECTORS NOMINATION:**

**MOTION**

Motion by Vice President Dewane, second by Director Fisler, to adopt Resolution No. 1602 Placing in Nomination Marice H. DePasquale as a Member of the Association of California Water Agencies Region 10 Board of Directors. Motion passed 5 – 0, by the following roll call vote:

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

15. CHANDLER & CRODDY WELLS AND PIPELINE PROJECT:

District Engineer Wiesner provided an overview of the topic and offered that this project is being performed in conjunction with the City of Santa Ana.

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

MOTION

Motion by Vice President Dewane, second by Director Atkinson, to approve a contract with Tetra Tech, Inc. for \$110,000 and a 10% contingency of \$11,000 for a total contract amount not to exceed \$121,000 to provide design services for the Chandler Avenue and Croddy Way Pavement Replacement, and authorize the General Manager to execute the contract, guaranteeing Mesa Water's total payment does not exceed 70% of the \$121,000. Motion passed 5 – 0.

16. ALERTOC PARTICIPATION:

Water Operations Manager Jernigan provided an overview of the topic.

MOTION

Motion by Vice President Dewane, second by President DePasquale, to approve the Memorandum of Understanding between the County of Orange and Mesa Water District for use of countywide mass notification system, and authorize execution of the memorandum. Motion passed 5 – 0.

17. FISCAL YEAR 2026 PERFORMANCE AUDIT PROCESS GUIDE:

District Engineer Wiesner provided an overview of the topic.

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

MOTION

Motion by President DePasquale, second by Vice President Dewane, to approve the modifications to Mesa Water District's Fiscal Year 2026 Performance Audit Process Guide regarding the Engineering Projects Measure 6 – *Efficiency of Plan Check*. Motion passed 5 – 0.

18. STATEMENT OF INVESTMENT POLICY:

MOTION

Motion by Director Bockmiller, second by Vice President Dewane, to adopt Resolution No. 1603 Delegating Authority Relative to Investment or Reinvestment of Specified Funds,

and Adopting a Revised Statement of Investment Policy, Superseding Resolution No. 1596. Motion passed 5 – 0, by the following roll call vote:

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

19. CUSTOMER INFORMATION SYSTEM SOFTWARE LICENSE:

Business Administrator Lind provided an overview of the topic.

Mr. Lind responded to questions from the Board and they thanked him for the information.

MOTION

Motion by Vice President Dewane, second by Director Atkinson, to approve the subscription fee with SpryPoint Services, Inc. for \$183,491.81 to secure the SpryCIS software licensing. The subscription fee represents the initial payment and will occur annually until Mesa Water District discontinues using the software. The annual subscription fee may increase yearly according to the Consumer Price Index, but it will not exceed 4%. Motion passed 5 – 0.

20. HEATING, VENTILATION AND AIR CONDITIONING SERVICES:

Water Operations Manager Jernigan provided an overview of the topic.

Mr. Jernigan responded to questions from the Board and they thanked him for the information.

MOTION

Motion by Director Atkinson, second by Director Fisler, to approve an amendment for \$50,000 annually to the contract with ACCO Engineered Systems, Inc. for a total authorized contract amount not to exceed \$130,000 annually to provide Heating, Ventilation and Air Conditioning Services at Mesa Water District's remote sites, and authorize the General Manager to execute the contract through the contract term ending March 31, 2026. Motion passed 5 – 0.

**REPORTS:**

21. REPORT OF THE GENERAL MANAGER:

- April Key Indicators Report

22. DIRECTORS' REPORTS AND COMMENTS

**INFORMATION ITEMS:**

- 23. FEDERAL ADVOCACY UPDATE
- 24. STATE ADVOCACY UPDATE
- 25. ORANGE COUNTY UPDATE
- 26. DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)

President DePasquale adjourned the meeting at 5:41 p.m. to a Regular Board Meeting scheduled for Wednesday, June 11, 2025 at 4:30 p.m.

Approved:

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Marice H. DePasquale, President

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Denise Khalifa, District Secretary

Recording Secretary: Sharon D. Brimer

**2025 CONFERENCES, SEMINARS AND MEETINGS:**

<b>June 2 - 20, 2025</b>	
Harvard Senior Executives in State and Local Government	
Cambridge, MA	
<b>June 8 - 11, 2025</b>	
AWWA ACE25 Conference	
Denver, CO	
<b>June 26, 2025</b>	
MWDOC Water Policy Forum	<i>Fisler</i>
Costa Mesa, CA	
<b>August 19 - 21, 2025</b>	
9th Annual CA Water Data Summit	
San Diego, CA	
<b>August 20 - 22, 2025</b>	
Urban Water Institute Annual Conference	<i>Atkinson, DePasquale</i>
San Diego, CA	
<b>August 25 - 28, 2025</b>	
CSDA Annual Conference	<i>Bockmiller</i>
Monterey, CA	
<b>September 5, 2025</b>	
OC Water Summit	
TBD	
<b>September 27 - October 1, 2025</b>	
WEFTEC Conference	
Chicago, IL	
<b>October 22, 2025</b>	
CALAFCO Annual Conference	
San Diego, CA	
<b>November 5 - 6, 2025</b>	
SWMOA Annual Symposium	
Palm Springs, CA	
<b>December 2 - 4, 2025</b>	
ACWA JPIA Fall Conference	
San Diego, CA	
<b>December 16 - 18, 2025</b>	
Colorado River Water Users Association Conference	
Las Vegas, NV	

# June 2025

June 2025						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 2025						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 1	2 8:30am MWDOC Planning and Operations Committee Meeting (IN PERSON & Virtual)	3 7:30am ISDOC Executive Committee Meeting ( <a href="https://mwdoc.zoom">https://mwdoc.zoom</a> ) 6:00pm Costa Mesa City Council Meeting (In Person & Virtual)	4 Payday 8:30am Jt. MWDOC/MWD 5:30pm OCWD Board Meeting (IN PERSON & Virtual)	5 12:00pm OCWD Communications/Legislative Committee (IN PERSON & VIRTUAL)	6 7:30am WACO Meeting (Virtual)	7
8	9 5:00pm IRWD Board Meeting (In Person and Virtual)	10 AWWA ACE25 Conference (Denver, CO) 8:00am OCBC Infrastructure 12:00pm Executive Committee Meeting	11 8:15am LAFCO Meeting 8:30am MWDOC Admin 12:00pm OCWD Water 4:30pm Board Meeting	12 Pay Period Ends 12:00pm OCWD Admin & Finance Committee (IN PERSON & VIRTUAL)	13	14
15	16	17 7:30am WACO Planning Committee (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (In Person & Virtual)	18 Payday 8:30am MWDOC Board Meeting (IN PERSON & Virtual) 3:00pm Costa Mesa 5:30pm OCWD Board	19 8:30am MWDOC Executive Committee (In Person & Virtual)	20	21
22	23 5:00pm IRWD Board Meeting (In Person and Virtual)	24 7:30am Annual Board Breakfast (Mesa Water Education Center)	25 8:30am Jt. MWDOC/OCWD 11:00am R/S from 4/23 - Costa Mesa 2025 4:30pm Board Meeting	26 Pay Period Ends 11:00am The Chamber Newport Beach City 5:30pm MWDOC 2025 Water Policy Forum	27	28
29	30	Jul 1	2	3	4	5



# July 2025

July 2025							August 2025						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
6	7	1	2	3	4	5	3	4	5	6	7	1	2
13	14	8	9	10	11	12	10	11	12	13	14	8	9
20	21	15	16	17	18	19	17	18	19	20	21	22	23
27	28	22	23	24	25	26	24	25	26	27	28	29	30
		29	30	31			31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 29	30	Jul 1 7:30am ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (In	2 Payday 8:30am Jt. MWDOC/MWD 12:00pm Executive 5:30pm OCWD Board	3 12:00pm OCWD Communications/Legislative Committee (IN PERSON & VIRTUAL)	4 District Holiday	5
6	7 8:30am MWDOC Planning and Operations Committee Meeting (IN PERSON &	8	9 8:15am LAFCO Meeting (400 W Civic Center 8:30am MWDOC Admin 12:00pm OCWD Water 4:30pm Board Meeting	10 Pay Period Ends 12:00pm OCWD Admin & Finance Committee (IN PERSON & VIRTUAL)	11 7:30am R/S FROM 7/4 - WACO Meeting (VIRTUAL)	12
13	14 5:00pm IRWD Board Meeting (In Person and Virtual) 5:00pm OCWD GWRS Steering Committee	15 7:30am WACO Planning Committee (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (In Person & Virtual)	16 Payday 8:30am MWDOC Board Meeting (IN PERSON 3:00pm Costa Mesa 5:30pm OCWD Board	17 8:30am MWDOC Executive Committee (In Person & Virtual)	18	19
20	21	22	23 8:30am Jt. MWDOC/OCWD Planning Meeting (IN 4:30pm Board Meeting (Boardroom)	24 Pay Period Ends	25 8:00am City/Districts Liaison Committee Meeting (Mesa Water District (1965 Placentia Avenue	26
27	28 5:00pm IRWD Board Meeting (In Person and Virtual)	29	30 Payday	31 11:30am ISDOC Quarterly Meeting (MWDOC/OCWD Boardroom)	Aug 1	2



# August 2025

August 2025							September 2025						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	1	2	7	1	2	3	4	5	6
10	11	12	13	14	8	9	14	8	9	10	11	12	13
17	18	19	20	21	15	16	21	15	16	17	18	19	20
24	25	26	27	28	22	23	28	22	23	24	25	26	27
31					29	30		29	30				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jul 27	28	29	30	31	Aug 1 7:30am WACO Meeting (VIRTUAL)	2
3	4 8:30am MWDOC Planning and Operations Committee Meeting	5 7:30am ISDOC Executive Committee Meeting 6:00pm Costa Mesa City Council Meeting (In	6 8:30am Jt. MWDOC/MWD 12:00pm Executive 5:30pm OCWD Board	7 Pay Period Ends 12:00pm OCWD Communications/Legislative Committee	8	9
10	11 5:00pm IRWD Board Meeting (In Person and Virtual)	12 8:00am OCBC Infrastructure Committee Meeting	13 Payday 8:15am LAFCO Meeting 8:30am MWDOC Admin 12:00pm OCWD Water	14 12:00pm OCWD Admin & Finance Committee (IN PERSON & VIRTUAL)	15	16
17	18	19 CA Water Data Summit (UC Davis) 7:30am WACO Planning Committee (VIRTUAL) 6:00pm Costa Mesa City	20 Urban Water Institute Annual Conference (San Diego) 8:30am MWDOC Board 3:00pm Costa Mesa	21 Pay Period Ends 8:30am MWDOC	22	23
24	25 5:00pm IRWD Board Meeting (In Person and Virtual)	26 CSDA Annual Conference (Monterey, CA)	27 Payday 8:30am Jt. 4:30pm Board Meeting	28	29	30
31	Sep 1	2	3	4	5	6



## **UPCOMING COMMUNITY OUTREACH EVENTS**

Event	Date & Time	Location
Lions Club Fish Fry	Friday, June 27, 2025 5:00 p.m. – 10:00 p.m. Saturday & Sunday, June 28 – 29, 2025 11:00 a.m. – 10:00 p.m.	Lions Park 570 W. 18 <sup>th</sup> Street Costa Mesa, CA 92627
Concerts in the Park	Tuesdays July 8, 15, 22 & 29, 2025 6:00 p.m.	Fairview Park 2525 Placentia Avenue Costa Mesa, CA 92626



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## MEMORANDUM

TO: Board of Directors  
FROM: Denise Khalifa, Chief Administrative Officer  
DATE: June 11, 2025  
SUBJECT: Fiscal Year 2026 Attendance at Conferences, Seminars, Meetings and Events

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### RECOMMENDATION

Approve the Fiscal Year 2026 attendance at Conferences, Seminars, Meetings and Events.

The Executive Committee reviewed this item at its May 7, 2025 meeting and recommends Board approval.

### 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' (Board) review and consideration, the following proposed list of attendance considerations is based on Director attendance and is in accordance with Ordinance No. 36, adopted October 23, 2024:

1. Mesa Water Events, Meetings and Trainings:
  - a. Board of Directors meetings
  - b. Legally required training
  - c. Mesa Water Director meetings with the General Manager or staff
  - d. Mesa Water Director meetings with other Mesa Water Directors
  - e. Mesa Water Director meetings with rate payers (residential or business)
  - f. Presentation of resolutions and proclamations
  - g. Various employee events
  - h. Various public outreach events
  - i. Water Issues Study Group meetings
  - j. Water Use Efficiency events/workshops

2. Conferences, Functions, Meetings, Programs, Seminars, Summits and Symposiums of the following Agencies, Organizations and/or Representatives Concerning or Relating to Water, Governmental or Environmental Matters or Issues:
  - a. Activist and Community Groups
  - b. American Membrane Technology Associations
  - c. American Water Works Association
  - d. American Water Works Association California-Nevada Section
  - e. Association of California Cities Orange County
  - f. Association of California Water Agencies
  - g. Association of California Water Agencies Joint Powers Insurance Authority
  - h. The Bond Buyer
  - i. Building Industry Association of Southern California, Orange County Chapter
  - j. CalDesal
  - k. California Association Local Agency Formation Commissions
  - l. California Association of Mutual Water Companies
  - m. California Data Collaborative
  - n. California H2O Women
  - o. California Joint Powers Authority
  - p. California Joint Powers Insurance Authority
  - q. California Municipal Treasurers Association
  - r. California Municipal Utilities Association
  - s. California Policy Center
  - t. California Special Districts Association
  - u. California State Water Resources Control Board
  - v. California United Water
  - w. California Water Policy
  - x. Captive Review
  - y. Chapman University
  - z. City of Costa Mesa
  - aa. City of Newport Beach
  - bb. C.J. Segerstrom and Sons, LLC
  - cc. Colorado River Water Users Association
  - dd. Costa Mesa Chamber of Commerce
  - ee. Costa Mesa Historical Society
  - ff. Costa Mesa Foundation
  - gg. Costa Mesa Sanitary District
  - hh. Costa Mesa-Newport Harbor Lions Club
  - ii. Costa Mesans for Responsible Government
  - jj. Environmental Nature Center
  - kk. Federal, State, and Local Elected Officials
  - ll. Foundation for Cross-Connection Control & Hydraulic Research
  - mm. Global Water Intel
  - nn. Green Technology
  - oo. Harvard Senior Executives in State and Local Government Curriculum
  - pp. The HERD Foundation

qq.	Homeowners Associations
rr.	Independent Special Districts of Orange County
ss.	Institute for Conservation Research and Education
tt.	Law Seminars International
uu.	The Lincoln Club
vv.	Metropolitan Water District of Southern California
ww.	Mountain Counties Water Resources Association
xx.	Municipal Water District of Orange County
yy.	National Risk Retention Association
zz.	National Water Quality Monitoring Council
aaa.	National Water Resources Association
bbb.	Neighborhood Community Associations
ccc.	Nevada Water Resources Association
ddd.	Newport Beach Chamber of Commerce
eee.	Newport-Mesa Unified School District
fff.	Orange County Board of Supervisors
ggg.	Orange County Business Council
hhh.	Orange County Conservation Corps
iii.	Orange County Council of Governments
jjj.	Orange County Fair and Event Center
kkk.	Orange County Farm Bureau
lll.	Orange County Forum
mmm.	Orange County Local Agency Formation Commission
nnn.	Orange County Water Association
ooo.	Orange County Water District
ppp.	Other Government Agencies
qqq.	Public Utility Elected Officials
rrr.	Public-Private Partnership Conference (P3C)
sss.	Residents For Responsible Desalination
ttt.	Santa Ana Watershed Project Authority
uuu.	Save Our Youth
vvv.	Skytop Strategies
www.	South Coast Metro Alliance
xxx.	South Coast Plaza
yyy.	South Orange County Economic Coalition
zzz.	Southern California Water Coalition
aaaa.	Southwest Membrane Operator Association
bbbb.	Stanford University Hoover Institution Summer Policy Boot Camp
cccc.	Sustain Southern California
dddd.	Taxpayers Groups
eeee.	University of California, Irvine
ffff.	Urban Water Institute, Inc.
gggg.	Vanguard University
hhhh.	Water Advisory Committee of Orange County
iiii.	Water Environment Federation's Technical Exhibition and Conference



- jjjj. Water Research Foundation
- kkkk. WateReuse
- llll. WaterNow Alliance
- mmmm. Water & Wastewater Equipment, Treatment & Transport
- nnnn. Wharton Executive Education
- oooo. Youth Employment Service

#### FINANCIAL IMPACT

The costs associated with Director attendance at the events listed above have been budgeted for Fiscal Year 2026.

#### ATTACHMENTS

None.



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Denise Khalifa, Chief Administrative Officer  
DATE: June 11, 2025  
SUBJECT: Association of California Water Agencies' Voting Delegate

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### RECOMMENDATION

Authorize President Marice H. DePasquale to be the voting delegate for the Association of California Water Agencies' election of Board President, Vice President and region board members for the 2026 - 2027 term.

The Executive Committee will review this item at its June 10, 2025 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

The Association of California Water Agencies (ACWA) has launched a combined election process for the 2026 - 2027 term for President, Vice President and region board members. Voting for both sets of candidates will be done electronically by each member agency's designated voter on a single ballot. Each member agency may cast one vote. Agencies designate their voting representative by submitting the Authorized Representative and Information Form (Attachment B) by the June 20, 2025 deadline. The elected officers will be announced on September 26, 2025 and will be formally introduced on December 3, 2025 at the ACWA Fall Conference.

### **Election Process**

An 11-member Election Committee has been appointed to facilitate the election of the ACWA President and Vice President, including confirming that candidates' eligibility criteria have been met and endorsing preferred candidates. The 11-member committee includes one representative appointed by the current ACWA President and 10 region representatives appointed by each of the region boards.

Nominating Committees have also been appointed for each of the 10 regions to pursue qualified candidates to run for the region boards. The Nominating Committee is appointed by the region



chair in concurrence with the region board during odd-numbered years and will select a recommended slate for each region.

On April 21, 2025, ACWA issued an official Call for Candidates for President, Vice President and region board members and candidates will have until June 20, 2025 to submit necessary documents to be eligible.

An official electronic ballot will be provided by ACWA to the designated voting representative on July 21, 2025 listing all qualified candidates for the President, Vice President and region board members. Ballots will be emailed by a third-party vendor called Simply Voting. This web-based online voting system provides quick and verified results while keeping individual votes confidential. All candidates will also be listed on the ACWA website.

The designated voting representatives will elect the President, Vice President and region board members by casting a single ballot electronically July 21 – September 19, 2025. There will be no voting by mail or during ACWA's fall conference.

#### **Important Dates**

- Deadline to receive Authorized Voting Representative Form: **Friday, June 20**
- Deadline to receive candidate nominations: **Friday, June 20**
- Election Begins: **Monday, July 21**
- Election Ends: **Friday, September 19 at 5:00 p.m.**

#### **FINANCIAL IMPACT**

In Fiscal Year 2025, \$29,795 is budgeted for the ACWA membership in the District Memberships account.

#### **ATTACHMENTS**

Attachment A: 2025 ACWA Elections Correspondence

Attachment B: 2025 ACWA Elections Authorized Voting Representative Form





## Designate Voting Representative Now

ACWA has launched the election process for the 2026-'27 term for President, Vice President, and region board members. This year, the election process for officers and region boards is now combined. Voting for both sets of candidates will be done electronically by each member agency's designated voter on a single ballot. Agencies can designate their voting representative now by visiting [acwa.com/elections](https://acwa.com/elections) and submitting the [Authorized Representative and Information Form](#) by the June 20 deadline.

ACWA will issue an official call for candidates for President, Vice President and region boards on April 21. All candidates will have until June 20 to submit necessary documents to be eligible. Voting will take place electronically July 21 – Sept. 19 and ballots will include all qualified candidates for President, Vice President and region board members. Voting members will need to submit their ballots by 5 p.m. on Sept. 19. The winners of the election will be announced by the end of September.

An Election Committee has been appointed to facilitate the election of the President and Vice President, including confirming that candidates' eligibility criteria have been met and endorsing preferred candidates. The 11-member committee includes one representative appointed by the current ACWA President and 10 region representatives appointed by each of the region boards.

Nominating Committees have also been appointed for each region to pursue qualified member candidates to run for the region boards. The Nominating Committee is appointed by the region chair in concurrence with the region board during odd-numbered years. The Nominating Committee will select a recommended slate for each region.

The appointed committee members can be viewed online at [acwa.com/elections](https://acwa.com/elections).

ACWA has launched the election process for the 2026-'27 term for President, Vice President, and region board members. This year, the election for both officers and region boards is combined.

**Key Details:**

- **Electronic Voting:** Voting for both sets of candidates will be done electronically by each member agency's designated voter on a single ballot.
- **Designate Your Voter:** Each agency must **designate one voting representative by June 20**. To designate your agency's voter, please submit the Authorized Voting Representative Form by the June deadline.
- **Default Voter:** If no representative is designated by the deadline, your agency's General Manager will be the authorized voter by default.
- **Ballot Distribution:** Authorized voters will receive an electronic ballot on July 21.

For more information about ACWA's elections, visit: [www.acwa.com/elections](http://www.acwa.com/elections).

**The person designated below will cast our agency's vote for the election of ACWA's President and Vice President and Region Board for the 2026-'27 term in the upcoming election.**

Member Agency's Name		Agency's Phone No.
Authorized Voting Representative's Name	Authorized Voting Representative's Email	Authorized Voting Representative's Phone No.

Print Name of Member Agency's Authorized Signatory

X

Authorized Signatory Signature

Date

**SUBMIT YOUR FORM**

**To:** Donna Pangborn, Senior Clerk of the Board  
**Email:** [donnap@acwa.com](mailto:donnap@acwa.com)  
**Mail:** 980 9th Street, Suite 1000, Sacramento, CA 95814

**SUBMISSION  
DEADLINE**

**JUNE 20, 2025**



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Stacy Taylor, Water Policy Manager  
DATE: June 11, 2025  
SUBJECT: Delta Conveyance Project Advocacy Report

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### RECOMMENDATION

Receive the presentation.

### STRATEGIC PLAN

Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION/DISCUSSION

Mesa Water District (Mesa Water®) adopted its updated Policy Positions and Policy Platforms -- for calendar year 2025 advocacy on the District's behalf -- as approved by the Board of Directors (Board) at its February 12, 2025 meeting.

Included in the District's [2025 Policy Positions](#) are positions to:

- (#9) Support the Municipal Water District of Orange County's (MWDOC) priority initiatives at Metropolitan Water District of Southern California (MWD);
- (#9b) Encourage continued efforts for improving the Delta; and,
- (#16) Support the co-equal goals of improved water supply reliability and Delta ecosystem health.

Included in the District's 2025 Policy Platforms (Attachment A) is support for:

- Delta Solutions – Mesa Water supports the efforts of ACWA, MWDOC, MWD, and Southern California Water Coalition (SCWC) to achieve a long-term solution for the Bay Delta that includes functional flows per the "Healthy Rivers and Landscapes" proposal for optimal statewide water supply reliability, sustainability, and quality, and for Delta ecosystem health and restoration for the public benefit. Mesa Water supports the "Beneficiaries Pay" principle for funding the Delta Solution (now called the "Delta Conveyance Project").

### DISCUSSION

In furtherance of Mesa Water's Policy Positions and Policy Platforms, the District's advocacy efforts have included regional and statewide engagement in support of the Delta Conveyance Project ([DCP](#)), which will modernize the [State Water Project](#) infrastructure that is used to move water from the Sacramento-San Joaquin Delta to other areas of the state (see Attachment B).

Recently, Governor Newsom and his Administration put forward a significant [proposal](#) -- in the form of a Budget Trailer Bill -- that would support streamlined approval processes for the DCP.



Mesa Water is part of a broad coalition of agriculture, business, community, environmental/social justice, labor, local/regional government, infrastructure (water, power, sanitation) and nonprofit organizations -- including the [Southern CA Water Coalition](#), of which Mesa Water is a member -- in support of the Administration's proposal for the DCP (see Attachment C). Also, MWD and MWDOC have issued statements of support for the DCP Trailer Bill (see Attachments D and E).

At the Board's June 11, 2025 meeting, a verbal update on the DCP will be provided by:

- [MWD Chair of the Board of Directors, Adán Ortega, Jr.](#); and,
- Mesa Water's consultants at California Advocates -- [Dennis Albiani and Adam Quiñonez](#) -- who, at the request of the Governor and his Administration, have been actively advocating in support of the DCP Trailer Bill proposal.

As part of their report to Mesa Water, Chair Ortega, Mr. Albiani and Mr. Quiñonez will answer any questions the Board may have about the DCP Trailer Bill proposal and the status of advocacy efforts to date.

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

Attachment A: Mesa Water's 2025 Policy Platforms  
Attachment B: CA Department of Water Resources' DCP Fact Sheet  
Attachment C: DCP Trailer Bill Coalition Support Letter  
Attachment D: MWD DCP Trailer Bill Backgrounder  
Attachment E: MWDOC DCP Trailer Bill Support Press Release



## 2025 Policy Platforms

February 12, 2025

### **Federal**

The 119<sup>th</sup> Congress convened at noon on January 3, 2025. As the nation enters a transition period for the federal government, the House of Representatives and the United States Senate may continue to suffer from a period of legislative gridlock due to tight majorities in both chambers.

The Executive Branch will be industrious in 2025, though it is somewhat unclear what path the Administration will take regarding water policy. Certainly, the Administration will once again have to implement a new "Waters of the United States" (WOTUS) rulemaking that closely aligns with Justice Alito's opinion in the [Sackett v. EPA](#) decision. The Administration will also have to determine if it will follow the previous Administration's "[PFAS Roadmap](#)" or undertake a new rulemaking, similar to its outlook for the Lead and Copper Rule Improvements (LCRI).

Also uncertain is how the new Administration will maintain or restrain other additional rulemakings and Notices of Funding Opportunities (NOFOs) through 2025. While there are no expected large-scale efforts in Congress at reforming the nation's water policy laws, nor at creating new water programs in statute, there are other priorities -- such as reforming many federal permitting programs -- that may be of benefit to Mesa Water District (Mesa Water®) in accelerating its capital improvements. The legislative gains from the 117<sup>th</sup> Congress -- like those included in the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) -- are largely complete, and Congress will continue rigorous oversight on the execution of these investments.

While the IIJA and IRA included opportunities for municipal water utilities, these programs are coming to their conclusion. Also, through its advisory committee, the Department of Government Efficiency, the new Administration has signaled its intention to identify up to \$2 trillion in savings, and all discretionary programs -- including those of benefit to Mesa Water -- will face increased scrutiny in the next two to four years.

Lastly of note is the overturning of more than 40 years of case law related to the *Chevron* doctrine as held by the Supreme Court in its decision in [Loper Bright Enterprises v. Raimondo](#). For decades, courts have shown deference to federal agency rulemakings and interpretations when provided with otherwise ambiguous laws from Congress. With the overturning of the *Chevron* doctrine, lower courts have been instructed to no longer provide the federal agencies with this level of deference. This will curtail ample rulemaking authority of federal agencies, force courts to revisit a series of previous rulemakings, and demand that Congress provide more clarity when instructing agencies to fulfill laws.

### **State**

Calendar Year 2025 marks the first year of California's two-year (2025 and 2026) legislative



session, with the state legislature having reconvened on January 6, 2025. California's water-related legislation and regulations will continue to focus on several priority issues: water affordability and the ever-present possibility of Proposition 218 (Prop. 218) reform; continued investments in climate adaptation, drought response and water resilience, wildfire and forest resilience, and zero-emission vehicles acceleration; and, implementing the newly-adopted water conservation and water use efficiency regulation.

Additionally, in reaction to the recent catastrophic Southern California fires, all branches of state government will be more focused on improving wildfire prevention, protection, and recovery, including forest management, headwaters protection, water infrastructure investments, and related policy issues.

For 2025, some legislative proposals and policy discussions from prior years are anticipated to return, including legislation and regulations that could significantly impact Mesa Water, such as:

- climate adaptation, drought resilience, and related issues (e.g., electrification, energy policies, public safety power shutoffs), including implementation of Proposition 4 (which passed on the November 2024 general election ballot) whereby the state legislature and administration will use the state budget process to propose a spending plan for the authorized \$10 billion;
- headwaters and wildfire prevention, protection and recovery, forest management, and related policy issues (as mentioned previously);
- water affordability related to California's Human Right to Water and the Safe and Affordable Drinking Water Fund (respectively, [AB 685](#) and [SB 200](#)), and Low-Income Rate Assistance (LIRA) programs, also called "lifeline rates" ([AB 401](#)), for residential water customers, as well as the ongoing implementation of the Water Shutoff Protection Act ([SB 998](#));
- affordable housing proposals related to surplus property, CEQA streamlining, and Accessory Dwelling Units, including legislative attempts (as in prior years) to change public agencies' authority to charge impact fees for new housing developments;
- water quality, PFAS, and other Constituents of Emerging Concern (CECs);
- governance, open meetings, and transparency;
- water use efficiency/conservation "clean-up" proposals, including those related to the indoor water use reduction standards of [SB 1157](#) (passed in 2022 and authored by former Senator Hertzberg-D, Van Nuys) resulting from indoor water use studies;
- water district consolidation efforts as considered/continued by the State Water Resources Control Board (SWRCB);
- the Colorado River and California Delta (e.g., Bay-Delta Water Quality Control Plan, Delta Conveyance Project, Endangered Species Act, Healthy Rivers and Landscapes); and,
- California's water rights system could potentially be further amended.





As policy discussions are now underway in 2025, the above issues will be the primary areas of legislative and regulatory focus.

On the air quality front, the administration and regulators finalized (in 2023) CA's [Advanced Clean Fleets \(ACF\) Rule](#) requiring 50% of new medium- and heavy-duty vehicle fleet purchases by public agencies to be zero-emission starting this year, increasing to 100% in 2027.

As a reminder, in 2020, Governor Newsom issued two climate-related Executive Orders to require: 1) by 2035, that all new cars and passenger trucks sold in California are Zero-Emission Vehicles ([N-79-20](#)); and, 2) by 2030, the conservation of 30% of the state's land and coastal waters ([N-82-20](#)). These state efforts could be augmented by federal funding opportunities, including approximately \$1 billion that was included in the IRA for Clean Heavy-Duty Vehicles through the Environmental Protection Agency to provide grants, rebates, and contract support to replace heavy duty vehicles with zero-emission alternatives.

Lastly, Mesa Water will continue to engage with various agencies and associations that the district is affiliated with (e.g., ACWA, AWWA, CalDesal, CMUA, CSDA, CWSA, MWD/OC/MWD, OCWD, OC Tax, SCWC, WaterReuse) to advocate on policy issues including, but not necessarily limited to: 1) upholding local control and ratemaking authority; 2) promoting the "true, full cost of water" concept; 3) supporting desalination; and, 4) protecting the principles contained in Prop. 218 (Articles XIII C and XIII D of California's Constitution). In 2025, Mesa Water advocacy staff and consultants will remain focused on these four policy priorities and on government funding opportunities. Listed below, for the Board's consideration, are the proposed policy platforms regarding anticipated high-priority public policy issues in 2025 that could have major consequences for Mesa Water:

- **Water Rates** – Mesa Water supports local rate-setting authority with rate structures, set by publicly-elected boards and councils, that best serve customers and comply with the law. Furthermore, Mesa Water supports cost-based water rates that:
  - represent the true, full cost of water services, including operational costs and infrastructure funding to ensure water system sustainability in perpetuity; and,
  - harmonize the concepts of conservation and legality, with rates that provide a strong price signal for ratepayers to conserve while also complying with legal mandates (e.g., Article X of the California Constitution; SB 606 and AB 1668; and, Propositions 13, 26, and 218).
- **Proposition 13** – Mesa Water supports Article XIII A of the California Constitution (Prop. 13) and the taxpayer protections it provides as passed in 1978, and Mesa Water opposes a "Split Roll" that would remove some of the protections of Prop. 13 from nonresidential properties to raise taxes on them.
- **Proposition 218** – Mesa Water supports Article XIII C and D of the California Constitution regarding government service assessments, fees, rates and taxes, specifically:
  - the "2/3 vote" required from the legislature and voters for approval of new levies;

- the “special benefit and proportionality requirements” provision, which directly connects the special benefits received with reasonable proportionate costs, and ensures that assessments imposed for property-related (water) services must not exceed the proportional cost of the services attributable to the parcel; and,
  - transparent rate-setting procedures that protect consumers from potential government overcharge by providing sufficient opportunities for consumer participation and the ability for consumers to protest illegal rates.
- **Water Rate Assistance Programs** – Mesa Water supports localized “lifeline rates” or federal/state-funded LIRA programs that comply with Prop. 218 of the California Constitution and are funded either voluntarily or via non-restricted/non-water-rates revenues. Mesa Water opposes a state tax on local water customer bills.
- **Orange County Groundwater Basin** – Mesa Water opposes any potential streamlined process for adjudicating groundwater basins, including the Orange County groundwater basin, managed by the Orange County Water District (OCWD).
- **Water Bonds Funding (Propositions 1 and 4)** – Mesa Water supports funding from the November 2014 and November 2024 water bonds for projects that provide benefits prioritized by: 1) Mesa Water’s service area, 2) OCWD’s service area, 3) MWDOC’s service area, 4) MWD’s service area, 5) the State Water Contractors, and 6) California as a Lower Basin State user of Colorado River Water.
- **Water Desalination** – Mesa Water supports CalDesal in its desalination advocacy -- including engagement with the state of California’s Ocean Plan Amendment process to enable more favorable permitting conditions for water desalination projects -- as well as the local, regional, and statewide development of cost-effective and environmentally-sensitive brackish groundwater and seawater desalination projects to enhance the availability and reliability of water supply sources, and improve water supply reliability for Orange County, Southern California, statewide, and the West. Mesa Water also supports funding opportunities for these efforts, especially for the district’s Local groundwater Supply Improvement Project (Local SIP).
- **Water Conservation/Water Use Efficiency** – Mesa Water supports accounting for water resource and supply investments -- such as desalination, potable reuse, and water recycling -- as part of implementing the state’s “Making Conservation a California Way of Life” regulation. Mesa Water supports compliance flexibility and local control; maximum credit for drought-resilient supplies, deference to local discretion regarding variances for potable reuse water; and, regulatory water use and water loss target-setting that is based on local administration and enforcement, as specified in the regulation. Mesa Water also supports the continued streamlining of water reporting data as part of the implementation of, and compliance with, the regulations.
- **Water Recycling** – Mesa Water supports OCWD and WaterReuse in its efforts to advance potable reuse investment, and favorable legislation and regulations. Mesa Water supports



the “Beneficiaries Pay” principle for the development and implementation of new recycled water projects including stormwater capture.

- **Water Quality and Economic Feasibility** – Mesa Water supports efforts by the Association of California Water Agencies (ACWA) and other water industry associations/organizations to protect public health by using a full impact analysis that includes the best available scientific data, public input, and cost/benefit analyses to inform the development of reasonable and fiscally-responsible water quality standards legislation and regulations -- for current and future constituents of concern (e.g., microplastics, PFAS) -- which consider technical and economic feasibility of the standards and treatments to ensure clean, safe drinking water. Mesa Water also supports efforts by the Community Water Systems Alliance (CWSA) to require the SWRCB to define a consistent, objective method for determining the “economic feasibility” of a drinking water regulation. Additionally, Mesa Water believes that the inclusion of certain constituents (like PFAS) as designated under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA or “Superfund”) should be subject to public notice and comment under a formal rulemaking process and carefully considered by federal agencies, especially regarding clean-up costs and funding programs to assist such.
- **Water Storage, Banking and Exchange/Transfer Programs** – Mesa Water supports the “Beneficiaries Pay” principle for water storage/banking and exchange/transfer programs if they are market-based, ensure full cost recovery at a minimum, and account for water loss.
- **Affordable Housing** – Mesa Water supports the advocacy efforts of the California Special Districts Association (CSDA) and other industry associations/organizations on policies related to Accessory Dwelling Units (ADUs), CEQA streamlining, development impact fees (e.g., capacity charges, connection fees), metering/sub-metering, surplus property, and other proposed affordable housing solutions provided that they protect water utilities’ ability to provide reliable residential water services that are appropriately priced and right-sized for public health and safety.
- **Local Government** – Mesa Water supports the efforts of CSDA and other industry associations/organizations to ensure local control and representation, efficient and transparent delivery of government services, and appropriate reserve funds levels. Mesa Water also supports CSDA’s sponsored legislation -- related to open meetings and the Brown Act -- allowing remote meeting flexibility, and the annual *Special Districts Week*.
- **Local Agency Formation Commission (LAFCO)** – Mesa Water supports the existing protest thresholds for LAFCO-initiated reorganizations, per the Cortese-Knox-Hertzberg (CKH) Act, and opposes changes that would make it more difficult for citizens to protest a LAFCO-initiated reorganization. Additionally, Mesa Water opposes any changes to the CKH Act that would weaken local control and representation and/or broaden the mission, powers, and scope of LAFCOs without providing any added public benefit.
- **Special Districts Voting Methods** – Mesa Water supports exempting special districts

from Cumulative Voting and Ranked Choice Voting methods and opposes attempts to make these methods an option or a mandate for special districts elections.

- **Delta Solutions** – Mesa Water supports the efforts of ACWA, Municipal Water District of Orange County (MWDOC), Metropolitan Water District of Southern California (MWD), and Southern California Water Coalition (SCWC) to achieve a long-term solution for the Bay Delta that includes functional flows per the “Healthy Rivers and Landscapes” proposal for optimal statewide water supply reliability, sustainability, and quality, and for Delta ecosystem health and restoration for the public benefit. Mesa Water supports the “Beneficiaries Pay” principle for funding the Delta Solution (now called the “Delta Conveyance Project”).
- **California Headwaters and Forest Management** – Mesa Water supports the efforts of ACWA and other water industry coalitions to promote policies that enhance the pace and scale of California headwaters protection, forest management, and wildfires prevention -- including improved planning, coordination, and implementation -- and increase funding, research, and resources to: 1) protect water supply and quality, 2) bring forest management practices in line with modern challenges, and 3) implement pre-hazard mitigation measures.
- **Climate Adaptation/Resilience Bond (Prop. 4) Implementation** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations in engaging with California policymakers to ensure appropriate prioritization of the \$10 billion in added funding from Prop. 4 for water infrastructure projects, such as: brackish water desalination and salinity management projects, groundwater projects, water recycling/reuse projects, and water quality and supply projects.
- **Essential Public Utilities** – Mesa Water supports the concept of exempting Essential Public Utilities -- such as water and wastewater service providers -- from future legislation, administrative actions, and regulations that add costs or time delays to a utility's work by mandating new, unfunded operational practices.
- **Federal Drought Legislation and Water Infrastructure Funding** – Mesa Water supports the efforts of ACWA, the National Special Districts Association (NSDA), and other water industry associations/organizations in collaborating with the California Congressional delegation and other decision-makers to develop bicameral, bipartisan federal drought legislation and investments in California's water infrastructure. Mesa Water also supports NSDA's efforts to define special districts in Federal law.
- **Cannabis Growers' Negative Water Impacts** – Mesa Water supports legislation and/or regulations that penalize cannabis growers' water theft and/or actions that harm water supplies, sources, and the environment.
- **ACWA's Federal Water Policy Priorities** – Mesa Water supports ACWA's Federal water policy priorities related to: 1) water infrastructure funding, 2) West-Wide Drought Legislation, 3) tax exemptions for water conservation rebates, and 4) regulations related to: a) CECs and PFAS, b) Lead Copper Rule Revisions/Improvements (LCRR/LCRI), c) public

water systems' cybersecurity (and funding for such), and d) potential PVC pipe rulemakings under the Toxic Substances Control Act (TSCA).

- **CMUA's State Water Policy Priorities** – Mesa Water supports CMUA's state water policy priorities related to advocating for: 1) permissive LIRA programs that comply with Prop. 218 and that can be effectively implemented and efficiently administrated, 2) stronger penalties for tampering with/theft of water infrastructure and to deter water theft, and 3) Statewide Water Solutions legislation -- in partnership with the California Water for All coalition -- to create long-term targets for increasing water supplies for beneficial use throughout California, along with an implementable plan to achieve such targets.
- **Electric Grid Reliability** – Mesa Water supports: 1) energy investments, legislation, and/or regulations that enhance the reliability and/or security of the electrical grid to provide a stable and consistent source of electricity for water operations, 2) variances that allow fossil fuel generator maintenance, testing, and use for water operations during emergencies and/or electric power disruptions, and 3) incentives to offset the costs of water industry compliance with renewable energy and zero-emission vehicle mandates. Mesa Water also supports CSDA's and its coalition's proposal for ACF compliance relief, and exemptions/variances for emergency operations, for California's public utilities.
- **MWD's Regional Reliability Focus** – Mesa Water supports collaborating with MWD and its member/sub-member agencies to advance regional water supply reliability throughout Southern California, including MWD's Climate Adaptation Master Plan for Water (CAMP4W) process -- particularly in support of the CAMP4W goals of water reliability, resiliency, affordability, and sustainability -- and MWD's efforts to ensure that the Colorado River system remains a reliable water supply resource for Southern California.
- **OCWD's PFAS Cleanup** – Mesa Water supports OCWD's efforts to ensure that public water systems are not responsible for current/future PFAS cleanup costs by: 1) securing PFAS cleanup funding, 2) protecting public water systems that comply with applicable/appropriate management and treatment standards from liability under CERCLA, and 3) upholding the "polluter pays" principle in CERCLA.
- **Water Projects Permitting** – Mesa Water supports CEQA streamlining to expedite the permitting process for water infrastructure projects.
- **Water Rights** – Mesa Water supports the water industry's interest in: 1) protecting the existing water rights priority system, and 2) potentially "modernizing" the administration of existing water rights priority system in collaboration with water associations and water industry coalitions.
- **Third Party Liability Protection** – Mesa Water supports the CWSA coalition's proposal to protect public water agencies from third party litigation while the water agency is working diligently to implement a federal- or state-approved plan to comply with a water quality regulation (such as Chromium-6). Also, for regulations undergoing compliance clarification, Mesa Water supports enforcement delays or exemptions.

# Delta Conveyance Project

Modernizing California's Water Infrastructure | 2024



## Fast Facts

### WATER SUPPLY RELIABILITY

The Delta Conveyance Project protects against future water supply losses caused by climate driven weather extremes, sea level rise and earthquakes. It will help the State Water Project (SWP) safely capture, move and store water from big, but infrequent, storm events.



Climate change means more rain in the winter and more runoff and river flows than before.



According to the United States Geological Survey there is a **72% chance of a 6.7 or greater magnitude earthquake** occurring in the Bay Area by 2043 that could cause levees in the Delta to fail, crippling the state's ability to deliver clean water.



Significant sea level rise predicted by **2100**.



Sierra snowpack, the state's largest source of surface water, will be reduced by **65%** on average by century's end.

### MISSED OPPORTUNITY

If the Delta Conveyance Project was operational during the big winter storms of winter 2021-2022, January 1 through June 13, 2024, a significant amount of water could have been captured and moved.

Winter 2021-2022	January 2023	Jan 1-June 13, 2024
------------------	--------------	---------------------

**Amount of water that could have been captured:**

**236,000**  
acre-feet

**228,000**  
acre-feet

**941,000**  
acre-feet

**That's enough water to supply:**

Over **2.5 million**  
people for one year

Over **2.3 million**  
people for one year

Over **9.8 million**  
people for one year

or

Nearly  
**850,000**  
households for one year

Nearly  
**800,000**  
households for one year

Nearly  
**3.3 million**  
households for one year

**Percent of the total volume of water exported by the SWP per year**

**45%**  
water year 2021

**40%**  
water year 2022

**95%**  
2024 exports

### MODERNIZED WATER INFRASTRUCTURE

Use of design and engineering innovations have resulted in a project that is responsive to community needs and lessens environmental effects to the extent feasible.



**1 below-ground tunnel**  
for approximately  
45 miles

**100-130 feet**  
approximate depth  
range of tunnel

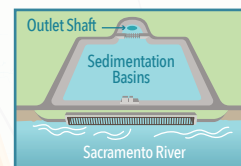
**Earthquake resilient**  
due to significantly less  
ground motion than at  
the surface during a  
seismic event

**36 feet**  
tunnel diameter  
(inside)

**18 inches** thickness  
of tunnel segments

#### 2 new intakes

in the North Delta with  
a total capacity of 6,000  
cubic feet per second (cfs)



**T-shaped fish screens**, with  
cleaning apparatus below  
surface 1,500 feet long

#### Pumping plant

connects the tunnel directly to  
the existing Bethany Reservoir  
on the California Aqueduct



Clifton Court Forebay

Bethany Reservoir

Bethany Complex

California Aqueduct

Tracy

STOCKTON



Facilities designed to withstand **200 year flood event**  
on top of **10.2 feet of sea level rise**



Project construction will create over  
**5,000 good-paying jobs** at the peak





# Delta Conveyance Project

Modernizing California's Water Infrastructure | 2024



## IMPORTANT WATER SUPPLY

The [State Water Project](#) is an important water supply for California that can't be replaced.



### 27 MILLION PEOPLE

receive clean, safe and affordable water from the SWP, including nearly 7 million disadvantaged community members



### 750,000 ACRES OF FARMLAND

are irrigated with SWP water



Water supplied by the SWP sustains the world's **FIFTH LARGEST ECONOMY**



**2/3** of California's water originates in the **SIERRA NEVADA MOUNTAINS**



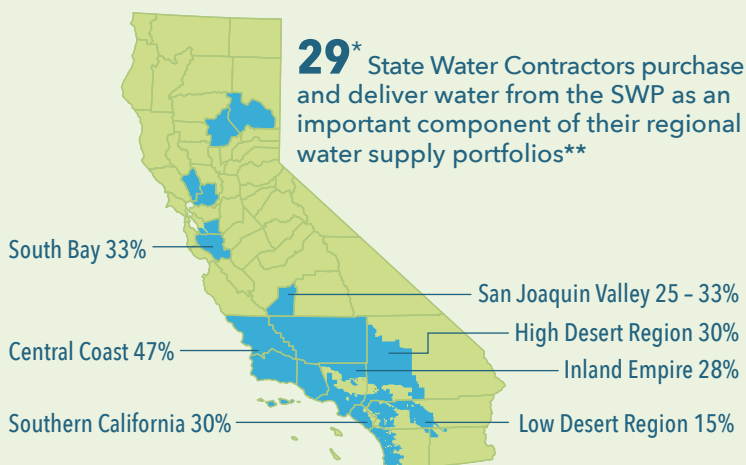
**50%** of California's water supply flows through the Delta and is delivered to **3 OUT OF 5 CALIFORNIANS**



**\$400** billion in contributions to California's economy by SWP water



**Important foundation** for local water supply projects, including groundwater recharge, recycling, storage and others



**29\*** State Water Contractors purchase and deliver water from the SWP as an important component of their regional water supply portfolios\*\*

\*Of the 29 State Water Contractors, 18 are currently participating in the Delta Conveyance Project  
\*\*Percentages represent regional water supplies dependent on reliable Delta infrastructure

## EXTENSIVE PUBLIC INPUT



### Environmental Review

**142-day** comment period, where **729 letters** and other communications totaling **7,300 individual comments** were received



### Community Benefits Program

Acknowledge and address the reality that project impacts are local to the Delta, but direct project benefits accrue to other parts of the state

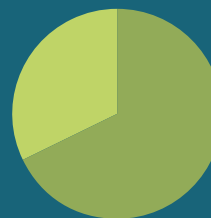


### Community Engagement

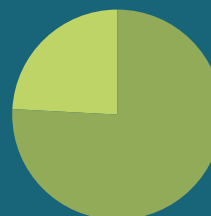
Engaged with Delta communities to hear their ideas and concerns through a **Stakeholder Engagement Committee** comprised of Delta residents, business owners and other stakeholders, and an [Environmental Justice community survey](#)

## SUPPORT FOR MODERNIZING WATER INFRASTRUCTURE

The public is highly concerned about the condition of state and local water infrastructure and a [recent poll](#) shows voters strongly support increased funding for water-related infrastructure and are extremely supportive of building a new tunnel.



**68%** of California voters rate the "condition of state and local water supply infrastructure like reservoirs, dams, canals, sewers and storm drains" as an extremely or very serious problem



**76%** of voters support building a new tunnel underneath the Sacramento-San Joaquin Delta to upgrade California's primary water delivery infrastructure



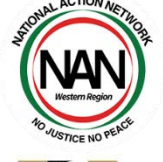
**NAACP**  
California Hawaii  
STATE CONFERENCE



**CalChamber**



**ACEC**  
California



**Rebuild SoCal**  
Partnership

Association of California Cities  
Orange County

**LOS ANGELES AREA**  
CHAMBER OF COMMERCE



**SV LG**  
SILICON VALLEY  
LEADERSHIP GROUP



**Biz Fed**  
Los Angeles  
County  
Business  
Federation  
Strengthening the Voice of Business Since 2008

**CICWQ**  
Construction Industry  
Coalition on Water Quality



**The Chamber**  
Long Beach Area Chamber of Commerce



**InlandAction**

**SCLC** SOUTHERN CALIFORNIA  
LEADERSHIP COUNCIL



**CHAMBERS of COMMERCE**  
SOUTH HAV ASSOCIATION OF  
SOUTHERN CALIFORNIA

**SCCA**  
SOUTHERN CALIFORNIA  
CONTRACTORS  
ASSOCIATION

**ORANGE COUNTY**  
BUSINESS COUNCIL

**Valley Water**  
Clean Water • Healthy Watersheds • Flood Protection



**West Ventura County**  
Business Alliance



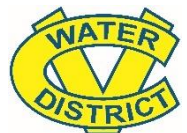
A REGIONAL WATER AGENCY  
SINCE 1954



**SAN GABRIEL VALLEY**  
MUNICIPAL  
WATER DISTRICT  
AZUSA • SIERRA MADRE • MONTEREY PARK • ALHAMBRA



**3V**  
THREE VALLEYS  
MUNICIPAL WATER DISTRICT



May 23, 2025

Governor Gavin Newsom  
1021 O Street, Suite 9000  
Sacramento, CA 95814

Senate President Pro Tempore Mike  
McGuire  
1021 O St., Suite 8518  
Sacramento, CA 95814

Speaker of the Assembly Robert  
Rivas  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0029

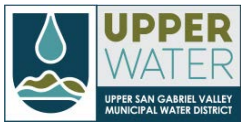


**RE: Support for Delta Conveyance Project Streamlining Trailer Bill**

Dear Governor Newsom, Pro Tem McGuire, and Speaker Rivas,

On behalf of a broad coalition of labor, business, infrastructure, social justice and nonprofit organizations, we would like to express our strong support for the budget trailer bill that is





intended to streamline processes for advancing the Delta Conveyance Project (DCP) to a point where informed decisions can be made regarding construction investment.

This budget trailer bill is NOT about circumventing public engagement and review – this budget trailer bill is all about breaking through redundant, archaic processes that have resulted in endless delays, duplicative reviews, and millions upon millions of dollars of additive costs, while impeding the State’s ability to complete the DCP and other critical, needed infrastructure projects.

The DCP is a critical component of California’s plans to fortify the State Water Project (SWP) in preparation for the impacts of extreme weather and climate change. The SWP delivers water to more than 27 million Californians and 750,000 acres of farmland and is the engine that powers California’s economic success. However, this system is vulnerable to extreme weather and unpredictable precipitation patterns and, as a result, our state’s main water supply is at serious risk.

According to the Department of Water Resources’ SWP Delivery Capability Report, the SWP is expected to lose up to 23% of its supply in the next 20 years due to changing flow patterns and extreme weather shifts. It is critical that we act *NOW* by advancing the DCP to prepare California’s water infrastructure to protect the long-term reliability and affordability of water for the millions of Californian homes and businesses that rely upon the SWP.

The 2024 Benefit/Cost Analysis of the Delta Conveyance Project found that water conveyed through the SWP is the most affordable source of water compared to alternatives like desalination or recycling. These alternative sources are necessary, but the volume of water delivered by the SWP cannot be replaced.

For decades, the DCP has been stalled by frivolous lawsuits and duplicative reviews. These are the universal problems facing major infrastructure throughout California, and foundational to why it is so difficult to do big things in our state and bring major infrastructure to completion.

The budget trailer bill proposal restores balance to this process – ensuring legitimate concerns are addressed, while removing tools for obstruction and delay. Every year of delay in construction of the DCP costs California’s water ratepayers – including nearly 8 million people living in disadvantaged communities – approximately \$600 million. The budget trailer bill proposal reduces bureaucratic red tape, which translates into real savings for Californians and for the State budget.

The proposed trailer bill smooths administrative processes to help move the Delta Conveyance Project in a way that balances environmental protections while improving the efficiency of the review and approval process.

It needs to be said, that this DCP *“is not your grandparent’s water conveyance project.”* The DCP has been redesigned to be smaller, more environmentally responsive, and less intrusive to Delta communities. At the same time, the DCP will generate thousands of good-paying





union construction jobs and stimulate local economies, especially in areas hardest hit by economic downturns and drought-related agricultural cutbacks.

For these reasons, **our coalition urges you to support the DCP trailer bill**. We appreciate your consideration and look forward to working with you to advance this important legislation.



Sincerely,  
Deven Upadhyay, General Manager  
**The Metropolitan Water District of  
Southern California**

Rick Callender, President  
**NAACP California Hawaii State Conference**



Joe Cruz, Executive Director  
**California State Council of Laborers**

Kristopher Anderson, Policy Advocate,  
Water, Agriculture and Resources  
**California Chamber of Commerce**



Matthew Cremins, Legislative Consultant  
**CA/NV Conference of Operating  
Engineers**

Michael Quigley, Executive Director  
**California Alliance for Jobs**



Tyler Munzing, Director of Government  
Affairs  
**American Council of Engineering  
Companies – California**

Ernesto Medrano, Executive Secretary  
**LA/OC Building & Construction Trade  
Council**



Peter Tateishi, Chief Executive Officer  
**Associated General Contractors of  
California**

Robert Saucedo, Chairman  
**Groundswell for Water Justice**



Kris Murray, Executive Director  
**Association of California Cities – Orange  
County**

Thomas D. McCarthy, General Manager  
**Kern County Water Agency**



Adrian Covert, Senior Vice President of  
Public Policy  
**Bay Area Council**

Valerie Pryor, General Manager  
**Zone 7 Water Agency**



Jeff Montejano, Chief Executive Officer  
**Building Industry Association of  
Southern California**

Aaron Baker, P.E., Chief Operating Officer –  
Water Utility  
**Santa Clara Valley Water District**



Tracy Hernandez, Founding CEO  
**Los Angeles County Business Federation  
(LA BizFed)**

Richard Lambros, Managing Director  
**Southern California Leadership Council**

Charley Wilson, Executive Director  
**Southern California Water Coalition**



Dan Dunmoyer, President & CEO  
**California Building Industry Association**

Jon Switalski, Executive Director  
**Rebuild SoCal Partnership**

Dave Sorem, President  
**Secure Water Alliance**



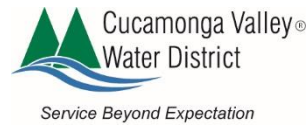
Rev. Jonathan Mosely, Director  
**National Action Network – Western  
Region**

Ahmad Thomas, CEO  
**Silicon Valley Leadership Group**

Nella McOsker, President  
**Central City Association of Los Angeles**

Stuart Waldman, President  
**Valley Industry & Commerce Association**





Mayor Sharona R Nazarian, PsyD.  
**City of Beverly Hills**

Matthew Stone, General Manager  
**Santa Clarita Valley Water Agency**

Amanda Walsh, VP of Government Affairs  
**Orange County Business Council**

Paul Granillo, President & CEO  
**Inland Empire Economic Partnership**



Mike Lewis, Senior Vice President  
**Construction Industry Coalition on Water Quality (CICWQ)**

Carlos A. Singer, SVP & Chief Policy Officer  
**Los Angeles Area Chamber of Commerce**



Joe Mouwad, P.E., General Manager  
**Eastern Municipal Water District**

Julie B. Michaels, Executive Director  
**Inland Action**

Monica Garcia-Diaz, Chair  
**South Bay Association of Chambers of Commerce**

Shivaji Deshmukh, P.E., General Manager  
**Inland Empire Utilities Agencies**



Chisom Obeolu, Assistant General Manager -- Water  
**Glendale Water and Power**

Luis Portillo, President & CEO  
**San Gabriel Valley Economic Partnership**



Joe Cina, President & CEO  
**Glendora Chamber of Commerce**

Charlie Nobles, Executive Director  
**Southern California Contractors Association**



Danielle Borja, President & CEO  
**Greater Conejo Valley Chamber of Commerce**

Gus Flores, Director of Government Affairs  
**United Contractors**

Peggi Hazlett, President & CEO  
**Greater Ontario Business Council**

**Long Beach Area Chamber of Commerce**



Zeb Welborn, President & CEO  
**Chino Valley Chamber of Commerce**

Kristine McCaffrey, General Manager  
**Calleguas Water District**

Bobby Spiegel, President & CEO  
**Corona Chamber of Commerce**

David Pedersen, General Manager  
**Las Virgenes Municipal Water District**



Erin Sasse, Chair  
**Southwest California Legislative Council**

Henry Rogers, Executive Director  
**Harbor Association of Industry and Commerce**



Nina Jazmadarian, General Manager  
**Foothill Municipal Water District**

Joanne McClasky, Executive Director  
**Industry Business Council**

Claudette J. Baldemor, President & CEO  
**Garden Grove Chamber of Commerce**

Jennifer Spindler, General Manager  
**Crestline-Lake Arrowhead Water Agency**

Paul A. Cook, General Manager  
**Irvine Ranch Water District**

Matthew Hargrove, President & CEO  
**California Business Properties Association**

Harvey De La Torre, General Manager  
**Municipal Water District of Orange County**

Adam Eventov, President  
**Murietta Temecula Group**

John Kennedy, General Manager  
**Orange County Water District**

Eileen Hupp, President & CEO  
**Palos Verdes Peninsula Chamber of Commerce**

Jason Martin, General Manager  
**Rancho California Water District**

Mara Santos, President & CEO  
**Redondo Beach Chamber of Commerce**

Marisa Creter, Executive Director  
**San Gabriel Valley Council of Governments**

Robb Grantham, General Manager  
**Santa Margarita Water District**

Dennis Cafferty, General Manager  
**El Toro Water District**

Mandip Samra, General Manager  
**Burbank Water and Power**

Pete Martinez, General Manager  
**Channel Islands Beach Community Services District**

Dennis D. LaMoreaux, CEO/General Manager  
**Palmdale Water District**

Darin Kasamoto, General Manager  
**San Gabriel Valley Municipal Water District**

Heather Dyer, General Manager  
**San Bernardino Valley MWD**

Rob Lapsley, President  
**California Business Roundtable**

Lance Eckhart, General Manager  
**San Geronimo Pass Water Agency**

Aldo E. Schindler, City Manager  
**City of Tustin**

Monica Farias, President & CEO  
**Greater West Covina Business Association**

Randall Reed, Board President  
**Cucamonga Valley Water District**

Victoria Hernandez, Executive Director  
**South Orange County Economic Coalition**

Matthew Litchfield, General Manager  
**Three Valleys Municipal Water District**

Donna Duperron, President & CEO  
**Torrance Area Chamber of Commerce**

Paul Schoenberger, General Manager  
**Mesa Water District**

Justin M. Scott-Coe, General Manager  
**Monte Vista Water District**

Amy Valdiva, Chairman of the Board  
**Upland Chamber of Commerce**

Tom Love, General Manager  
**Upper San Gabriel Valley Municipal Water District (Upper Water)**

Louise Lamparra, Executive Director  
**Ventura County Coalition of Labor, Agriculture and Business (CoLAB)**

Alma Quezada, P.G., General Manager  
**Ventura River Water District**

Edward J. Caldwell, General Manager  
**West Basin Municipal Water District**

Jim Barrett, General Manager  
**Coachella Valley Water District**

Steve L. Johnson, P.E., General Manager  
**Desert Water Agency**

Marsha Hansen, President & CEO  
**El Segundo Chamber of Commerce**

John Thiel, General Manager  
**West Valley Water District**

Andy Conli, President & CEO  
**West Ventura County Business Alliance**

Councilman Brian Tisdale, City of Lake  
Elsinore  
Chair, Advocacy Committee  
**Western Riverside Council of  
Governments**

Craig D. Miller, General Manager  
**Western Water District**

Monica Garcia-Diaz, Executive Director  
**Wilmington Chamber of Commerce**

**CC:** Honorable Scott Wiener, Chair, Senate Budget and Fiscal Review Committee  
Honorable Roger Niello, Vice-Chair, Senate Budget and Fiscal Review Committee  
Honorable Benjamin Allen, Chair, Senate Budget Subcommittee 2  
Honorable Jesse Gabriel, Chair, Assembly Budget Committee  
Honorable Heath Flora, Vice-Chair, Assembly Budget Committee  
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee 4  
Honorable Brian Jones, Senate Republican Leader  
Honorable James Gallagher, Assembly Republican Leader  
Members, Senate Budget and Fiscal Review Committee  
Members, Assembly Budget Committee



# Backgrounder: DCP Legislative Package



The Governor's trailer bill seeks to pass common sense clarifications to existing law to ensure the project is able to move past frivolous challenges and delays. It would save the state and public water agencies significant time and cost, and includes:

1. **Removing time-bound considerations for the SWP's water rights permit**, deeming it a perpetual project until deemed no longer necessary by DWR. This will expedite the change in point of diversion proceedings for DCP as the Water Board and DWR will no longer need to debate the scope of DWR's water rights and how it extends to DCP.
2. **Explicitly providing DWR with authority to issue bonds for DCP construction**. These bonds will be issued on behalf of the participating water agencies, not the state. As the manager and operator of the SWP, this is a commonsense measure that ensures DWR has clear authority to issue bonds for construction of the projects it operates.
3. **Limiting court injunctions on DCP construction** to only apply to challenges that demonstrate an imminent threat to public health and safety. This would prevent project opponents from using frivolous legal challenges to halt construction of the project unless there is a true threat to the public.
4. **Clarifies that protests submitted during the change in point of diversion proceedings must meet existing protest standards otherwise they will be dismissed**. Ensures that only substantive protests are considered and saves time by removing protest considerations that are not substantive.
5. **Allows DWR to enter into administrative settlements for land acquisition associated with project construction**. Would allow DWR to settle land value disagreements without needing to advance eminent domain.
6. **Provides DWR full contracting authority for land acquisition**. Would remove duplicative processes between the state Department of General Services and DWR and give DWR full authority to engage in contracts for land acquisition related to SWP facilities.
7. **Allows DWR to issue advanced payments for utility work**. Advanced payments for known needs for electrical utility work would help expedite the project, leading to months of time savings.

This trailer bill is a priority for the Newsom Administration and is an important step in providing Metropolitan and the other public water agencies a tool to streamline the pre-construction process and provide a full view of the long-term cost and benefit considerations to make a final decision on whether to fund full construction.



For Immediate Release

**Contact:** Damon Micalizzi, Director of Public Affairs at (714) 593-5014 or [dmicalizzi@mwdoc.com](mailto:dmicalizzi@mwdoc.com)

**MWD OC SUPPORTS GOVERNOR NEWSOM'S PROPOSAL TO  
STREAMLINE DELTA CONVEYANCE PROJECT APPROVALS**

**Fountain Valley, CA (May 16, 2025)** — The Municipal Water District of Orange County (MWD OC) supports Governor Gavin Newsom's recent proposal to expedite the approval process for the Delta Conveyance Project (DCP). This initiative is a significant step towards enhancing California's water infrastructure and ensuring long-term water reliability for Orange County and the state at large.

The DCP aims to modernize the state's primary water delivery system by constructing a single-tunnel conveyance through the Sacramento-San Joaquin Delta. This long-overdue modernization is crucial for safeguarding the State Water Project (SWP) against threats posed by climate change, seismic activity, and aging infrastructure. Given that Orange County relies on imported water from the SWP to meet approximately a third of its needs, the DCP's advancement is vital for the region's water security.

Governor Newsom's proposal includes measures to simplify permitting processes, confirm funding authorities, and streamline judicial reviews, thereby reducing unnecessary delays and costs associated with the project. These reforms are expected to facilitate timely progress on the DCP while maintaining environmental protections and saving more than \$365 million for every year of avoided delay.

"MWD OC supports initiatives that enhance the resilience and reliability of our water supply," said Harvey De La Torre, MWD OC General Manager. "The Governor's proposal to streamline the DCP's approval process aligns with our commitment to securing a sustainable water future for Orange County residents."

The DCP is currently in a critical phase of permitting and regulatory approvals. Although the project's final Environmental Impact Report was certified in December of 2023, there remains further necessary environmental permits pending. Among them is the Department of Water Resources' petition to change the points of water diversion in the northern Delta, which is a crucial step for the DCP's implementation.

The Delta Conveyance Project has been modified and reduced in scope to address environmental concerns and community input. The current design is much smaller than the original and rerouted to avoid central Delta communities. We can no longer afford the distraction of endless lawsuits and complex bureaucratic processes that do nothing to protect our state's primary source of affordable water.

MWD OC remains dedicated to collaborating with state and regional partners to advance projects like the DCP that are essential for the long-term reliability of Orange County's water supply.

###

*The Municipal Water District of Orange County (MWD OC) is a wholesale water provider and resource planning agency whose efforts focus on sound planning and appropriate investments in water supply, water use efficiency and conservation, public information and outreach, legislative advocacy, water education for all ages, and emergency preparedness. MWD OC's 27 water agencies, comprised of both city water departments and water districts, provide water service to the public.*



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Andrew D. Wiesner, P.E., District Engineer  
DATE: June 11, 2025  
SUBJECT: Pipeline Integrity Program

---

### RECOMMENDATION

Receive the presentation.

### 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 October 10, 2019 meeting, the Board of Directors (Board) adopted Resolution No. 1525 Regarding the Replacement of Assets including Pipeline and Well Rehabilitation Superseding Resolution No. 1442.

At its March 12, 2025 meeting, the Board approved a sole source contract with Pipeline Inspection and Condition Analysis for \$99,700 and a 10% contingency of \$9,970 for a total contract amount not to exceed \$109,670 to provide non-destructive condition assessment of 4,200 feet of pipeline.

### BACKGROUND

Resolution No. 1525, adopted in October 2019, uses the break history of the pipe cohort group and pipe condition assessment to drive replacement decisions. Pipe cohorts with a higher break rate (breaks per mile per year) or overall number of breaks in the pipe cohort's lifetime will trigger a condition assessment using non-destructive testing to indirectly measure the remaining wall thickness and estimate remaining useful life. Pipe cohorts with lower break rates will be allowed to continue operation.

### DISCUSSION

Since its inception, the Pipeline Integrity Program has focused primarily on AC pipe as it is 75% of the pipeline by length and has reliable technologies for condition assessment. The Pipeline Integrity Program also identified cohort CM-450-D-Metallic or "1951 Cohort" (Cohort) in the "high breaks" category. CM-450-D-Metallic is concrete mortar lined and coated (CMLC) steel pipe, installed in 1951. Table 1 summarizes the performance of the CM-450-D-Metallic cohort over the last 13 years.

**Table 1. Condition Assessment Recommendations**

Cohort Group	Location	Length (Miles)	Number of Breaks	Break Rate (Breaks/Mile/Year)
CM-450-D-Metallic	Between Placentia and Newport and Wilson and 19 <sup>th</sup> Street	5.6	33	0.45

Mesa Water's Pipeline Integrity Program consultant recommends Pipeline Inspection and Condition Analysis (PICA) Corporation's "Hydrasnake" tool for detailed condition assessment of small-diameter CMLC steel pipe, including measurement of the remaining pipeline steel wall thickness. With the information from Hydrasnake, the remaining useful life of the pipeline can be estimated as required by Resolution No. 1525. Unlike the Echologics e-Pulse, the non-destructive condition assessment tool used for AC pipe, Hydrasnake is an inside-the-pipe tool that requires customers to be out of service for the inspection (9:30 am to 3:00 pm). In order to clear the inside of the pipe for precise wall thickness measurements, the Hydrasnake tool is preceded in the pipe by a scouring tool called a "pig". The pipeline pigging will dislodge any debris inside the pipe, and flushing of the pipeline will be required to clear the debris before returning customers to service. Once flushing is complete and the water is clear, water quality samples will be collected and analyzed at a certified lab to ensure that the pigging and inspection process did not cause contamination.

The Engineering and Water Operations departments have been working closely to prepare for the condition assessment, planned for June 16-17, 2025. In parallel, Engineering staff have been coordinating with the Public Affairs department and Mesa Water's construction outreach consultant to ensure customers are informed in advance of the upcoming work. Outreach efforts will include door-to-door canvassing and distributing informational flyers to all affected customers in the weeks ahead of the temporary water service interruption.

#### FINANCIAL IMPACT

In Fiscal Year 2025, \$200,000 is budgeted for the Pipeline Integrity Program; \$17,546.50 has been spent to date.

#### ATTACHMENTS

None.





*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Kirk Harper, CPA, Interim Chief Financial Officer  
DATE: June 11, 2025  
SUBJECT: Proposed Fiscal Year 2026 Budget

---

### RECOMMENDATION

Discuss the proposed Fiscal Year 2026 Budget and choose:

Option 1: Approve the proposed Fiscal Year 2026 Budget, or

Option 2: Direct staff to modify the proposed Fiscal Year 2026 Budget as requested by the Board of Directors.

### 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.

### DISCUSSION

Staff is pleased to present the proposed Fiscal Year (FY) 2026 Budget which provides the necessary resources, services, capital funding and staffing to supply water services to Mesa Water District's (Mesa Water®) customers. In addition, the proposed budget includes the 2023 adopted water rates, effective January 2026.

The proposed FY 2026 budget is based on Operating Revenues of \$60.3MM. The proposed budget also includes Operating Expenses of \$41.1MM, which reflects a 7.4% increase over the prior year's budget. Debt service is \$6.9MM in FY 2026, which includes the 2017 and 2020 Certificates of Participation (COPs) payment.

The proposed FY 2026 budget continues the Board of Directors' (Board) long-standing goal of maintaining a AAA rating; the proposed budget exceeds the Days' Cash Ratio goal of 112 days, set by the 5-year rate study analysis. The Year-End FY 2026 budgeted Cash on Hand is \$12.7MM and the Days' Cash Ratio is 113 days.

In FY 2021, Mesa Water successfully completed the issuance of a \$70MM COPs to fund the Capital Improvement Program Renewal (CIPR). Mesa Water continues to invest in necessary capital infrastructure and expense projects that provide long-term efficiency and productivity gains.



Mesa Water continues to be one of the most efficient water agencies in Orange County and is 100% local and reliable, not taking any import water to service its customers. In addition, Mesa Water continues its extensive community outreach programs.

The debt coverage at the end of FY 2026 is forecasted to be 292%, which exceeds the current Board target of 150%.

The water costs are noted in the table below:

		Per Acre Foot			
Year		Replenishment Assessment	Recycled Water	Imported Variable Cost	LRP Grant
2021	Actual	487	905	1,078/1,104	157
2022	Actual	507	905	1,104/1,143	160
2023	Actual	558	932	1,143/1,209	163
2024	Actual	624	960	1,209/1,256	166
2025	Actual	689	989	1,256/1,395	169
2026	Budgeted	711	1019	1,395/1,528	0

Budgeted cash outflows include \$13.4MM in FY 2026 capital expenditures compared to \$22.3MM in the FY 2025 Budget, and \$6.9MM in FY 2026 debt service compared to \$6.9MM in the FY 2025 budget.

Considering Mesa Water's commitment to the orderly replacement of capital assets, staff will focus on developing, replacing and upgrading necessary water infrastructure. The proposed budget includes \$9.2MM for the Reservoirs 1 and 2 pump station upgrades project, \$1.3MM for Software Application upgrades, and \$1.1MM for Operations planned capital.

In FY 2026, staffing levels are projected to increase to 61 Full-Time Equivalents (FTEs) (plus two Limited-Term positions - one position to support plan checks and the other to support water distribution) from the 56 FTEs budgeted in FY 2025.

#### FINANCIAL IMPACT

The FY 2026 Budget funds the Board's objectives and supports the Board's goals set out in Mesa Water's Strategic Plan.

#### ATTACHMENTS

- Attachment A: Proposed Fiscal Year 2026 Budget
- Attachment B: District Memberships
- Attachment C: Board Conferences and Seminars
- Attachment D: Community Outreach



**MesaWater**  
DISTRICT®

# **OPERATING BUDGET**

**FISCAL YEAR 2026**

**Mesa Water District | Costa Mesa, California**

**MesaWater.org**

*Dedicated to Satisfying Our Community's Water Needs*



# PROPOSED BUDGET FISCAL YEAR 2026

*Dedicated to Satisfying our Community's Water Needs*

1965 Placentia Avenue, Costa Mesa, CA 92627  
MesaWater.org 💧 949.631.1200



## MESA WATER'S VISION:

*To be a top performing public water agency*



## MESA WATER'S MISSION:

*Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.*



## Mesa Water's Seven Strategic Goals:

Provide an abundant, local, reliable and safe water supply.	Perpetually renew and improve our infrastructure.	Be financially responsible and transparent.	Increase favorable opinion of Mesa Water.
Attract, develop and retain skilled employees.	Provide excellent customer service.	Actively participate in regional and statewide water issues.	



## BOARD OF DIRECTORS

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President, Division III

**Shawn Dewane**

Vice President, Division V

**Jim Atkinson**

Director, Division IV

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

Director, Division I

**James R. Fisler**

Director, Division II

June 11, 2025

On behalf of the Mesa Water District (Mesa Water®) Board of Directors, I am pleased to present the approved budget for Fiscal Year (FY) 2026.

Mesa Water operates with a perpetual agency philosophy that requires a scheduled, systematic review of its long-range financial plan and goals. As such, Mesa Water's Strategic Plan includes the goal of being financially responsible and transparent, while providing its customers with an abundant, local, reliable and safe water supply. The District also continually invests in and maintains its infrastructure, which pumps, treats and delivers nearly five billion gallons of drinking water each year to residential and business customers.

In FY 2026, Mesa Water anticipates operating revenues of \$60.3MM, with \$40.8MM in operating expenses. Planned capital expenditures total \$13.8MM and financial obligations for the payment of principal and interest on debt are \$6.9MM.

Mesa Water is currently undertaking \$70MM in essential water system upgrades, including improvements to its wells, reservoirs and pipelines - as part of its Capital Improvement Program Renewal (CIPR), funded through Certificates of Participation. FY 2026 marks the sixth year of this program, which supports the District's key objective of providing an abundant, local, reliable and safe water supply to ratepayers at an affordable price.

Local groundwater is Mesa Water's most valuable source of water, due to its high quality and lower cost compared to water imported from the Colorado River and Northern California. The Mesa Water Reliability Facility (MWRF) fulfills the District's long-standing goal of serving 100 percent local, reliable supplies to its customers. In FY 2026, the MWRF is expected to supply 2,352 acre-feet of water, or 15 percent of the District's potable water service. Local groundwater supplies, when compared with imported water, have lower energy costs and a reduced carbon footprint.

In FY 2026, the District will incur some fixed costs for imported water, which serves as Mesa Water's emergency backup supply. Furthermore, Orange County Water District (OCWD), the agency that manages the Orange County groundwater basin, is increasing the basin replenishment cost by \$22 per acre foot, or 3.1 percent. It is anticipated that OCWD's rates will continue to increase annually over the next several years.

In FY 2026, Mesa Water will continue its focus on essential services and capital and technology improvements that will provide efficiency and productivity gains. The capital improvements will focus on reservoir and pump station upgrades.

**Providing an abundance of local, reliable, clean, safe water.**

1965 Placentia Avenue Costa Mesa, CA 92627

**MesaWater.org**



In December 2023, Mesa Water conducted a public hearing and notification process to adopt a five-year rate adjustment. The second and third years of that rate and fee structure are scheduled to take effect in FY 2026, ensuring that Mesa Water continues to provide high-quality water for its customers, carries out orderly capital infrastructure replacement, and continually improves its technological and operational efficiency.

Budget decisions are based on detailed analysis of the District's management, technology and operational practices. Mesa Water periodically benchmarks its performance compared to other agencies to ensure that customers receive full value for the rates charged, and Mesa Water remains one of the most efficient water agencies in Orange County. More information about Mesa Water and its finances, strategic objectives and goals can be found at [MesaWater.org](https://MesaWater.org).

I consider it a privilege to serve on the Mesa Water Board of Directors to advocate for water, our most precious asset, which is key to our quality of life and the economic development of our vibrant community. We look forward to continuing to provide 100% local, reliable, clean, safe water now and for generations to come.

Sincerely,

Marice H. DePasquale  
Mesa Water District  
President, Board of Directors

**Providing an abundance of local, reliable, clean, safe water.**

1965 Placentia Avenue Costa Mesa, CA 92627

[MesaWater.org](https://MesaWater.org)



Mesa Water District  
**Fiscal Year 2026 Budget**

Date: June 11, 2025

To: Mesa Water District Board of Directors

**FISCAL YEAR 2026 BUDGET MESSAGE**

I am pleased to present the Fiscal Year (FY) 2026 budget for Mesa Water District (Mesa Water®), beginning July 1, 2025 and ending June 30, 2026.

I would like to express my appreciation to the members of the Board of Directors (Board) for your confidence in Mesa Water's management team as well as your review, advice, suggestions and policy direction during the budgeting process. This document reflects the time you spent considering and analyzing the District's financial well-being and role in this community. I would also like to thank staff for their contributions and participation in the development of the FY 2026 budget.

Our mission statement is "Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life." Mesa Water's strategic plan fulfills the District's mission through seven equal and important strategic goals. Mesa Water provides safe, high-quality water that meets or surpasses all Federal and State drinking water standards. The enhanced Mesa Water Reliability Facility (MWRF) allows the District to provide a 100 percent local and reliable, high-quality and cost-effective water supply for our service area for decades to come.

**Organizational Priorities**

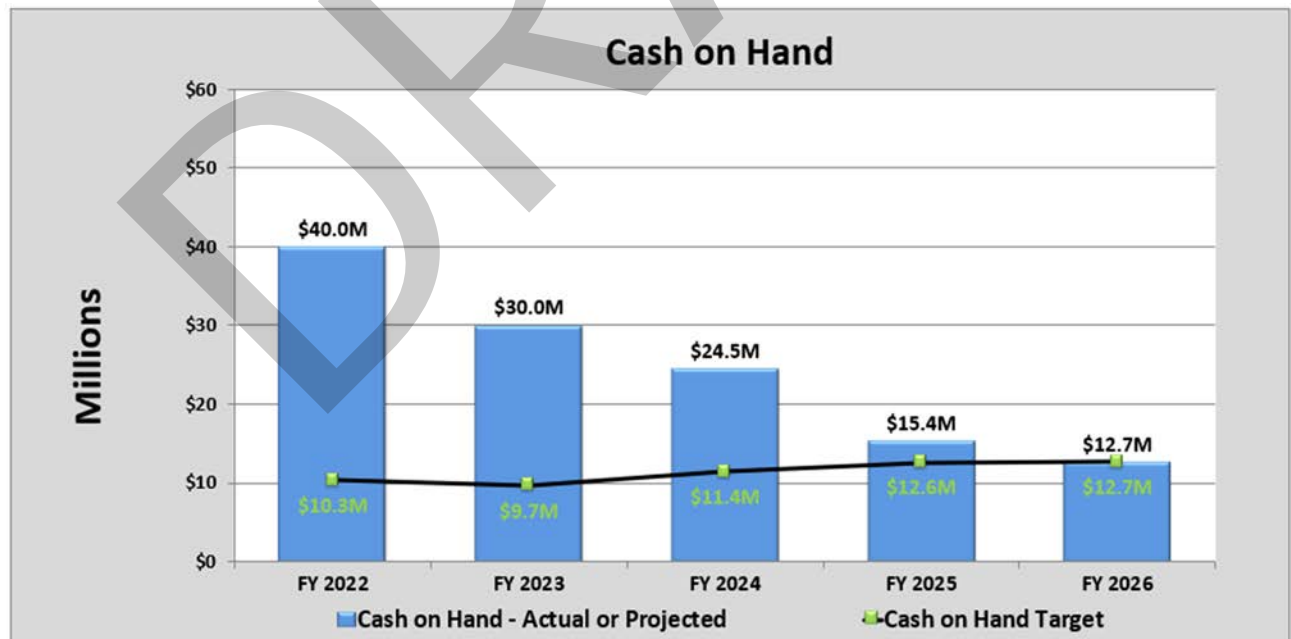
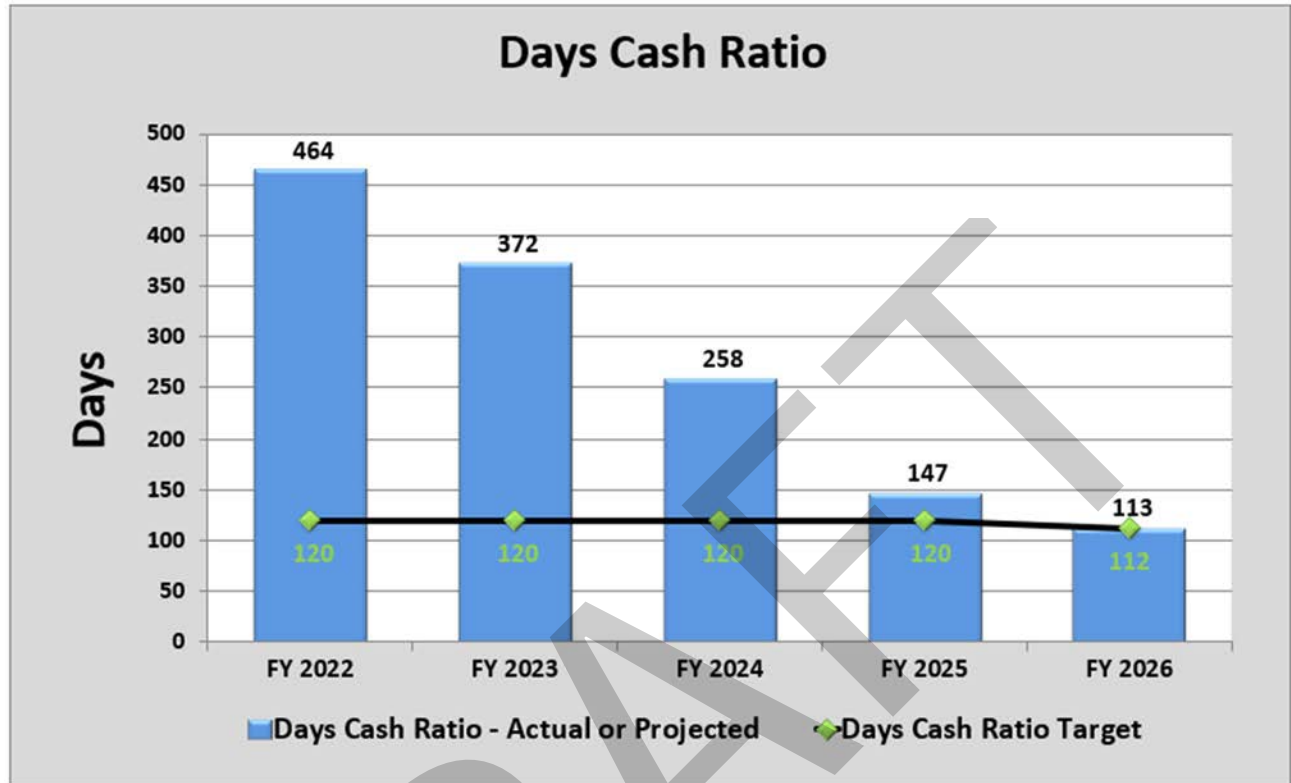
In 2023, Mesa Water's Board reaffirmed the long-range financial plan and adopted multi-year rate increases from Calendar Year 2024 through 2028. In addition, the Board continued its credit worthiness goal as defined by Fitch, Standard & Poor's and other credible rating agencies. The goal is to continue to maintain Mesa Water's strong AAA credit rating. The Board continues to further measure the District's credit-worthiness at the end of each fiscal year by using the Days Cash Ratio, Cash on Hand, and debt coverage metrics. The Days Cash Ratio is defined as total cash available divided by Operating Expenses per days and is a measurement of an agency's ability to meet known and unanticipated expenses. The Days Cash Ratio goal for FY 2026 is 112 days and the Cash on Hand goal is \$12.7 MM.

With Mesa Water's last debt issuance in June 2020, the Fitch agency issued a AAA credit rating. For this same debt issuance, Standard & Poor's also issued a AAA rating. Subsequently, in the spring of 2024, Fitch reaffirmed AAA the rating for the 2017 and 2020 debt issuance. Mesa Water is continuing to work on maintaining a strong AAA credit rating from all rating agencies.

The FY 2026 budget meets both the Days Cash Ratio goal of 112 days and Cash on Hand goal of \$12.7 MM, with a budgeted Days Cash Ratio of 113 days and a budgeted Cash on Hand amount of \$12.7 MM.

Fitch reviews many factors to qualify for their highest rating, one of which is debt service coverage. Fitch awards its highest score for a coverage of 2.0 or greater, while S&P awards its highest score at 1.6 or above. Mesa Water's calculated debt service coverage per the FY 2026 budget is 2.92.

Mesa Water District  
Fiscal Year 2026 Budget



Mesa Water District  
**Fiscal Year 2026 Budget**

**Mesa Water's Strategic Plan**

The following seven goals are reflected in the FY 2026 budget:

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

**Revenues**

Mesa Water has budgeted 15,678 acre feet of potable water production and 870 acre feet of recycled water (total of 16,548 acre feet) for FY 2026, compared to 15,998 acre feet of potable water production and 1,087 acre feet of recycled water (total of 17,085 acre feet) budgeted for FY 2025.

Changes by major category of Operating Revenues are summarized below:

	FY 2025 Budget	FY 2026 Budget
<b>Operating Revenues:</b>		
Water Consumption Sales	\$37,173,231	\$39,650,317
Monthly Meter Service Charge	8,075,826	9,179,511
Capital Charge	7,965,684	9,484,778
Recycled Water Sales	1,721,369	1,585,822
Concessions from Gov. Agencies	-	-
Other Charges and Services	400,000	400,000
<b>TOTAL OPERATING REVENUES</b>	<b>\$55,336,110</b>	<b>\$60,300,428</b>

Mesa Water District  
**Fiscal Year 2026 Budget**

Mesa Water's FY 2026 Operating Revenues are budgeted at \$60.3 MM compared to \$55.3 MM in the FY 2025 budget. Additionally, the Fiscal Year 2026 budget includes revenues based upon the second and third of rate increases in potable water consumption rates, monthly meter service charges and annual capital meter charge from the multi-year rate schedule adopted in 2023 as detailed below:

**ADOPTED SCHEDULE OF RATE CHANGES**

	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
<b>Per Unit* (CCF):</b>			<b>Usage Charge Rate</b>			
Potable	\$4.87	\$5.42	\$5.96	\$6.38	\$6.83	\$7.30
<b>Meter Size:</b>			<b>Bi-monthly Meter Basic Charge Rate</b>			
5/8"	\$29.55	\$32.93	\$36.22	\$38.75	\$41.47	\$44.37
<b>Potable Water Meter Size:</b>			<b>Annual Capital Meter Charge Rate</b>			
5/8"	\$99.92	\$163.45	\$180.00	\$231.00	\$284.00	\$340.00

\*One unit equals 100 cubic feet or 748 gallons.

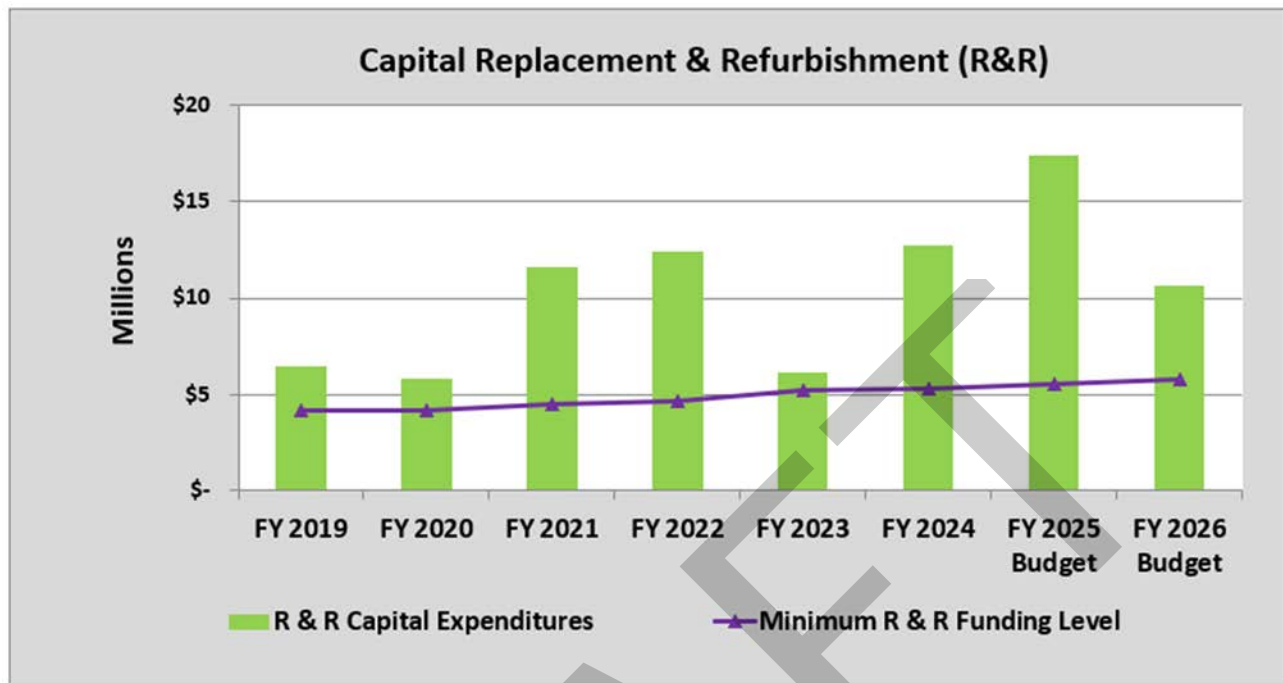
Due to development activity revenue remaining less stable and being influenced by general economic conditions, revenues related to development activity are budgeted based on an eight-year rolling historical average. Mesa Water expects this method to reduce volatility in budgeting development revenues.

### Capital Projects

The FY 2026 capital budget includes expenditures of \$13.4 MM representing a 40 percent decrease from the FY 2025 budget of \$22.3 MM. This is part of a multi-year, \$70 MM, Capital Improvement Program Renewal (CIPR) that has been approved by the Board. The CIPR was funded by a Certificates of Participation issuance in June of 2020. Mesa Water's Strategic Plan Goal #2 is "Perpetually renew and improve our infrastructure." The District has a "perpetual agency" philosophy and has adopted a long-range plan to manage, maintain and develop its infrastructure.

To further ensure the District's ability to rely solely upon locally sourced groundwater, construction on the second of two new wells was completed in FY 2024. Funds from the Certificates of Participation will also be used for finalizing a pump station upgrade for the reservoir, new pipelines and replacement of end-of-life pipelines, CIS and ERP system upgrades, a SCADA asset management program, and scheduled annual replacements of hydrants, valves and meters.

Mesa Water District  
**Fiscal Year 2026 Budget**



## Expenses

Included in the expense budget are several items which reflect the goals of Mesa Water's Strategic Plan:

1. In FY 2026, Mesa Water will continue maintaining and updating Mesa Water's Computerized Maintenance Management System (CMMS) and streamlining core business processes facilitated through the business improvement process. These projects contribute to Strategic Plan Goal #3 "Be financially responsible and transparent."
2. During FY 2026, Mesa Water will continue conducting outreach to its key audiences, consisting of customers (ratepayers); community members (residents, organizations, and businesses); Federal, State, County and City elected officials; industry colleagues at OC municipalities, water districts and special districts; media; and current and former Mesa Water staff and Board members. This outreach includes facilitating clear, concise and constant communications; producing publications about Mesa Water and water; and managing Mesa Water's social media program. Mesa Water plans to conduct ongoing constituent relations activities, including community sponsorships, participating in community events, and giving tours of the MWRF to provide water education and information about programs and services, capital improvements projects and the related benefits. These items contribute to the District's Strategic Plan Goals #4 "Increase favorable opinion of Mesa Water," and #6 "Provide excellent customer service."
3. Lastly, the District will continue its government relations work including legislative affairs and advocacy activities for issues that may impact Mesa Water and its constituents. These items contribute primarily to the District's Strategic Plan Goals #4 "Increase favorable opinion of Mesa Water" and #7 "Actively participate in regional and statewide water issues," and secondarily to Goals #3 "Be financially responsible and transparent," #5 "Attract, develop and retain skilled employees," and #6 "Provide excellent customer service."

Mesa Water District  
**Fiscal Year 2026 Budget**

Mesa Water's FY 2026 Operating Expenses are budgeted at \$41.2 MM compared to \$38.3 MM in the FY 2025 budget, an increase of 6.5 percent in Operating Expenses. Changes by major category of Operating Expenses are summarized below:

	FY 2025	FY 2026	% Change
<b>Operating Expense:</b>			
Imported Sources of Supply	\$560,800	\$569,500	1.6%
Basin Managed Water	-	-	0.0%
Clear Water	11,597,573	11,795,981	1.7%
Amber Water	2,928,835	3,078,873	5.1%
Recycled Water	1,075,043	886,530	-17.5%
Transmission and Distribution	9,829,200	10,056,011	2.3%
General and Administrative	12,310,162	14,757,255	19.9%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$38,301,613</b>	<b>\$41,144,150</b>	<b>7.4%</b>

### Economic and Policy Issues

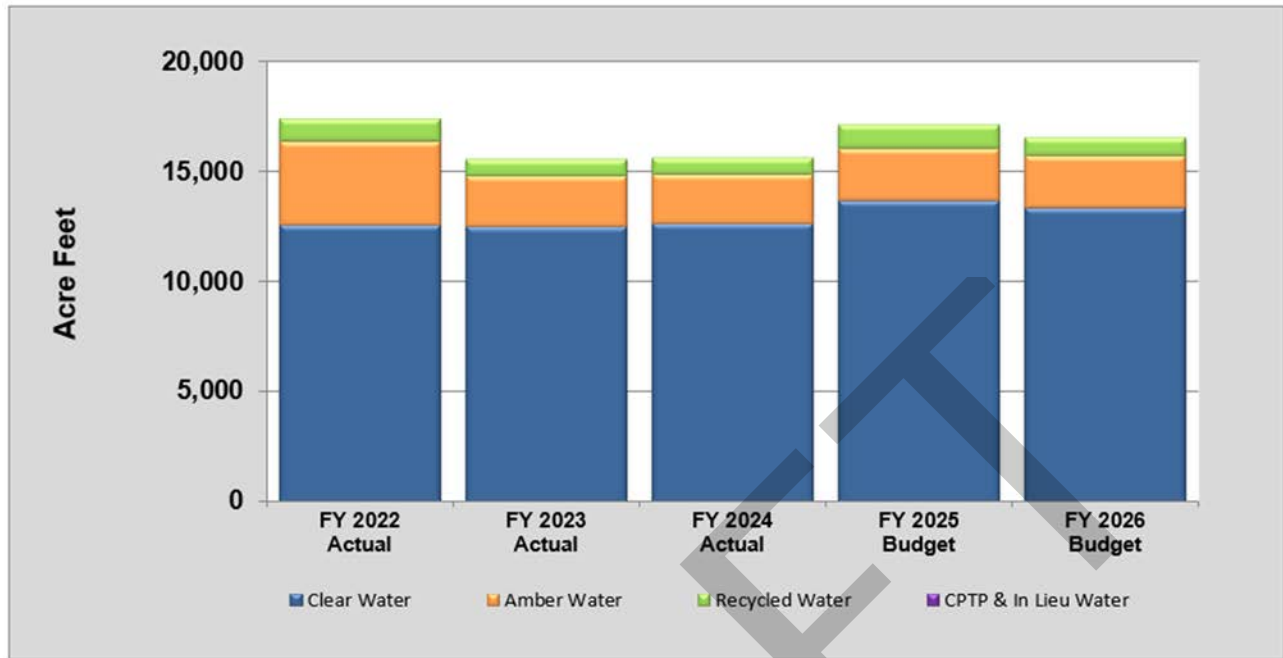
Imported water is higher in cost per acre foot in comparison to clear or amber water, with additional imported fixed costs charged to Mesa Water regardless of the amount of water purchased. Costs detailed below are comprised of (water production) operating expenses:

Water Source	FY 2026 Budgeted Average Cost per Acre Foot
<b>Clear Water</b>	\$885
<b>Amber Water (MWRF)</b>	\$1,309
<b>Imported Water</b>	\$1,395/\$1,528
<b>Recycled Water</b>	\$1,019

During FY 2026, Mesa Water expects Orange County Water District (OCWD) to maintain the Basin Pumping Percentage (BPP) at 85 percent of total potable supply. The Replenishment Assessment (RA) acre foot charge by OCWD is expected to increase from \$689 to \$711 due to increased O&M costs and increased import water purchases.

The MWRF Improvements Project was completed in FY 2013, and the MWRF was fully operational in FY 2014. In FY 2026, the MWRF is budgeted to run at an approximate capacity of 2,352 acre feet, complementing clear water production to achieve 100 percent locally-sourced water supplies. With the MWRF, Mesa Water has eliminated the need to purchase imported water in almost all circumstances. The following is a summary of budgeted sources of water for FY 2026:

Mesa Water District  
**Fiscal Year 2026 Budget**



### Staffing Levels

Staffing levels are projected to increase by 5 Full-Time Employee (FTE) from 56 FTE (plus one Limited-Term position in Engineering to support plan checks) to 61 FTE. An Administrative Services Manager will be added to provide direct supervision to the Administrative Services and Human Resources Departments. Additionally, a Board Secretary position will be added to focus exclusively on matters related to the Board of Directors, including meeting preparation and support. A Public Affairs Specialist position will be added to the Public Affairs Department to handle activities and general programs in the department. The Finance Department will add an Accountant to help with the Month End Close process and an Accounting Technician I/II to handle all Accounts Payable activities.

### Conclusion

Mesa Water continues to thrive as an organization. The budget demonstrates Mesa Water's commitment to meeting its financial and strategic goals. The District's Board and staff continue a tradition of innovation with ideas and methods for accomplishing the District's mission: Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.

Sincerely,

Paul E. Shoenberger, P.E.  
Mesa Water District, General Manager





## Fiscal Year 2026 Budget

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## Fiscal Year 2026 Budget

### Comparative Statement of Revenues, Expenses, and Changes in Net Position

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
<b>OPERATING REVENUES:</b>				
Water consumption sales	\$ 28,790,095	\$ 31,008,095	\$ 37,173,231	\$ 39,650,317
Monthly meter service charge	8,301,981	7,513,123	8,075,826	9,179,511
Capital charge	2,263,880	5,890,411	7,965,684	9,484,778
Recycled water sales	1,208,355	1,228,365	1,721,369	1,585,822
Concessions from gov. agencies (incl. CPTP)	-	-	-	-
Other charges and services	538,036	554,479	400,000	400,000
<b>TOTAL OPERATING REVENUES</b>	<b>41,102,347</b>	<b>46,194,473</b>	<b>55,336,110</b>	<b>60,300,428</b>
<b>OPERATING EXPENSES:</b>				
Imported Water Fixed Costs	337,578	370,528	560,800	569,500
Basin Managed Water	-	-	-	-
Clear water cost	8,840,948	10,134,301	11,597,573	11,795,981
Amber water cost	2,540,434	2,637,395	2,928,835	3,078,873
Recycled water	727,510	754,579	1,075,043	886,530
Transmission and distribution	7,552,934	9,532,836	9,829,200	10,056,011
General and administrative	9,133,927	10,656,440	12,310,162	14,757,255
<b>TOTAL OPERATING EXPENSES</b>	<b>29,133,331</b>	<b>34,086,080</b>	<b>38,301,613</b>	<b>41,144,150</b>
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>11,969,016</b>	<b>12,108,393</b>	<b>17,034,497</b>	<b>19,156,278</b>
Depreciation and amortization	(6,657,317)	(6,545,617)	(6,500,000)	(7,000,000)
<b>OPERATING INCOME</b>	<b>5,311,699</b>	<b>5,562,777</b>	<b>10,534,497</b>	<b>12,156,278</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>				
Bond issuance costs	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings (incl. unrealized)	1,594,982	3,185,572	101,500	100,000
Interest expense - long-term debt	(2,449,394)	(2,279,086)	(2,094,198)	(1,958,375)
Gain (Loss) on sale/disposition of capital assets, net	-	-	(25,000)	(25,000)
Impairment of capital assets & termination of lease	-	-	-	-
Other non-operating, net	1,226	1,733	(5,000)	(10,000)
<b>NONOPERATING REVENUES / (EXPENSES):</b>	<b>(853,186)</b>	<b>908,220</b>	<b>(2,022,698)</b>	<b>(1,893,375)</b>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>4,458,513</b>	<b>6,470,996</b>	<b>8,511,799</b>	<b>10,262,903</b>
<b>CAPITAL CONTRIBUTIONS:</b>				
Capacity and installation charges	1,002,954	448,150	1,065,000	965,000
Capital Grants (includes LRP)	365,267	356,568	412,490	15,000
Developers and others	1,802,058	1,502,735	900,000	850,000
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>3,170,279</b>	<b>2,307,453</b>	<b>2,377,490</b>	<b>1,830,000</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 7,628,792</b>	<b>\$ 8,778,449</b>	<b>\$ 10,889,289</b>	<b>\$ 12,092,903</b>



Fiscal Year 2026 Budget

FY 2026 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Information Technology (250)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
<b>OPERATING REVENUES:</b>													
Water consumption sales	\$ 39,650,317	\$ 39,650,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	9,179,511	9,179,511	-	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	9,484,778	9,484,778	-	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,585,822	1,585,822	-	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>60,300,428</b>	<b>60,300,428</b>	-	-	-	-	-	-	-	-	-	-	-
<b>OPERATING EXPENSES:</b>													
Imported and Basin Managed water costs	569,500	-	-	-	-	569,500	-	-	-	-	-	-	-
Clear water cost	11,795,981	-	-	-	-	11,795,981	-	-	-	-	-	-	-
Amber water cost	3,078,873	-	-	-	-	3,078,873	-	-	-	-	-	-	-
Recycled water	886,530	886,530	-	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	10,056,011	-	-	-	-	8,579,936	1,476,075	-	-	-	-	-	-
General and administrative	14,757,255	-	609,288	2,139,730	3,020,000	-	-	815,636	2,880,242	2,138,262	1,234,178	1,095,908	824,011
<b>TOTAL OPERATING EXPENSES</b>	<b>41,144,150</b>	<b>886,530</b>	<b>609,288</b>	<b>2,139,730</b>	<b>3,020,000</b>	<b>24,024,290</b>	<b>1,476,075</b>	<b>815,636</b>	<b>2,880,242</b>	<b>2,138,262</b>	<b>1,234,178</b>	<b>1,095,908</b>	<b>824,011</b>
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>19,156,278</b>	<b>59,413,898</b>	<b>(609,288)</b>	<b>(2,139,730)</b>	<b>(3,020,000)</b>	<b>(24,024,290)</b>	<b>(1,476,075)</b>	<b>(815,636)</b>	<b>(2,880,242)</b>	<b>(2,138,262)</b>	<b>(1,234,178)</b>	<b>(1,095,908)</b>	<b>(824,011)</b>
Depreciation and amortization	(7,000,000)	(7,000,000)	-	-	-	-	-	-	-	-	-	-	-
<b>OPERATING INCOME / (LOSS)</b>	<b>12,156,278</b>	<b>52,413,898</b>	<b>(609,288)</b>	<b>(2,139,730)</b>	<b>(3,020,000)</b>	<b>(24,024,290)</b>	<b>(1,476,075)</b>	<b>(815,636)</b>	<b>(2,880,242)</b>	<b>(2,138,262)</b>	<b>(1,234,178)</b>	<b>(1,095,908)</b>	<b>(824,011)</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>													
Investment earnings	100,000	100,000	-	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(1,958,375)	(1,958,375)	-	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(25,000)	(25,000)	-	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(10,000)	(10,000)	-	-	-	-	-	-	-	-	-	-	-
<b>NONOPERATING REVENUES / (EXPENSES):</b>	<b>(1,893,375)</b>	<b>(1,893,375)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>10,262,903</b>	<b>50,520,523</b>	<b>(609,288)</b>	<b>(2,139,730)</b>	<b>(3,020,000)</b>	<b>(24,024,290)</b>	<b>(1,476,075)</b>	<b>(815,636)</b>	<b>(2,880,242)</b>	<b>(2,138,262)</b>	<b>(1,234,178)</b>	<b>(1,095,908)</b>	<b>(824,011)</b>
<b>CAPITAL CONTRIBUTIONS:</b>													
Capacity and installation charges	965,000	965,000	-	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	15,000	15,000	-	-	-	-	-	-	-	-	-	-	-
Developers and others	850,000	850,000	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>1,830,000</b>	<b>1,830,000</b>	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE IN NET POSITION (2026 Budget)</b>	<b>\$ 12,092,903</b>	<b>\$ 52,350,523</b>	<b>\$ (609,288)</b>	<b>\$ (2,139,730)</b>	<b>\$ (3,020,000)</b>	<b>\$ (24,024,290)</b>	<b>\$ (1,476,075)</b>	<b>\$ (815,636)</b>	<b>\$ (2,880,242)</b>	<b>\$ (2,138,262)</b>	<b>\$ (1,234,178)</b>	<b>\$ (1,095,908)</b>	<b>\$ (824,011)</b>
<b>CHANGE IN NET POSITION (2025 Budget)</b>	<b>\$ 5,295,983</b>	<b>\$ 41,064,368</b>	<b>\$ (522,196)</b>	<b>\$ (1,911,288)</b>	<b>\$ -</b>	<b>\$ (23,042,126)</b>	<b>\$ (939,085)</b>	<b>\$ (997,933)</b>	<b>\$ (2,023,786)</b>	<b>\$ (1,483,663)</b>	<b>\$ (3,269,892)</b>	<b>\$ (752,796)</b>	<b>\$ (825,620)</b>



Fiscal Year 2026 Budget

FY 2025 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Information Technology (250)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
<b>OPERATING REVENUES:</b>													
Water consumption sales	\$ 37,173,231	\$ 37,173,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	8,075,826	8,075,826	-	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	7,965,684	7,965,684	-	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,721,369	1,721,369	-	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>55,336,110</b>	<b>55,336,110</b>	-	-	-	-	-	-	-	-	-	-	-
<b>OPERATING EXPENSES:</b>													
Imported and Basin Managed water costs	560,800	-	-	-	-	560,800	-	-	-	-	-	-	-
Clear water cost	11,597,573	-	-	-	-	11,597,573	-	-	-	-	-	-	-
Amber water cost	2,928,835	-	-	-	-	2,928,835	-	-	-	-	-	-	-
Recycled water	1,075,043	1,075,043	-	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	9,829,200	-	-	-	-	8,511,645	1,317,555	-	-	-	-	-	-
General and administrative	12,310,162	-	573,196	1,819,311	2,084,000	-	-	743,270	2,355,636	1,922,956	1,140,654	860,639	810,500
<b>TOTAL OPERATING EXPENSES</b>	<b>38,301,613</b>	<b>1,075,043</b>	<b>573,196</b>	<b>1,819,311</b>	<b>2,084,000</b>	<b>23,598,853</b>	<b>1,317,555</b>	<b>743,270</b>	<b>2,355,636</b>	<b>1,922,956</b>	<b>1,140,654</b>	<b>860,639</b>	<b>810,500</b>
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b>													
	<b>17,034,497</b>	<b>54,261,067</b>	<b>(573,196)</b>	<b>(1,819,311)</b>	<b>(2,084,000)</b>	<b>(23,598,853)</b>	<b>(1,317,555)</b>	<b>(743,270)</b>	<b>(2,355,636)</b>	<b>(1,922,956)</b>	<b>(1,140,654)</b>	<b>(860,639)</b>	<b>(810,500)</b>
Depreciation and amortization	(6,500,000)	(6,500,000)	-	-	-	-	-	-	-	-	-	-	-
<b>OPERATING INCOME / (LOSS)</b>	<b>10,534,497</b>	<b>47,761,067</b>	<b>(573,196)</b>	<b>(1,819,311)</b>	<b>(2,084,000)</b>	<b>(23,598,853)</b>	<b>(1,317,555)</b>	<b>(743,270)</b>	<b>(2,355,636)</b>	<b>(1,922,956)</b>	<b>(1,140,654)</b>	<b>(860,639)</b>	<b>(810,500)</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>													
Investment earnings	101,500	101,500	-	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,094,198)	(2,094,198)	-	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(25,000)	(25,000)	-	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(5,000)	(5,000)	-	-	-	-	-	-	-	-	-	-	-
<b>NONOPERATING REVENUES / (EXPENSES):</b>	<b>(2,022,698)</b>	<b>(2,022,698)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>8,511,799</b>	<b>45,738,369</b>	<b>(573,196)</b>	<b>(1,819,311)</b>	<b>(2,084,000)</b>	<b>(23,598,853)</b>	<b>(1,317,555)</b>	<b>(743,270)</b>	<b>(2,355,636)</b>	<b>(1,922,956)</b>	<b>(1,140,654)</b>	<b>(860,639)</b>	<b>(810,500)</b>
<b>CAPITAL CONTRIBUTIONS:</b>													
Capacity and installation charges	1,065,000	1,065,000	-	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	412,490	412,490	-	-	-	-	-	-	-	-	-	-	-
Developers and others	900,000	900,000	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>2,377,490</b>	<b>2,377,490</b>	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE IN NET POSITION (2026 Budget)</b>	<b>\$ 10,889,289</b>	<b>\$ 48,115,859</b>	<b>\$ (573,196)</b>	<b>\$ (1,819,311)</b>	<b>\$ (2,084,000)</b>	<b>\$ (23,598,853)</b>	<b>\$ (1,317,555)</b>	<b>\$ (743,270)</b>	<b>\$ (2,355,636)</b>	<b>\$ (1,922,956)</b>	<b>\$ (1,140,654)</b>	<b>\$ (860,639)</b>	<b>\$ (810,500)</b>
<b>CHANGE IN NET POSITION (2025 Budget)</b>	<b>\$ 5,295,983</b>	<b>\$ 41,064,368</b>	<b>\$ (522,196)</b>	<b>\$ (1,911,288)</b>	<b>\$ -</b>	<b>\$ (23,042,126)</b>	<b>\$ (939,085)</b>	<b>\$ (997,933)</b>	<b>\$ (2,023,786)</b>	<b>\$ (1,483,663)</b>	<b>\$ (3,269,892)</b>	<b>\$ (752,796)</b>	<b>\$ (825,620)</b>



**Fiscal Year 2026 Budget  
Capital Expenditures Summary**

Description	FY 2025 Budget	FY 2026 Budget
<b>WELLS:</b>		
Croddy/Chandler Pipeline Construction	\$ 1,500,000	634,345
<b>RESERVOIRS:</b>		
Reservoirs 1 and 2 Pump Station Upgrades Project	16,125,000	9,175,000
<b>DISTRIBUTION:</b>		
Pipeline Integrity Testing Program	200,000	200,000
Other Agency Projects	50,000	
Water System Master Plan	1,000,000	
Local Ground Water Supply Improvement Plan	150,000	200,000
Interagency Water Transfer Project	-	75,000
<b>ROUTINE OPERATIONS:</b>		
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	1,118,000
<b>NON-ROUTINE OPERATIONS:</b>		
Operations Non-Routine Capital (Vehicles, Other)	437,000	50,000
Neptune Meter Project	-	250,000
SCADA Asset Replacement Project	-	100,000
<b>DISTRICT FACILITIES:</b>		
MWRF	-	230,000
MWEC	-	125,000
<b>INFORMATION TECHNOLOGY:</b>		
IT Upgrades	-	15,000
<b>MISC:</b>		
CIS	1,000,000	615,800
ERP	-	328,200
Software Upgrades	450,000	-
<b>Total Capital</b>	<b>\$ 21,912,000</b>	<b>\$ 13,116,345</b>
Internal Labor, Material, Overhead	\$ 396,200	\$ 275,255
	<b>\$ 22,308,200</b>	<b>\$ 13,391,600</b>



**Fiscal Year 2026 Budget  
Pro Forma Statement of Cash Flows**

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income	\$ 5,311,699	\$ 5,562,777	\$ 10,534,497	\$ 12,156,278
Adjustments				
Depreciation	6,657,317	6,545,617	6,500,000	7,000,000
Other	(1,189,853)	-	-	-
Changes in assets & liabilities	(1,395,591)	2,711,658	2,423,828	1,415,000
OPEB Trust Contribution	(110,000)	(110,000)	-	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>9,273,572</b>	<b>14,710,051</b>	<b>19,458,325</b>	<b>20,571,278</b>
<b>CASH FLOWS FROM CAPITAL &amp; FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(18,030,498)	(13,982,885)	(22,308,200)	(13,391,600)
Proceeds from 2020 COPS	15,321,303	11,327,187	11,307,768	4,248,752
Impairment of capital assets & lease termination	-	-	-	-
Principal Paid on long-term debt	(3,385,000)	(3,605,000)	(3,835,000)	(4,050,000)
Interest Paid on long-term debt	(1,318,399)	(3,243,450)	(3,063,200)	(2,871,450)
Proceeds from capacity and installation charges	1,002,954	448,150	1,065,000	965,000
Proceeds from capital grant	365,267	356,568	412,490	15,000
<b>NET CASH PROVIDED BY CAPITAL &amp; FINANCING ACTIVITIES</b>	<b>(6,044,373)</b>	<b>(8,699,430)</b>	<b>(16,421,142)</b>	<b>(15,084,298)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	823,058	3,187,305	71,500	65,000
Investments	(14,052,298)	(11,987,500)	(12,220,000)	(13,260,000)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(13,229,240)</b>	<b>(8,800,195)</b>	<b>(12,148,500)</b>	<b>(13,195,000)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(10,000,041)</b>	<b>(2,789,574)</b>	<b>(9,111,317)</b>	<b>(7,708,020)</b>
<b>CASH &amp; INVESTMENTS - beginning of year</b>	<b>39,994,413</b>	<b>30,270,754</b>	<b>24,520,049</b>	<b>20,408,732</b>
<b>CASH &amp; INVESTMENTS - end of year</b>	<b>\$ 29,994,373</b>	<b>\$ 27,481,180</b>	<b>\$ 15,408,732</b>	<b>\$ 12,700,712</b>





## Fiscal Year 2026 Budget

### Water Data

#### Water Revenue Data

##### Revenue

All Potable Water Revenue  
Recycled Water Revenue  
Total Water Revenue

FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
\$ 28,790,095	\$ 31,008,095	\$ 37,173,231	\$ 39,650,317
1,208,355	1,228,365	1,721,369	1,585,822
\$ 29,998,450	\$ 32,236,460	\$ 38,894,600	\$ 41,236,139

##### Acre Feet Sold

Potable  
Recycled  
Total Acre Feet

14,022	15,345	15,029	15,678
781	1,109	1,087	870
14,803	16,454	16,116	16,548

##### Revenue Per Acre Foot

Potable  
Recycled  
Total Revenue Per Acre Foot

\$ 2,053	\$ 2,021	\$ 2,473	\$ 2,529
\$ 1,547	\$ 1,108	\$ 1,584	\$ 1,823
\$ 2,027	\$ 1,959	\$ 2,413	\$ 2,492

#### Water Cost Data

##### Cost

Imported and Basin Managed Water  
Clear Water  
Amber Water  
Total Potable Water  
Recycled Water  
Total Water Cost

\$ 337,578	\$ 370,528	\$ 560,800	\$ 569,500
8,840,948	10,134,301	11,597,573	11,795,981
2,540,434	2,637,395	2,928,835	3,078,873
11,718,960	13,142,225	15,087,208	15,444,354
727,510	754,579	1,075,043	886,530
\$ 12,446,470	\$ 13,896,804	\$ 16,162,251	\$ 16,330,884

##### Acre Feet Produced

Imported and Basin Managed Water  
Clear Water  
Clear & Imported and Basin Managed Water  
Amber Water  
Total Potable Water  
Recycled  
Total Acre Feet

-	-	-	-
12,483	13,875	13,598	13,326
12,483	13,875	13,598	13,326
2,305	2,449	2,400	2,352
14,788	16,324	15,998	15,678
781	1,109	1,087	870
15,569	17,433	17,085	16,548

##### Cost Per Acre Foot

Imported Water (Variable Costs)  
Clear Water  
Amber Water  
Recycled  
Total Cost Per Acre Foot

\$ 1,176	\$ 1,233	\$ 1,326	\$ 1,462
\$ 708	\$ 730	\$ 853	\$ 885
\$ 1,102	\$ 1,077	\$ 1,220	\$ 1,309
\$ 932	\$ 680	\$ 989	\$ 1,019
\$ 799	\$ 797	\$ 946	\$ 987

Imported Water Variable Costs per Acre Foot

\$1,143/1,209	\$1,209/1,256	\$1,256/1,395	\$1,395/1,528
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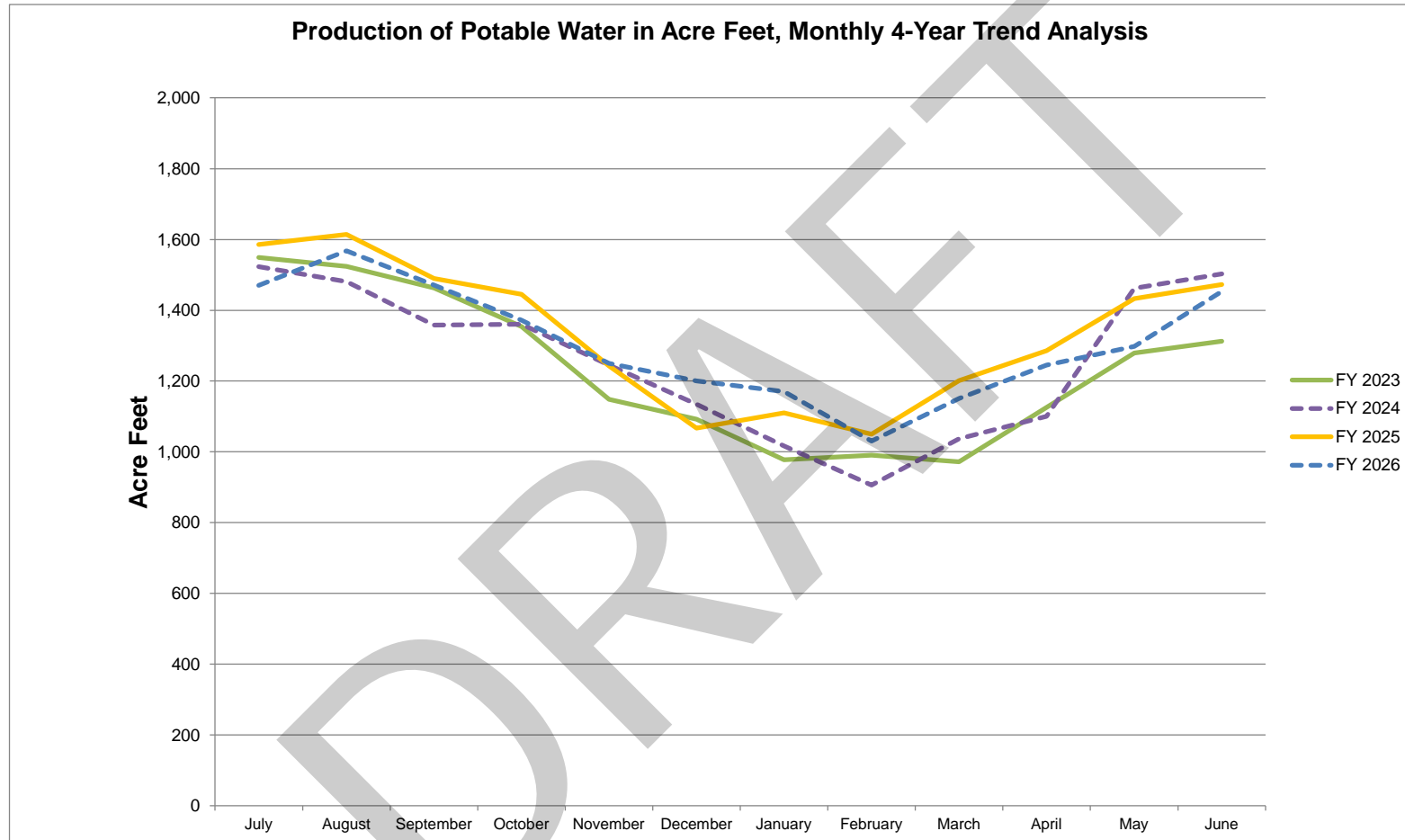


**Fiscal Year 2026 Budget**  
**Water Supply Components**

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
<b>Clear Water Costs</b>				
Basin Replenishment Assessment	\$ 6,960,157	\$ 7,891,790	\$ 9,368,678	\$ 9,474,786
Utilities Pumping	1,198,716	1,490,750	1,497,709	1,540,991
Treatment/ Labor and Materials	682,075	751,761	731,186	780,204
Total Clear Water Costs	\$ 8,840,948	\$ 10,134,301	\$ 11,597,573	\$ 11,795,981
<b>Amber Water Costs</b>				
Basin Replenishment Assessment	\$ 1,285,911	\$ 1,380,912	\$ 1,653,614	\$ 1,672,272
Utilities Pumping	696,879	643,507	546,869	575,000
Treatment/ Labor and Materials	557,643	612,976	728,352	831,601
Total Amber Water Costs	\$ 2,540,434	\$ 2,637,395	\$ 2,928,835	\$ 3,078,873
<b>Imported Water Fixed Costs</b>				
Readiness to Serve - Total Charge	\$ 1,185	\$ 1,500	\$ 2,000	\$ 2,500
Capacity Charge	-	-	-	-
Choice Charges	-	55,000	55,000	55,000
Retail Meter Charge - Total Charge	298,586	348,000	360,500	375,000
Shared Pipeline Maintenance Costs	36,000	105,000	121,500	125,000
	\$ 335,771	\$ 509,500	\$ 539,000	\$ 557,500
Retail Meter Charge - Per Meter (\$)	13.75	14.25	14.75	15.25
Basin Pumping Percentage	77%	85%	85%	85%

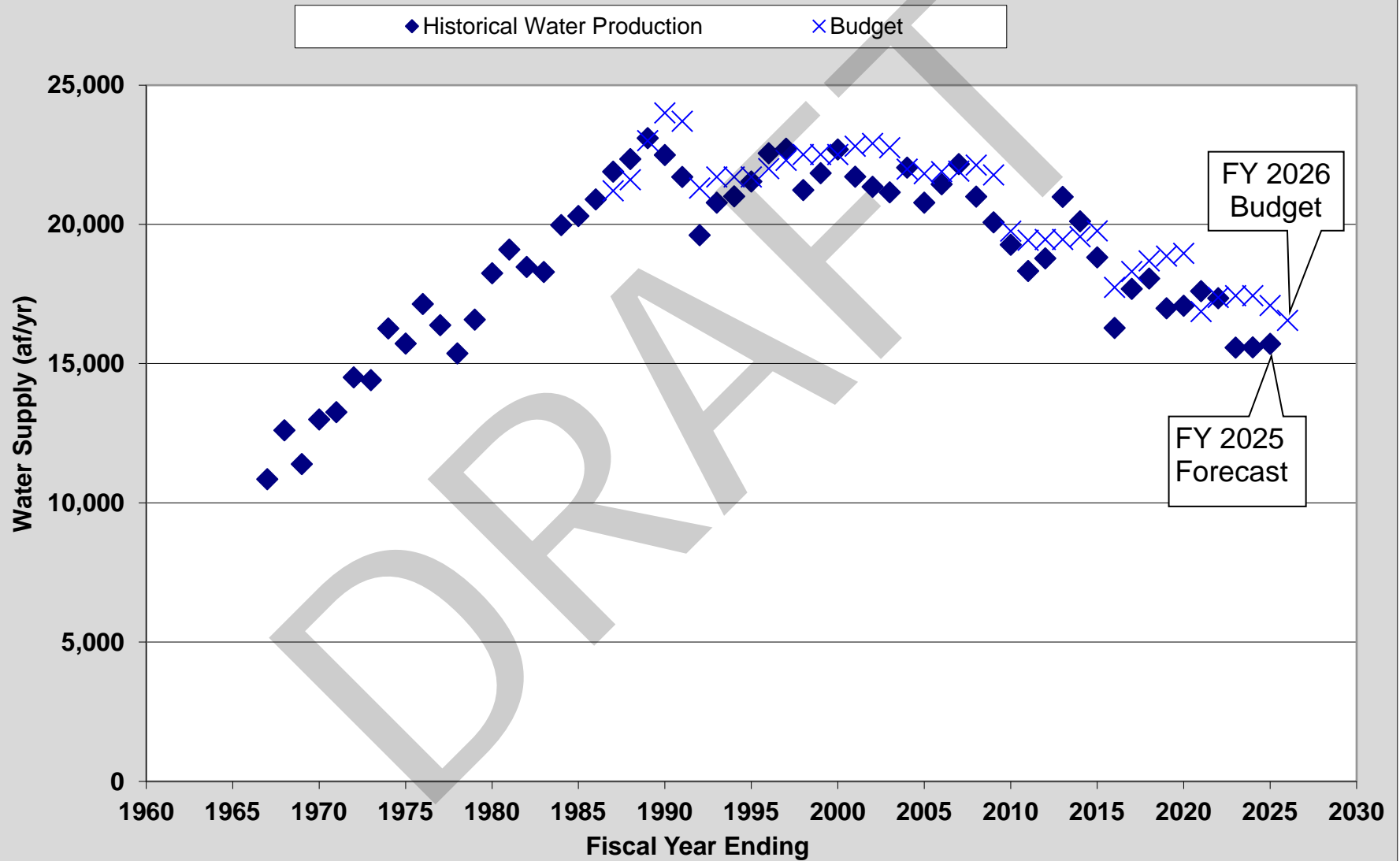


Fiscal Year 2026 Budget

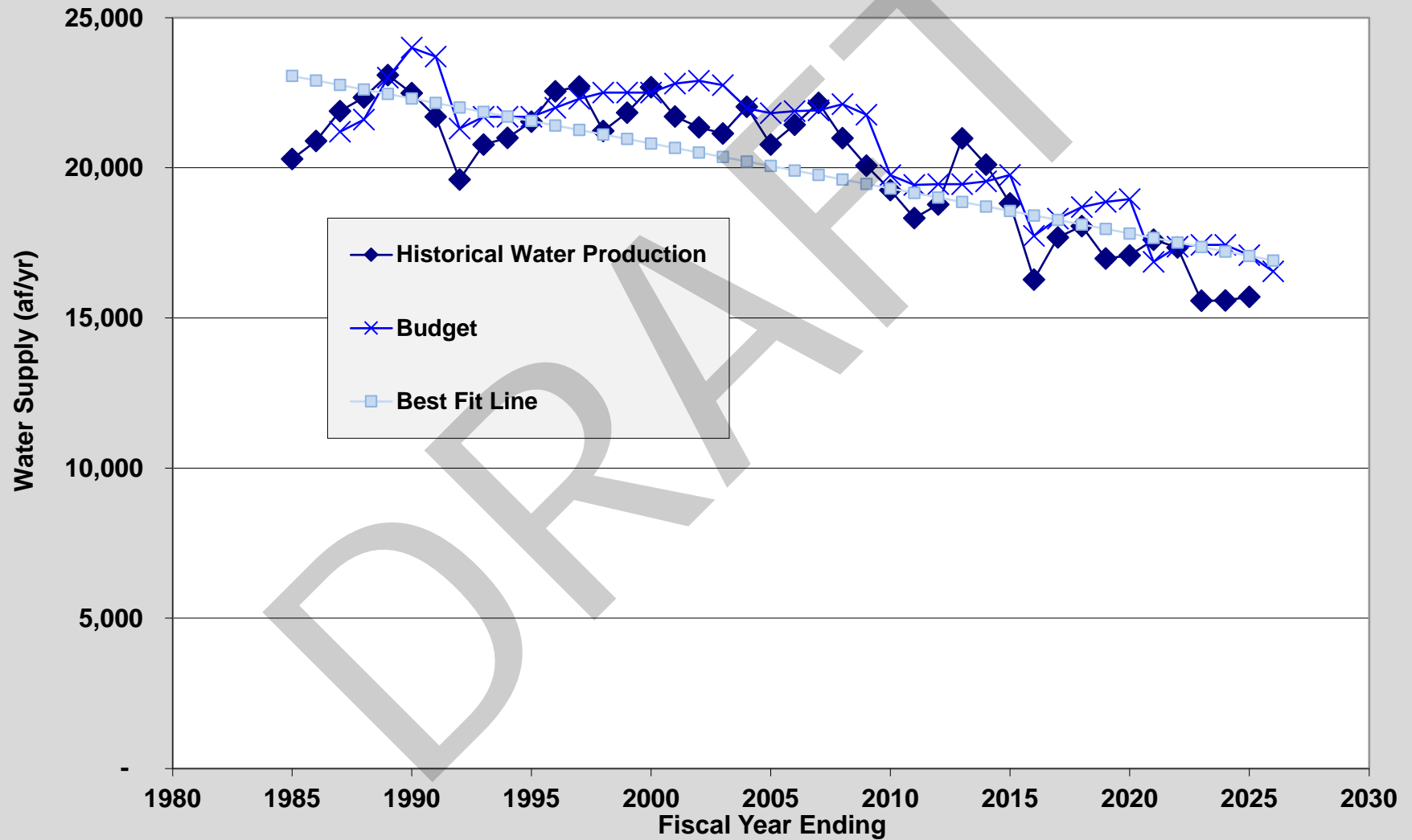


	<i>Water Production in Acre Feet</i>												
	July	August	September	October	November	December	January	February	March	April	May	June	Total
FY 2023	1,549.2	1,524.2	1,462.8	1,354.2	1,148.4	1,092.2	977.3	990.3	972.1	1,125.7	1,279.4	1,312.5	14,788.3
FY 2024	1,522.6	1,480.9	1,357.8	1,360.3	1,244.9	1,134.6	1,016.5	906.1	1,036.9	1,100.2	1,462.0	1,503.0	15,125.8
FY 2025	1,586.0	1,614.0	1,490.0	1,445.0	1,243.0	1,067.0	1,110.0	1,050.0	1,201.0	1,286.0	1,433.0	1,473.0	15,998.0
FY 2026	1,470.0	1,568.0	1,471.0	1,372.0	1,250.0	1,200.0	1,170.0	1,030.0	1,151.0	1,245.0	1,298.0	1,453.0	15,678.0

# Fiscal Year 2026 Budget Water Supply Needs (Historical and Projected)

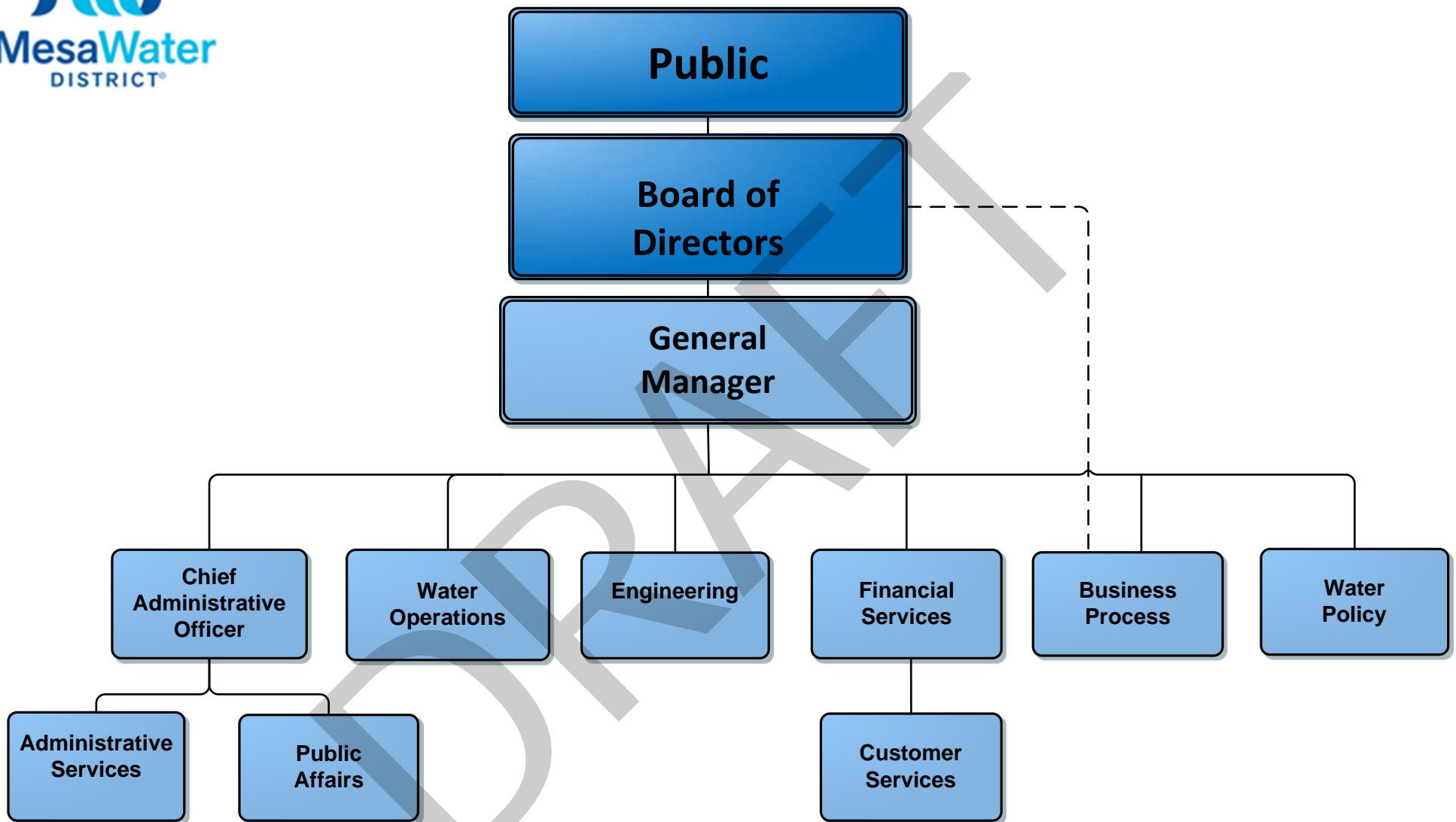


## Fiscal Year 2026 Budget Water Supply Needs (Historical and Projected)





Mesa Water District  
FY 2026 Budget







**Fiscal Year 2026 Budget  
Personnel Summary**

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
OFFICE OF THE GENERAL MANAGER					
Executive Office	2	2	2	2	3
Information Technology	0	0	0	0	0
TOTAL DISTRICT MANAGEMENT	2	2	2	2	3
ADMINISTRATIVE SERVICES					
Administrative Services	5	5	5	5	6
TOTAL ADMINISTRATIVE SERVICES/IT	5	5	5	5	6
HUMAN RESOURCES					
Human Resources	3	2	2	2	2
TOTAL HUMAN RESOURCES	3	2	2	2	2
CUSTOMER SERVICES					
Customer Service	4	4	4	3	3
Conservation	1	1	0	0	0
TOTAL CUSTOMER SERVICE	5	5	4	3	3
ENGINEERING					
Engineering	5	4	4	4	4
TOTAL ENGINEERING	5	4	4	4	4
FINANCIAL SERVICES					
Financial Services	5	5	6	6	8
TOTAL FINANCIAL SERVICES	5	5	6	6	8
WATER POLICY					
Water Policy	1.5	1	1	1	1
TOTAL WATER POLICY	1.5	1	1	1	1
PUBLIC AFFAIRS					
Public Affairs	1.5	2	2	3	4
Conservation	0	0	1	1	1
TOTAL PUBLIC AFFAIRS	1.5	2	3	4	5
WATER OPERATIONS					
Supervision/Support	7	8	8	8	8
Distribution	10	10	10	10	10
Production	3	4	4	4	4
Water Quality	2	2	2	2	2
Field Services	5	5	5	5	5
TOTAL WATER OPERATIONS	27	29	29	29	29
<b>TOTAL PERSONNEL</b>	<b>55</b>	<b>55</b>	<b>56</b>	<b>56</b>	<b>61</b>

*Notes:*

- Five elected officials serve on Mesa Water's Board of Directors.
- Limited-Term positions in Engineering and Water Operations
- Interns not included in above figures:

Limited-Term	2	2	2	1	2
Interns	0.5	0.5	0.5	0.5	0.5



**Fiscal Year 2026 Budget  
Labor and Benefits Summary**

Category	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
Labor	\$5,830,501	\$6,051,691	\$7,689,653	\$8,551,420
FICA / Medicare	520,594	553,714	554,214	621,317
Workers Comp	157,623	197,717	241,895	254,075
Flex Credits	1,225,743	1,442,714	1,738,800	1,958,400
LTD/Life Insurance/EAP	49,580	61,495	59,426	65,324
Benefits Other	286,458	326,884	430,608	509,185
Retirement	(385,546)	2,498,279	2,260,000	2,270,000
<b>Total</b>	<b>\$7,684,953</b>	<b>\$11,132,495</b>	<b>\$12,974,596</b>	<b>\$14,229,721</b>



**Fiscal Year 2026 Budget  
COP Coverage Ratios**

	<b>FY 2023 ACTUAL</b>	<b>FY 2024 ACTUAL</b>	<b>FY 2025 BUDGET</b>	<b>FY 2026 BUDGET</b>
<b>Revenues</b>				
Operating Revenue	\$ 41,102,347	\$ 46,194,473	\$ 55,336,110	\$ 60,300,428
Capacity and Installation Charges	1,002,954	448,150	1,065,000	965,000
Non-Operating Revenue	1,960,249	3,542,140	513,990	115,000
<b>Total Revenues</b>	<b>44,065,550</b>	<b>50,184,763</b>	<b>56,915,100</b>	<b>61,380,428</b>
<b>Expenses (Excluding Depreciation Expense)</b>				
<b>Operating Expenses</b>	<b>29,133,331</b>	<b>34,086,080</b>	<b>38,301,613</b>	<b>41,144,150</b>
<b>Income available for debt service</b>	<b>\$ 14,932,219</b>	<b>\$ 16,098,683</b>	<b>\$ 18,613,487</b>	<b>\$ 20,236,278</b>
 Annual Debt Service, Senior Debt	 \$ 4,231,500	 \$ 4,282,250	 \$ 4,332,000	 \$ 4,355,250
<b>Coverage Ratio, Senior Debt</b>	<b>353%</b>	<b>376%</b>	<b>430%</b>	<b>465%</b>
 Annual Debt Service, Subordinated Debt	 \$ 2,566,200	 \$ 2,566,200	 \$ 2,566,200	 \$ 2,566,200
<b>Coverage Ratio, Total Debt</b>	<b>220%</b>	<b>235%</b>	<b>296%</b>	<b>292%</b>



**Fiscal Year 2026 Budget  
Designated Fund Levels**

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET	TARGET DAYS
<b>Customer &amp; Development Deposits</b>	\$ 2,707,248	\$ 2,850,000	\$ 2,000,000	\$ 1,570,000	N/A
<b>Capital Replacement Fund</b>	2,459,011	1,132,776	816,421	421,961	N/A
<b>Other Funds</b>					
Administrative & General Fund (Target 10 days)	1,805,681	1,753,210	1,049,359	1,127,237	10 - 25
Catastrophe Fund (Target 30 days)	6,771,303	1,500,000	3,148,078	563,618	30 - 180
	8,576,984	3,253,210	4,197,437	1,690,855	40 - 205
<b>Liquidity Funds</b>					
Operating Funds (Target 50 days)	10,834,085	10,519,259	5,246,796	5,636,185	50 - 150
Rate Stabilization Funds (Target 30 days)	5,417,043	5,259,630	3,148,078	3,381,711	30 - 75
<b>Total Liquidity Funds (Target 80 days total)</b>	16,251,128	15,778,889	8,394,874	9,017,896	80 - 225
<b>Total Cash - Designated Funds</b>	\$ 29,994,371	\$ 23,014,875	\$ 15,408,732	\$ 12,700,712	N/A
Operating Expense	\$ 32,953,676	\$ 31,996,080	\$ 38,301,613	\$ 41,144,150	
Cash per Day	\$ 90,284	\$ 87,660	\$ 104,936	\$ 112,724	
Days Cash Ratio Actual/Estimate	332	263	147	113	
Days Cash Ratio Target	120	120	120	120	

**Fund Descriptions:**

**Customer & Development Deposits** - Monies held on behalf of Mesa Water's customers as required for their utility account or as cash bonds for development projects.

**Capital Replacement Fund** - Used for the replacement of capitalized assets when they reach the end of their useful lives. The target level of the fund shall be \$10 million. The maximum will be based on Mesa Water's Asset Management Plan.

**Administrative & General Fund** - One of the two capital funds used to fund certain major general, administrative and overhead projects. It is intended to fund (or partially fund) offices, fixtures, furnishings, vehicles and equipment on a pay-as-you-go basis. The target level will equal 10 days of Mesa Water's budgeted total operating expenses and the maximum will be 25 days.

**Catastrophe Fund** - Used to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged or insurance claims are being processed. The target level will equal 30 days of Mesa Water's budgeted total operating expenses and the maximum will be 180 days. The FY 2026 Budget balance of \$563,618 is currently at 5 days.

**Operating Fund** - Used for unanticipated operating expenses. This fund is designated to maintain working capital for current operations and to meet routine cash flow needs. The target level will equal 50 days of Mesa Water's budgeted total operating expenses and the maximum will be 150 days.

**Rate Stabilization Fund** - Used to provide flexibility to the Board of Directors when establishing rates such as absorbing temporary rate fluctuations or for one time expenditures. The target level of this fund shall be 30 days of the annual operating budget and the maximum shall be 75 days.



## Fiscal Year 2026 Budget

### District Overview

Mesa Water District (Mesa Water®) was formed on January 1, 1960, pursuant to Sections 33200 et. seq., of the California Water Code, which was designated as the Costa Mesa District Merger Law. The general provisions of this law called for the consolidation of four predecessor agencies: the Newport Heights Irrigation District; the Fairview County Water District; the Newport Mesa County Water District; and the City of Costa Mesa Water Department.

Mesa Water is located in Orange County, California, and provides water to most of Costa Mesa, parts of Newport Beach, and some unincorporated areas of Orange County, including John Wayne Airport. The District serves 110,000 residents in an 18-square-mile area through approximately 25,000 metered accounts.

Potable water is produced from Mesa Water's groundwater wells. The District purchases non-potable, or recycled water, from the Orange County Water District (OCWD).

Due to the District's improved Mesa Water Reliability Facility (MWRF), Mesa Water meets 100 percent of its community's water needs with locally-sourced supplies. Mesa Water also has a 100 percent reliable back-up supply of imported water, if needed, from the Municipal Water District of Orange County (MWDOC).

The District's revenues result solely from its activities as a water utility and Mesa Water receives no tax revenues of any kind.

A five-person Board of Directors (Board), whose members serve overlapping four-year terms, governs Mesa Water. Each Director is elected by and represents one of five geographic divisions of approximately equal population within the District's service area. The Board elects one of its members to serve as President and another to serve as Vice President. The Board appoints the General Manager, District Secretary, Assistant District Secretary, District Treasurer, and Assistant District Treasurer. The General Manager is responsible for the day-to-day operations and administration of Mesa Water in accordance with the Board's policies.



## Fiscal Year 2026 Budget

### Major Revenue Descriptions

#### Water Sales Revenue

**Usage Charge (potable and recycled)** – This is the rate charged per unit (one hundred cubic feet or ccf) to customers based on actual consumption. Mesa Water has a uniform volumetric rate structure, which means all water use is charged at the same per-unit rate. For the first six months of the FY 2026 budget, the potable rate is \$5.96 per ccf, and the recycled rate is \$3.82 per ccf; and, for the second six months of the FY 2025 budget, the potable rate is \$6.38 per ccf, and the recycled rate is budgeted at \$4.09 per ccf. Mesa Water's Board adopts water rates by resolution. In FY 2024, the Board adopted a multi-year rate resolution with rate increases each year through FY 2028. Usage charges are intended to cover the cost of treating and delivering water to Mesa Water's customers. The budget for this revenue source is based on estimated water sales which have remained consistent due to Mesa Water's service area being substantially built-out. The FY 2026 acre feet sales budgeted for both potable and recycled water are listed on page 6.

**Construction Water Revenues** – This revenue is for the use of temporary hydrant meters used during construction. The revenue includes both the daily rental rate for the meter, and the per-unit charge which is charged at the same rate as the potable water rate based on the Board's resolution. This revenue source is dependent solely on construction activity and is less predictable than other water revenue sources.

**Fireline Revenues** – This revenue is primarily from the stand-by charge for fireline services. Also, use of water other than for firefighting is charged at the same rate as the potable water rate based on the Board's resolution. As Mesa Water's service area is substantially built-out, this revenue source remains relatively consistent year-to-year.

**Basic Charge** – This charge is assessed per billing period (bi-monthly) and is a set charge based on meter size. This revenue source is intended to cover fixed charges such as financial obligations, customer service, public outreach, and administrative support, per the Board's resolution. This revenue source is increasing, primarily due to the multi-year rate increase adopted by the Board in FY 2024. As Mesa Water's service area is substantially built-out, there is limited growth in service connections.



## Fiscal Year 2026 Budget

### Major Revenue Descriptions, Continued

#### **Non-Water Sales Revenue**

**Other Operating Revenues** – These revenues include costs related to Mesa Water's operations as a water utility that are not directly related to water sales. The major revenue sources in this category are: delinquent fees, new service establishment fees, and concessions from government agencies.

Delinquent fees are a result of the delinquent payment activity from customers. This revenue source has historically increased slightly from year-to-year. The Board periodically reviews the delinquent fees to ensure full cost recovery.

The new service establishment fee is charged when a new customer establishes an account with Mesa Water. The fee is intended to recover the costs associated with setting up a new account. This fee amount is reviewed periodically to ensure full cost recovery.

**Non-Operating Revenues and Capital Contributions** – The revenues under this category include interest earned on Mesa Water's funds as well as development-related revenues such as capacity charges, inspection fees, plan check fees, and installation fees. The budget for interest earnings are based upon forecasted cash balances during the year as well as anticipated interest earnings from the State of California Local Agency Investment Fund (LAIF), and Mesa Water's investment portfolio. Mesa Water elected to budget a low rate of return on its investments in FY 2026 based on current and anticipated market conditions.

### Fund Description

Mesa Water reports its activities as a single enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of Mesa Water is that the cost of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales and service charges), capital grants, and similar funding. Monies are set aside in designated funds for specific purposes based on Board policy or in reserve accounts as required by debt agreements. A listing and description of designated funds can be found on page 15.





## **Fiscal Year 2026 Budget**

### **Basis of Accounting**

Accounting basis determines when transactions and economic events are reflected in the financial statements and the budget. Mesa Water prepares its audited financial statements and budgets on the accrual basis of accounting in which revenues are recognized in the accounting period when earned and expenditures are recorded in the accounting period when incurred. Mesa Water's budget and financial statements are consistent with Generally Accepted Accounting Principles (GAAP).

### **Budget Control and Revisions**

Although Mesa Water is not legally required to adopt a budget, the Board annually adopts a fiscal year budget following a series of public meetings. This budget authorizes and provides the basis for reporting, control of financial operations, and accountability.

Mesa Water's budget is prepared on an annual basis using estimates and financial projections for the following fiscal year that meet the priorities and needs of the District.

A quarterly review of the Comparative Statement of Revenue, Expenses and Change in Net Position is conducted and reviewed by the Board's Finance Committee and Mesa Water management and staff. A monthly review of capital expenditures is conducted by the Board of Directors and Mesa Water staff.



**Fiscal Year 2026 Budget  
Departmental Budgets**

	Dept. 000 - General, Page 1 of 2	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>REVENUE:</b>				
40100	Usage Charge - Potable Water	\$ 28,737,512	\$ 30,396,707	\$ 36,998,231	\$ 39,500,317
40105	Water sold in lieu of lease payments	-	-	-	-
40149	Accrued Water Sales	27,512	579,372	-	-
40170	Construction Water Revenues	25,071	32,016	175,000	150,000
	<b>TOTAL POTABLE CONSUMPTION REVENUES</b>	<b>28,790,095</b>	<b>31,008,095</b>	<b>37,173,231</b>	<b>39,650,317</b>
40600	Basic Charge - Domestic	7,504,880	6,688,109	7,280,414	8,304,934
40650	Basic Charge - Fire Line	797,101	825,014	795,412	874,577
	<b>TOTAL BASIC CHARGE REVENUES</b>	<b>8,301,981</b>	<b>7,513,123</b>	<b>8,075,826</b>	<b>9,179,511</b>
40700	Capital Charge - Domestic	2,263,880	5,890,411	7,965,684	9,484,778
	<b>TOTAL CAPITAL CHARGE REVENUES</b>	<b>2,263,880</b>	<b>5,890,411</b>	<b>7,965,684</b>	<b>9,484,778</b>
40260	Usage Charge - Recycled Water	1,208,355	1,228,365	1,721,369	1,585,822
	<b>TOTAL RECYCLED CONSUMPTION REVENUES</b>	<b>1,208,355</b>	<b>1,228,365</b>	<b>1,721,369</b>	<b>1,585,822</b>
45700	Coastal Pumping Trns Pgm (CTPT)	-	-	-	-
45710	Intergovernmental - State	-	-	-	-
45720	Intergovernmental - Federal	-	-	-	-
	<b>TOTAL CONCESSIONS FROM GOV'T AGENCIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
45100	New Service Establishment Fee	39,160	41,320	45,000	45,000
45105	LAFCO Surcharge	-	-	-	-
45110	Delinquent Fees	229,082	257,377	200,000	200,000
45115	Loss Recovery	15,450	51,846	10,000	10,000
45120	Cross Connection Testing Fee	-	-	5,000	5,000
45130	Plan Check Fees	248,229	208,806	115,000	115,000
45140	Water Use Efficiency Program benchmark	200	-	-	-
45300	Insurance reimbursement	-	-	-	-
45305	OC-44 HB contract revenue	-	82,305	5,000	5,000
45505	Sale of brass and scrap	7,088	13,776	5,000	5,000
45515	Other operating revenue	37,347	49,865	15,000	15,000
62100	Cash Over/Short	(598)	-	-	-
62190	Write-Off Bad Debt Exp	(37,922)	(150,816)	-	-
	<b>TOTAL OTHER CHARGES AND SERVICES</b>	<b>538,036</b>	<b>554,479</b>	<b>400,000</b>	<b>400,000</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>41,102,347</b>	<b>46,194,473</b>	<b>55,336,110</b>	<b>60,300,428</b>



**Fiscal Year 2026 Budget  
Departmental Budgets**

	Dept. 000 - General, Page 2 of 2	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>TOTAL OPERATING REVENUES (previous page)</b>	<b>41,102,347</b>	<b>46,194,473</b>	<b>55,336,110</b>	<b>60,300,428</b>
	<i>Recycled Water Costs</i>				
50200	Recycled Water Costs	727,510	754,579	1,075,043	886,530
	<b>TOTAL RECYCLED WATER COSTS</b>	<b>727,510</b>	<b>754,579</b>	<b>1,075,043</b>	<b>886,530</b>
	<i>DEPRECIATION AND AMORTIZATION</i>				
70100	Amortization & Depreciation	6,657,317	6,545,617	6,500,000	7,000,000
	<b>TOTAL AMORTIZATION AND DEPRECIATION</b>	<b>6,657,317</b>	<b>6,545,617</b>	<b>6,500,000</b>	<b>7,000,000</b>
	<i>INVESTMENT EARNINGS</i>				
46105	Interest earned OC Investment Pool	19,857	687	1,500	-
46110	Change fair value	(226,444)	926,876	(150,000)	(150,000)
46120	Interest Earned - Funds Under District Control	328,873	257,687	150,000	150,000
46125	Realized Gain/Loss on Investments	1,472,696	2,000,322	100,000	100,000
	<b>TOTAL INVESTMENT EARNINGS</b>	<b>1,594,982</b>	<b>3,185,572</b>	<b>101,500</b>	<b>100,000</b>
	<i>INTEREST EXPENSE</i>				
76115	2009 / 2020 COPs Interest Expense	2,566,200	2,566,200	2,566,200	2,566,200
76120	2010 / 2017 COPs Interest Expense	797,135	624,677	441,073	305,250
76150	Interest Expense	7,633	9,783	8,500	8,500
76130	2009 / 2017 COPs Deferred Amount	129,393	129,393	129,395	129,395
76815	2009 / 2020 Premium Amort Expense	(481,577)	(481,577)	(481,580)	(481,580)
76820	2010 / 2017 COPs Premium Amortization	(569,390)	(569,390)	(569,390)	(569,390)
	<b>TOTAL INTEREST EXPENSE</b>	<b>2,449,394</b>	<b>2,279,086</b>	<b>2,094,198</b>	<b>1,958,375</b>
	<i>OTHER NON-OPERATING</i>				
46805	Loss on Disposal of Equipment	-	-	(25,000)	(25,000)
46808	Loss on Abandonment	-	-	-	-
46810	Non Operating Revenue	2,070	6,133	25,000	25,000
76800	Non Operating Expense	(844)	(4,400)	(25,000)	(25,000)
76825	Bond Issuance Costs	-	-	-	-
76805	COPS Trustee Expense	-	-	(5,000)	(10,000)
	<b>TOTAL OTHER NON-OPERATING</b>	<b>1,226</b>	<b>1,733</b>	<b>(30,000)</b>	<b>(35,000)</b>
	<b>TOTAL NON-OPERATING REVENUES/EXPENSE</b>	<b>(853,186)</b>	<b>908,220</b>	<b>(2,022,698)</b>	<b>(1,893,375)</b>
	<i>CAPITAL CONTRIBUTIONS</i>				
48115	Capacity Charge Completed Projects	893,259	307,516	875,000	750,000
48125	Installation Fees Completed Projects	(33,019)	36,721	125,000	115,000
48135	Inspection Fees Completed Projects	142,714	103,913	65,000	100,000
48200	MWD Local Resource Prog - MWRF	365,267	356,568	397,490	-
48205	Utility Rebate - Water Operations	-	-	15,000	15,000
48300	Contributions from Developers	1,802,058	1,502,735	900,000	850,000
	<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>3,170,278</b>	<b>2,307,453</b>	<b>2,377,490</b>	<b>1,830,000</b>
	<b>Department Total</b>	<b>\$ 36,034,611</b>	<b>\$ 42,109,950</b>	<b>\$ 48,115,859</b>	<b>\$ 52,350,523</b>



**Fiscal Year 2026 Budget  
Departmental Budgets**

	Dept. 100 - Governance	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60115	Labor Taxes	\$ 13,783	\$ 15,525	\$ 16,157	\$ 16,937
60120	Labor Workers Comp	40,182	39,810	2,307	2,419
60130	Labor Directors Fee	182,032	202,928	211,200	221,400
60205	Benefits LTD/Life/EAP	345	385	532	532
60215	Benefits Other	71,099	90,622	120,000	164,000
60220	Benefits Flex Credits	37,299	35,198	138,000	144,000
	<b>Total Payroll</b>	<b>344,740</b>	<b>384,467</b>	<b>488,196</b>	<b>549,288</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
61100	Election Fees	-	-	45,000	-
62115	Staff Development & Conferences	26,453	25,753	25,000	30,000
62125	Department Admin	44,920	13,072	15,000	30,000
	<b>Total</b>	<b>71,373</b>	<b>38,824</b>	<b>85,000</b>	<b>60,000</b>
	<b>Department Total</b>	<b>\$ 416,113</b>	<b>\$ 423,292</b>	<b>\$ 573,196</b>	<b>\$ 609,288</b>

	Dept. 200 - Office of the General Manager	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 471,576	\$ 487,611	\$ 590,459	\$ 877,369
60105	Labor Non-Regular	33,019	31,271	-	-
60110	Labor Vacation	45,207	56,003	-	-
	<b>Labor Subtotal</b>	<b>549,802</b>	<b>574,885</b>	<b>590,459</b>	<b>877,369</b>
60115	Labor Taxes	26,949	28,931	29,766	46,537
60120	Labor Workers Comp	4,416	5,296	7,417	11,206
60205	Benefits LTD/Life/EAP	2,527	3,065	3,443	5,130
60210	Benefits CalPERS	(36,881)	295,766	215,000	275,000
60215	Benefits Other	21,211	20,261	22,586	33,588
60220	Benefits Flex Credits	51,826	52,256	55,200	86,400
	<b>Total Payroll</b>	<b>619,850</b>	<b>980,460</b>	<b>923,871</b>	<b>1,335,230</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
61110	Regulatory Compliance/Permits	1,171	2,922	3,000	3,000
62115	Staff Development & Conferences	15,621	6,250	15,000	20,000
62125	Department Admin	5,603	10,677	12,000	12,000
62130	Dues and Subscriptions	123,704	85,346	115,440	130,000
63100	Support Services	207,589	603,248	350,000	426,500
63105	Legal Services	388,328	382,477	400,000	213,000
	<b>Total</b>	<b>742,016</b>	<b>1,090,920</b>	<b>895,440</b>	<b>804,500</b>
	<b>Department Total</b>	<b>\$ 1,361,866</b>	<b>\$ 2,071,380</b>	<b>\$ 1,819,311</b>	<b>\$ 2,139,730</b>

	Dept. 250 - Information Technology	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>EXPENSES (NON-PAYROLL)</b>				
62105	Computer Maint/Licensing	-	269,716	744,000	800,000
62145	General Supplies - IT	-	11,585	62,000	15,000
62175	Telecom/Network	-	257,853	227,000	425,000
62180	Tools & Equipment	-	1,887	1,000	15,000
63100	Support Services	-	923,760	1,050,000	1,765,000
	<b>Department Total</b>	<b>-</b>	<b>\$ 1,464,801</b>	<b>\$ 2,084,000</b>	<b>\$ 3,020,000</b>



**Fiscal Year 2026 Budget  
Departmental Budgets**

	Dept. 3XX - Water Costs	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>IMPORTED/BASIN MANAGED WATER EXPENSES</b>				
50100-320	Imported Water Fixed Costs	\$ 335,771	\$ 367,693	\$ 539,000	\$ 557,500
50105-320	Imported Water Variable Costs	716	-	-	-
50115-320	Basin Managed Water	-	-	-	-
50130-320	Chemicals and Treatment	-	-	-	-
50180-320	Utilities - Imported	1,027	2,577	3,800	2,000
60100-320	Labor Import	-	-	-	-
62165-320	Parts and Materials - Import	64	258	10,000	5,000
63100-320	Support Services - Import	-	-	8,000	5,000
	<b>Total Imported / Basin Managed Water Costs</b>	<b>337,578</b>	<b>370,528</b>	<b>560,800</b>	<b>569,500</b>
50110-320	In-Lieu Water	-	-	-	-
	<b>Total In-Lieu Water Costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>CLEAR WATER EXPENSES</b>				
50130-310	Chemicals - Clear	344,066	333,785	396,186	456,704
50150-310	Basin Replenishment Assessment - Clear	6,960,157	7,891,790	9,368,678	9,474,786
50180-310	Utilities - Clear	1,198,716	1,490,750	1,497,709	1,540,991
60100-310	Labor Clear	-	-	-	-
62165-310	Parts and Materials - Clear	119,723	155,913	100,000	100,000
63100-310	Support Services - Clear	218,286	262,063	235,000	223,500
	<b>Total Clear Water Costs</b>	<b>8,840,948</b>	<b>10,134,301</b>	<b>11,597,573</b>	<b>11,795,981</b>
	<b>AMBER WATER EXPENSES</b>				
50130-330	Chemicals - Amber	428,547	443,676	490,352	553,101
50150-330	Basin Replenishment Assessment - Amber	1,285,911	1,380,912	1,653,614	1,672,272
50180-330	Utilities - Amber	696,879	643,507	546,869	575,000
60100-330	Labor Amber	-	-	-	-
62165-330	Parts and Materials - Amber	40,467	49,598	60,000	70,000
63100-330	Support Services - Amber	88,630	119,702	178,000	208,500
	<b>Total Amber Water Costs</b>	<b>2,540,434</b>	<b>2,637,395</b>	<b>2,928,835</b>	<b>3,078,873</b>



**Fiscal Year 2026 Budget  
Departmental Budgets**

	Dept. 300 - Water Operations	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 2,678,804	\$ 2,776,350	\$ 3,453,823	\$ 3,501,974
60105	Labor Non-Reg	243,387	273,149	-	-
60110	Labor Vacation	243,859	230,976	-	-
	<i>Labor Subtotal</i>	<b>3,166,050</b>	<b>3,280,475</b>	<b>3,453,823</b>	<b>3,501,974</b>
60115	Labor Taxes	252,491	274,612	262,453	266,708
60120	Labor Workers Comp	90,343	123,319	190,880	193,688
60125	Labor Temporary	65,559	-	25,000	25,000
60205	Benefits LTD/Life/EAP	24,759	31,278	28,969	28,672
60210	Benefits CalPERS	(175,999)	1,118,052	850,000	850,000
60215	Benefits Other	86,897	103,407	144,344	145,069
60220	Benefits Flex Credits	631,316	771,283	855,600	864,000
60990	Payroll jobs WIP	(273,660)	(411,054)	(102,900)	(175,675)
	<b>Total Payroll</b>	<b>3,867,756</b>	<b>5,291,373</b>	<b>5,708,169</b>	<b>5,699,436</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
50130	Chemicals T&D	16,094	35,834	35,000	35,000
61110	Regulatory Compliance/Permits	121,765	254,900	225,000	295,000
62115	Staff Development & Conferences	26,059	23,078	30,000	35,000
62120	Damages	-	-	-	-
62125	Department Administration	10,213	16,972	15,000	10,000
62135	Facilities improvements	19,951	9,591	35,000	25,000
62140	Fuel	127,107	120,132	145,000	125,000
62145	General Supplies	24,031	6,050	20,000	10,000
62155	Leasing/ Equipment Rental	-	-	25,000	25,000
62160	Other Agency Cost Reimbursement	2,348	2,468	-	-
62165	Parts & Materials	736,135	721,233	550,000	750,000
62180	Tools & Equipment	3,684	5,586	-	-
62185	Utilities	261,007	287,675	222,976	220,000
63100	Support Services	1,422,972	1,435,263	1,575,500	1,400,500
63990	Capitalized G&A Contra - T&D	(20,262)	(22,127)	(75,000)	(50,000)
	<b>Total</b>	<b>2,751,103</b>	<b>2,922,689</b>	<b>2,803,476</b>	<b>2,880,500</b>
	<b>Department Total</b>	<b>\$ 6,618,859</b>	<b>\$ 8,214,062</b>	<b>\$ 8,511,645</b>	<b>\$ 8,579,936</b>

	Dept. 400 - Engineering	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 529,804	\$ 579,749	\$ 702,153	\$ 788,120
60105	Labor Non-Reg	62,095	48,241	-	-
60110	Labor Vacation	84,276	57,427	-	-
	<i>Labor Subtotal</i>	<b>676,176</b>	<b>685,416</b>	<b>702,153</b>	<b>788,120</b>
60115	Labor Taxes	45,203	47,468	47,850	55,371
60120	Labor Workers Comp	5,290	6,807	9,138	10,278
60125	Labor Temporary	-	1,081	-	-
60205	Benefits LTD/Life/EAP	4,491	5,483	4,899	5,752
60210	Benefits CalPERS	(35,081)	200,033	225,000	225,000
60215	Benefits Other	16,715	18,560	28,415	32,384
60220	Benefits Flex Credits	91,590	105,232	110,400	144,000
60990	Capital Labor/Benefit Contra	(231,218)	(190,543)	(168,300)	(232,830)
	<b>Total Payroll</b>	<b>573,166</b>	<b>879,537</b>	<b>959,555</b>	<b>1,028,075</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
62115	Staff Development & Conferences	3,357	3,260	10,000	10,000
62125	Department Admin	1,991	1,895	6,000	6,000
62145	General Supplies	1,121	480	2,000	2,000
63100	Support Services	417,618	496,564	390,000	495,000
63990	Capitalized G&A Contra	(63,177)	(62,962)	(50,000)	(65,000)
	<b>Total</b>	<b>360,909</b>	<b>439,237</b>	<b>358,000</b>	<b>448,000</b>
	<b>Department Total</b>	<b>\$ 934,075</b>	<b>\$ 1,318,774</b>	<b>\$ 1,317,555</b>	<b>\$ 1,476,075</b>

	Transmission and Distribution	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>Transmission and Distribution Grand Total</b>	<b>\$ 7,552,934</b>	<b>\$ 9,532,836</b>	<b>\$ 9,829,200</b>	<b>\$ 10,056,011</b>



**Fiscal Year 2026 Budget  
Departmental Budgets**

	Dept. 500 - Customer Services	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b><i>PAYROLL EXPENSES:</i></b>				
60100	Labor Regular	\$ 339,476	\$ 226,304	\$ 275,039	\$ 288,589
60105	Labor Non-Reg	35,787	22,767	-	-
60110	Labor Vacation	36,331	19,223	-	-
	<i>Labor Subtotal</i>	<b>411,594</b>	<b>268,293</b>	<b>275,039</b>	<b>288,589</b>
60115	Labor Taxes	32,755	25,214	21,041	22,078
60120	Labor Workers Comp	3,007	2,388	2,950	3,098
60125	Labor Temporary	-	-	-	15,000
60205	Benefits LTD/Life/EAP	3,515	3,093	2,609	2,665
60210	Benefits CalPERS	(28,972)	130,512	125,000	115,000
60215	Benefits Other	22,078	11,675	12,331	12,806
60220	Benefits Flex Credits	89,789	81,790	82,800	86,400
	<b>Total Payroll</b>	<b>533,766</b>	<b>522,965</b>	<b>521,770</b>	<b>545,636</b>
	<b><i>EXPENSES (NON-PAYROLL)</i></b>				
62100	Cash Over/Short	597	-	-	-
62115	Staff Development & Conferences	2,153	-	2,500	2,500
62125	Department Admin	14,255	2,959	10,000	5,000
62145	General Supplies	167	-	1,000	1,000
63100	Support Services	144,136	148,806	208,000	261,500
	<b>Total</b>	<b>161,308</b>	<b>151,765</b>	<b>221,500</b>	<b>270,000</b>
	<b>Department Total</b>	<b>\$ 695,074</b>	<b>\$ 674,730</b>	<b>\$ 743,270</b>	<b>\$ 815,636</b>





**Fiscal Year 2026 Budget  
Departmental Budgets**

	Dept. 600 - Financial Services	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 571,433	\$ 692,683	\$ 867,534	\$ 1,057,197
60105	Labor Non-Reg	48,783	54,607	-	-
60110	Labor Vacation	52,058	53,728	-	-
	<i>Labor Subtotal</i>	<b>672,273</b>	<b>801,019</b>	<b>867,534</b>	<b>1,057,197</b>
60115	Labor Taxes	50,298	59,844	60,430	77,330
60120	Labor Workers Comp	4,883	7,567	9,958	11,963
60125	Labor Temporary	42,241	33,967	15,000	50,000
60205	Benefits LTD/Life/EAP	4,326	6,621	6,515	8,295
60210	Benefits CalPERS	(30,941)	234,688	300,000	300,000
60215	Benefits Other	23,665	31,094	35,599	44,157
60220	Benefits Flex Credits	99,007	147,536	165,600	230,400
	<b>Total Payroll</b>	<b>865,752</b>	<b>1,322,335</b>	<b>1,460,636</b>	<b>1,779,342</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
61105	LAFCO charge	23,900	32,238	-	25,000
62115	Staff development & conference expense	29,510	22,738	15,000	15,000
62125	Department administration expense	30,630	11,842	10,000	10,000
62145	General Supplies - Finance	50,470	42,921	50,000	50,000
62150	Liability insurance	252,294	319,386	275,000	325,000
63100	Support Services	528,974	507,618	695,000	825,900
63990	Capitalized G&A Contra - Finance	(381,120)	(316,817)	(150,000)	(150,000)
	<b>Total</b>	<b>534,658</b>	<b>619,926</b>	<b>895,000</b>	<b>1,100,900</b>
	<b>Department Total</b>	<b>\$ 1,400,410</b>	<b>\$ 1,942,261</b>	<b>\$ 2,355,636</b>	<b>\$ 2,880,242</b>



**Fiscal Year 2026 Budget  
Departmental Budgets**

	<b>Dept. 700 - Public Affairs</b>	<b>FY 2023 ACTUAL</b>	<b>FY 2024 ACTUAL</b>	<b>FY 2025 BUDGET</b>	<b>FY 2026 BUDGET</b>
	<b><i>PAYROLL EXPENSES:</i></b>				
60100	Labor Regular	\$ 204,129	\$ 209,169	\$ 477,317	\$ 562,002
60105	Labor Non-Reg	15,484	12,839	-	-
60110	Labor Vacation	10,590	10,285	-	-
	<i>Labor Subtotal</i>	<b>230,203</b>	<b>232,293</b>	<b>477,317</b>	<b>562,002</b>
60115	Labor Taxes	20,280	20,790	36,515	42,993
60120	Labor Workers Comp	1,777	2,811	6,071	7,161
60125	Labor Temporary	-	27,336	-	-
60205	Benefits LTD/Life/EAP	1,746	2,041	3,874	4,709
60210	Benefits CalPERS	(9,891)	69,245	175,000	150,000
60215	Benefits Other	4,808	7,748	20,729	24,547
60220	Benefits Flex Credits	45,047	50,704	110,400	144,000
	<b>Total Payroll</b>	<b>293,970</b>	<b>412,969</b>	<b>829,906</b>	<b>935,412</b>
	<b><i>EXPENSES (NON-PAYROLL)</i></b>				
62115	Staff development & conference expense	3,655	3,816	9,000	9,000
62125	Department administration expense	2,840	6,599	2,500	5,000
62130	District memberships and subscriptions	9,001	11,731	9,000	9,000
62145	General Office Supplies/Minor Equipment	6,667	60,435	25,000	40,000
63100	Support Services	763,561	714,005	1,047,550	1,139,850
	<b>Total</b>	<b>785,724</b>	<b>796,584</b>	<b>1,093,050</b>	<b>1,202,850</b>
	<b>Department Total</b>	<b>\$ 1,079,694</b>	<b>\$ 1,209,553</b>	<b>\$ 1,922,956</b>	<b>\$ 2,138,262</b>

	<b>Dept. 900 - Water Policy</b>	<b>FY 2023 ACTUAL</b>	<b>FY 2024 ACTUAL</b>	<b>FY 2025 BUDGET</b>	<b>FY 2026 BUDGET</b>
	<b><i>PAYROLL EXPENSES:</i></b>				
60100	Labor Regular	\$ 165,181	\$ 172,029	\$ 208,382	\$ 214,607
60105	Labor Non-Reg	15,321	20,781	-	-
60110	Labor Vacation	20,661	14,518	-	-
	<i>Labor Subtotal</i>	<b>201,162</b>	<b>207,328</b>	<b>208,382</b>	<b>214,607</b>
60115	Labor Taxes	12,599	13,503	13,624	14,383
60120	Labor Workers Comp	1,692	2,006	2,780	2,863
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	1,274	1,540	1,361	1,387
60210	Benefits CalPERS	(14,472)	97,501	80,000	80,000
60215	Benefits Other	11,363	12,655	8,253	8,471
60220	Benefits Flex Credits	22,528	26,249	27,600	28,800
	<b>Total Payroll</b>	<b>236,146</b>	<b>360,783</b>	<b>342,000</b>	<b>350,511</b>
	<b><i>EXPENSES (NON-PAYROLL)</i></b>				
62115	Staff Development & Conferences	18,422	24,998	15,000	15,000
62125	Department Admin	9,541	7,363	5,000	5,000
62130	Dues and Subscriptions	3,736	1,942	2,000	2,000
62145	General Supplies	724	2,669	1,500	1,500
63100	Support Services	347,586	508,957	445,000	450,000
63105	Legal Services	-	-	-	-
	<b>Total</b>	<b>380,009</b>	<b>545,930</b>	<b>468,500</b>	<b>473,500</b>
	<b>Department Total</b>	<b>\$ 616,155</b>	<b>\$ 906,713</b>	<b>\$ 810,500</b>	<b>\$ 824,011</b>



**Fiscal Year 2026 Budget  
Departmental Budgets**

	<b>Dept. 800 - Administrative Services</b>	<b>FY 2023 ACTUAL</b>	<b>FY 2024 ACTUAL</b>	<b>FY 2025 BUDGET</b>	<b>FY 2026 BUDGET</b>
	<b><i>PAYROLL EXPENSES:</i></b>				
60100	Labor Regular	\$ 480,122	\$ 486,246	\$ 635,210	\$ 734,901
60105	Labor Non-Reg	45,766	56,716	-	-
60110	Labor Vacation	77,089	56,462	-	-
	<i>Labor Subtotal</i>	<b>602,977</b>	<b>599,424</b>	<b>635,210</b>	<b>734,901</b>
60115	Labor Taxes	46,541	46,124	45,835	55,628
60120	Labor Workers Comp	4,383	5,499	7,460	8,340
60125	Labor Temporary	-	24,397	-	-
60205	Benefits LTD/Life/EAP	4,701	5,666	5,117	6,027
60210	Benefits CalPERS	(38,532)	254,752	215,000	175,000
60215	Benefits Other	19,240	20,168	27,032	31,482
60220	Benefits Flex Credits	112,289	119,777	138,000	172,800
	<b>Total Payroll</b>	<b>751,600</b>	<b>1,075,806</b>	<b>1,073,654</b>	<b>1,184,178</b>
	<b><i>EXPENSES (NON-PAYROLL)</i></b>				
60235	Benefit Unemployment Insurance	-	-	-	-
62105	Computer Maint/Licensing	402,715	(29,186)	-	-
62115	Staff Development & Conferences	6,589	14,900	15,000	10,000
62125	Department Admin	1,477	2,765	10,000	8,000
62145	General Supplies - IT	35,739	3,946	-	-
62170	Postage/Shipping/Freight	15,170	15,848	10,000	10,000
62175	Telecom/Network	392,618	(11,896)	-	-
62180	Tools & Equipment	-	-	-	-
63100	Support Services	1,448,058	239,453	32,000	22,000
63110	Human Resources Services - Admin	(154)	(990)	-	-
	<b>Total</b>	<b>2,302,213</b>	<b>234,839</b>	<b>67,000</b>	<b>50,000</b>
	<b>Department Total</b>	<b>\$ 3,053,813</b>	<b>\$ 1,310,645</b>	<b>\$ 1,140,654</b>	<b>\$ 1,234,178</b>

	<b>Dept. 850 - Human Resources</b>	<b>FY 2023 ACTUAL</b>	<b>FY 2024 ACTUAL</b>	<b>FY 2025 BUDGET</b>	<b>FY 2026 BUDGET</b>
	<b><i>PAYROLL EXPENSES:</i></b>				
60100	Labor Regular	\$ 207,945	\$ 218,622	\$ 268,536	\$ 305,261
60105	Labor Non-Reg	13,292	19,610	-	-
60110	Labor Vacation	21,075	20,663	-	-
	<i>Labor Subtotal</i>	<b>242,312</b>	<b>258,895</b>	<b>268,536</b>	<b>305,261</b>
60115	Labor Taxes	19,694	21,703	20,543	23,352
60120	Labor Workers Comp	1,651	2,215	2,934	3,059
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	1,896	2,323	2,107	2,155
60210	Benefits CalPERS	(14,776)	97,730	75,000	100,000
60215	Benefits Other	9,380	10,695	11,319	12,681
60220	Benefits Flex Credits	45,053	52,690	55,200	57,600
	<b>Total Payroll</b>	<b>305,209</b>	<b>446,251</b>	<b>435,639</b>	<b>504,108</b>
	<b><i>EXPENSES (NON-PAYROLL)</i></b>				
60225	Benefits OPEB	(31,443)	(29,693)	90,000	75,000
60230	Benefit Retiree Expenses	(34,484)	(34,949)	25,000	20,000
60235	Benefit Unemployment Insurance	15,750	-	20,000	25,000
62115	Staff Development & Conferences	14,601	6,223	10,000	10,000
62125	Department Admin	1,487	789	10,000	10,000
63110	Human Resources Services - Admin	239,683	264,446	270,000	451,800
	<b>Total</b>	<b>205,594</b>	<b>206,815</b>	<b>425,000</b>	<b>591,800</b>
	<b>Department Total</b>	<b>\$ 510,803</b>	<b>\$ 653,066</b>	<b>\$ 860,639</b>	<b>\$ 1,095,908</b>



## Fiscal Year 2026 Budget

### Glossary of Terms

<b>Accrual</b>	The recognition of a revenue or expense as it is earned or incurred regardless of when actual cash is received or paid.
<b>Acre Foot (AF)</b>	Covers one acre of land in area by one foot in depth and is equal to 325,851 gallons. Supplies a family of four for approximately one year.
<b>Amber Water</b>	Water produced from deep groundwater wells that require treatment for color and odor before being entered to the distribution system.
<b>Amortization</b>	The periodic expense attributed to the decline in usefulness on an intangible asset or the allocation of bond premium or discount over the life of the bond.
<b>Appropriation</b>	An amount of money in the budget authorized by the Board of Directors, for expenditures or obligations within organizational units for specific purposes.
<b>Assets</b>	Resources owned or held by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise.
<b>Association of California Water Agencies (ACWA)</b>	Association representing nearly 450 public water agencies consisting of municipal, irrigation, county and California water districts, and a number of special purpose agencies. ACWA also represents non-profit and non-public mutual water companies. Members provide the link between local, state and federal water projects, and ultimate water consumers.
<b>Basin Pumping Percentage (BPP)</b>	The amount of clear ground water that can be pumped as a percentage of total potable water. This percentage is set each year by Orange County Water District.
<b>Budget</b>	The District's fiscal plan detailing proposed revenues and expenditures for a period of time.
<b>California Department of Water Resources (CA DWR)</b>	California agency responsible for managing California's water resources.
<b>Capacity Charge</b>	Fee imposed when a customer requests a new service connection. Capacity charges are used by the District to pay for infrastructure built to accommodate future development or to plan, design and construct new facilities to support the additional demand placed on the water system by the new connections.
<b>Capital</b>	Purchases or projects that exceed Mesa Water's capitalization threshold, which is \$10,000 for non-water infrastructure and \$100 (the installation cost of a 5/8" meter) for water infrastructure.
<b>Cash on Hand</b>	Amount of unrestricted cash held by Mesa Water at a given time.
<b>CCF</b>	Abbreviation for unit of water sold in hundred cubic feet. Mesa Water sells water in this unit of measure.



## Fiscal Year 2026 Budget

### Glossary of Terms

<b>Certificates Of Participation (COP)</b>	Form of lease-purchase financing used to construct or acquire capital facilities or equipment.
<b>Change in Net Position</b>	The final figure on the Statement of Revenues, Expenses and Change in Net Position report where revenues are netted against expenses.
<b>Clear Well Water</b>	Water produced from groundwater wells that require minimal treatment to be released into the distribution system.
<b>Coverage Ratio</b>	Ratio of Net Revenues to total annual financial obligations. This is a margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.
<b>Days Cash Ratio</b>	A ratio of the Cash on Hand divided by the average Operating Expenses less Pass-through water sales to government agencies.
<b>Debt Service</b>	Cash required in a given period for payment on interest and principal on outstanding financial obligations.
<b>Depreciation</b>	The method of allocating historical costs of capital assets (excluding land) to periods in which the assets are used.
<b>Designated Funds</b>	Segregation of assets for special purposes such as asset replacement.
<b>Enterprise Fund</b>	A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.
<b>Expenses</b>	The amount of assets consumed or services used in the process of earning revenue.
<b>Fiscal Year (FY)</b>	The annual accounting period. Mesa Water uses July 1 through June 30.
<b>Full Time Equivalent (FTE)</b>	An FTE equals one full-time employee working 2,080 hours per year.
<b>GAAP</b>	Generally Accepted Accounting Principles (GAAP) are uniform standards and guidelines that both private and public sectors use to report and record financial information. GAAP establishes a standard manner to measure and categorize accounting transactions to report financial results. Following GAAP provides a reasonable basis to compare financial results of other water or similar agencies.
<b>Geographic Information System (GIS)</b>	A system combining computer hardware, software and geographic data for collecting, storing, analyzing and displaying geographically referenced information.
<b>In-Lieu Water</b>	Water purchased at the same price as well water when the groundwater basin does not allow for full pumping.
<b>Infrastructure</b>	The accumulated pipelines, treatment plants and storage facilities of Mesa Water, including all meters, valves, pumps, hydrants and other appurtenances, whether constructed by Mesa Water or dedicated by private entities.



## **Fiscal Year 2026 Budget**

### **Glossary of Terms**

<b>Imported Water</b>	Water purchased from Municipal Water District of Orange County (MWDOC). It is transported by an aqueduct system from the Colorado River or the State Water Project.
<b>LAFCO</b>	Local Agency Formation Commission. This Commission facilitates constructive changes in governmental structure and boundaries and fosters orderly development and governance within its jurisdiction.
<b>Liability</b>	Obligations of the enterprise arising from past events.
<b>Local Agency Investment Fund (LAIF)</b>	A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.
<b>Meet and Confer</b>	Labor relations and labor negotiations with different employee groups.
<b>Memorandum of Understanding</b>	A document describing agreement or accord reached between two or more parties including each party's rights and responsibilities.
<b>Mesa Water Reliability Facility (MWRF)</b>	The facility that is used to treat the amber water pumped by wells from deeper in the groundwater aquifer.
<b>Metropolitan Water District (MWD)</b>	A consortium of cities and water districts that provide water usage to water customers in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties.
<b>Municipal Water District of Orange County (MWDOC)</b>	Regional water wholesaler of imported water that serves retail agencies in Orange County.
<b>Non-water Expenses</b>	Expenses associated with operations as a water utility but not directly attributable to the production and distribution of water.
<b>Orange County Water District (OCWD)</b>	The agency responsible for managing the Orange County Groundwater Basin in northern and central Orange County that serves cities and water districts.
<b>Other Expense</b>	An expense that cannot be associated definitely with operations.
<b>Other Income</b>	Revenue from sources other than Mesa Water's principal activities as a water utility.
<b>Potable Water</b>	Water that is suitable for drinking.
<b>Public Employees Retirement System (PERS)</b>	An agency, multiple-employer, public retirement system to which Mesa Water contributes that acts as a common investment and administrative agent for participating public entities within the State of California.
<b>Recycled Water</b>	Non-potable water that is used for irrigation purposes.
<b>Replenishment Assessment (RA)</b>	Amount charged on an acre-foot basis for water pumped from the Orange County Groundwater Basin charged by OCWD.



## Fiscal Year 2026 Budget

### Glossary of Terms

<b>Restricted Reserves</b>	An account used to indicate that a portion of Net Position is legally restricted for a specific purpose or not available for appropriation and subsequent spending.
<b>Reservoir</b>	A pond, lake, tank, or basin (natural or engineered) where water is collected and stored.
<b>Revenue</b>	The sale of goods or services produced by an entity which usually result in the creation of assets, most often cash or receivables.
<b>Statement of Revenues, Expenses and Changes in Net Position</b>	Reports the results of revenues and expenses over a period of time.
<b>Supervisory Control and Data Acquisition (SCADA)</b>	The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water systems and facilities throughout the District's service area.
<b>Water Production Costs</b>	The costs associated directly with the production and distribution of water into the system.
<b>Working Capital</b>	The difference between current assets and current liabilities. Represents the amount available for operations and other expenditures.



District Memberships		FY 2026	Charity Rating
American Water Works Association	\$	5,020	94%
Association of California Water Agencies	\$	29,795	NR
CalDesal	\$	20,000	NR
California Data Collaborative	\$	11,000	NR
California Municipal Utilities Association	\$	6,105	NR
California Policy Center	\$	12,500	83%
California Special Districts Association	\$	9,785	NR
California Water Efficiency Partnership	\$	2,175	85%
Costa Mesa Chamber of Commerce	\$	850	NR
Foundation for Cross Connection Control & Hydraulic Research	\$	1,000	NR
Independent Special Districts of Orange County	\$	50	NR
Mountain Counties Water Resources Association	\$	550	NR
Newport Beach Chamber of Commerce	\$	590	NR
Orange County Farm Bureau	\$	100	NR
Orange County Water Association	\$	250	NR
South Coast Metro Alliance	\$	395	NR
Southern California Water Coalition	\$	1,000	NR
Southwest Membrane Operator Association	\$	400	NR
UCI Water Board	\$	5,000	NR
Urban Water Institute	\$	5,000	53%
WaterReuse	\$	5,845	NR
<b>Total District Memberships</b>	<b>\$</b>	<b>117,410</b>	

<b>Board Conferences and Seminars</b>		<b>FY 2026</b>
ACWA/JPIA Fall Conference	\$	7,500
ACWA/JPIA Spring Conference	\$	7,500
ACWA Committee Meetings	\$	2,000
ACWA DC Conference	\$	1,000
ACWA Legislative Symposium	\$	1,000
AWWA ACE Conference	\$	1,000
CA-NV AWWA Fall Conference	\$	1,000
CalDesal Annual Conference	\$	1,000
California United Water Conference	\$	1,000
CALAFCO Annual Conference	\$	1,000
Colorado River Water Users Association Conference	\$	1,000
CSDA Annual Conference	\$	1,000
CSDA Legislative Days	\$	1,000
H2O Women Conference	\$	1,000
Miscellaneous Conferences & Seminars	\$	1,000
Urban Water Institute Conferences	\$	1,000
<b>Total Board Conferences and Seminars</b>	<b>\$</b>	<b>30,000</b>

<b>Community Outreach</b>	<b>FY 2026</b>	<b>Charity Rating</b>
Association of California Water Agencies	\$ 10,500	NR
Community Chats	\$ 15,000	--
Concerts in the Park	\$ 5,000	--
Costa Mesa Chamber of Commerce - Events	\$ 2,000	NR
Costa Mesa Lions (Fish Fry)	\$ 1,000	NR
Ducks Unlimited	\$ 1,300	100%
Festival of Children @ South Coast Plaza	\$ 5,000	96%
KOCI	\$ 5,000	NR
Newport Chamber of Commerce	\$ 2,000	NR
Newport Mesa Unified Schools Foundation	\$ 1,000	NR
Orange County Fair	\$ 15,500	NR
Orange County Tax	\$ 1,000	NR
Orange County Water Summit	\$ 7,500	NR
Pacific Research Institute (PRI)	\$ 5,000	94%
Power of One Foundation	\$ 1,000	50%
Save our Youth	\$ 250	96%
Share Ourselves (SOS)	\$ 10,000	97%
Seegerstrom Center Family Science and Art Festival	\$ 3,000	100%
South Coast Coalition (SOCEC)	\$ 1,500	NR
Southern California Water Coalition	\$ 2,000	NR
Southwest Membrane Operator Association (SWMOA)	\$ 1,500	NR
Sponsorship Requests	\$ 2,000	--
Urban Water Institute	\$ 3,000	53%
Vanguard University Christmas	\$ 2,750	97%
<b>Total Community Outreach</b>	<b>\$ 103,800</b>	



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## MEMORANDUM

TO: Board of Directors  
FROM: Kurt Lind, Business Administrator  
DATE: June 11, 2025  
SUBJECT: Information Technology Support Services

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### RECOMMENDATION

Approve a contract with T2 Tech to provide Information Technology Support Services in the amount of \$1,392,000 in FY 2026 plus \$696,000 for the first half of FY 2027, totaling \$2,088,000 through December 31, 2026, and authorize the General Manager to execute the contract.

### STRATEGIC PLAN

Goal #2: Perpetually renew and improve our infrastructure.

Goal #3: Be financially responsible and transparent.

Goal #6: Provide excellent customer service.

### PRIOR BOARD ACTION/DISCUSSION

At its August 8, 2013 meeting, the Board of Directors (Board) awarded a contract to T2 Technology Group (T2) in the amount of \$80,000 for the Information Technology (IT) Program Assessment, and authorized the General Manager to execute the contract.

At its January 9, 2014 meeting, the Board approved a change order with T2 for the IT Assessment for an amount not to exceed \$7,000, and authorized the General Manager to execute the change order.

At its May 22, 2014 meeting, the Board authorized \$1,275,000 for the IT Implementation Plan and approved T2 to provide the architecture, design, and project coordination services to re-engineer the IT Operations Model.

At its September 11, 2014 meeting, the Board approved a contract with T2 for an amount not to exceed \$30,000 for a Citrix Environment Remediation Project, and authorized the General Manager to sign the contract.

At its December 14, 2017 meeting, the Board approved \$479,553 for Phase 2 of the IT Master Plan Project and authorized staff to work with T2 to provide design, implementation and project coordination services.

At its October 10, 2019 meeting, the Board approved a five-year contract with T2 in the amount of \$480,000 per year for five years with 2 one-year renewal options to provide IT Support Services.

At its January 9, 2020 meeting, the Board approved a contract with T2 for as needed IT project support services in the amount of \$400,000 per year for five years.



At its April 8, 2021 meeting, the Board approved a contract with T2 for \$427,000 and a 10% contingency of \$42,700 for a total amount not to exceed \$469,700 for acquisition of IT infrastructure hardware/software asset and professional services for the implantation of a metrics-based IT operations management model and to perform hardware/software maintenance activities.

At its March 8, 2023 meeting, the Board approved a contract with T2 for an amount not to exceed \$416,000 to provide the services necessary to support the IT network infrastructure and data center refresh.

At its February 12, 2025 meeting, the Board approved a contract change order with T2 Tech for \$414,860 for IT Support Services provided through December 31, 2024; and approved a contract with T2 Tech for \$772,781 to provide IT Support Services through June 30, 2025, and authorized the General Manager to execute the contract.

## BACKGROUND

Mesa Water and T2 have worked together to achieve the Board's strategic planning including perpetually renewing and improving its infrastructure, providing excellent customer service, and achieving a National Institute of Standards and Technology (NIST) cybersecurity score of 3.0 or greater. Significant technology advancements have been accomplished, including:

- transitioned the Supervisory Control and Data Acquisition (SCADA) to a secure environment;
- implemented cyber security enhancements;
- established system redundancy;
- transitioned to a cloud-based system (Amazon Web Services);
- implemented an IT asset inventory management system;
- provided up-to-date IT infrastructure and workstations; and
- conducted 24/7 system monitoring.

These advancements are in line with the District's IT Capital Philosophy of maintaining "Best in Class" for IT Operations and Cybersecurity. This is reflected in Mesa Water's current NIST audit score of 3.2, which was conducted by an independent 3<sup>rd</sup> party auditor.

## DISCUSSION

T2 has provided technology services to Mesa Water since 2013, including the assessment of the District's previous program, and been instrumental in significantly improving Mesa Water's IT environment. T2 is most familiar with the District's IT infrastructure, operational processes and metrics. T2 provides tremendous value and efficiency to the District. Leveraging a contract approach for IT services allows Mesa Water to tap into a wide-ranging portfolio of experts equipped with specialized skillsets and cutting-edge capabilities.

## **Contract Request**

Staff recommends the Board approve a contract with T2 for \$2,088,000 to provide IT Support Services over the next 18 months from July 1, 2025 through December 31, 2026. The negotiated contract provides for day-to-day operational support services, IT workflow process review/update, after hours support services, IT Metrics development, system patches and updates, department project support, software application upgrades, and software vendor coordination and support.

There are no planned capital expenses for IT services for Fiscal Year (FY) 2026. Any Mesa Water projects that require IT support will be planned and included in the project for Board approval. IT support staffing hours are 560 per month which equates to 3.5 Full Time Equivalents. There are seven IT specialist positions that support Mesa Water:

- IT Principal – Senior level technical leadership.
- IT Coordinator – Project coordination, operations/network/infrastructure oversight.
- IT Operations Engineer – Maintaining IT systems ensuring operational uptime.
- IT Infrastructure Engineer – Design, implement and maintain IT infrastructure including servers, cloud systems and networks.
- IT Network Engineer – Manage network infrastructure including router, switches and connectivity ensuring network performance and security.
- IT Operations Security – Focus on protecting IT systems, networks and data from cyber security threats.
- IT Desktop Engineer – Manage and support desktop systems, hardware and software; handles IT service tickets.

The total hours for these positions are budgeted accordingly as Mesa Water does not require a full-time IT staff, apart from the IT Desktop Engineer who is onsite 40 hours per week, plus any after-hours support.

These services support 56 Mesa Water staff, IT infrastructure & networks, desktop infrastructure, over 20 IT management/monitoring applications, and over 25 department software applications.

## **Next Steps**

During the 18-month time frame, staff will begin the competitive selection process for IT Support Services, a process expected to be completed by October 2026. This effort will include the competitive selection of an IT support consultant, conduct assessment, develop requirements and RFP, release RFP, evaluate/score, vendor interviews, select vendor, Board approval and transition services (as needed).

## **FINANCIAL IMPACT**

In Fiscal Year 2026, \$1,690,000 is budgeted for IT Support Services and any potential project expenses.

## **ATTACHMENTS**

None.



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## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: June 11, 2025  
SUBJECT: Mesa Water District Strategic Plan

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### RECOMMENDATION

Modify Mesa Water District's Strategic Plan to include the adoption of Strategic Goal #8: Practice continual business improvement.

### 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 April 3, 2025 workshop, the Board of Directors (Board) approved Mesa Water District's (Mesa Water®) Fiscal Year 2026 Strategic Plan with modifications, and directed staff to bring back a fully developed Strategic Goal #8: Business Process Improvement Plan.

### BACKGROUND

Mesa Water's Vision is *To Be a Top Performing Public Water Agency*. To achieve this vision, the District must periodically review itself and re-examine its goals. The Board provides staff with direction annually regarding the District's strategic goals, objectives and outcomes for the upcoming fiscal year. Based on this direction, priorities are established, resources are allocated, and staff works to accomplish the goals and objectives, as directed.

At its April 3, 2025 workshop, the Board discussed the Fiscal Year (FY) 2026 Strategic Plan's potential opportunities and long-term strategic initiatives for the District, and directed staff to:

- Add a Strategic Goal #8 related to continuous business improvement; and
- Draft new objectives and accompanying bullet points for Goal #8 related to continuous improvement activities.

### DISCUSSION

Based on input received from the Board, staff drafted Strategic Goal #8, creating Objectives A-C by harkening back to Resolution No. 1591 Formalizing the Business Improvement Process, which





was adopted by the Board on March 19, 2024. For the Board's consideration, the following is the proposed language for Strategic Goal #8:

**Goal #8: Practice continual business improvement.**

**Objective A: Conduct the following Annual Audits:**

- Present to the Board by August 2025 the Gallup Employee Engagement Survey
- Present to the Board by October 2025 the Mesa Water Annual Financial Report (AFR)
- Present to the Board by October 2025 the Mesa Water District Improvement Corporation (MWDIC) AFR
- Present to the Board by October 2025 the District-Wide Performance Audit
- Present to the Board by October 2025 the Environmental, Health & Safety Audit
- Present to the Board by October 2025 the Customer Service Audit
- Present to the Board by January 2026 the Information Technology Audit (including both Operations and Cyber Security)

**Objective B: Each year, in a six-year rotation, one department will be the focus of an in-depth Department Assessment.**

- Hire a qualified consultant by July 2025 to conduct the FY 2026 Engineering Department Assessment
- Starting in October 2025, provide a workplan and begin quarterly updates to the Board highlighting the completed Action Items from the FY 2025 Financial Services Department Assessment
- Conduct the FY 2026 Engineering Department Assessment by April 2026
- Hire a qualified consultant by July 2026 to conduct the FY 2027 Operations Department Assessment
- Implement by August 2027 the Action Items from the FY 2025 Financial Services Department Assessment

**Objective C: Assure annual completion of the District's Business Improvement Process.**

- Include by October 2025 the Audit Report Card in the General Manager's Annual Review with the Board of Directors

Staff recommends that the Board modify Mesa Water's Strategic Plan to include the adoption of Strategic Goal #8: Practice continual business improvement.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: Proposed Strategic Goal #8

## **Strategic Goals**

- 1. Provide an abundant, local, reliable and safe water supply.**
- 2. Perpetually renew and improve our infrastructure.**
- 3. Be financially responsible and transparent.**
- 4. Increase public awareness of Mesa Water.**
- 5. Attract, develop and retain skilled employees.**
- 6. Provide excellent customer service.**
- 7. Actively participate in regional and statewide water issues.**
- 8. Practice continual business improvement.**

# BUSINESS IMPROVEMENT PROCESS

## Strategic Goal #8

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*Practice continual business improvement.*

**Objective A: Conduct the following Annual Audits:**

- Present to the Board by August 2025 the Gallup Employee Engagement Survey
- Present to the Board by October 2025 the Mesa Water Annual Financial Report (AFR)
- Present to the Board by October 2025 the Mesa Water District Improvement Corporation (MWDIC) AFR
- Present to the Board by October 2025 the District-Wide Performance Audit
- Present to the Board by October 2025 the Environmental, Health & Safety Audit
- Present to the Board by October 2025 the Customer Service Audit
- Present to the Board by January 2026 the Information Technology Audit (including both Operations and Cyber Security)

**Objective B: Each year, in a six-year rotation, one department will be the focus of an in-depth Department Assessment.**

- Hire a qualified consultant by July 2025 to conduct the FY 2026 Engineering Department Assessment
- Starting in October 2025, provide a workplan and begin quarterly updates to the Board highlighting the completed Action Items from the FY 2025 Financial Services Department Assessment
- Conduct the FY 2026 Engineering Department Assessment by April 2026
- Hire a qualified consultant by July 2026 to conduct the FY 2027 Water Operations Department Assessment
- Implement by August 2027 the Action Items from the FY 2025 Financial Services Department Assessment

**Objective C: Assure annual completion of the District's Business Improvement Process.**

- Include by October 2025 the Audit Report Card in the General Manager's Annual Review with the Board of Directors

**REPORTS:**

10. REPORT OF THE GENERAL MANAGER

**REPORTS:**

11. DIRECTORS' REPORTS AND COMMENTS



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## MEMORANDUM

TO: Board of Directors  
FROM: Andrew D. Wiesner, P.E., District Engineer  
DATE: June 11, 2025  
SUBJECT: Single Meter Policy

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### RECOMMENDATION

Receive the presentation

### 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 #6: Provide excellent customer service.

### PRIOR BOARD ACTION/DISCUSSION

At its April 3, 2025 meeting, the Board of Directors (Board) directed staff to develop an updated single-meter policy for all residential units within the District's service area, effective immediately for all projects currently underway, in plan check, future developments, and re-piping projects. For residential units on private streets where Mesa Water does not own the piping, Mesa Water will install sub-meters consistent with current third-party practices.

### BACKGROUND

Mesa Water District's (Mesa Water®) Rules and Regulations for Water Service (Rules and Regulations) establish rules and regulations concerning the sale, distribution and use of water within Mesa Water's service area. One of the policies defined in the Rules and Regulations is Mesa Water's Single Meter Policy. Mesa Water's standard metering policy is that individually owned units shall be individually metered unless otherwise set forth in the Rules and Regulations. Additionally, the Single Meter Policy stipulates that all meters shall be placed in the public right of way unless approved easements are accepted by the District Engineer and approved by the Board of Directors.

### DISCUSSION

With increasing densification within the District's service area, more of Mesa Water's customers are connected to the distribution system through a master meter. These customers include those who live in townhome communities and apartment complexes and many commercial tenants. This results in more customers that do not receive a water bill from Mesa Water, a key communication tool.

Since receiving direction from the Board on April 3, 2025, staff has begun implementing individual metering for all proposed dwelling units, which is acceptable under the current Rules and



Regulations. To date, staff has coordinated with eleven customer projects that are at various stages of the Plan Check Process. Staff has received an overall positive response from the initial customer projects. Staff is gathering questions and comments from the initial group of customer projects to better inform recommended changes to the Rules and Regulations and Standard Specifications. The recommended changes to the Single Meter Policy and Standard Specifications will be presented to the Board at future meeting within the next three months.

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

None.



## **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
5/27/25	Mesa Water Education Center Event, 3/28
5/27/25	Mesa Water District Safety Event, 4/1
5/27/25	City Districts Liaison Committee Meeting, 4/18
5/27/25	Meeting with General Manager, 4/21
5/27/25	ACWA JPIA Spring Conference, 5/10 – 5/16
5/27/25	Meeting with General Manager, 5/19
5/27/25	Institute for Conservation Research & Education Event, 5/23

### **Marice H. DePasquale**

#### **Meetings Attended**

Reimbursement Date:	Description, Date
N/A	

### **Shawn Dewane**

#### **Meetings Attended**

Reimbursement Date:	Description, Date
5/27/25	Meeting re: Water Issues, 4/30
5/27/25	Mesa Water Education Center Tour, 5/7
5/27/25	Meeting with Director, 5/20

### **James R. Fisler**

#### **Meetings Attended**

Reimbursement Date:	Description, Date
5/27/25	ISDOC Quarterly Meeting, 4/30
5/27/25	Moulton Niguel Water District Board Meeting, 5/8
5/27/25	Silverado Modjeska Board Meeting, 5/27

**CLOSED SESSION:**

14. CONFERENCE WITH LABOR NEGOTIATOR:  
Pursuant to California Government Code Section 54957.6(a)  
District Negotiator: General Manager  
Employee Organization: Represented and Non-Represented Employees



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## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: June 11, 2025  
SUBJECT: Fiscal Year 2026 Staffing Plan

---

### RECOMMENDATION

Take action as the Board of Directors desires.

### 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 May 22, 2024 meeting, the Board of Directors (Board) approved the Fiscal Year (FY) 2025 budget which included the current staffing plan.

### BACKGROUND

In 2000, Mesa Water District (Mesa Water®) had 72 full-time equivalent (FTE) positions in the budget. Over the past 25 years, as Mesa Water has gone from a construction and building phase to an operational efficiency phase, and with some reorganization and reassignment of functions, the District had reduced -- at its lowest point -- the number of budgeted employees by 17 FTEs, or 23.6%, to 55 FTEs (plus two Limited-Term positions to support the Capital Improvement Program Renewal).

In FY 2024, the Board approved an increase of one additional FTE to the staffing plan, taking the District's total personnel amount to 56 FTEs.

### DISCUSSION

In Closed Session, at its June 11, 2025 meeting, the Board will consider modifications to the District's staffing levels.

### FINANCIAL IMPACT

There is no financial impact for the discussion of this item unless action is taken by the Board.

### ATTACHMENTS

None.