



*Dedicated to  
Satisfying our Community's  
Water Needs*

**AGENDA  
MESA WATER DISTRICT  
BOARD OF DIRECTORS  
Wednesday, April 29, 2026  
1965 Placentia Avenue, Costa Mesa, CA 92627  
1:00 p.m. Adjourned 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.

**ACTION ITEMS:**

1. FINANCIAL SERVICES INITIATIVES:

**Recommendation: Receive the presentation.**

2. FINANCIAL GOALS AND RESERVES:

**Recommendation: Receive the presentation.**

3. REGIONAL WATER ISSUES:

**Recommendation: Receive the presentation.**

4. FISCAL YEAR 2027 STRATEGIC PLAN:

**Recommendation: Approve Mesa Water District's Fiscal Year 2027 Strategic Plan.**

5. SPECIAL LEGAL COUNSEL SERVICES:

**Recommendation: Approve legal fees to Ciresi Conlin LLP for an amount not to exceed \$145,000 to provide Special Legal Counsel Services regarding *Dreher v. City of Los Angeles Department of Water and Power*.**

**REPORTS:**

6. REPORT OF THE GENERAL MANAGER

7. DIRECTORS' REPORTS AND COMMENTS

**CLOSED SESSIONS:**

8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

Pursuant to California Government Code Section 54956.8:

Property: 17900 Brookhurst Street, Fountain Valley

District Negotiator: General Manager

9. CONFERENCE WITH LABOR NEGOTIATOR:

Pursuant to California Government Code Section 54957.6(a)

District Negotiator: General Manager

Employee Organization: Represented and Non-Represented Employees

10. PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6:

Public Employee Performance Evaluation

Title: General Manager

**ACTION ITEMS (CONT.):**

11. FISCAL YEAR 2027 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, MAY 13, 2026 AT 4:30 P.M.**



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## MEMORANDUM

TO: Board of Directors  
FROM: Calvin Hsu, CPA, Chief Financial Officer  
DATE: April 29, 2026  
SUBJECT: Financial Services Initiatives

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### RECOMMENDATION

Receive the presentation.

### STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.  
Goal #7: Provide excellent customer service.  
Goal #8: Practice continual business improvement.

### PRIOR BOARD ACTION/DISCUSSION

At its April 10, 2024 meeting, the Board approved a contract amendment with Plante Moran, PLLC (Plante Moran) for \$175,000 to expand their consulting services to include an internal control assessment and the development of financial standard operating procedures.

At its April 23, 2025 meeting, the Board approved Plante Moran contracts to provide:

- Standard Operating Procedure Implementation Services;
- Financial Software Selection & Implementation Support; and
- Key Performance Indicators (KPI) Dashboards.

At its January 14, 2026 meeting, the Board received a presentation regarding Financial Services Initiatives, the first quarterly update stemming from the Fiscal Year (FY) 2025 Financial Services Department Assessment.

### BACKGROUND

Plante Moran was engaged to review Mesa Water District's (Mesa Water®) Financial Services Department's internal control environment. The review identified eight areas for improvement across finance and operational processes. While Budgeting and Payroll were assessed as operating effectively, staff recommended continued monitoring to support long-term sustainability and operational efficiency. Several of the identified opportunities for improvement are related to system limitations, underscoring the need to evaluate the implementation of a modern Enterprise Resource Planning (ERP) system.

### DISCUSSION

As part of Mesa Water's ongoing efforts to further strengthen organizational processes and internal controls, staff has developed a multi-year plan focused on continuous improvement, strengthening financial operations, and evaluating and implementing a new ERP system.



This multi-year plan is expected to provide several benefits for Mesa Water, including:

- Strengthening the District's internal controls framework to mitigate risks and enhance compliance
- Enhance transparency and accountability in financial reporting and management practices

At the April 29, 2026 workshop, staff will provide the Board a presentation regarding the status of the Financial Services Initiatives.

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

None.



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## MEMORANDUM

TO: Board of Directors  
FROM: Calvin Hsu, CPA, Chief Financial Officer  
DATE: April 29, 2026  
SUBJECT: Financial Goals and Reserves

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### RECOMMENDATION

Receive the presentation.

### STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

### PRIOR BOARD ACTION/DISCUSSION

At its February 9, 2010 meeting, the Board of Directors (Board) adopted Resolution No. 1387 Revising Financial Policies and Guidelines in Establishing Rates Superseding Resolution No. 1359 including Exhibit A of the Designated Funds Policy. This resolution established minimum and maximum funding levels for each of Mesa Water District's (Mesa Water®) funds as listed and described below:

- Capital Replacement Fund – used for the replacement of capitalized assets when they reach the end of their useful lives.
- Administrative & General Fund – used to fund (or partially fund) certain major general, administration and overhead projects such as offices, fixtures, furnishings, vehicles and equipment, on a pay-as-you-go basis.
- 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.
- Rate Stabilization Fund – established to provide flexibility to the Board when setting rates to allow for absorbing temporary rate fluctuations or for one-time expenditures.
- Operating Fund – used for unanticipated operating expenses, to maintain working capital for current operations and to meet routine cash flow needs.
- Customer & Developer Deposits – monies held on behalf of Mesa Water's customers as required for their utility account or as cash bonds for development projects.

The funding Minimums and Maximums methodologies established for each fund by Resolution No. 1387 varied from calculated dollar amounts, days cash ratios, percentage of budgeted General and Administrative amounts, or a percentage of Fixed Assets.

Overall Designated Fund levels were established at a minimum of 280 days with no overall maximum level to retain flexibility as the Capital Replacement Fund's funding requirements may vary.

At its March 15, 2014 workshop, the Board adopted Resolution No. 1443 Designated Funds Policy amending the Designated Funds portion of Resolution No. 1387 Financial Policies and Guidelines for Establishing Rates. This resolution streamlined and improved calculation



methodology to exclusively calculate Designated Funds funding levels in “days” to be internally consistent, to easily calculate Designated Funds both individually and overall, and to promote clarity and transparency.

Below is a summary of Mesa Water’s Designated Funds calculations approved by the Board in Resolution No. 1443:

<b>Fund Name</b>	<b>Target</b>	<b>Maximum</b>
Administrative & General Fund	20 days	25 days
Catastrophe Fund	150 days	180 days
Rate Stabilization Fund	60 days	75 days
Operating Fund	120 days	150 days
<b>Total</b>	<b>350 days</b>	<b>430 days</b>

Regarding the Capital Replacement Fund, the resolution did not establish an overall maximum level to retain flexibility as funding requirements may vary. Overall Designated Fund levels were established with a Target Amount of 600 days.

At its March 23, 2017 workshop, the Board received an update on the historical balances of the Designated Funds. The Board received and filed the Designated Funds Policy without any changes to Resolution No. 1443.

At its March 12, 2020 meeting, the Board approved minor changes and adopted Resolution No. 1529 Revising the Designated Funds Policy Superseding Resolution No. 1443.

At its April 18, 2023 workshop, the Board directed staff to agendize Designated Funds and Investment Policy Statement at a future meeting.

At its March 13, 2024 meeting, the Board adopted Resolution No. 1590 Revising the Designated Funds Policy Superseding Resolution No. 1529. This resolution updated the “target days” to better align with the Board’s goals.

Below is a summary of Mesa Water’s Designated Funds calculations approved by the Board in Resolution No. 1590:

<b>Fund Name</b>	<b>Target</b>	<b>Maximum</b>
Administrative & General Fund	10 days	25 days
Catastrophe Fund	30 days	180 days
Rate Stabilization Fund	30 days	75 days
Operating Fund	50 days	150 days
<b>Total</b>	<b>120 days</b>	<b>430 days</b>



At its October 29, 2024 workshop, the Board eliminated the Mesa Water District Fiscal section of the District-Wide Annual Performance Audit and directed staff to develop a standalone report for the AAA rating metrics and to agendize the topic at a future Board meeting.

DISCUSSION

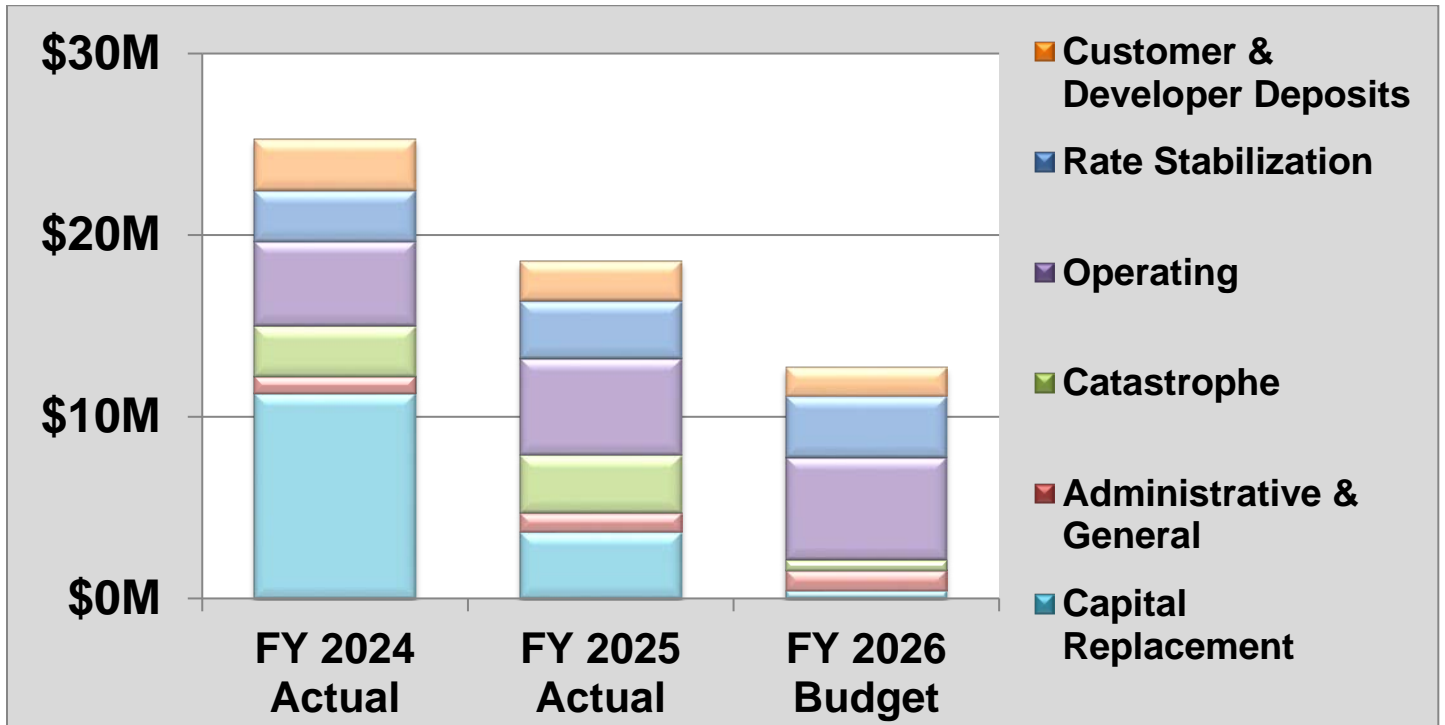
Each of the individual funds within Mesa Water’s overall cash and investment reserves as defined in Resolution No. 1590 are solely Board “designated” funds which means there is no legal restriction on the future use of each individual fund. Each individual fund can be revised at any time by the Board for any use. The Board designation of each individual fund is for planning purposes only as the Board may often make decisions based on the overall reserve balance.

The following is a historical breakdown of the District's Designated Fund balances:

	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 BUDGET	TARGET DAYS
<b>Customer &amp; Development Deposits</b>	\$ 2,792,805	\$ 2,202,093	\$ 1,570,000	N/A
<b>Capital Replacement Fund</b>	11,270,138	3,646,024	421,961	N/A
<b>Other Funds</b>				
Administrative & General Fund (Target 10 days)	933,232	1,060,380	1,127,237	10 - 25
Catastrophe Fund (Target 30 days)	2,799,696	3,181,139	563,618	30 - 180
	3,732,928	4,241,519	1,690,855	40 - 205
<b>Liquidity Funds</b>				
Operating Funds (Target 50 days)	4,666,160	5,301,898	5,636,185	50 - 150
Rate Stabilization Funds (Target 30 days)	2,799,696	3,181,139	3,381,711	30 - 75
<b>Total Liquidity Funds (Target 80 days total)</b>	7,465,856	8,483,037	9,017,896	80 - 225
<b>Total Cash - Designated Funds</b>	\$ 25,261,727	\$ 18,572,673	\$ 12,700,712	N/A
Operating Expense	\$ 34,062,968	\$ 38,703,859	\$ 41,144,150	
Cash per Day	\$ 93,323	\$ 106,038	\$ 112,724	
Days Cash Ratio Actual/Estimate	271	175	113	
Days Cash Ratio Target	120	120	120	



Below is a graphical representation of the above Designated Fund balances:



As of the end of the Second Quarter of Fiscal Year 2026, the District currently meets all of the Board's Designated Funds targets with a combined cash balance of \$21,014,349.

Staff recommends no changes to the current Designated Funds Policy and will provide the Board a presentation regarding this topic at its April 29, 2026 workshop.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.



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## MEMORANDUM

TO: Board of Directors  
FROM: Karyn Igar, P.E., Principal Engineer  
DATE: April 29, 2026  
SUBJECT: Regional Water Issues

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

### PRIOR BOARD ACTION/DISCUSSION

At its October 29, 2024, April 3, 2025 and October 28, 2025 workshops, the Board of Directors (Board) received presentations regarding Regional Water Issues.

### DISCUSSION

Mesa Water District (Mesa Water®) staff keeps abreast of regional water supply issues. The following innovative and forward-thinking supply projects will be presented and discussed at the April 29, 2026 Board workshop:

1. **Local groundwater Supply Improvement Project (Local SIP):** This update will discuss the progress of the Local SIP — a brackish groundwater desalination facility located seaward of the groundwater injection barrier within the Mesa Water, City of Huntington Beach and City of Newport Beach service areas. The initial phase of the Local SIP is a feasibility study. The Local SIP study is being executed and funded through a partnership between Mesa Water (as the lead agency), the City of Huntington Beach, the City of Newport Beach and Orange County Water District (OCWD), with Mesa Water receiving a \$250,000 grant from the U.S. Bureau of Reclamation (USBR) to fund 50% of the study and \$25,000 from each of the three partners. The feasibility study found that the project is feasible and has several benefits to the region. The next steps for the Local SIP are for the Board to direct staff to pursue the following:
  - a. **Grant Funding:** The USBR is expected to release a Notice of Funding Opportunity for desalination projects in 2026. The Board and staff have been in contact with USBR representatives, and the Local SIP appears to be in a good position to receive further USBR funding, State Funding Prop. 4 and State Revolving Fund low interest loans.
  - b. **Purchase Property:** Staff has retained Voit Real Estate Services (Voit) to help locate property for the treatment facility and wells. Voit has located a property for consideration that is outside of the prime area for the treatment facility. The 4/29/26 presentation will include the pros and cons of the property and make a recommendation.

- c. **Build Consensus Among the Partner Agencies and Other Stakeholders:** The consultant for the feasibility study, Black & Veatch, has developed a presentation of the benefits of the Local SIP appropriate for elected officials that was presented at the April 8, 2026 Board meeting. Staff can request its partner agencies and stakeholders to agendaize the Local SIP for presentation at Council and Board meetings.
  - d. **Bring Back a Contract Amendment for Black and Veatch to Proceed with the Next Technical Steps Recommended in the Feasibility Study:** The Feasibility Study recommended studying the potential for subsidence from brackish groundwater pumping, groundwater modeling, analysis of the reduction of injection barrier water needed for the Talbert Basin, and a refined construction cost estimate for the project. Black and Veatch is revising its proposal to perform these next steps.
  - e. **Retain a Program Management Consultant:** The program manager would be responsible for retaining and managing a project team for planning, permitting, design, construction and construction management of the Local SIP wells, pipelines and treatment facility.
2. **Interagency Water Transfer:** This update will discuss the progress of the Interagency Water Transfer Projects with the City of Newport Beach and the City of Huntington Beach. Feasibility Studies performed for both projects show that Mesa Water has adequate water supply to help these neighboring agencies replace some of their imported water purchases with Mesa Water's locally-produced groundwater.
- a. **City of Newport Beach:** The Interagency Water Transfer with City of Newport Beach is mutually beneficial to Mesa Water, the City of Newport Beach, and other agencies that intertie with the City of Newport Beach. OCWD is also supportive. A potential site at 17<sup>th</sup> Street west of Whitter Avenue was found to be a good location for a new intertie vault between Mesa Water's pressurized 16" diameter mainline and the City of Newport Beach's 36" diameter gravity line to provide 2,000 acre-feet per year to the City of Newport Beach. The site is also a low-traffic location and is positively received by the City of Costa Mesa. Staff from Mesa Water and the City of Newport Beach are reviewing design documents for a metered intertie at this location. Staff is also coordinating with Southern California Edison (SCE) to bring power to an intertie vault and the Supervisory Control And Data Acquisition (SCADA) panel for the intertie. SCE has reported that the power poles near the proposed intertie site do not have capacity for power of the intertie. This has potential to delay the project as well as adding significant cost. Mesa Water and City of Newport Beach staff have escalated this issue with SCE and are working toward a resolution. Staff is also working with OCWD to develop an Interagency Agreement for billing and accounting for the Basin Pumping Percentage (BPP) and Basin Equity Assessment (BEA) for the water delivered from Mesa Water to the City of Newport Beach through the proposed intertie. Under normal circumstances, staff would not initiate a construction contract until the SCE issues were resolved and the interagency agreement was executed. However, as the facilities can be operated manually, staff recommends initiating a construction contract while the SCE issues and interagency agreement are in process.
  - b. **City of Huntington Beach:** A feasibility study for water transfer to the City of Huntington Beach was delivered in January 2026. The project was found to be feasible.



The study recommended using the existing OC-44 imported water transmission line that is co-owned by Mesa Water and the City of Huntington Beach, and displacing some of the water purchased by City of Huntington Beach with Mesa Water's locally produced groundwater. A pressure reducing vault downstream of Mesa Water's western connection to OC-44 located near the intersection of Fair and Fairview, and a new connection from Mesa Water's distribution system to OC-44 is recommended. The proposed next steps are to refine the construction cost estimate, and negotiate an interagency agreement between Mesa Water, the City of Huntington Beach and OCWD to determine billing and accounting for the BPP. Next steps for Huntington Beach is to take the project to the City's Public Works Commission on May 20, 2026.

Staff is pursuing both the Newport Beach and Huntington Beach interties as expeditiously as possible per previous Board direction.

3. **Reservoir 2 Recovery.** This update will discuss the progress of the Reservoir 2 Recovery, and the status of the Reservoir 1 and 2 Upgrades Project. In November 2023, the Board awarded a contract for the construction of the Reservoirs 1 and 2 Pump Station Upgrades Project. The project was making good progress at both the Reservoir 1 and Reservoir 2 sites until October 2025, when the recently installed flange on the motive water line to supply the Reservoir 2 mixers failed and flooded the Reservoir 2 Pump Station. The existing pump station equipment, including the natural gas-powered engines, right angle gear drives, electrical equipment, and instrumentation were all damaged. Reservoir 2 and its Pump Station have been offline since the incident as equipment is being tested, repaired and replaced. The current recovery schedule has the pump station in service in June 2026. The new construction was also damaged, including the variable frequency drives (VFDs) and the chemical management system pumps. Work has continued on the Reservoir 1 upgrades. However, until Reservoir 2 and its pump station are reliably back in service, Reservoir 1 and its Pump Station must remain in service and the Reservoir 1 Pump Station upgrades will be paused. The following summarizes the progress of repairs at Reservoir 2 and its Pump Station:

- **Complete:** Replaced submerged electrical equipment, instrumentation and chemical system pumps.
- **In Progress:** Repair of gas engines 1,3 and 4. Initial testing planned for April 2026.
- **Procurement:** Replacement of right-angle gear drives and variable frequency drives
- **Design:** Replacement of the failed motive water line to supply the reservoir mixers.
- **Planning:** Reservoir 2 draining and disinfection, Engine 2 rebuild, pump station and reservoir commissioning

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

None.



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## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: April 29, 2026  
SUBJECT: Fiscal Year 2027 Strategic Plan

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### RECOMMENDATION

Approve Mesa Water District's Fiscal Year 2027 Strategic Plan.

### 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 public awareness 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.  
Goal #8: Practice continual business improvement.

### PRIOR BOARD ACTION/DISCUSSION

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

At its June 11, 2025 meeting, the Board modified Mesa Water District's Strategic Plan to include the adoption of Strategic Goal #8: Practice continual business improvement.

### DISCUSSION

Mesa Water District's (Mesa Water®) 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.

The intent of this agenda item is for the Board to review the draft Strategic Plan to ensure the document incorporates the Board's articulated values and planning principles, identified opportunities for change and growth, and outlined key initiatives.

The draft FY 2027 Strategic Plan lists a multitude of new objectives for each of the District's eight strategic plan goals; the following list highlights the key additions to the new plan:

- Vigorously pursue next steps for the Local groundwater Supply Improvement Project (Local SIP) by June 2027



- Present backup power solutions for Well Nos. 12 & 14 to the Board by September 2026
- Complete the Interagency Water Transfer with the City of Newport Beach and Orange County Water District (OCWD) by September 2026
- Complete the Interagency Water Transfer with the City of Huntington Beach and OCWD by June 2027
- Release a Request for Proposal (RFP) for a SCADA Master Plan by June 2027
- Evaluate the development of a District Strategic Energy Plan by June 2027
- Onboard a new District Engineer and Water Policy Manager by July 2026
- Initiate a 5-year water rate study by December 2026
- Conduct a thorough and transparent staff-led RFP by October 2026 to retain a firm to provide General Legal Counsel Services
- Create a research-driven plan for a high school and college education program at the Mesa Water Education Center by December 2026
- Host 100 field trips and tours at the Mesa Water Education Center by June 2027
- Conduct an RFP for Professional Services to select a firm by April 2027 to provide water-wise landscaping options at the Mesa Water Education Center and at District Headquarters
- Establish a redesigned employee recognition and engagement framework by June 2027, prioritizing impactful events and qualitative feedback loops to enhance employee satisfaction and retention
- Implement a new Customer Information System by October 2026
- Implement new metrics for the Elite Customer Services Standards by October 2026
- Implement a cashless payment program by June 2027
- Provide four quarterly updates to the Board by June 2027 regarding the initiatives stemming from the FY 2025 Financial Services Department Assessment
- Include the Audit Report Card in the General Manager's Annual Review with the Board of Directors by October 2026

Staff recommends the Board approve the FY 2027 Strategic Plan, with possible modifications, at its April 29, 2026 workshop.

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

Attachment A: Fiscal Year 2027 Strategic Plan, Draft  
Attachment B: Fiscal Year 2026 Strategic Plan, Redline



# STRATEGIC PLAN

**Fiscal Year 2027**

## Vision

**To Be a Top Performing Public Water Agency**

## Mission Statement

**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.**

## Core Values

- **Health and Safety of the Public and Our Staff**
- **Excellence**
- **Philosophy of Abundance**
- **Perpetual Agency Philosophy**

## 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.

## **Strategic Goal #1**

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*Provide an abundant, local, reliable and safe water supply.*

**Objective A: Continue to meet and surpass water quality standards.**

**Objective B: Maintain and protect a high-quality water supply.**

- ◆ Bring the California Division of Drinking Water-approved Mesa Water Cross-Connection Control Plan to the Board for adoption by December 2026

**Objective C: Continue to ensure a reliable and abundant supply of water.**

- ◆ Present backup power solutions for Well Nos. 12 & 14 to the Board by September 2026
- ◆ Vigorously pursue next steps for the Local groundwater Supply Improvement Project (Local SIP) by June 2027

**Objective D: Ensure emergency operations.**

- ◆ Develop and implement by December 2026 a standardized Emergency Response Process as a resource for key staff, outlining protocols for notification, reporting and documentation to ensure timely communication and accurate recordkeeping during emergencies
- ◆ Complete the Reservoir 1 Upgrades Project by June 2028

## Strategic Goal #2

*Perpetually renew and improve our infrastructure.*

### **Objective A: Manage water infrastructure assets to assure reliability.**

- ◆ Onboard a new District Engineer by July 2026
- ◆ Implement software by March 2027 to process and track underground service alert tickets
- ◆ Complete the Reservoir 2 Recovery and Reservoir 2 Pump Station Upgrades Project by June 2027

### **Objective B: Efficiently manage our water system.**

- ◆ Complete the Interagency Water Transfer with the City of Newport Beach and Orange County Water District (OCWD) by September 2026
- ◆ Submit a plan to implement Mesa Water's Mobile Work Order Functionality by December 2026
- ◆ Complete the Interagency Water Transfer with the City of Huntington Beach and OCWD by June 2027

### **Objective C: Plan future projects based on data-driven and life-cycle cost decisions.**

- ◆ Bring to the Board by August 2026 the recommendation from the Mesa Water Reliability Facility (MWRF) Electric Vehicle Charging Station Feasibility Study
- ◆ Complete a Supervisory Control and Data Acquisition Needs Assessment (SCADA) by December 2026
- ◆ Release a Request for Proposal (RFP) for a SCADA Master Plan by June 2027
- ◆ Evaluate the development of a District Strategic Energy Plan by June 2027
- ◆ Initiate Cathodic Protection Improvements by June 2027 as adopted in the Master Plan Update and Capital Improvement Program Update

### **Objective D: Improve Mesa Water's information technology infrastructure assets to assure reliability and security.**

- ◆ Complete a Microsoft Office 365 optimization review by October 2026
- ◆ Competitively bid Information Technology services and present results to the Board by October 2026
- ◆ Implement improved meter reading software and hardware by December 2026

## Strategic Goal #3

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*Be financially responsible and transparent.*

**Objective A: Maintain AAA financial goals and meet the appropriate designated fund level goals.**

- ◆ Develop a standalone report for the AAA rating metrics by December 2026

**Objective B: Maintain competitive rates and efficiency in per capita expenditures.**

- ◆ Initiate a 5-year water rate study by December 2026

**Objective C: Fund the District's priorities.**

- ◆ Conduct Federal Earmarks advocacy through September 2026 for Mesa Water's priority projects — "Mainline Valves" and "Cybersecurity" and determine 2027 priorities by March 2027
- ◆ Aggressively pursue grants and low-interest loans for the Local SIP (as Notice of Funding Opportunities are released) by June 2027

**Objective D: Encompass financial responsibility and transparency.**

- ◆ Conduct a thorough and transparent staff-led RFP by October 2026 to retain a firm to provide General Legal Counsel Services
- ◆ Standardize contracts and create a procurement matrix by December 2026
- ◆ Create and implement Standard Operating Procedures across key financial processes: Accounts Payable, Accounts Receivable, Budgeting, Cash Receipts, Financial Reporting, Payroll, Procurement, and Project Tracking by June 2027
- ◆ Digitize and automate key forms and contract workflows using Laserfiche by June 2027, reducing administrative and paper costs while improving accuracy, auditability and real-time transparency

**Objective E: Support the selection and implementation of a new financial system.**

- ◆ Complete the RFP and vendor selection process by January 2027 to procure a modern financial and accounting system
- ◆ Start the implementation guidelines for the modern financial and accounting system by April 2027

## Strategic Goal #4

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*Increase public awareness of Mesa Water.*

**Objective A: Enhance Mesa Water’s visibility and positive recognition.**

- Complete a website user analysis by December 2026 to enhance the user-experience of MesaWater.org

**Objective B: Increase awareness of Mesa Water and water among key audiences.**

- Create a research-driven plan for a high school and college education program at the Mesa Water Education Center by December 2026
- Launch quarterly public tours at the Mesa Water Education Center by March 2027
- Host 100 field trips and tours at the Mesa Water Education Center by June 2027
- Reach all audiences, e.g., renters, by cultivating partnerships and sponsorships with trusted local organizations and geotargeted digital and direct mail marketing by June 2027
- Conduct an RFP to select a qualified social media consultant by June 2027 who will enhance Mesa Water’s digital presence, improve community engagement and support strategic communication goals

**Objective C: Increase customer knowledge about water-use efficiency and water-wise resources.**

- Conduct an RFP for Professional Services to select a firm by April 2027 to provide water-wise landscaping options at the Mesa Water Education Center and at District Headquarters
- Host two CA water-wise landscape workshops, including smart timer education, by June 2027

## Strategic Goal #5

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*Attract, develop and retain skilled employees.*

**Objective A: Attract and retain a qualified, skilled and capable workforce.**

- ◆ Complete an Agency-Wide Classification and Compensation Study by October 2026
- ◆ Complete a general salary increase survey of our benchmark agencies by June 2027

**Objective B: Develop employee skills.**

- ◆ Conduct two Elite Onboarding sessions by June 2027

**Objective C: Enhance employee engagement.**

- ◆ Administer biannual and annual employee engagement surveys by June 2027
- ◆ Establish a redesigned employee recognition and engagement framework by June 2027, prioritizing impactful events and qualitative feedback loops to enhance employee satisfaction and retention

**Objective D: Provide a safe working environment.**

- ◆ Explore and evaluate a Lifestyle Spending Account (LSA) Wellness Program by March 2027

**Objective E: Improve operational processes and workflow.**

- ◆ Update recruitment and selection Standard Operating Procedures by December 2026

## **Strategic Goal #6**

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*Provide excellent customer service.*

**Objective A: Provide outstanding internal and external customer service in a timely, courteous and effective manner.**

**Objective B: Enhance the customer experience.**

- ◆ Implement a new Customer Information System by October 2026

**Objective C: Measure success.**

- ◆ Implement new metrics for the Elite Customer Services Standards by October 2026

**Objective D: Continuous improvement and reinforcement.**

- ◆ Implement a cashless payment program by June 2027

### **Strategic Goal #7**

*Actively participate in regional and statewide water issues.*

**Objective A: Accomplish the District's Policy Priorities.**

- ◆ Advocate through June 2027 to support appropriate Low Income Rate Assistance programs for residential customers of public water agencies in California
- ◆ Support through June 2027 industry associations' sponsored state legislation in alignment with the District's priority Policy Platforms and Policy Positions
- ◆ Continue engaging the Buried Utilities Coalition (BUC) through June 2027 to advocate on priority air quality regulations of high impact to Mesa Water

**Objective B: Positively influence water policy and other priority policy issues.**

- ◆ Engage in the state of California's Ocean Plan Amendment process through June 2027 to enable more favorable permitting conditions for water desalination projects
- ◆ Influence implementation of California's water use efficiency regulation through June 2027 to provide the maximum variance for potable reuse of indoor water
- ◆ Advocate through June 2027 for water quality regulatory rulemaking to include a standardized cost-benefit analysis for determining economic feasibility

**Objective C: Optimize governmental efficiencies affecting Mesa Water.**

- ◆ Continue improving internal efficiencies through June 2027 for Water Policy processes involving other Mesa Water departments

**Objective D: Facilitate Mesa Water's participation with water, government, utility and non-governmental organizations.**

- ◆ Onboard a new Water Policy Manager by July 2026

## Strategic Goal #8

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*Practice continual business improvement.*

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

- ◆ Present to the Board by August 2026 the Gallup Employee Engagement Survey
- ◆ Present to the Board by October 2026 the Mesa Water Annual Financial Report (AFR)
- ◆ Present to the Board by October 2026 the Mesa Water District Improvement Corporation (MWDIC) AFR
- ◆ Present to the Board by October 2026 the District-Wide Performance Audit
- ◆ Present to the Board by October 2026 the Environmental, Health & Safety Audit
- ◆ Present to the Board by October 2026 the Customer Service Audit
- ◆ Present to the Board by January 2027 the FY 2026 Penetration and NIST 2.0 Delta Change Gap Assessments

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

- ◆ Provide four quarterly updates to the Board by June 2027 regarding the initiatives stemming from the FY 2025 Financial Services Department Assessment
- ◆ Implement by August 2028 the action items from the FY 2026 Engineering Department Assessment
- ◆ Hire a qualified consultant by December 2026 to conduct the FY 2027 Water Operations Department Assessment
- ◆ Hire a qualified consultant by June 2027 to conduct the FY 2028 Department Assessment

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

- ◆ Include the Audit Report Card in the General Manager's Annual Review with the Board of Directors by October 2026



# STRATEGIC PLAN

Fiscal Year 20267

## **Vision**

**To Be a Top Performing Public Water Agency**

## **Mission Statement**

**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.**

## **Core Values**

- **Health and Safety of the Public and Our Staff**
- **Excellence**
- **Philosophy of Abundance**
- **Perpetual Agency Philosophy**

## **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.**

## **Strategic Goal #1**

*Provide an abundant, local, reliable and safe water supply.*

### **Objective A: Continue to meet and surpass water quality standards.**

- ~~◆ Update the District's Public Health Goals as required per the California Health and Safety Code by July 2025~~

### **Objective B: Maintain and protect a high-quality water supply.**

- ~~◆ BringSubmit the California Division of Drinking Water-approved Mesa Water District's Cross-Connection Control Plan to the Board for adoption by December 2026California Division of Drinking Water by July 2025~~

### **Objective C: Continue to ensure a reliable and abundant supply of water.**

- ~~◆ Update the District's Emergency Response Plan (ERP) per the American Water Infrastructure Act (AWIA) by September 2025~~
- ~~◆ Present backup power solutions for Well Nos. 12 & 14 to the Board by September 2026~~
- ~~◆ Vigorously pursue next steps for the Develop a Scope of Work for the recommended next step from the Local groundwater Supply Improvement Project (Local SIP) feasibility study by December 2025Local groundwater Supply Improvement Project (Local SIP) by June 2027~~

### **Objective D: Ensure emergency operations.**

- ~~◆ Construct emergency backup power at the District's Headquarters and Reservoir 1 by March 2026~~
- ~~◆ Develop and implement by December 2026 a standardized Emergency Response Process as a resource for key staff, outlining protocols for notification, reporting and documentation to ensure timely communication and accurate recordkeeping during emergencies~~
- ~~◆ Complete the Reservoir 1 Upgrades Project by June 2028~~

## Strategic Goal #2

*Perpetually renew and improve our infrastructure.*

### **Objective A: Manage water infrastructure assets to assure reliability.**

- ~~◆ Create and memorialize standard operating procedures for all routine activities in the Distribution section of Water Operations by December 2025~~
- ~~◆ Onboard a new District Engineer by July 2026~~
- ~~◆ Implement software by March 2027 to process and track underground service alert tickets~~
- ~~◆ Complete the Reservoir 2 Recovery and Reservoir 2 Pump Station Upgrades Project by June 2027~~

### **Objective B: Efficiently manage our water system.**

- ~~◆ Complete the Master Plan and adopt high priority actions by August 2025~~
- ~~◆ Implement vehicle maintenance software by September 2025~~
- ~~◆ Complete a study by December 2025 to evaluate supplying local groundwater to the City of Huntington Beach and the City of Newport Beach~~ Complete the Interagency Water Transfer with the City of Newport Beach and Orange County Water District (OCWD) by September 2026
- ~~◆ Submit a plan to implement Mesa Water's Mobile Work Order Functionality by June~~ December 2026
- ~~◆ Complete the Interagency Water Transfer with the City of Huntington Beach and OCWD by June 2027~~
- ~~◆ Conduct a pilot conversion from aqueous ammonia to liquid ammonium sulfate at the Mesa Water Reliability Facility by March 2026~~

### **Objective C: Plan future projects based on data-driven and life-cycle cost decisions.**

- ~~◆ Bring to the Board by August 2026 the recommendation from the Mesa Water Reliability Facility (MWRF) Electric Vehicle Charging Station Feasibility Study~~
- ~~◆ Develop the vision for a SCADA Asset Management Program by October 2025~~ Complete a Supervisory Control and Data Acquisition Needs Assessment (SCADA) by December 2026
- ~~◆ Release a Request for Proposal (RFP) for a SCADA Master Plan by June 2027~~
- ~~◆ Evaluate the installation of an Electric Vehicle Charging Station at the Mesa Water Reliability Facility by December 2025~~
- ~~◆ Evaluate the development of a District Strategic Energy Plan by June 2027~~
- ~~◆ Initiate Cathodic Protection Improvements by June 2027 as adopted in the Master Plan Update and Capital Improvement Program Update~~

### **Objective D: Improve Mesa Water's information technology infrastructure assets to assure reliability and security.**

- ~~◆ Secure a professional services firm to develop specifications and requirements for a modern financial and accounting system by June 2026~~
- ~~◆ Implement improved meter reading software and hardware by August 2026~~

## FINANCIAL RESPONSIBILITY AND TRANSPARENCY

- ◆ Complete a Microsoft Office 365 optimization review by ~~December 2025~~October 2026
- ◆ Competitively bid Information Technology services and present results to the Board by ~~March 2026~~October 2026
- ◆ Implement improved meter reading software and hardware by December 2026

## Strategic Goal #3

*Be financially responsible and transparent.*

**Objective A: Maintain AAA financial goals and meet the appropriate designated fund level goals.**

- ◆ Develop a standalone report for the AAA rating metrics by December 2026

**Objective B: Maintain competitive rates and efficiency in per capita expenditures.**

- ◆ Initiate a 5-year water rate study by December 2026

**Objective C: Fund the District's priorities.**

- ◆ Conduct Federal Earmarks advocacy through September 2025-6 for Mesa Water's priority projects — "Mainline Valves", "MWRF Backup Power" and "Cybersecurity" and determine 2026 priorities by March 2027
- ~~— Implement a robust strategy to aggressively pursue grants and low-interest loan funding for Mesa Water's Capital Improvements and priority projects by June 2026~~
- ◆ Aggressively pursue grants and low-interest loans for the Local SIP (as Notice of Funding Opportunities are released) by June 2027

**Objective D: Encompass financial responsibility and transparency.**

- ◆ Conduct a thorough and transparent staff-led RFP by October 2026 to retain a firm to provide General Legal Counsel Services
- ◆ Standardize contracts and create a procurement matrix by December 2025
- ◆ Obtain the District Transparency Certificate of Excellence by June 2026
- ◆ Obtain the District of Distinction Certificate by June 2026
- ◆ Create and implement Standard Operating Procedures across key financial processes: Accounts Payable, Accounts Receivable, Budgeting, Cash Receipts, Financial Reporting, Payroll, Procurement, and Project Tracking by June 2027
- ◆ Digitize and automate key forms and contract workflows using Laserfiche by June 2027, reducing administrative and paper costs while improving accuracy, auditability and real-time transparency

**Objective E: Support the selection and implementation of a new financial system.**

- ◆ Complete the RFP and vendor selection process by January 2027 to procure a modern financial and accounting system
- ◆ Start the implementation guidelines for the modern financial and accounting system by April 2027

## Strategic Goal #4

### *Increase public awareness of Mesa Water.*

#### **Objective A: Enhance Mesa Water’s visibility and positive recognition.**

- Implement Phase II of the “Detail the District” plan by June 2026~~7~~
- ◆ Complete a website user analysis by December 2026 to enhance the user-experience of MesaWater.org
- ◆ ~~Reach all audiences, e.g., renters, by cultivating partnerships and sponsorships with trusted local organizations and geotargeted digital and direct mail marketing by June 2026~~
- ◆ ~~Develop a policy by December 2025 that outlines how the District vets and selects trusted local organizations for partnerships, sponsorships and support~~

#### **Objective B: Increase awareness of Mesa Water and water among key audiences.**

- ◆ Create a research-driven plan for a high school and college education program at the Mesa Water Education Center by December 2026
- ◆ ~~Reinstitute Community Chats hosted at the Mesa Water Education Center by November 2025~~
- ◆ Launch ~~monthly~~quarterly public tours at the Mesa Water Education Center by ~~October 2025~~March 2027
- ◆ Host 100 field trips and tours at the Mesa Water Education Center by June 2026~~7~~
- ◆ Reach all audiences, e.g., renters, by cultivating partnerships and sponsorships with trusted local organizations and geotargeted digital and direct mail marketing by June 2027
- ◆ Conduct an RFP to select a qualified social media consultant by June 2027 who will enhance Mesa Water’s digital presence, improve community engagement and support strategic communication goals

#### **Objective C: Increase customer knowledge about water-use efficiency and water-wise resources.**

- ◆ Conduct an RFP for Professional Services to select a firm by April 2027 to provide water-wise landscaping options at the Mesa Water Education Center and at District Headquarters
- ◆ ~~Host two CA water-wise landscape workshops, including smart timer education, by June 2026~~7~~~~

## Strategic Goal #5

### *Attract, develop and retain skilled employees.*

#### **Objective A: Attract and retain a qualified, skilled and capable workforce.**

- ◆ ~~Complete an Agency-Wide Classification and Compensation Study by October 2026~~
- ◆ ~~Explore and evaluate a new dental insurance plan by September 2025~~
- ◆ Complete a general salary increase survey of our benchmark agencies by June 2027<sub>6</sub>
- ◆ ~~Competitively select a firm by June 2026 to conduct an Agency-Wide Classification and Compensation Study~~

#### **Objective B: Develop employee skills.**

- ◆ ~~Facilitate training for managers and supervisors by September 2025 to enhance their ability to support employee development~~
- ◆ Conduct two Elite Onboarding sessions by June 2027<sub>6</sub>

#### **Objective C: Enhance employee engagement.**

- ◆ Administer biannual and annual employee engagement surveys by June 2027<sub>6</sub>
- ◆ Establish a redesigned employee recognition and engagement framework by June 2027, prioritizing impactful events and qualitative feedback loops to enhance employee satisfaction and retention

#### **Objective D: Provide a safe working environment.**

- ◆ Explore and evaluate a Lifestyle Spending Account (LSA) Wellness Program by March 2027<sub>6</sub>

#### **Objective E: Improve operational processes and workflow.**

- ◆ Update recruitment and selection Standard Operating Procedures by December September 2026<sub>5</sub>

## **Strategic Goal #6**

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*Provide excellent customer service.*

**Objective A: Provide outstanding internal and external customer service in a timely, courteous and effective manner.**

**Objective B: Enhance the customer experience.**

- ◆ Implement a new Customer Information System by October 2026

**Objective C: Measure success.**

- ◆ Implement new metrics for the Elite Customer Services Standards by ~~January~~October 2026

**Objective D: Continuous improvement and reinforcement.**

- ◆ Implement a cashless payment program by June 2027

## **Strategic Goal #7**

*Actively participate in regional and statewide water issues.*

### **Objective A: Accomplish the District's Policy Priorities.**

- ◆ Advocate through June 2026~~7~~ to support appropriate Low Income Rate Assistance programs for residential customers of public water agencies in California
- ◆ Support through June 2026~~7~~ industry associations' sponsored state legislation in alignment with the District's priority Policy Platforms and Policy Positions (ACWA's SBs 394 and 454, CMUA's SB 72, CSDA's SB 496 and CWSA's SB 466)
- ◆ ~~Continue engaging the Buried Utilities Coalition (BUC) through June 2026~~7~~ to advocate on priority air quality regulations of high impact to Mesa Water, including CARB ACF and SCAQMD PR 1110.4~~
- ◆ ~~\_\_\_\_\_~~

### **Objective B: Positively influence water policy and other priority policy issues.**

- ◆ Engage in the state of California's Ocean Plan Amendment process through June 2026~~7~~ to enable more favorable permitting conditions for water desalination projects
- ◆ Influence implementation of California's water use efficiency regulation through June 2026~~7~~ to provide the maximum variance for potable reuse of indoor water
- ◆ Advocate through June 2026~~7~~ for water quality regulatory rulemaking to include a standardized cost-benefit analysis for determining economic feasibility

### **Objective C: Optimize governmental efficiencies affecting Mesa Water.**

- ◆ Continue improving internal efficiencies through June 2026~~7~~ for Water Policy processes involving other Mesa Water departments

### **Objective D: Facilitate Mesa Water's participation with water, government, utility and non-governmental organizations.**

- ◆ ~~Support through September 2025 the candidacy for re-election to ACWA's Region 10 Board for the 2026-2027 term~~
- ◆ ~~Support through December 2025 the candidacies for ACWA's Board President and Vice-President for the 2026-2027 term~~
- ◆ Onboard a new Water Policy Manager by July 2026

# BUSINESS IMPROVEMENT PROCESS

## Strategic Goal #8

*Practice continual business improvement.*

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

- ◆ Present to the Board by August 2025~~6~~ the Gallup Employee Engagement Survey
- ◆ Present to the Board by October 2025~~6~~ the Mesa Water Annual Financial Report (AFR)
- ◆ Present to the Board by October 2025~~5-6~~ the Mesa Water District Improvement Corporation (MWDIC) AFR
- ◆ Present to the Board by October 2025~~6~~ the District-Wide Performance Audit
- ◆ Present to the Board by October 2025~~6~~ the Environmental, Health & Safety Audit
- ◆ Present to the Board by October 2025~~5-6~~ the Customer Service Audit
- ◆ Present to the Board by January 2026~~7~~ the Information Technology Audit (including both Operations and Cyber Security) FY 2026 Penetration and NIST 2.0 Delta Change Gap Assessments

### 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 2025June 2027 to conduct the FY 20268 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 AssessmentProvide four quarterly updates to the Board by June 2027 regarding the initiatives stemming from the FY 2025 Financial Services Department Assessment~~
- ◆ Conduct the FY 2026 Engineering Department Assessment by April April 2026
- ◆ Implement by August 2028 the action items from the FY 2026 Engineering Department Assessment
- ◆ Hire a qualified consultant by JulyDecember 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~~
- ◆ Hire a qualified consultant by June 2027 to conduct the FY 2028 Department Assessment

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

- ◆ Include ~~by October 20265~~ the Audit Report Card in the General Manager's Annual Review with the Board of Directors by October 2026



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: April 29, 2026  
SUBJECT: Special Legal Counsel Services

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### RECOMMENDATION

Approve legal fees to Ciresi Conlin LLP for an amount not to exceed \$145,000 to provide Special Legal Counsel Services regarding *Dreher v. City of Los Angeles Department of Water and Power*.

### STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.  
Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION/DISCUSSION

At its March 25, 2026 meeting, the Board of Directors (Board) met in Closed Session with Special Legal Counsel to discuss the potential submittal of an amicus curiae in the California State Supreme Court case of *Dreher v. City of Los Angeles Department of Water and Power (LADWP)*. The Board gave direction to staff and there was no further announcement.

### DISCUSSION

Ciresi Conlin LLP (Ciresi Conlin) has provided special legal counsel services to Mesa Water District (Mesa Water®) in connection with the *Patz v. City of San Diego* and *Coziahr v. Otay Water District* cases.

Staff recommends the Board consider approving legal fees to Ciresi Conlin for an amount not to exceed \$145,000 to provide Special Legal Counsel Services regarding *Dreher v. LADWP*.

### FINANCIAL IMPACT

In Fiscal Year 2026, \$213,000 is budgeted for Legal Services.

### ATTACHMENTS

None.

**REPORTS:**

6. REPORT OF THE GENERAL MANAGER

**REPORTS:**

7. DIRECTORS' REPORTS AND COMMENTS

**CLOSED SESSION:**

8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR:  
Pursuant to California Government Code Section 54956.8:  
Property: 17900 Brookhurst Street, Fountain Valley  
District Negotiator: General Manager

**CLOSED SESSION:**

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

**CLOSED SESSION:**

10. PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6:  
Public Employee Performance Evaluation  
Title: General Manager



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Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: April 29, 2026  
SUBJECT: Fiscal Year 2027 Staffing Plan

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### 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 public awareness 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.
- Goal #8: Practice continual business improvement.

### PRIOR BOARD ACTION/DISCUSSION

At its June 11, 2025 meeting, the Board of Directors (Board) approved the Fiscal Year (FY) 2026 Staffing Plan, as well as the FY 2026 Budget, which included the current level of staffing of 61 Full-Time Equivalent (FTE) positions.

### BACKGROUND

In 2000, Mesa Water District (Mesa Water®) had 72 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. In FY 2025, the Board approved an increase of five additional FTE, taking the District's total personnel amount to 61 FTEs.

### DISCUSSION

In Closed Session, at its April 29, 2026 workshop, 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.