



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Wednesday, October 28, 2026
1965 Placentia Avenue, Costa Mesa, CA 92627
1:00 p.m. Adjourned Regular Board Meeting**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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

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

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

At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

ACTION ITEMS:

1. FINANCIAL SERVICES INITIATIVES:

Recommendation: Receive the presentation.

2. FISCAL YEAR 2026 DISTRICT-WIDE PERFORMANCE AUDIT:

Recommendation: Receive the presentation.

3. FISCAL YEAR 2026 STRATEGIC PLAN:

Recommendation: Receive the status of the Fiscal Year 2026 Strategic Plan.

4. REGIONAL WATER ISSUES:

Recommendation: Receive the presentation.

5. STRATEGIC COMMUNICATIONS DISCUSSION:

Recommendation: Receive the presentation.

6. CANDIDATE'S STATEMENT OF QUALIFICATIONS:

Recommendation: Discuss and take action as the Board desires.

7. TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY:

Recommendation: Discuss and take action as the Board desires.

8. URBAN WATER INSTITUTE:

Recommendation: Discuss and take action as the Board desires.

REPORTS:

9. REPORT OF THE GENERAL MANAGER

10. DIRECTORS' REPORTS AND COMMENTS

CLOSED SESSIONS:

11. CONFERENCE WITH GENERAL LEGAL COUNSEL – EXISTING LITIGATION:

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

Number of Cases: 1

Ferreira Construction Co. Inc. v. Mesa Water District, et al

(Orange County Superior Ct. Case No. 30-2024-01401000-CU-PN-CJC)

12. CONFERENCE WITH SPECIAL COUNSEL – EXISTING LITIGATION:

Pursuant to California Government Code Sections 54956.9(a) and 54957.1(a)(2) – based on existing facts and circumstances, the Board is meeting with Special Legal Counsel.

Number of Cases: 1

13. CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE 54957.6:

District Negotiator: General Manager

Employee Organization: Represented and Non-Represented Employees

14. PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6:

Public Employee Performance Evaluation

Title: General Manager



ACTION ITEMS (CONT.):

15. ANNUAL PERFORMANCE EVALUATION OF THE GENERAL MANAGER:

Recommendation: Take action as the Board 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. 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 TUESDAY,
NOVEMBER 10, 2026 AT 4:30 P.M.**



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MEMORANDUM

TO: Board of Directors
FROM: Calvin Hsu, CPA, Chief Financial Officer
DATE: October 28, 2026
SUBJECT: Financial Services Initiatives

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 of Directors (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.

Since January 2026, the Board has quarterly received a presentation regarding Financial Services Initiatives, a request 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. Three of the processes have been completed as of June 2026.

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 financial system limitations, and staff is currently evaluating an updated and 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
- Enhancing transparency and accountability in financial reporting and management practices

At the October 28, 2026 workshop, staff will present the status of the Financial Services Initiatives to the Board.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Kurt Lind, Business Manager
DATE: October 28, 2026
SUBJECT: Fiscal Year 2026 District-Wide Performance Audit

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 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 11, 2013 meeting, the Board of Directors (Board) approved the Business Process Evaluation project. The purpose of this evaluation was to investigate and document current organizational operations and identify opportunities to improve various business processes, including organizational structure, labor usage, technology utilization and needs, work management, effectiveness, and efficiency.

At its May 22, 2014 meeting, the Board approved the Business Improvement Process Implementation. The purpose of this implementation was to institutionalize and optimize Mesa Water District's (Mesa Water®) business processes, as well as establish new systems and upgrade existing automated tools in order to increase accountability to allow for process improvement.

At its March 26, 2018 workshop, the Board directed staff to develop district-wide key performance indicators and performance audits. The purpose of this direction was to provide the final feedback link to a sound business process strategy. The Strategic Plan establishes the vision that the Board has created. Management and staff work together to develop the plans and measures detailing how to reach that vision. The Performance Audit is an independent, third-party check of Mesa Water's system and processes to ensure they are functioning as designed.

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



At its December 10, 2020 meeting, the Board received a presentation from LAC showing the development and implementation of the FY 2019 Dry Run Performance Audit and communicating the lessons learned. Mesa Water staff then outlined the process of developing performance measures for Mesa Water.

At its January 14, 2021 meeting, the Board approved a five-year contract with LAC to conduct an annual performance audit.

At its March 22, 2022 Committee meeting, the Board received a presentation item that included the results of the District's first official Performance Audit conducted for FY 2020.

At its July 13, 2022 meeting, the Board approved changes to Mesa Water's Performance Audit Process Guide for the FY 2023 Performance Audit.

At its January 24, 2024 meeting, the Board received a presentation highlighting the results from the FY 2023 Performance Audit.

At its June 12, 2024 meeting, the Board approved changes to Mesa Water's Performance Audit Process Guide for the FY 2025 Performance Audit.

Since 2024, the Board has received a presentation highlighting the results from the FY 2024 Performance Audit.

At its October 28, 2025 workshop, the Board has received a presentation at each fall workshop highlighting the results from the previous year's Performance Audit.

DISCUSSION

In July 2026, LAC kicked off the FY 2026 Performance Audit (Audit). The Audit focuses on Mesa Water's system and processes to ensure they are functioning as designed. The Audit comprehensively reviews the District's seven departments and measures 64 key performance indicators (KPIs) to evaluate the following:

- The quality of the information staff uses to manage and measure performance;
- Business systems and related processes are set up and operating appropriately;
- Critical activities of the business are completed on time and with quality; and
- Critical programs and processes are in place and operating properly.

The Audit's scoring methodology was developed collaboratively with the District's Department Managers. The KPIs are weighted based on a three-point system, with a weight of 1 having least impact and 3 having most impact on the overall department score. Each of the KPIs are then scored based on a point award system that ties to the Red/Green/Gold scoring parameters:

- 1 – Red
- 2 – Green



- 3 – Gold

An overall percentage is then calculated based on total points earned compared to total points possible. The overall score is determined based on the following scale:

- Red – 59% or less
- Green – 60% to 89%
- Gold – 90% to 100%

District-wide, Mesa Water earned an overall score of 69 on the FY 2026 Performance Audit, a 13-point decrease from the FY 2025 Audit. Two departments scored within the red range, and four scored within the green range, with some key performance indicators improving and a few declining. No departments achieved a gold rating. The Public Affairs Department's score is pending due to the timing of the Customer Survey.

Administrative Services and Human Resources showed the strongest improvement, with a combined 11-point increase over the prior year, keeping both firmly in the green range. Engineering and Water Operations experienced declines but remained within the green range. Customer Services and Financial Services both saw score decreases that moved them into the red range.

LA Consulting's Amie Drotning will provide a presentation regarding the FY 2026 Performance Audit at the Board's October 28, 2026 workshop. Ms. Drotning will review the results and provide recommendations for improvement in efficiencies and controls.

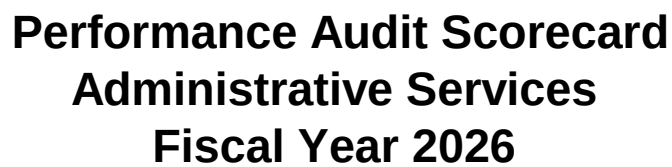
The performance audit supports Mesa Water's commitment to continuous improvement by providing meaningful feedback that assures the vision and Strategic Plan of the Board, reassures the efficient and effective management of public funds, and ensures that measurable standards are in place and achieved.

FINANCIAL IMPACT

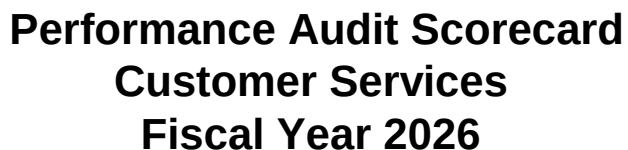
In Fiscal Year 2027, \$34,036 was budgeted for third-party auditors to conduct the District-Wide Performance Audit; \$18,973 has been spent to date.

ATTACHMENTS

Attachment A: FY 2025 Performance Audit Departmental Scorecards



No.	Performance Indicator	Definition	Source				Score
	Work Performance						
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an HPU that is lower than planned range; 2 points for within planned range; and 1 point for higher than planned range.	CMMS	Lower than Planned Range	Within Planned Range	Higher than Planned Range	89%
	Management Process						
2	Two-Week Scheduling, & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week schedule and holding the monthly work status meeting	Electronic Document	89% or Less	90% to 94%	Greater than 95%	100%
	Transparency						
3	Board and Committee Meeting Minutes	Publish Draft Minutes within 60 days of the each Board and Committee Meeting	Website Report	89% or Less	90% to 94%	Greater than 95%	100%
4	Website Transparency	Verify and affirm that select items are posted on the Mesa Water website and are current	Website	99% or Less	N/A	100%	100%
	Department Compliance						
5	Board and Committee Packets	Post to website all Board and Committee Packets within 72 hours of regular or adjourned meeting or 24 hours for a special meeting	Website Report	99% or Less	N/A	100%	100%
6	Public Records Request Act Compliance	Response to all public records requests within 10 calendar days of receipt of request	Copy of Public Records Request form	99% or Less	N/A	100%	100%
	Action Plan Compliance						
7	Review of all action plans associated with the Annual Administrative Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of <u>resolved</u> actions for all plans	Electronic Document	79% or Less	80% to 89%	90% or Greater	0%
	Continuous Improvement						
8	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	Previous year's Performance Audit	-5% or Lower	-4% to +4%	5% and Greater OR Maintained Gold Status	2%
Overall Performance Scale				59% or Less	60%-89%	90%-100%	
Overall Performance Score							88%



No.	Performance Indicator	Definition	Source				Score
	Work Performance						
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an ADP that is higher than planned range; 2 points for within planned range; and 1 point for lower that planned range.	CMMS	Lower than Planned Range	Within Planned Range	Higher than Planned Range	33%
	Management Process						
2	Two-Week Scheduling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week schedule and holding the monthly work status meeting	Electronic Document	89% or Less	90% to 94%	Greater than 95%	100%
	Customer Satisfaction						
3	Overall result of the annual Elite Customer Service Audit	Overall Key Performance Indicator Score	Elite Customer Service Audit	71% or Less	72% to 89%	90% or Greater	N/A
	Action Plan Compliance						
4	Review of all action plans associated with the Annual Customer Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of <u>resolved</u> actions for all plans	Electronic Document	79% or Less	80% to 89%	90% or Greater	0%
	Continuous Improvement						
5	Review of the overall score from the previous Elite Customer Service Audit.	Measure percent change of overall Elite Customer Service Audit score compared to the previous audit year.	Previous year's Elite Customer Service Audit	-5% or Lower	-4% to +4%	5% and Greater OR Maintained Gold Status	N/A
6	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	Previous year's Performance Audit	-5% or Lower	-4% to +4%	5% and Greater OR Maintained Gold Status	-35%
Overall Performance Scale				59% or Less	60%-89%	90%-100%	
Overall Performance Score							53%



No.	Performance Indicator	Definition	Source				Score
	Verify Accurate Reporting of Work						
1	Work Reporting Accuracy	Percent of accurate work reporting and entry. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity.	CMMS	89% or Less	90% to 94%	95% or Greater	N/A
	Management Process						
2	Two-Week Scheduling, Data Entry, & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week schedule, work reporting data entry, and holding the monthly work status meeting	Electronic Files	89% or Less	90% to 94%	Greater than 95%	100%
	Engineering Projects						
3	Project Hours	Percent of labor hours directly associated with Capital and Expense Projects compared to avaiable hours less leave.	CMMS	69% or Less	70% to 79%	80% or Greater	58%
4	Construction Inspections	Percent of construction inspections performed within 3 business days of request. Documentation of inspection request and actual occurrence	Manual Files & CMMS	89% or Less	90% to 94%	95% to 100%	92%
5	Contract Management	Cost of construction contract change orders in Capital Program projects to less than 5% of the total value of open construction contracts	Financial System	10% or Greater	9% to 6%	5% or Less	1%
6	Efficiency of Plan Check	Percent of plans reviewed within 15 business days	Manual Files	89% or Less	90% to 94%	95% to 100%	96%
7	Efficiency of Contract Award for Construction or Professional Services	Average time from Committee/Board approval to securing contract signature	Records	46 Days or Greater	45 to 31 Days	30 Days or Less	40
8	Project Management	Projects less than \$400,000: Labor/Construction Management Cost as a percent of the total contract cost	Financial System	30% or Greater	29% to 16%	15% or Less	52%
9	Project Management	Projects greater than \$400,000: Labor/Construction Management Cost as a percent of the total contract cost	Financial System	20% or Greater	19% to 11%	10% or Less	16%
10	Close completed projects in a timely manner	Number of calendar days that projects are accepted by Engineering and closed in the financial system.	Project Sign Off Form	120 Days or Greater	119 to 90 Days	89 Days or Less	103
	Action Plan Compliance						
11	Review of all action plans associated with the Annual Engineering Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans and confirmed by signature of Department Manager and General Manager.	Electronic Files	79% or Less	80% to 89%	90% or Greater	0%
	Continuous Improvement						
12	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	Previous year's Performance Audit	-5% or Lower	-4% to +4%	5% and Greater OR Maintained Gold Status	-12%
Overall Performance Scale				59% or Less	60%-89%	90%-100%	
Overall Performance Score							64%



No.	Performance Indicator	Definition	Source				Score
	Work Performance						
1	Results from the Key Performance Indicators for the Fiscal Year	The KPI's are scored 3 points for an UPH that is lower than planned range; 2 points for within planned range; and 1 point for higher that planned range.	CMMS	Lower than Planned Range	Within Planned Range	Higher than Planned Range	60%
	Management Process						
2	Two-Week Scheduling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week schedule and holding the monthly work status meeting	Electronic Document	89% or Less	90% to 94%	Greater than 95%	100%
	Review of Financial System						
3	Verification of New Accounts	Verify documentation and approval of new accounts. Identify accounts within the Chart of Accounts that were established with corresponding documentation for the fiscal year	Change of Account Log book and signed request form. Financial System	89% or Less	90% to 99%	100%	0%
	Engineering Projects						
4	Close completed projects in a timely manner	Number of calendar days that projects are accepted by Engineering and closed in the financial system.	Project Sign Off Form	120 Days or Greater	119 to 90 Days	89 Days or Less	103
	Monthly Close						
5	Monthly Close Documentation	Verify the signed monthly close checklist for Projects and Expense Accounts and cooresponding fiancial statements	Monthly Close Checklist and Financial Statements	Less than 100%	N/A	100%	0%
	Action Plan Compliance						
6	Review of all action plans associated with the Annual Financial Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of <u>resolved</u> actions for all plans	Electronic Document	79% or Less	80% to 89%	90% or Greater	0%
	Continuous Improvement						
7	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	Previous year's Performance Audit	-5% or Lower	-4% to +4%	5% and Greater OR Maintained Gold Status	-17%
Overall Performance Scale				59% or Less	60%-89%	90%-100%	
Overall Performance Score							55%



No.	Performance Indicator	Definition	Data Source				Score
	Work Performance						
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an ADP that is higher than planned range; 2 points for within planned range; and 1 point for lower that planned range.	CMMS	Lower than Planned Range	Within Planned Range	Higher than Planned Range	89%
	Management Process						
2	Two-Week Scheduling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week schedule and holding the monthly work status meeting	Electronic Document	89% or Less	90% to 94%	Greater than 95%	100%
	Employee Development						
3	Professional Development Participation	Percentage of Employees participating in Tuition/Education/Certification Reimbursement Programs divided by the number of employees eligible	Electronic Document	9% or Less	10% to 15%	16% or Greater	37%
4	Time To Fill	The amount of time that it takes to fill a vacant position. Average number of business days elapsed between requisition date and offer acceptance	NeoGov	91 Days or Greater	90 - 80 Days	79 Days or Less	60
	Employee Recruitment						
5	Job Offer Ratio	Percent of offers accepted to offers made	NeoGov	69% or Less	70% to 74%	75% or Greater	85%
6	Temporary Staff Utilization	Average duration of time using temporary staff	Human Resource Information System	181 Days or Greater	180 - 91 Days	90 Days or Less	121
	Employee Retention						
7	Turnover Rate	Monitoring employee voluntary and involuntary movement out of the organization	Human Resource Information System	16% or Greater	15% to 7%	6% or Less	11%
	Employee Engagement						
8	Annual Employee Performance Evaluations	All employees receive their annual review by September 30	Human Resource Information System	94% or Less	95% to 99%	100%	94%
9	Annual Employee Engagement Survey	Overall Mesa Water® score from the 12 Question Gallup Poll measuring the work environment.	Gallop Poll Report	Below 33rd Percentile	33rd - 66th Percential	66th Percentile or Greater	40%
	Action Plan Compliance						
10	Review of all action plans associated with the Annual Human Resources Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of <u>resolved</u> actions for all plans	Electronic Document	79% or Less	80% to 89%	90% or Greater	0%
	Continuous Improvement						
11	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	Previous year's Performance Audit	-5% or Lower	-4% to +4%	5% and Greater OR Maintained Gold Status	16%
Overall Performance Scale				59% or Less	60%-89%	90%-100%	
Overall Performance Score							75%



No.	Performance Indicator	Definition	Source				Score
	Work Performance						
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an HPU that is lower than planned range; 2 points for within planned range; and 1 point for higher that planned range.	CMMS	Lower than Planned Range	Within Planned Range	Higher than Planned Range	IN PROCESS
	Management Process						
2	Two Week Schedeling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle and holding the monthly work status meeting	Electronic Document	89% or Less	90% to 94%	Greater than 95%	IN PROCESS
	Public Awareness						
3	Mesa Water® Brand Identity	Percent of respondents who correctly identify Mesa Water® as their water provider (unaided awareness)	Annual Customer Opinion Survey	60% or Less	61% to 70%	71% or Greater	IN PROCESS
4	Mesa Water® Brand Recognition	Percent of respondents who have an overall awareness of Mesa Water® (unaided awareness + aided awareness)	Annual Customer Opinion Survey	69% or Less	70% to 89%	90% or Greater	IN PROCESS
5	Mesa Water® Knowledge of Water Origin	Percent of respondents who correctly know the orgin of water (produced locally) that Mesa Water® produces and delivers.	Annual Customer Opinion Survey	49% or Less	50% to 89%	90% or Greater	IN PROCESS
	Communication						Score
6	Communication Efforts	Percent of respondents who are <u>very satisfied</u> with Mesa Water®'s efforts to communicate with customers	Annual Customer Opinion Survey	42% or Less	10% to 19%	20% or Greater	IN PROCESS
	Action Plan Compliance						Score
7	Review of all action plans associated with the Annual Public Affairs Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of <u>resolved</u> actions for all plans	Electronic Document	79% or Less	80% to 89%	90% or Greater	IN PROCESS
	Continuous Improvement						Score
8	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	Previous year's Performance Audit	-5% or Lower	-4% to +4%	5% and Greater OR Maintained Gold Status	IN PROCESS
Overall Performance Scale				59% or Less	60%-89%	90%-100%	
Overall Performance Score							IN PROCESS



No.	Performance Indicator	Definition	Source				Score
	Work Performance						
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an ADP that is higher than planned range; 2 points for within planned range; and 1 point for lower that planned range.	CMMS	Lower than Planned Range	Within Planned Range	Higher than Planned Range	83%
	Verify Accurate Reporting of Work						
2	Work Reporting Accuracy.	Percent of accurate work reporting and entry. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity.	CMMS	89% or Less	90% to 94%	Greater than 95%	99%
	Management Process						
3	Two Week Scheduling, Data Entry, & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week schedule, work reporting data entry, and holding the monthly work status meeting	Electronic Document	89% or Less	90% to 94%	Greater than 95%	100%
	Accuracy of Assets						
4	Affirm quarterly asset verification meetings.	Review and affirm quarterly asset meetings occurred on time. Should be completed at 100%	Manual Files	Less than 100%	N/A	100%	0%
	Water Quality						
5	Verify monthly water quality test reports submitted to California Division of Drinking Water	Review and affirm monthly water quality reports sent to DDW submitted on time. Email confirmation attached to each monthly report.	Manual Files	Less than 100%	N/A	100%	100%
	Production Duty Operator						
6	Comparison of the submission time of the emailed Production Duty Checklist to the agreed upon time requirements in the Production System Operation Plan. Documented on the daily performance log.	Percent of work shifts where all emails/checklists were submitted on time.	Electronic File	93% or Less	94% to 96%	97% or Greater	95%
	Fleet Compliance						
7	Quarterly CHP/BIT Completed	Compare planned CHP/BIT schedule for fleet to actual results. Should be completed at 100%	Manual Files	Less than 100%	N/A	100%	100%
8	Annual SMOG Testing	Compare planned SMOG Checks schedule for fleet to actual results. Should be completed at 100%.	Manual Files	Less than 100%	N/A	100%	100%
9	Annual Opacity Testing	Compare planned Opacity Testing schedule for fleet to actual results. Should be completed at 100%.	Manual Files	Less than 100%	N/A	100%	100%
	Review of Compliance Documentation						
10	Review of Regulatory Compliance Reports. Auditor to randomly select and confirm seven (7) reports have been completed and submitted to appropriate regulatory agencies.	Seven (7) randomly selected reports completed and submitted on time at 100%.	Manual Files	Less than 100%	N/A	100%	100%
	Action Plan Compliance						
11	Review of all action plans associated with the Root Cause Analysis. Confirm that an action plan exists and that progress is being made towards completion.	Percent of <u>resolved</u> actions for all plans and confirmed by signature of Department Manager and General Manager.	Electronic Document	79% or Less	80% to 89%	90% or Greater	N/A
12	Review of all action plans associated with the Annual Water Operations Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans and confirmed by signature of Department Manager and General Manager.	Electronic Document	79% or Less	80% to 89%	90% or Greater	0%
	Continuous Improvement						
13	Review of the overall score from the previous audit year.	Measure of overall department performance compared to the previous audit year.	Previous year's Performance Audit	5% or Less	-4% to +4%	5% and Greater OR Maintained Gold	-9%
Overall Performance Scale				59% or Less	60%-89%	90%-100%	
Overall Performance Score							80%



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: October 28, 2026
SUBJECT: Fiscal Year 2026 Strategic Plan

RECOMMENDATION

Receive the status of the Fiscal Year 2026 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 (Mesa Water®) Fiscal Year (FY) 2026 Strategic Plan, with modifications, and directed staff to bring back a fully developed Strategic Plan Goal #8: Business Process Improvement Plan.

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

DISCUSSION

Mesa Water's 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 work to accomplish the goals and objectives, as directed.

The intent of this agenda item is for the Board to review and discuss the status of the FY 2026 Strategic Plan (Attachment A). The status of each objective is signified using the following three-color system:

- ◆ Green - completed
- ◆ Yellow – in process
- ◆ Red - incomplete

Based on input received from the Board, staff will incorporate any comments into drafting the FY 2028 Strategic Plan, and further analyze the opportunities and constraints associated with the list of proposed initiatives. Staff will discuss the FY 2028 Strategic Plan with the Board at the spring



workshop to determine the feasibility of the proposed initiatives and to develop work plans and schedules.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: Fiscal Year 2026 Strategic Plan, Status



STRATEGIC PLAN

Fiscal Year 2026

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.

- ◆ Submit the District's Cross-Connection Control Plan to the California 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
- ◆ Develop a Scope of Work for the recommended next step from the Local groundwater Supply Improvement Project (Local SIP) feasibility study by December 2025

Objective D: Ensure emergency operations.

- ◆ Construct emergency backup power at the District's Headquarters and Reservoir 1 by March 2026

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

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
- ◆ Conduct a pilot conversion from aqueous ammonia to liquid ammonium sulfate at the Mesa Water Reliability Facility by March 2026
- ◆ Submit a plan to implement Mesa Water's Mobile Work Order Functionality by June 2026

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

- ◆ Develop the vision for a SCADA Asset Management Program by October 2025
- ◆ Evaluate the installation of an Electric Vehicle Charging Station at the Mesa Water Reliability Facility by December 2025

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
- ◆ Complete a Microsoft Office 365 optimization review by December 2025
- ◆ Competitively bid IT services and present results to the Board by March 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 2025

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

Objective C: Fund the District's priorities.

- 🟢 Conduct Federal Earmarks advocacy through September 2025 for Mesa Water's priority projects — "Mainline Valves", "MWRF Backup Power" and "Cybersecurity" and determine 2026 priorities by March 2026
- 🟢 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

Objective D: Encompass financial responsibility and transparency.

- 🔹 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 2026

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
- 🟡 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.

- 🟢 Reinstitute Community Chats hosted at the Mesa Water Education Center by November 2025
- 🟡 Launch monthly public tours at the Mesa Water Education Center by October 2025
- 🟡 Host 100 field trips and tours at the Mesa Water Education Center by June 2026

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

- 🔴 Host two CA water-wise landscape workshops, including smart timer education, by June 2026

Strategic Goal #5

Attract, develop and retain skilled employees.

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

- 🟢 Explore and evaluate a new dental insurance plan by September 2025
- 🟡 Complete a general salary increase survey of our benchmark agencies by June 2026
- 🟢 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 2026

Objective C: Enhance employee engagement.

- 🟢 Administer biannual and annual employee engagement surveys by June 2026

Objective D: Provide a safe working environment.

- 🔴 Explore and evaluate a Lifestyle Spending Account (LSA) Wellness Program by March 2026

Objective E: Improve operational processes and workflow.

- 🟢 Update recruitment and selection Standard Operating Procedures by September 2025

Strategic Goal #6

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 2026

Objective D: Continuous improvement and reinforcement.

Strategic Goal #7

Actively participate in regional and statewide water issues.

Objective A: Accomplish the District's Policy Priorities.

- ◆ Advocate through June 2026 to support appropriate Low Income Rate Assistance programs for residential customers of public water agencies in California
- ◆ Support through June 2026 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 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 to enable more favorable permitting conditions for water desalination projects
- ◆ Influence implementation of California's water use efficiency regulation through June 2026 to provide the maximum variance for potable reuse of indoor water
- ◆ Advocate through June 2026 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 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

BUSINESS IMPROVEMENT PROCESS

Strategic 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 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



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MEMORANDUM

TO: Board of Directors
FROM: Jake Hester, P.E., District Engineer
DATE: October 28, 2026
SUBJECT: Regional Water Issues

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

Since October 2024, the Board of Directors (Board) has received biannual presentations at its spring and fall workshops 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 October 28, 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 service areas of Mesa Water, City of Huntington Beach, and City of Newport Beach. The current phase of the Local SIP is a continuation of the 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). Mesa Water received a \$250,000 grant from the U.S. Bureau of Reclamation (USBR) to fund 50% of the study, with each of the three partner agencies contributing \$25,000. The feasibility study concluded that the project is feasible and offers several regional benefits. On August 26, 2026, staff applied for a USBR WaterSMART Desalination Construction Projects grant for approximately \$36MM. The next steps for the Local SIP are for the Board to direct staff to pursue the following:
 - Grant Funding
 - Purchase Property
 - Build Consensus Among the Partner Agencies and Other Stakeholders
 - Finalize the Second Phase of the Feasibility Study
2. **Interagency Water Transfer:** A construction contract was awarded to T.E. Roberts at the August 12, 2026 Board meeting to build a new metering vault on 17th Street, immediately west of Whitter Avenue. Once completed, the interconnection is expected to



supply approximately 2,000 acre-feet of water per year to the City of Newport Beach. Staff worked closely with the City of Newport Beach and OCWD to develop an interagency process for billing and accounting of the Basin Pumping Percentage (BPP) for the water delivered from Mesa Water to the City of Newport Beach. Materials have been ordered, and construction is expected to begin later this year.

3. **Newport Beach and Huntington Beach BEA Exemption.** Staff is coordinating with OCWD to obtain Basin Equity Assessment (BEA) exemptions for groundwater supplied by Mesa Water to the cities of Newport Beach and Huntington Beach through designated interagency connections.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Kaitlyn Norris, Public Affairs Supervisor
DATE: October 28, 2026
SUBJECT: Strategic Communications Discussion

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

Goal #4: Increase public awareness of Mesa Water.

PRIOR BOARD ACTION

None.

DISCUSSION

Mesa Water District's (Mesa Water®) Public Affairs Department aims to connect Mesa Water with its constituents to achieve Goal #4 of the Board of Directors' (Board) Strategic Plan. Outreach activities include educating and informing the District's constituents about Mesa Water and the services and benefits provided to the community.

The District conducts an annual customer survey to measure customer awareness, satisfaction, and other factors that help inform the District's understanding of its customers. Survey results are also used by Public Affairs to evaluate communication and engagement efforts and inform future planning.

Currently, the survey is conducted annually in the fall. Staff recommends moving the survey to the spring, so results are available in time to inform the department's annual planning process. This timing would allow Public Affairs to incorporate current customer feedback into its goals, strategies, communications priorities, and performance measures for the upcoming fiscal year, while also aligning with the District's annual performance audit cycle.

The survey would continue to be conducted annually within the existing budget. The 2026 survey will be conducted in November, followed by a shorter check-in survey in May 2027. Beginning in 2028, the full annual survey would be conducted each May.

FINANCIAL IMPACT

In Fiscal Year 2027, \$861,035 is budgeted for Public Affairs Support Services; \$160,970 has been spent to date.



ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Isabel Stevens, Administrative Services Supervisor
DATE: October 28, 2026
SUBJECT: Candidate's Statement of Qualifications

RECOMMENDATION

Discuss and 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 May 26, 2016 meeting, the Board of Directors (Board) approved limiting the number of words for the candidate's ballot statement to 200 words and having the candidates pay for their own ballot statements.

At its May 17, 2018 Committee meeting, the Board authorized the District Secretary to complete the Transmittal of Election Information Special District Form for all General Elections with the following information:

- An electronic shape file of District boundaries and the boundaries of the Divisions of the District, if any, in which a Director is to be elected
- Voters in the District will be voting by Division
- Number of Director(s) to be elected and the respective Division number(s)
- Names of the Incumbent/Appointed incumbents
- Candidate's Statement of Qualifications to contain no more than 200 words
- The District will not pay for a candidates Statement of Qualifications.

The Board further directed staff to reagentize the Election Information topic only if the Orange County Registrar of Voters changes their criteria options in the Transmittal of Election Special District Form in any way.

DISCUSSION

Every two years, the Orange County (OC) Registrar of Voters requests information from Mesa Water District (Mesa Water®) regarding the upcoming General Election. Over the years and since technology has evolved, this information has been mailed, faxed, scanned, emailed, and now



submitted electronically through the OCVOTE portal. Despite the submittal technique, the information requested has remained the same. Since the Board's direction in May of 2018, there have been no changes to the Transmittal of Election Information Form. Staff has attached the correspondence received from the OC Registrar of Voters earlier this year (Attachment A), as well as the form that was submitted through the election portal on June 9, 2026 (Attachment B).

There remains no filing fee required to run as a Director of a Special District. There is a cost to submit a Candidate's Statement of Qualifications, which is defined as a recitation of the candidate's own personal background and qualifications, and that makes no reference to another candidate's qualifications, character, or activities. The cost is calculated to recover expenses for translation into required languages, typesetting, printing, and labor processing. This amount must be paid when the candidate statement is filed. For the November 2026 General Election, the cost of the 200-word statement was \$533.11 for Division 4 and \$546.86 for Division 5. The cost for a 400-word statement would have been approximately \$718.17 (Attachment C).

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: OC Registrar of Voters Correspondence

Attachment B: Mesa Water Transmittal of Election Information for 2026

Attachment C: Special District's Printed Candidate's Statement Cost

From: Nevarez, Tiffany <Tiffany.Nevarez@ocvote.gov>
Sent: Thursday, June 4, 2026 3:05 PM
To: Denise Khalifa <denisek@mesawater.org>
Cc: Mailhot, Julianna <Julianna.Mailhot@ocvote.gov>
Subject: Friendly Reminder - Election Information & District Map Submission

You don't often get email from tiffany.nevarez@ocvote.gov. [Learn why this is important](#)
Good afternoon,

This is a friendly reminder regarding the required transmittal submissions for the upcoming General Election.

If you have not yet done so, please complete and upload the following items through the Election Jurisdiction Verification portal:

Transmittal of Election Information Form was due May 29, 2026

Please include the names of Governing Board Members/Directors with expiring terms for the November 3, 2026 election, including any appointed members who must file for unexpired terms.

Also indicate whether your District authorizes 200 or 400 words for Candidate Statements and whether the District will cover the cost on behalf of candidates.

District Map & Verification Form – Requested by June 22, 2026

Pursuant to Elections Code §10522, a signed district map showing current boundary lines (with divisions, if applicable) must be submitted no later than July 1, 2026. Submitting by June 22 allows sufficient time for precinct updates, if needed.

Please use your unique invitation link to access the portal which was sent in the first email on May 14, 2026.

If someone else from your District will be completing these documents, please send their name and email address to Julianna.Mailhot@ocvote.gov so a new invitation link can be issued.

Thank you in advance for your attention to these important deadlines. Please let us know if you have any questions or need assistance.

Tiffany Nevarez | Candidate and Voter Services Lead | Orange County Registrar of Voters
1300 S. Grand Avenue, Bld C | Santa Ana, California 92705 | 714.567.7310
Tiffany.Nevarez@ocvote.gov





Registrar of Voters
County of Orange, California

1300 South Grand Avenue, Bldg. C Santa Ana, CA 92705
Phone: +1 (714) 567-7600 — Fax: +1 (714) 567-7556
E-Mail: ocvoter@ocvote.gov — ocvote.gov

TRANSMITTAL OF ELECTION INFORMATION

EC \$10509, \$10522

Voters in **Mesa Water District** will vote: ☒ By Division

And the elective office(s) for the **November 3, 2026 General Election**, which will be held within Mesa Water District will be the following(s):

- Jim Atkinson — Elected, By-Division #4.
- Shawn Dewane — Elected, By-Division #5.

Also Mesa Water District authorizes the Candidate's Statement of Qualification to contain no more than **200** words.

The district will **not pay** for the Candidate's Statement of Qualifications.

Date:

6/9/26

Name:

Denise Khalifa

Phone Number:

(949) 631-1205

E-Mail Address:

Denise.K@MesaWater.org

Signature:

Denise Khalifa

SPECIAL DISTRICTS PRINTED CANDIDATE'S STATEMENT COST

<u>SPECIAL DISTRICTS</u>	<u>200 Words</u>	<u>400 Words</u>
Capistrano Bay Community Services District	\$ 462.18	
Emerald Bay Service District	\$ 466.87	
Rossmoor Community Services District	\$ 510.89	\$ 678.31
Surfside Colony Community Services District	\$ 463.05	
Three Arch Bay Community Services District	\$ 466.53	
Serrano Water District		
Division 1	\$ 471.33	
Division 4	\$ 468.82	
Silverado-Modjeska Recreation and Park District	\$ 469.51	
Costa Mesa Sanitary District		
Division 1	\$ 552.93	
Division 3	\$ 536.16	
Division 5	\$ 555.52	
Midway City Sanitary District	\$ 983.14	
Sunset Beach Sanitary District	\$ 466.69	
Surfside Colony Storm Water Protection District	\$ 463.05	
El Toro Water District	\$ 700.39	\$ 1,057.32
Irvine Ranch Water District		
Division 2	\$ 795.82	
Division 3	\$ 815.90	
Division 5	\$ 731.23	
Moulton Niguel Water District	\$ 1,186.69	
Santa Margarita Water District		
Division 2	\$ 640.84	\$ 938.22
Division 4	\$ 629.14	\$ 914.83
East Orange County Water District		
Division 2	\$ 546.32	\$ 749.18
Division 3	\$ 535.78	\$ 728.09
Division 4	\$ 510.35	\$ 677.25
Rossmoor/Los Alamitos Area Sewer District	\$ 567.22	
Mesa Water District		
Division 4	\$ 533.11	
Division 5	\$ 546.86	
South Coast Water District		
Division 1	\$ 492.46	
Division 3	\$ 492.36	
Trabuco Canyon Water District	\$ 517.79	
Yorba Linda Water District	\$ 829.04	\$ 1,314.62
Orange County Water District		
Division 1	\$ 1,496.86	
Division 5	\$ 1,387.61	
Division 7	\$ 1,312.52	
Municipal Water District of Orange County		
Division 1	\$ 1,854.19	
Division 2	\$ 1,813.11	
Division 5	\$ 1,894.81	
Santiago Geologic Hazard Abatement District	\$ 465.73	\$ 588.00
Buena Park Library District		
Trustee Area 2	\$ 516.30	
Trustee Area 3	\$ 530.71	
Trustee Area 5	\$ 532.77	

SPECIAL DISTRICTS CONTINUED**200 Words****400 Words**

Placentia Library District

Trustee Area 1

\$ 490.31

\$ 637.16

Trustee Area 2

\$ 510.26

\$ 677.07

Trustee Area 5

\$ 506.47

\$ 669.47

ELECTRONICALLY DISTRIBUTED CANDIDATE STATEMENT COST***ELECTRONICALLY DISTRIBUTED CANDIDATE'S STATEMENT COST***

One – 200 word

\$461.46

One – 400 word

\$579.46

Electronic Candidate's Statements of Qualification will NOT be printed in the County Voter Information Guide but can be viewed ONLY on ocvote.gov.

***NOTE:* Statements purchased for printing in the County Voter Information Guide include both the printed version and electronic version of the statement.**

Any candidate needing information applicable to indigents should check with the Registrar of Voters' office.

*Districts may be shared by more than one county. This cost is only for the Orange County portion. If a candidate desires to have his/her Candidate's Statement of Qualifications printed in another county's Voter Information Guide, he/she must also file his/her statement and pay that county's elections office. It is possible that the cost may not be the same as Orange County's.

***NOTE:* Candidates' Statements costs are calculated using the following assumptions: Two 200-word statements per contest, a 32-page Voter Information Guide, and registered voter counts at the time of calculating.**

If a candidate's contest does not appear on the ballot (due to being a contest whose candidates may be appointed-in-lieu of election if the number of candidates nominated does not exceed the number of candidates to be elected from that district), his/her Candidate's Statement of Qualifications payment will be automatically refunded.

A candidate may withdraw his/her Candidate's Statement by signing and submitting a cancellation notice located at the bottom of the Candidate's Statement Agreement or in writing to the Registrar of Voters no later than 5 p.m. on August 10, 2026, the next working day after the close of the nomination period. § 13307(a)



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MEMORANDUM

TO: Board of Directors
FROM: Calvin Hsu, CPA, Chief Financial Officer
DATE: October 28, 2026
SUBJECT: Travel and Business Expense Reimbursement Policy

RECOMMENDATION

Discuss and take action as the Board desires.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At its April 12, 2023 meeting, the Board adopted Resolution No. 1579 Revising the Travel and Business Expense Reimbursement Policy Superseding Resolution No. 1552. Key updates included revisions related to the Maximum Per Diem Allowance, eligible expenses, and receipts.

At its April 10, 2024 meeting, the Board of Directors (Board) received an Information Item regarding the Travel and Business Expense Reimbursement Policy; no changes were made.

At its November 12, 2025 meeting, the Board adopted Resolution No. 1607 Revising the Travel and Business Expense Reimbursement Policy Superseding Resolution No. 1579. Key updates included revisions to clarify approval authority, submission deadlines, receipt and documentation requirements, meal and travel reimbursement guidelines, lodging limitations, and reimbursement procedures, along with minor formatting and grammatical corrections.

DISCUSSION

This item is agendaized at the request of the Executive Committee.

Mesa Water District (Mesa Water®) last updated the Travel and Business Expense Reimbursement Policy in November 2025. Following a review in 2024 that resulted in no recommended changes, staff's 2025 review identified several revisions to enhance financial transparency and accountability to ratepayers, streamline administrative processes, and support timely reimbursements. The revisions were also intended to ensure alignment with California Government Code Section 53232.2. A summary of the key 2025 revisions is provided below:

- Section 3 has been revised to replace the reference to 'Members of the Finance Committee' with 'Two Members of the Board';
- The Chief Financial Officer or Designee will hold discretion and final approval authority over all Mesa Water expense reimbursements;
- A provision has been included stipulating that requests for expense reimbursement must be completed and submitted to the Financial Services Department within 30 days of the expense being paid or incurred;
- Expenses under \$75 without a receipt must now be supported by a Missing Receipt Form;

- All meal reimbursements will require a receipt and must include the business purpose and names of all attendees;
- Directors and employees should request separate receipts for non-reimbursable expenses whenever feasible;
- Clarifying the policy allowing an additional \$100 per guest per day only applies if paying for a non-Mesa Water Director/employee;
- Added an option allowing reimbursement for additional legroom or premium economy seat fees on flights exceeding three hours in duration;
- If the group rate is unavailable, the Director or employee shall secure comparable lodging consistent with this policy. Should comparable lodging not be used, reimbursement will be limited to the comparable group rate;
- Formatting and grammatical errors; and
- Updated some procedural processes regarding the submittal for reimbursement.

FINANCIAL IMPACT

Travel and business expense costs are budgeted each fiscal year, per department.

ATTACHMENTS

Attachment A: Resolution No. 1607

RESOLUTION NO. 1607

RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS REVISING THE TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY SUPERSEDING RESOLUTION NO. 1579

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

WHEREAS, the Board of Directors (Board or Directors) of Mesa Water desires to revise its policy for the reimbursement of travel and business expenses made by Directors and Mesa Water employees; and

WHEREAS, effective January 1, 2006, Government Code Section 53232.1(b) requires that local public agencies adopt a written policy specifying reimbursement amounts for expenses such as meals, transportation and lodging; and

WHEREAS, the Board desires to adopt an updated written policy to satisfy State requirements and to provide guidance to Directors and Mesa Water employees regarding such requirements and procedures.

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

Section 1. This Resolution establishes a policy for the reimbursement of travel and business expenses made by Directors and Mesa Water employees as set forth in Attachment A, which is attached hereto and made a part hereof by this reference (Policy).

Section 2. This Resolution is intended to (i) comply with the requirements of California Government Code Sections 53232.2 and 53232.3, (ii) supplement the definition of actual and necessary expenses for purposes of compliance with State law relating to permissible uses of public resources, and (iii) supplement the definition of necessary and reasonable expenses for purposes of federal and State income tax laws.

Section 3. Two members of the Board will review and approve all expense reimbursements submitted by Directors and the General Manager. The Chief Financial Officer (CFO) or designee has final approval of all Mesa Water expense reimbursements. An expense reimbursement form must be completed and submitted to the Financial Services Department within 30

days after an expense is paid or incurred.

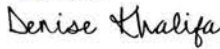
Section 4. This Resolution supersedes Resolution No. 1579 and supersedes all prior Board actions and management policies and procedures regarding reimbursement of travel and business expenses made by Directors and Mesa Water employees.

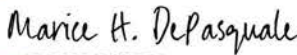
Section 5. This Resolution shall be reviewed by the Board at least once a year.

Section 6. This Resolution shall take effect upon adoption by the Board.

ADOPTED, SIGNED and APPROVED this 12th day of November 2025 by a roll call vote.

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

Signed by:

F61DD5296C8E4B5
Denise Khalifa
District Secretary

DocuSigned by:

E5D8D720F68F4DA
Marice H. DePasquale
President, Board of Directors

RESOLUTION NO. 1607

ATTACHMENT A

**RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
REVISING THE TRAVEL AND
BUSINESS EXPENSE REIMBURSEMENT POLICY
SUPERSEDING RESOLUTION NO. 1579**

Travel and Business
Expense Reimbursement Policy

Mesa Water District Travel and Business Expense Reimbursement Policy

1. **Maximum Per Diem Allowance** – Mesa Water District (Mesa Water®) shall reimburse all eligible expenses incurred while on District business, in accordance with this Policy, in an amount not to exceed \$850 per day, unless a greater amount is approved by the Board or General Manager due to special circumstances. Registration and transportation reimbursement, including mileage, shall not be counted as part of the per diem allowance. Expenses paid in advance are ineligible for reimbursement until the expense has actually occurred.

2. **Receipts** – Consistent with Internal Revenue Service Regulations §1.274-5, *Substantiation Requirements*, receipts for expenditures are required for lodging while away from home and any other expenditure of \$75 or more, except, for transportation charges, receipts will not be required if not readily available. For any expenses under \$75 that do not have a receipt, except for transportation charges when a receipt is not readily available, a missing receipt form must be submitted by the Director or Mesa Water employee (employee). To be reimbursed for meals, a receipt is required, no matter the amount. All presented receipts must state the business matter and list the attendees.

3. **Eligible Expenses** – In order to obtain reimbursement for eligible expenses, an Expense Reimbursement Form, Attachment B, must be completed and submitted to the Financial Services Department. Directors and employees shall receive reimbursement for actual, necessary and reasonable (the CFO or designee has the discretion to determine what is actual, necessary and reasonable) expenses, including but not limited to meals, transportation, lodging, and other incidental expenses, incurred while on District business, as follows:

- Meals: Reimbursement for meals (Director/Director, Director/employee or employee/employee) is authorized when pertinent District business requires timely resolution and mealtime affords the most convenient manner to address agency business away from the normal workplace. Reimbursement for meals shall be for a reasonable amount, plus tip not to exceed 20%. Meal reimbursements will be calculated as food cost plus regional tax, then times a 20% tip.

Wherever possible, the Director/employee will make every effort to request separate receipts when ordering non-reimbursable expenses or when dining with additional non-business attendees.

In the event that a Director or employee is also paying the cost of meals for a non-Mesa Water Director/employee in connection with the conduct of District business, in accordance with this policy, a maximum amount of

\$100 per guest per day shall be authorized in addition to the maximum daily per diem of \$850.

- Transportation (personal vehicle): Reimbursement for travel by a personal vehicle is limited to travel within the state of California and shall be for actual mileage driven at the then-current Internal Revenue Service standard mileage reimbursement rate, from point of departure to destination and return.

Mileage: Reimbursement rate per mile for use of a personal vehicle (excluding employees who receive a monthly vehicle allowance) while on official District business, will be automatically adjusted to the then-current Internal Revenue Service standard mileage reimbursement rate.

This Policy defines the de minimis use threshold for mileage as travel that takes place within the boundaries of Orange County; any trip considered de minimis in nature does not require map backup documenting the distance traveled. Any trip extending beyond the boundaries of Orange County shall require accompanying map backup.

- Transportation (by air): Reimbursement for travel by air shall be for the normal cost of fully refundable round-trip airfare, plus reasonable ground transportation, as well as the inclusion of all in-air expenses such as seat selection, Wi-Fi, baggage, meals, etc. Additional legroom seats or premium economy fees will be reimbursed for total travel that exceeds three (3) hours in length or to accommodate special travel needs. Air transportation should be arranged as early as possible to take advantage of reduced fares for early reservations. The General Manager may approve certain travel enhancements such as upgraded programs on a case-by-case basis. Directors and employees shall use government and group rates offered by a provider of transportation services, when available.
- Transportation (other ground): Reimbursement for taxi, rideshare, rail, bus or other reasonable ground transportation shall be for the actual cost plus tip not to exceed 20% and applicable taxes.
- Transportation (rental car): Reimbursement shall be for the actual cost of the rental car, plus gasoline costs and necessary insurance. If a rental car is used in lieu of personal vehicle, the amount shall be equal or less than the normal cost of a fully reimbursable round-trip airfare, plus reasonable ground transportation that would otherwise have been required. Directors and employees shall use government and group rates offered by a provider of transportation services, when available.
- Parking: Reimbursement authorized for actual cost.

- Toll Charges: Reimbursement authorized for actual cost.
- Hotel Lodging: Lodging costs for conferences and similar activities shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Director or employee at the time of booking. If the group rate is not available, the Director/employee shall use comparable lodging that is consistent with this Policy. If comparable lodging is not used, the comparable rate will be reimbursed. Directors and employees shall use government and group rates offered by a provider of lodging services, when available. Reimbursement not to exceed single room rate plus tax.

For out-of-county or out-of-State business travel that is conducted on more than one day, the Director/employee will have the option of securing one night's lodging, at both the front-end and back-end of the trip, to also include additional costs such as parking, meals, mileage, rental car, etc. Expenses incurred outside the specified time frame are not reimbursable, except for transportation-related costs, unless previously approved by the Board or General Manager under special circumstances.

For out-of-county business travel that requires multiple nonconsecutive days, if Director/employee are eligible to claim lodging for the first and last evenings of an out-of-county trip, they are also eligible to claim lodging for any evenings that fall in between the first and last evenings of the trip.

- Telephone/Internet Expenses: Reimbursement (authorized at actual cost) of all reasonable and necessary telephone expenses to conduct District business, including Internet services, while traveling on District business. If telephone/internet expenses are incurred for a flight, the expenses should be line itemed on the expense form under "Transportation". If telephone/internet expenses are incurred at the hotel, the expenses should be line itemed under "Hotel Lodging". If telephone/internet expenses are incurred outside of "Transportation" and "Hotel Lodging", the expense should be line itemed under "Other".
- Baggage Handling: Reimbursement authorized for actual cost. If a Director or Mesa Water employee is not able to procure a receipt for baggage handling, a missing receipt form must be submitted.
- Registration Fees: Reimbursement authorized for actual cost.

4. Ineligible Expenses – Personal items, laundry, entertainment, alcoholic beverages, and spouse/companion expenses are not eligible for reimbursement.

5. **Reimbursement from Outside Source** – Directors/employees receiving reimbursement from an outside source for travel on Mesa Water time shall forward such reimbursement to the Financial Services Department for handling and deposit, if they intend on submitting a claim to Mesa Water or use its resources to travel. Directors/employees shall then be entitled to submit a claim for actual, ordinary, and necessary expenses for meals, transportation, lodging, and incidental expenses, subject to the conditions set forth in this Policy.
6. **Authorization** –
- All travel outside of Orange County by employees, but within the State of California, requires advance authorization by the General Manager, department manager or his/her designee.
 - All out-of-State travel by employees requires advance written authorization by the General Manager.
 - All out-of-State travel by the General Manager requires authorization by the Board.
 - Authorization for travel by current members of the Board is subject to the guidelines established by the Board.
7. **Cancellations** – Arrangements for transportation, lodging or registration fees that have cancellation or change penalties shall be carefully monitored by the requesting department. If the cancellation/change occurs due to a personal request or obligations of the Director/employee, they will be required to pay the corresponding penalty, except when the Board of Directors, General Manager, or department manager determines that the reason for the absence was legitimate and authorized.

RESOLUTION NO. 1607

ATTACHMENT B

**RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
REVISING THE TRAVEL AND
BUSINESS EXPENSE REIMBURSEMENT POLICY
SUPERSEDING RESOLUTION NO. 1579**

Expense Reimbursement Form



**YEAR | MESA WATER DISTRICT
EXPENSE REIMBURSEMENT FORM**

Name _____ Date(s) _____ GL Acct# _____
 Event _____ City _____ State _____

Item	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Expenses
Hotel Lodging								
Meals								
Transportation								
Mileage: 0.70 ¢ X Actual Miles								
Taxi/Rideshare								
Parking/Toll Charges								
Other: _____								
Registration Fees								
TOTALS								

Total Expenses (attach receipts) _____

Subtract Expenses Paid (e.g., by District credit card, Petty Cash, etc.) _____

Amount Due _____

I attest that this expense claim is an accurate account of funds spent which were incurred by me for Mesa Water® business purposes.

Signature Date



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: October 28, 2026
SUBJECT: Urban Water Institute

RECOMMENDATION

Discuss and 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

None.

BACKGROUND

Urban Water Institute (UWI) is a relationship-based organization that serves as a valuable resource for water professionals, elected officials, and other water stakeholders. The mission of UWI is to provide non-partisan information of timely and pertinent interest to the water resource industry, including public agencies and private firms, with particular emphasis on water economics, management, and resource policies as they affect consumers and the general economy.

Each year, UWI hosts two conferences that are attended by the nation's top water experts and key decision makers. The Spring Water Conference takes place in February in Palm Springs, and the Fall Water Conference takes place in August in San Diego. The conferences feature elite speakers who present diverse perspectives on water resource management topics.

UWI is governed by a volunteer Board of Directors drawn from hands-on policy makers, elected officials, and industry leaders who are active in the water resources industry. Every member of UWI is eligible for a seat on the Board, if they desire to serve the organization. There are currently 71 members on the UWI Board.

DISCUSSION

This item is agendaized at the request of the Executive Committee.



Mesa Water District (Mesa Water®) has been a member of UWI for approximately 15 years and supports the organization in its membership and sponsorship contributions, its attendance at the two annual conferences, and with Director Atkinson serving as a member of the UWI Board.

Mesa Water appoints the following three external agency assignments on an annual basis; UWI is not on the current list:

Other Agency	Director Assignments	* Meeting Schedule & Location
ACWA/JPIA Director	Bockmiller	(Dates and times to be determined)
CalDesal	DePasquale Dewane, Alternate	(Dates and times to be determined)
Costa Mesa City/Districts Liaison	Atkinson Bockmiller	Quarterly with the City of Costa Mesa, Costa Mesa Sanitary District & Newport Mesa Unified School District

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

REPORTS:

9. REPORT OF THE GENERAL MANAGER

REPORTS:

10. DIRECTORS' REPORTS AND COMMENTS

CLOSED SESSION:

11. CONFERENCE WITH GENERAL LEGAL COUNSEL – EXISTING LITIGATION:
Pursuant to California Government Code Section 54956.9(d)(1)
Number of Cases: 1
Ferreira Construction Co. Inc. v. Mesa Water District, et al
(Orange County Superior Ct. Case No. 30-2024-01401000-CU-PN-CJC)

CLOSED SESSION:

12. CONFERENCE WITH SPECIAL LEGAL COUNSEL – EXISTING LITIGATION:
Pursuant to California Government Code Sections 54956.9(a) and 54957.1(a)(2) – based on existing facts and circumstances, the Board is meeting with Special Legal Counsel.
Number of Cases: 1

CLOSED SESSION:

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

CLOSED SESSION:

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



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Denise Khalifa, Assistant General Manager
DATE: October 28, 2026
SUBJECT: Annual Performance Evaluation of the General Manager

RECOMMENDATION

Take action as the Board 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

None.

DISCUSSION

At its October 28, 2026 workshop, the Board of Directors (Board) will review and discuss, in Closed Session, the General Manager's Employment Agreement and potential compensation changes. State law requires that subsequent Open Session announcement of such items be made at a regular or adjourned regular meeting of the Board; action may or may not take place at the adjourned regular Board meeting of October 28, 2026.

FINANCIAL IMPACT

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

ATTACHMENTS

None.