



*Dedicated to  
Satisfying our Community's  
Water Needs*

**AGENDA  
MESA WATER DISTRICT  
BOARD OF DIRECTORS  
Wednesday, May 11, 2022  
1965 Placentia Avenue, Costa Mesa, CA 92627  
4:30 p.m. Regular Board Meeting**

**Teleconference Site:  
2871 Alanzo Lane  
Costa Mesa, CA 92626**

**Members of the public may attend and participate in the meeting at both locations.  
Notice will be posted on the door at the teleconference site.**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

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

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

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

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

**CONSENT CALENDAR ITEMS:**

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

1. Approve minutes of special Board meeting of April 23, 2022.
2. Approve minutes of adjourned regular Board meeting of April 26, 2022.
3. Approve attendance considerations (additions, changes, deletions).
4. Board Schedule:
  - Conferences, Seminars, and Meetings
  - Board Calendar
5. Receive the Quarterly Training Report for January 1, 2022 to March 31, 2022.

**PRESENTATION AND DISCUSSION ITEMS:**

6. ORANGE COUNTY BUSINESS COUNCIL:

**Recommendation: Receive the presentation.**

**ACTION ITEMS:**

7. PROPOSED FISCAL YEAR 2023 BUDGET:

**Recommendation: Discuss the proposed Fiscal Year 2023 Budget and choose:  
Option 1: Approve the proposed Fiscal Year 2023 Budget, or  
Option 2: Direct staff to modify the proposed Fiscal Year 2023 Budget as  
requested by the Board of Directors.**

8. 2022 STATE LEGISLATION PERTAINING TO SPECIAL DISTRICTS WEEK:

**Recommendation: Approve the recommended position on the 2022 State  
Legislation pertaining to *Special Districts Week*.**

**REPORTS:**

9. REPORT OF THE GENERAL MANAGER:

- April Key Indicators Report
- Other (no enclosure)

10. DIRECTORS' REPORTS AND COMMENTS

**INFORMATION ITEMS:**

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

12. OTHER (NO ENCLOSURE)

**CLOSED SESSION:**

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

District Negotiator: General Manager

Employee Organization: Represented and Non-Represented Employees

**ACTION ITEMS (CONT.):**

14. 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 AN ADJOURNED REGULAR BOARD MEETING SCHEDULED FOR  
WEDNESDAY, MAY 18, 2022 AT 3:30 P.M.**

Revised



*Dedicated to  
Satisfying our Community's  
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Saturday, April 23, 2022  
1965 Placentia Avenue, Costa Mesa, CA 92627  
8:30 a.m. Special Board Meeting**

**CALL TO ORDER**

The meeting of the Board of Directors was called to order at 8:49 a.m. by President DePasquale.

**PLEDGE OF ALLEGIANCE**

Director Bockmiller led the Pledge of Allegiance.

Directors Present

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

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager  
Tracy Manning, Water Operations Manager  
Stacy Taylor, Water Policy Manager  
Celeste Carrillo, Public Affairs Coordinator  
Kaitlyn Norris, Public Affairs Specialist  
Kyle Barker, Senior Operator  
Shane Kemp, Water Quality Technician I

Others Present

Michael Markus, General Manager, Orange County Water District  
Joe Berg, Director of Water Use Efficiency, Municipal Water District of Orange County  
Glenn Farrel, Executive Director, CalDesal  
Jennifer West, Managing Director, WateReuse California  
15 class participants

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

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

**PRESENTATION AND DISCUSSION ITEMS:**

1. WATER ISSUES STUDY GROUP MEETING:

President DePasquale welcomed the Water Issues Study Group participants and introduced the Board of Directors, each of whom addressed the group.

President DePasquale introduced General Manager Shoenberger who provided a brief history of Mesa Water District and an overview of the California Water System.

GM Shoenberger introduced Water Operations Manager Manning who provided a presentation that highlighted Mesa Water's water quality monitoring, testing and reporting. Ms. Manning then responded to questions from the class participants. GM Shoenberger introduced Orange County Water District General Manager Michael Markus who provided a presentation that highlighted Orange County Water District's operations and the Groundwater Replenishment System. Mr. Markus then responded to questions from the class participants.

GM Shoenberger introduced Municipal Water District of Orange County Director of Water Use Efficiency Joe Berg who provided a presentation that highlighted water use efficiency and rebates. Mr. Berg then responded to questions from the class participants.

### **RECESS**

GM Shoenberger declared a recess at 11:20 a.m.

The Board meeting reconvened at 11:50 a.m.

GM Shoenberger introduced CalDesal Executive Director Glenn Farrel who provided a presentation that highlighted desalination. Mr. Farrel then responded to questions from the class participants.

GM Shoenberger introduced WaterReuse California Managing Director Jennifer West who provided a presentation that highlighted recycled water. Ms. West then responded to questions from the class participants.

GM Shoenberger opened the floor for discussion.

The Board answered questions from the class participants and thanked the Water Issues Study Group for their participation.

### **INFORMATION ITEMS:**

2. OTHER (NO ENCLOSURE)

### **PUBLIC COMMENTS:**

President DePasquale asked for public comments on items not on the agenda. There were no comments.

The Board meeting was adjourned at 1:29 p.m.

Approved:

\_\_\_\_\_  
Marice H. DePasquale, President

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

Unapproved



Dedicated to  
Satisfying our Community's  
Water Needs

**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Tuesday, April 26, 2022  
1965 Placentia Avenue, Costa Mesa, CA 92627  
3:30 p.m. Adjourned Regular Board Meeting**

**BOARD OF DIRECTORS COMMITTEE MEETING**

**CALL TO ORDER** The meeting of the Board of Directors was called to order at 3:30 p.m. by President DePasquale.

**PLEDGE OF ALLEGIANCE** Vice President Dewane led the Pledge of Allegiance.

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

Directors Absent None

Staff Present Paul E. Shoenberger, P.E., General Manager  
Phil Lauri, P.E., Assistant General Manager  
Wendy Duncan, Records Management Specialist/  
Acting District Secretary  
Marwan Khalifa, CPA, MBA, Chief Financial Officer/  
District Treasurer  
Stacie Sheek, Customer Services Manager  
Tracy Manning, Water Operations Manager  
Stacy Taylor, Water Policy Manager  
Kurt Lind, Business Administrator  
Andrew D. Wiesner, P.E., Principal Engineer  
Karyn Igar, Senior Civil Engineer  
Celeste Carrillo, Public Affairs Coordinator  
Kaitlyn Norris, Public Affairs Specialist

Others Present Mitch Barker, Executive Vice President, Public Agency  
Retirement Services (PARS)  
Keith Stribling, Vice President/Senior Portfolio Manager,  
Highmark Capital Management, Inc.

**PUBLIC COMMENTS:**

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

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

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

General Manager Shoenberger suggested reordering the agenda to take Item 13 after the Consent Calendar. There were no objections.

### CONSENT CALENDAR ITEMS:

1. Approve minutes of regular Board meeting of April 13, 2022.
2. Receive and file the Developer Project Status Report.
3. Receive and file the Mesa Water and Other Agency Projects Status Report.
4. Receive and file the Water Quality Call Report.
5. Receive and file the Water Operations Status Report.
6. Receive and file the Accounts Paid Listing.
7. Receive and file the Monthly Financial Reports.
8. Receive and file the Major Staff Projects.
9. Receive and file the State Advocacy Update.
10. Receive and file the Orange County Update.
11. Receive and file the Outreach Update.

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

### MOTION

Motion by Vice President Dewane, second by Director Atkinson, to approve Items 1 – 11 of the Consent Calendar. Motion passed 5 – 0.

### ITEM 13 – PENSION & OTHER POST-EMPLOYMENT BENEFITS TRUST UPDATE:

Chief Financial Officer Khalifa introduced PARS Executive Vice President Mitch Barker and Highmark Capital Management, Inc. Vice President/Senior Portfolio Manager Keith Stribling.

Mr. Barker proceeded with a presentation that highlighted the following:

- Summary of Agency's Other-Post-Employment Benefits (OPEB) Plan
- OPEB Actuarial Results
- Summary of Agency's Pension Plan
- Pension Funding Status

Mr. Stribling provided a presentation that highlighted the following:

- Annualized Return Comparison
- Disclosures
- Discussion Highlights: Mesa Water District

Discussion ensued amongst the Board.

The Board directed staff to examine the pension trust and explore at which point the funds would be sufficient to pay for the unfunded liability and ongoing pension payments.

GM Shoenberger, CFO Khalifa, and Mr. Stribling responded to questions from the Board.

The Board thanked Messrs. Barker and Stribling for their presentations.



**PRESENTATION AND DISCUSSION ITEMS:**

12. FISCAL YEAR 2021 WATER LOSS AUDIT:

Assistant General Manager Lauri introduced Senior Civil Engineer Igar who proceeded with a presentation that highlighted the following:

- Water Loss Audits
- Water Loss Audit Inputs
- Water Loss Audit Outputs – Key Performance Indicators (KPIs)
- Real Losses
- Water Loss Performance Improvements
- New Water Loss Regulations

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

13. PENSION & OTHER POST-EMPLOYMENT BENEFITS TRUST UPDATE:

Item taken earlier in the agenda.

14. CAPITAL IMPROVEMENT PROGRAM RENEWAL QUARTERLY UPDATE:

AGM Lauri introduced Principal Engineer Wiesner who provided a presentation that highlighted the following:

- Overview
- Well Program
- Reservoir Program
- Distribution Program
- Routine Planned Capital
- District Facilities Program
- Financial Summary
- CIPR Program Planned vs. Actual
- CIPR Program Cost Impacts

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

**ACTION ITEMS:**

15. 2022 STATE LEGISLATION PERTAINING TO CYBERSECURITY PREPAREDNESS AND DESALINATION FEASIBILITY STUDY:

GM Shoenberger introduced Water Policy Manager Taylor who provided an overview of the topic.

Ms. Taylor responded to questions from the Board and they thanked her for the information.

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

**MOTION**

Motion by Director Atkinson, second by Vice President Dewane, to approve the recommended positions on the 2022 State Legislation pertaining to Cybersecurity Preparedness and Desalination Feasibility Study. Motion passed 5 – 0.

**REPORTS:**

- 16. REPORT OF THE GENERAL MANAGER
- 17. DIRECTORS' REPORTS AND COMMENTS

**INFORMATION ITEMS:**

- 18. OTHER (NO ENCLOSURE)

President DePasquale adjourned the meeting at 5:30 p.m. to an Adjourned Regular Board Meeting scheduled for Thursday, April 28, 2022 at 3:30 p.m.

Approved:

\_\_\_\_\_  
Marice H. DePasquale, President

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

Recording Secretary: Sharon D. Brimer



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: May 11, 2022  
SUBJECT: Attendance at Conferences, Seminars, Meetings, and Events

---

### RECOMMENDATION

In accordance with Ordinance No. 31, adopted April 27, 2021, authorize attendance at conferences, seminars, meetings, and events.

### STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION/DISCUSSION

At its June 10, 2021 meeting, the Board of Directors (Board) approved Fiscal Year 2022 attendance at Conferences, Seminars, Meetings, and Events.

### DISCUSSION

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

### FINANCIAL IMPACT

None.

### ATTACHMENTS

None.

**2022 CONFERENCES, SEMINARS, AND MEETINGS:**

<b>May 17 - 18, 2022</b>	
CSDA Legislative Days	
Sacramento, CA	
<b>June 12 - 15, 2022</b>	
AWWA ACE22 Conference	<i>Atkinson</i>
San Antonio, TX	
<b>June 23 - 24, 2022</b>	
California-United Water Conference	
El Dorado County, CA	
<b>July 12 - 14, 2022</b>	
ACWA Annual Washington D.C. Conference	
Washington D.C.	
<b>August 17 - 18, 2022</b>	
7th Annual CA Water Data Summit	
Irvine, CA	
<b>August 22 - 25, 2022</b>	
CSDA Annual Conference	
Palm Springs, CA	
<b>August 24 - 26, 2022</b>	
Urban Water Institute Annual Conference	<i>Atkinson</i>
San Diego, CA	
<b>September 13 - 16, 2022</b>	
CAJPA Conference	<i>Bockmiller</i>
South Lake Tahoe, CA	
<b>September 16, 2022</b>	
OC Water Summit	
Anaheim, CA	
<b>September 29 - 30, 2022</b>	
H2O Women Conference	<i>DePasquale</i>
Santa Barbara, CA	
<b>October 8 - 12, 2022</b>	
WEFTEC Conference	
New Orleans, LA	
<b>October 19 - 21, 2022</b>	
CALAFCO Annual Conference	
Newport Beach, CA	
<b>October 23 - 26, 2022</b>	
AWWA CA-NV Annual Fall Conference	
Sacramento, CA	
<b>November 1 - 3, 2022</b>	
SWMOA Annual Symposium	
Carlsbad, CA	
<b>November 29 - December 2, 2022</b>	
ACWA/JPIA Fall Conference	
Indian Wells, CA	
<b>December 14 - 16, 2022</b>	
Colorado River Water Users Association Conference	
Las Vegas, NV	

# May 2022

May 2022							June 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 1	2 8:30am MWDOC Planning & Operations Committee (VIRTUAL)	3 ACWA Spring Conference (Sacramento, CA) 7:30am R/S to 5/10 ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting	4 8:30am CANCELED Jt. MWDOC/MWD Workshop (VIRTUAL) 5:30pm CANCELED OCWD Board Meeting	5 8:00am R/S to 5/19 OCWD Communications & Legislative Committee (VIRTUAL)	6 Pay Period Ends 7:30am R/S to 5/13 WACO (DUE TO ACWA)	7
8	9 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	10 7:30am R/S from 5/3 ISDOC Executive Committee 8:00am CANCELED OCBC Infrastructure Committee 9:00am ACC-OC EEW Committee Meeting	11 Payday 8:00am LAFCO Meeting (IN PERSON: 333 W. Santa 8:00am OCWD Water Issues 8:30am MWDOC Admin 4:30pm Board Meeting	12 8:00am OCWD Admin & Finance Committee (VIRTUAL)	13 7:30am R/S from 5/6 - WACO (DUE TO ACWA)	14
15	16	17 CSDA Legislative Days (Sacramento, CA) 7:30am WACO Planning Committee (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (VIRTUAL)	18 8:30am MWDOC Board Meeting (VIRTUAL) 3:30pm Mesa Water District Board Workshop (Mesa 5:30pm OCWD Board	19 8:00am R/S from 5/5 OCWD Communications & 8:30am MWDOC Executive Committee (VIRTUAL) 4:00pm Costa Mesa Chamber of Commerce	20 Pay Period Ends	21
22	23 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	24 3:30pm Board of Directors' Committee Meeting (Boardroom)	25 Payday	26	27	28
29	30 District Holiday	31	Jun 1	2	3	4

# June 2022

June 2022							July 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4						1	2
5	6	7	8	9	10	11	3	4	5	6	7	8	9
12	13	14	15	16	17	18	10	11	12	13	14	15	16
19	20	21	22	23	24	25	17	18	19	20	21	22	23
26	27	28	29	30			24	25	26	27	28	29	30
							31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 29	30	31	Jun 1 8:30am Jt. MWDOC/MWD Workshop (VIRTUAL) 5:30pm OCWD Board Meeting (VIRTUAL)	2 8:00am OCWD Communications & Legislative Committee 5:30pm ICRE 2022 Student Poster Presentation (Mesa Water District)	3 Pay Period Ends 7:30am WACO (VIRTUAL)	4
5	6 8:30am MWDOC Planning & Operations Committee (VIRTUAL)	7 7:30am ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	8 Payday 8:00am LAFCO Meeting (IN PERSON: 333 W. Santa) 8:00am OCWD Water Issues 8:30am MWDOC Admin 4:30pm Board Meeting	9 8:00am OCWD Admin & Finance Committee (VIRTUAL)	10	11
12	13 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	14 8:00am OCBC Infrastructure Committee (VIRTUAL and IN PERSON AT 2 Park Plaza)	15 8:30am MWDOC Board Meeting (VIRTUAL) 5:30pm OCWD Board Meeting (VIRTUAL)	16 8:30am MWDOC Executive Committee (VIRTUAL)	17 Pay Period Ends	18
AWWA ACE 22 (San Antonio, TX)						
19	20	21 7:30am WACO Planning Committee (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (VIRTUAL)	22 CA-United Water Conference (El Dorado County, CA) Payday	23	24	25
26	27 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	28 3:30pm Board of Directors' Committee Meeting (Boardroom)	29	30	Jul 1	2

# July 2022

July 2022							August 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1	2						
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30	31			
31													

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 26	27	28	29	30	Jul 1 Pay Period Ends 7:30am R/S to 7/8 WACO (VIRTUAL)	2
3	4 District Holiday 8:30am MWDOC Planning & Operations Committee (VIRTUAL)	5 7:30am ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting	6 Payday 8:30am Jt. MWDOC/MWD Workshop (VIRTUAL) 5:30pm OCWD Board Meeting (VIRTUAL)	7 8:00am OCWD Communications & Legislative Committee (VIRTUAL)	8 7:30am R/S from 7/1 WACO (VIRTUAL)	9
10	11 5:00pm GWRS Steering Committee Meeting (VIRTUAL) 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	12 ACWA DC 2022 (Washington D.C.) 8:00am OCBC Infrastructure Committee (VIRTUAL and 9:00am ACC-OC EEW Committee Meeting	13 8:00am LAFCO Meeting (IN 8:00am OCWD Water Issues 8:30am MWDOC Admin 4:30pm Board Meeting	14 8:00am OCWD Admin & Finance Committee (VIRTUAL)	15 Pay Period Ends	16
17	18	19 7:30am WACO Planning Committee (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (VIRTUAL)	20 Payday 8:30am MWDOC Board Meeting (VIRTUAL) 5:30pm OCWD Board Meeting (VIRTUAL)	21 8:30am MWDOC Executive Committee (VIRTUAL) 4:00pm Costa Mesa Chamber of Commerce Board Meeting	22	23
24	25 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	26 3:30pm Board of Directors' Committee Meeting (Boardroom)	27 8:30am Jt. MWDOC/OCWD	28 11:30am ISDOC Quarterly Meeting (VIRTUAL)	29 Pay Period Ends	30
31	Aug 1	2	3	4	5	6



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Denise Garcia, Administrative Services Manager  
DATE: May 11, 2022  
SUBJECT: Quarterly Training Report

---

### RECOMMENDATION

Receive the Quarterly Training Report for January 1, 2022 to March 31, 2022.

### STRATEGIC PLAN

Goal #5: Attract and retain skilled employees.

### DISCUSSION

As part of the Board of Directors' (Board) approved 2020 Strategic Plan Goal #5 – Attract and retain skilled employees, Objective B is to Build Employee Skills, specifically the following:

- Fully train a minimum of two employees in key processes to ensure accountability and sustainability
- Develop and implement an operational and institutional knowledge transfer plan

Outcome 3 calls for providing quarterly training reports to the Board.

Attached is the Quarterly Training Report for January 1, 2022 to March 31, 2022. In addition to the training listed on the report, staff also conducts safety training for all employees and Monday Morning Tailgate Talks for Water Operations, Engineering, and Customer Services field staff.

The Tailgate Talks for this quarter included the following topics:

- Setting Up a Safe Traffic Control Zone
- CPR and AEDs Can Save Lives
- Safety Tips for Employees Working Remotely or Alone
- Energized Electrical Equipment Can Be Deadly
- Quick Equipment Checks
- Fire Prevention Safety Quiz
- Weld Well to End Well
- You've Got the Power! of Power Tools
- Facing up to Stress
- Circle of Safety
- Texting and Work Don't Mix
- Lockout/Tagout: Water Under Pressure Poses Danger
- Safety Quiz Forklift

The Safety Training program included the following topics:

- Asbestos Building Inspector Initial Training
- New Hire Orientation
- Defensive Driver Training
- Traffic Control and Flagger – Initial





- Hearing and Respiratory Protection Training and Testing – Industrial Hearing
- Trenching and Shoring Competent Person – Refresher
- Trenching and Shoring Competent Person – Initial
- Traffic Control and Flagger – Refresher
- Basic Crane Truck Safety
- Asbestos Cement Pipe Refresher
- Spill Prevention, Control, and Countermeasure, Bloodborne Pathogens, Heat Fire Extinguisher Refresher
- Asbestos Building Inspector Refresher
- Circle of Safety
- Department of Transportation Hazardous Waste Manifest Training

Below are the required continuing education hours needed, over a three-year period, for each Distribution and Treatment Certification Renewal held by staff:

<b>Distribution and Treatment Certification Renewals – Required Continuing Education Hours (within the last three years)</b>				
Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
12 hours	16 hours	24 hours	36 Hours	36 hours

FINANCIAL IMPACT

The cost for the training is budgeted each fiscal year, per department or in the overall safety budget.

ATTACHMENTS

Attachment A: Quarterly Training Report for January 1, 2022 to March 31, 2022



# FY22 Quarterly Training Report

## 3rd Quarter January 1, 2022 - March 31, 2022

Postion	Department	Date of Training	Type of Training	Organization
Human Resources Analysts	Human Resources	1/12/2022	Public Employment Law Update	Liebert Cassidy Whitmore
Human Resources Analyst Public Affairs Coordinator Public Affairs Specialist	Human Resources Public Affairs	1/20/2022	Managing Up	Brenda Deeley PR, LLC
Water Operations Supervisor	Operations	1/25 - 26/2022	Intermediate Water Treatment	CA-NV AWWA
Public Affairs Coordinator Public Affairs Specialist	Public Affairs	2/3/2022	Videos That Stop the Scroll	PRSA
Water Operations Supervisor	Operations	2/3/2022	T1-4 treatment exam prep course	Water Wise Pro
Public Affairs Coordinator	Public Affairs	2/4/2022	Key Messages in Action	CAPIO
Human Resources Analyst	Human Resources	2/7 - 11/2022	Workplace Investigator Training	Association of Workplace Investigators
Human Resources Analyst	Human Resources	2/8/2022	COVID-19 in 2022: The Challenges for Employers Continue	Atkinson, Andelson, Loya, Ruud & Romo
Human Resources Analysts	Human Resources	2/9/2022	COVID-19 Emergency Temporary Standard (ETS) January 14, 2022 Update	Cal/OSHA
Water Operations Manager	Operations	2/21 - 25/2022	Membrane Technology Conference	AMTA/AWWA
Administrative Services Manager Human Resources Analysts	Human Resources	2/23/2022	What Employers Should Know About the New SPSL Obligations	Liebert Cassidy Whitmore
Administrative Services Manager	Administrative Services	3/16 - 17/2022	Human Resources Boot Camp for Special Districts	California Special Districts Association
Public Affairs Coordinator Public Affairs Specialist	Public Affairs	3/17/2022	Think Like a Friend, Fan or Follower	PRSA
Executive Assistant to the General Manager Public Affairs Coordinator Public Affairs Specialist	Administrative Services Public Affairs	3/17/2022	AlertOC System	Water Emergency Response Organization of Orange County
Human Resources Analyst	Human Resources	3/20/2022	Managing COVID-19 Issues	Liebert Cassidy Whitmore
Executive Assistant to the General Manager	Administrative Services	3/25/2022	Quarterly Leadership Book Club	California Special Districts Association



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: May 11, 2022  
SUBJECT: Orange County Business Council

---

### RECOMMENDATION

Receive the presentation.

### STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water and about water.  
Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION

None.

### DISCUSSION

Orange County Business Council (OCBC) is the leading voice of business regionally, nationally and globally. For more than 125 years, OCBC and its predecessor organizations have promoted economic development and served as the voice of business in America's sixth largest county.

Orange County is one of the most desirable places in the world to live, work, raise families and enjoy an excellent quality of life. OCBC serves pro-business interests so that the region's vibrant economy continues to expand, bringing the benefits of prosperity to every corner of the county.

OCBC President/Chief Executive Officer Jeffrey Ball will provide a presentation at the May 11, 2022 Meeting.

### FINANCIAL IMPACT

None.

### ATTACHMENTS

None.



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer  
DATE: May 11, 2022  
SUBJECT: Proposed Fiscal Year 2023 Budget

---

### RECOMMENDATION

Discuss the proposed Fiscal Year 2023 Budget and choose:

Option 1: Approve the proposed Fiscal Year 2023 Budget, or

Option 2: Direct staff to modify the proposed Fiscal Year 2023 Budget as requested by the Board of Directors.

### STRATEGIC PLAN

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

Goal #2: Practice perpetual infrastructure renewal and improvement.

Goal #3: Be financially responsible and transparent.

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

Goal #5: Attract and retain skilled employees.

Goal #6: Provide outstanding customer service.

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

### DISCUSSION

Staff is pleased to present the proposed Fiscal Year (FY) 2023 Budget. The proposed FY 2023 budget is based on Operating Revenues of \$44.1MM which reflects a 6.5% increase over the prior year's budget. The proposed budget also includes Operating Expenses of \$33.9MM, which reflects a 15.7% increase over the prior year's budget. Debt service is \$6.8MM in FY 2023, as a result of the issuance of the 2020 Certificates of Participation (COPs).

The proposed FY 2023 budget continues the Board of Directors' (Board) long-standing goal of maintaining a AAA rating; the proposed budget is lower than the Days' Cash Ratio goal of 600 days. The Year-End FY 2023 budgeted Cash on Hand is \$29.3MM and the Days' Cash Ratio is 325 days.

Mesa Water District (Mesa Water®) continues to have no unfunded pension liability. As of March 31, 2022, the combined \$17.6MM in our pension and Other Postemployment Benefits trusts exceeds the combined liability of \$15.7MM (as of June 30, 2020) by \$1.9MM.

In FY 2021, Mesa Water successfully completed the issuance of a \$70MM COPs to fund the Capital Improvement Program Renewal (CIPR). FY 2023 will be the third year of the CIPR. Mesa Water continues to invest in necessary capital infrastructure and expense projects that provide long-term efficiency and productivity gains. Mesa Water continues to be the most efficient water district in Orange County. Mesa Water is still 100% local and reliable and does not take any import water to service its customers. In addition, Mesa Water continues its extensive outreach programs.



The debt coverage at the end of FY 2023 is forecasted to be 172% which exceeds the current Board target of 150%.

The proposed FY 2023 budget provides the necessary resources, services, capital funding and staffing to supply water services to Mesa Water’s customers. In addition, the proposed budget includes the 2023 adopted water rates, effective January 2023. The per acre cost of recycled water will increase from \$905 to \$932 in FY 2023, and is expected to increase in the subsequent years.

The water costs are noted in the table below:

		<b>Per Acre Foot</b>			
<b>Year</b>		<b>Replenishment Assessment</b>	<b>Recycled Water</b>	<b>Imported Variable Cost</b>	<b>LRP Grant</b>
2018	Actual	445	738	979/1,015	148
2019	Actual	462	838	1,015/1,050	151
2020	Actual	487	867	1,050/1,078	154
2021	Actual	487	905	1,078/1,104	157
2022	Actual	507	905	1,104/1,143	160
2023	Budgeted	558	932	1,143/1,252	163

Budgeted cash outflows include \$32.2MM in FY 2023 capital expenditures compared to \$33.3MM in the FY 2022 Budget, and \$6.8MM in FY 2023 debt service compared to \$6.7MM in the FY 2022 budget.

Considering Mesa Water’s commitment to the orderly replacement of capital assets, staff will focus on developing, replacing, and upgrading necessary water infrastructure. The proposed budget includes \$15.5MM for the Water and Power System Reliability Upgrade, \$2.8MM for the Chandler & Croddy Wells and Pipeline Construction Project and \$1MM for Operations planned capital.

In FY 2023, staffing levels are projected to remain at 55 Full Time Employees (plus two Limited-Term positions to support the Capital Improvement Program Renewal).

**FINANCIAL IMPACT**

The FY 2023 Budget funds the Board’s objectives and supports the Board’s goals set out in Mesa Water’s Strategic Plan.

**ATTACHMENTS**

- Attachment A: Proposed Fiscal Year 2023 Budget
- Attachment B: District Memberships
- Attachment C: Board Conferences and Seminars
- Attachment D: Community Outreach



**MesaWater**  
DISTRICT®

# OPERATING BUDGET

FISCAL YEAR 2023

Mesa Water District | Costa Mesa, California

**MesaWater.org**

*Dedicated to Satisfying Our Community's Water Needs*



# PROPOSED BUDGET FISCAL YEAR 2023

*Dedicated to Satisfying Our Community's Water Needs*

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



## MESA WATER'S VISION:

*To be a top performing public water agency*



## MESA WATER'S MISSION:

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



## Mesa Water's Seven Strategic Goals:

Provide a safe, abundant, and reliable water supply.	Practice perpetual infrastructure renewal and improvement.	Be financially responsible and transparent.	Increase public awareness about Mesa Water and about water.
Attract and retain skilled employees.	Provide outstanding customer service.	Actively participate in regional and statewide water issues.	





*Dedicated to  
Satisfying our Community's  
Water Needs*

## BOARD OF DIRECTORS

**Marice H. DePasquale**  
*President  
Division III*

**Shawn Dewane**  
*Vice President  
Division V*

**Jim Atkinson**  
*Director  
Division IV*

**Fred R. Bockmiller, P.E.**  
*Director  
Division I*

**James R. Fisler**  
*Director  
Division II*

**Paul E. Shoenberger, P.E.**  
*General Manager*

**Denise Garcia**  
*District Secretary*

**Marwan Khalifa, CPA, MBA**  
*District Treasurer*

**Atkinson, Andelson,  
Loya, Ruud & Romo**  
*Legal Counsel*

1965 Placentia Avenue  
Costa Mesa, CA 92627  
tel 949.631.1200  
fax 949.574.1036  
info@MesaWater.org  
**MesaWater.org**

May 11, 2022

On behalf of the Mesa Water District Board of Directors (Board), I am pleased to present the approved budget for Fiscal Year (FY) 2023.

Mesa Water has a perpetual agency philosophy requiring a scheduled systematic review of its long-range financial plan and goals. As such, Mesa Water's Strategic Plan includes the goal of being financially responsible and transparent, as well as providing its customers a safe abundant and reliable water supply; and continually investing in and maintaining its infrastructure, which pumps, treats and delivers nearly five billion gallons of drinking water to residential and business customers each year.

Mesa Water expects operating revenues of \$44.1 million with \$33.9 million in operating expenses. Planned capital expenditures are \$32.3 million, and financial obligations for payment of principal and interest on debt are \$6.8 million.

Mesa Water has \$70 million of needed water system upgrades including wells, reservoirs and pipelines under way, as part of its Capital Improvement Program Renewal (CIPR), funded through Certificates of Participation. FY 2023 will be the third year of this program, which supports the District's key objective of providing a reliable and safe water supply to our ratepayers at an affordable price.

Local groundwater is Mesa Water's best source of water, as it is high quality and lower in cost than water imported from the Colorado River and Northern California. The Mesa Water Reliability Facility (MWRF) achieves the District's long-standing goal of serving 100 percent local, reliable supplies to its customers. In FY 2023, the MWRF is expected to supply 3,754 acre feet of water, or 23 percent of the District's potable water service. Local groundwater supplies, when compared with imported water, have lower energy costs and a reduced carbon footprint.

In FY 2023, the District will incur some fixed costs for imported water, which only serves as Mesa Water's emergency back-up supply. Furthermore, Orange County Water District (OCWD), the agency that manages the Orange County groundwater basin, is increasing the basin replenishment cost by \$51 acre foot, or 10 percent. It is anticipated that OCWD's rates will continue to increase annually over the next several years.

In FY 2023, Mesa Water will continue its focus on essential services and capital and technology improvements that will provide efficiency and productivity gains. The technology improvements will focus on cyber security upgrades.

In November 2017, Mesa Water conducted a public hearing and notification process to adopt a five-year rate adjustment. The last year of that rate and fee schedule took place in FY 2022, ensuring the provision of high-quality water for our customers, the financing of current and future infrastructure projects, the funding of Mesa Water cash reserves, and the servicing of long-term debt.

In January 2022, Mesa Water conducted a public hearing and notification process to adopt a new five-year rate adjustment. The five-year rate adjustments will begin in January 2023. Critical factors in considering the new rate schedule included the repair or replacement of Mesa Water's systems and assets, the rising



Replenishment Assessment charged to Mesa Water for pumping groundwater, increasing energy consumption costs, and rising labor costs.

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

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

Sincerely,

Marice H. DePasquale  
Mesa Water Board President

Draft

Date: May 11, 2022

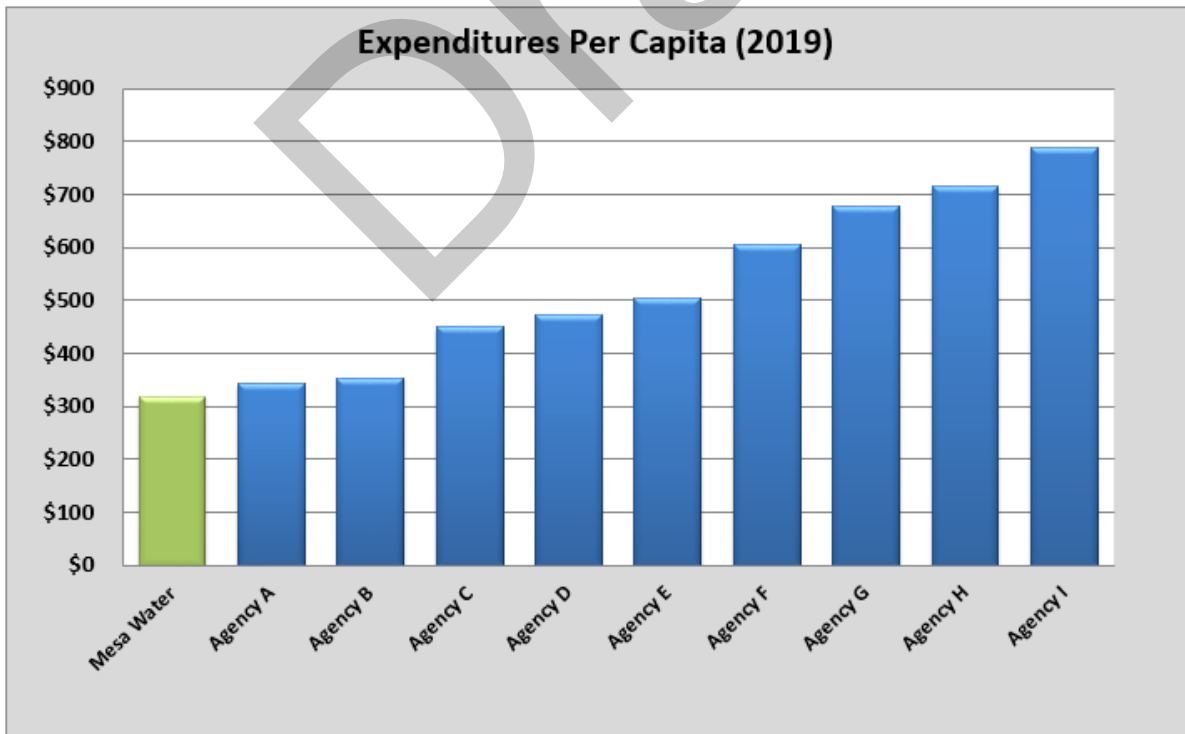
To: Mesa Water District Board of Directors

### FISCAL YEAR 2023 BUDGET MESSAGE

I am pleased to present the Fiscal Year (FY) 2023 budget for Mesa Water District (Mesa Water®), beginning July 1, 2022 and ending June 30, 2023.

I would like to express my appreciation to the members of the Board of Directors (Board) for your confidence in Mesa Water’s management team as well as your review, advice, suggestions, and policy direction during the budgeting process. This document reflects the time you spent considering and analyzing the District’s financial well-being and role in this community. I would also like to thank staff for their contributions and participation in the development of the FY 2023 Budget.

Our mission statement is “Mesa Water, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public’s quality of life.” Mesa Water’s strategic plan fulfills the District’s mission through seven equal and important strategic goals. Mesa Water provides safe, high-quality water that meets or surpasses all Federal and State drinking water standards. The enhanced Mesa Water Reliability Facility (MWRF) allows the District to provide a 100 percent local and reliable, high-quality, and cost-effective water supply for our service area for decades to come. Furthermore, Mesa Water is the most cost-efficient water agency in Orange County with the lowest annual per capita expenditures at \$320 per capita / year (Orange County industry range is \$320 to \$790 per capita / year).



Mesa Water District  
**Fiscal Year 2023 Budget**

**Organizational Priorities**

In 2022, Mesa Water's Board reaffirmed the long-range financial plan and adopted multi-year rate increases from Calendar Year 2023 through 2027. In addition, the Board continued its credit worthiness goal as defined by Fitch, Standard & Poor's and other credible rating agencies. The goal is to continue to maintain Mesa Water's strong AAA credit rating. The Board continues to further measure the District's credit-worthiness at the end of each fiscal year by using the Days Cash Ratio, Cash on Hand, and debt coverage metrics. The Days Cash Ratio is defined as total cash available divided by Operating Expenses per days and is a measurement of an agency's ability to meet known and unanticipated expenses. The Board established a Days Cash Ratio goal of 600 days and a Cash on Hand goal of \$39.7 million by the end of FY 2022.

The global COVID-19 pandemic continued to have an effect on the local economy, including Mesa Water. The Board's foresight to plan for unexpected events, such as the current pandemic, ensures that Mesa Water will continue to be financially strong.

The FY 2023 Budget is lower than the FY 2023 Days Cash Ratio goal of 600 days and Cash on Hand goal of \$39.7 million, with a budgeted Days Cash Ratio of 325 days and a budgeted Cash on Hand amount of \$29.3 million.

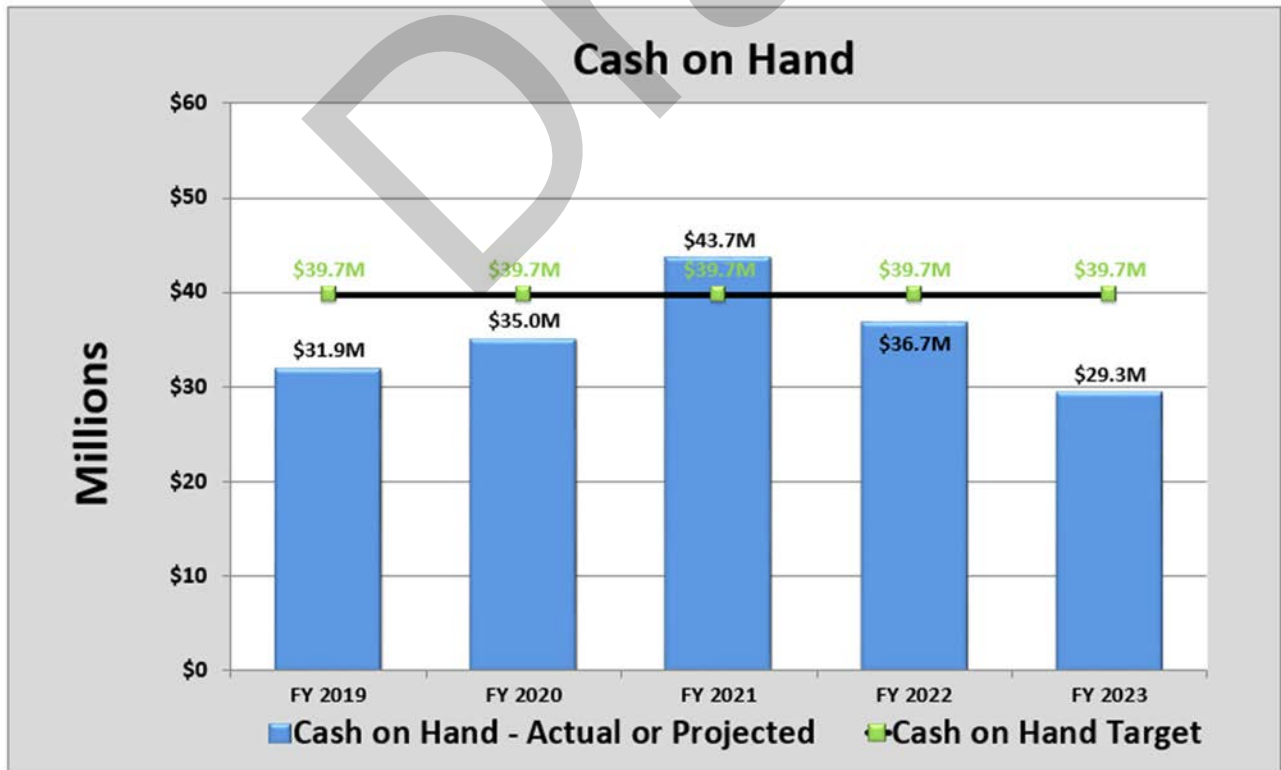
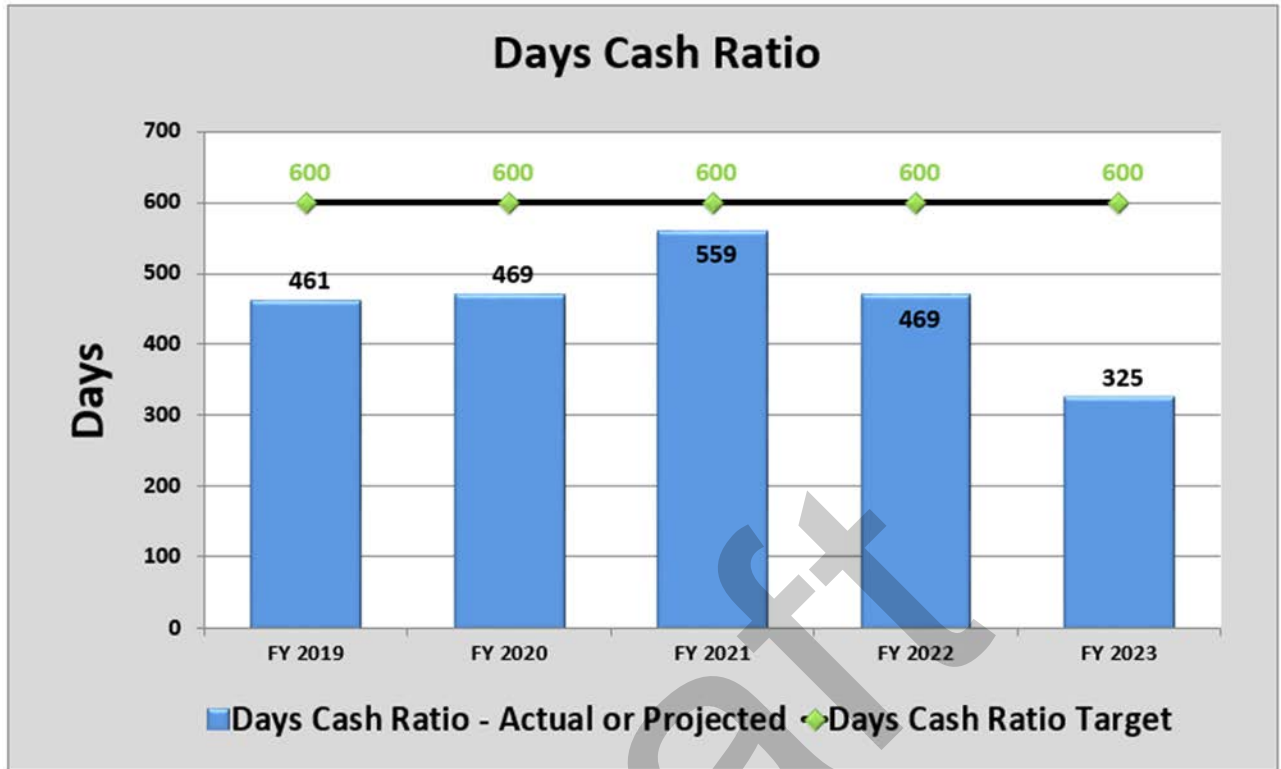
With Mesa Water's last debt issuance in June 2020, the Fitch agency issued a AAA credit rating. For this same debt issuance, Standard & Poor's also issued a AAA rating. Subsequently, in the spring of 2021, Fitch reaffirmed AAA the rating for the 2017 and 2020 debt issuance. Mesa Water is continuing to work on maintaining a strong AAA credit rating from all rating agencies.

To qualify for Fitch's highest rating, one year's cash (365 days) would most likely be required. S&P's criteria for days cash also considers actual cash (balance). An overall range of 400-500 days cash, along with our other rating factors should maintain our AAA rating with both rating agencies.

Additionally, an important debt factor is debt service coverage. Fitch awards its highest score for coverage of 2.0 or greater, while S&P awards its highest score at 1.6 or above. The District anticipates that its debt service coverage ratio will be above 1.7.

As the FY 2023 budget has lower than established Days Cash Ratio and Cash on Hand goals, Mesa Water will continue to allocate Designated Reserves (Funds) in FY 2023 in accordance with Board policy.

Mesa Water District  
Fiscal Year 2023 Budget



Mesa Water District  
**Fiscal Year 2023 Budget**

**Mesa Water’s Strategic Plan**

The following seven goals are reflected in the FY 2023 budget:

1. Provide a safe, abundant, and reliable water supply.
2. Practice perpetual infrastructure renewal and improvement.
3. Be financially responsible and transparent.
4. Increase public awareness about Mesa Water and about water.
5. Attract and retain skilled employees.
6. Provide outstanding customer service.
7. Actively participate in regional and statewide water issues.

**Revenues**

Mesa Water has budgeted 16,323 acre feet of potable water production and 1,109 acre feet of recycled water (total of 17,432 acre feet) for FY 2023, compared to 16,264 acre feet of potable water production and 1,105 acre feet of recycled water (total of 17,369 acre feet) budgeted for FY 2022.

Changes by major category of Operating Revenues are summarized below:

	FY 2022 Budget	FY 2023 Budget	% Change
<b>Operating Revenues:</b>			
Water Consumption Sales	\$30,626,417	\$32,021,194	4.6%
Monthly Meter Service Charge	8,910,143	7,922,543	-11.1%
Capital Charge	-	2,269,219	100.0%
Recycled Water Sales	1,439,411	1,564,304	8.7%
Concessions from Gov. Agencies	-	-	0.0%
Other Charges and Services	400,000	300,000	-25.0%
<b>TOTAL OPERATING REVENUES</b>	<b>\$41,375,971</b>	<b>\$44,077,261</b>	<b>6.5%</b>

Mesa Water’s FY 2023 Operating Revenues are budgeted at \$44.1 million compared to \$41.4 million in the FY 2022 budget, a 6.5 percent increase. Additionally, the Fiscal Year 2023 budget includes revenues based upon the fifth tiers of rate increases in potable water consumption rates and monthly meter service charges from the multi-year rate schedule adopted in 2017, and the first tier of the new rate increases in potable water consumption rates and monthly meter service charges from the multi-year rate schedule adopted in 2022 as detailed below:

Mesa Water District  
**Fiscal Year 2023 Budget**

ADOPTED SCHEDULE OF RATE CHANGES

	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
<b>Per Unit* (CCF):</b>						
			<b>Usage Charge Rate</b>			
Potable	\$4.72	\$4.87	\$4.93	\$5.02	\$5.11	\$5.21
<b>Meter Size:</b>			<b>Bi-monthly Meter Basic Charge Rate</b>			
5/8"	\$30.03	\$29.55	\$30.99	\$31.54	\$32.16	\$32.83
<b>Potable Water Meter Size:</b>			<b>Annual Capital Meter Charge Rate</b>			
5/8"	\$0.00	\$99.92	\$163.45	\$198.13	\$235.17	\$274.93

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

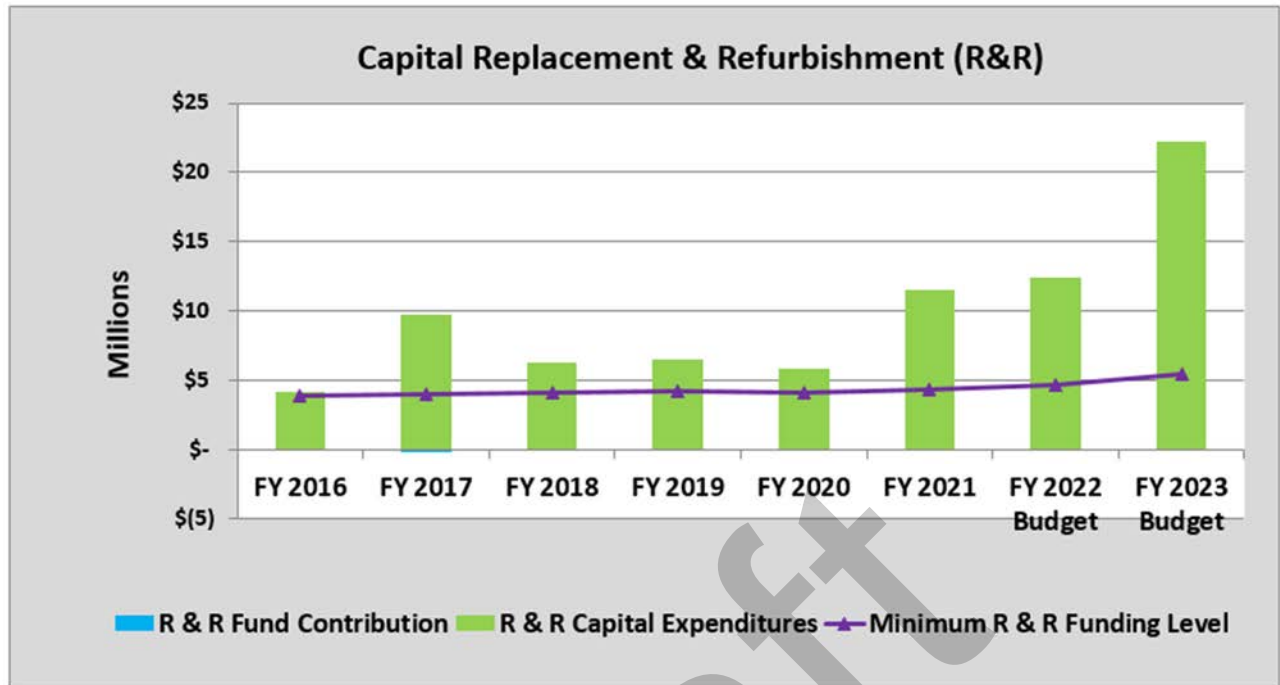
Due to development activity revenue remaining less stable and being influenced by general economic conditions, revenues related to development activity are budgeted based on an eight-year rolling historical average. Mesa Water expects this method to reduce volatility in budgeting development revenues.

**Capital Projects**

The FY 2023 capital budget includes expenditures of \$32.2 million representing a -3.3 percent decrease from the FY 2022 budget of \$33.3 million. This is part of a 3-year, \$70 million, Capital Improvement Program Renewal (CIPR) that has been approved by the Board. The CIPR was funded by a Certificates of Participation issuance in June of 2020. Mesa Water’s Strategic Plan Goal #2 is, “Practice perpetual infrastructure renewal and improvement.” The District has a "perpetual agency" philosophy and has adopted a long-range plan to manage, maintain, and develop its infrastructure.

To further ensure the District's ability to rely solely upon locally sourced groundwater, construction on two new wells is projected to be completed in FY 2023. Funds will also be used for a water and power system reliability on the reservoirs, SCADA Control Room and Wet Lab upgrades, new pipelines and replacement of end-of-life pipelines, IT security, and scheduled annual replacements of hydrants, valves, and meters.

Mesa Water District  
**Fiscal Year 2023 Budget**



**Expenses**

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

1. In FY 2023, Mesa Water will continue maintaining and updating Mesa Water’s Computerized Maintenance Management System (CMMS) and streamlining core business processes facilitated through the business improvement process. These projects contribute to Strategic Plan Goal #3, “Be financially responsible and transparent.”
2. During FY 2023, Mesa Water will continue conducting outreach to its key audiences, consisting of customers (ratepayers); community members (residents, organizations, and businesses); Federal, State, County, and City elected officials; industry colleagues at OC municipalities, water districts and special districts; media; and current and former Mesa Water staff and Board members. This outreach includes facilitating clear, concise, and constant communications; producing publications about Mesa Water and water; and managing Mesa Water’s social media program. Mesa Water plans to conduct ongoing constituent relations activities, including community sponsorships, participating in community events, and giving tours of the MWRF to provide water education and information about programs and services, capital improvements projects and the related benefits. These items contribute to the District’s Strategic Plan Goals #4, “Increase public awareness about Mesa Water and about water,” and #6, “Provide outstanding customer service.”
3. Lastly, the District will continue its government relations work including legislative affairs and advocacy activities for issues that may impact Mesa Water and its constituents. These items contribute primarily to the District’s Strategic Plan Goals #4, “Increase public awareness about Mesa Water and about water” and #7, “Actively participate in regional and statewide water issues,” and secondarily to Goals #3, “Be financially responsible and transparent,” #5, “Attract and retain skilled employees,” and #6, “Provide outstanding customer service.”



Mesa Water District  
**Fiscal Year 2023 Budget**

Mesa Water’s FY 2023 Operating Expenses are budgeted at \$33.9 million compared to \$29.3 million in the FY 2022 budget, an increase of 15.7% in Operating Expenses. Changes by major category of Operating Expenses are summarized below:

	FY 2022 Budget	FY 2023 Budget	% Change
<b>Operating Expense:</b>			
Imported Sources of Supply	\$463,700	\$529,700	14.2%
Basin Managed Water	35,000	35,000	0.0%
Clear Water	7,960,022	8,907,543	11.9%
Amber Water	3,380,832	3,380,832	17.1%
Recycled Water	1,000,025	1,033,588	3.4%
Transmission and Distribution	6,975,463	7,786,128	11.6%
General and Administrative	9,464,124	11,611,770	22.7%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$29,279,166</b>	<b>\$33,863,676</b>	<b>15.7%</b>

**Economic and Policy Issues**

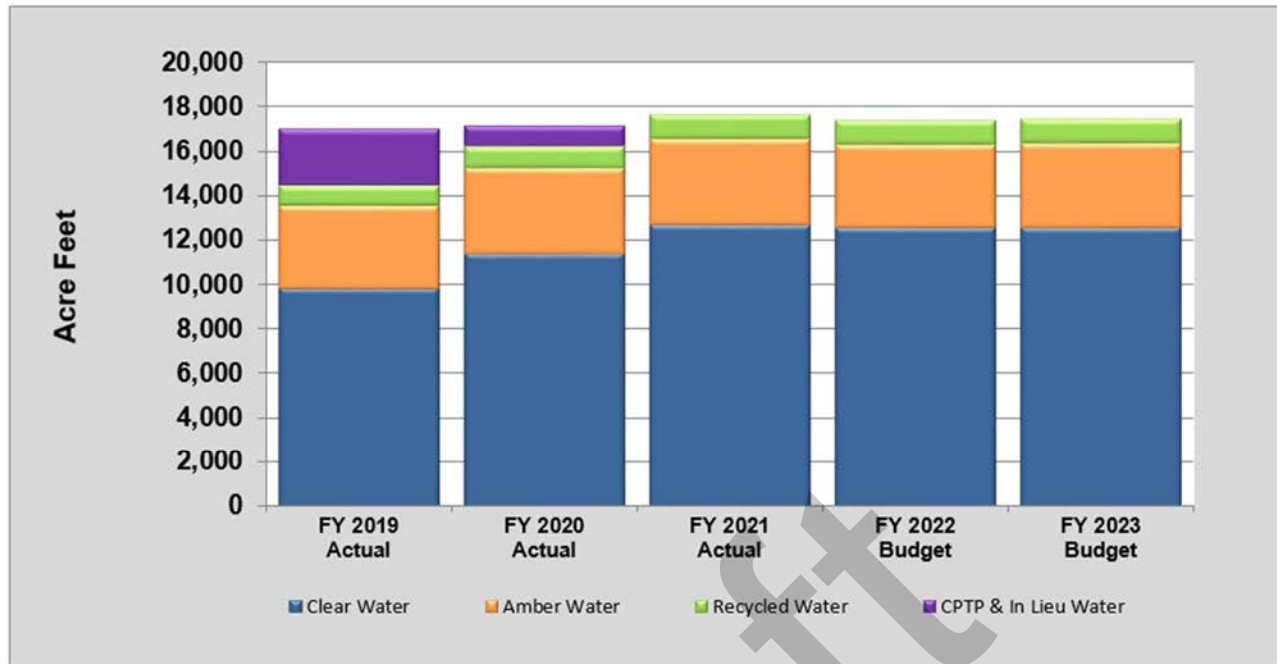
Imported water is higher in cost per acre foot in comparison to clear or amber water, with additional imported fixed costs charged to Mesa Water regardless of the amount of water purchased. Costs detailed below are comprised of (water production) operating expenses, net of Metropolitan Water District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

Water Source	FY 2023 Budgeted Average Cost per Acre Foot
<b>Clear Water</b>	\$709
<b>Amber Water (MWRf)</b>	\$1,055 - \$163 LRP = \$892
<b>Imported Water</b>	\$1,143/\$1,252
<b>Recycled Water</b>	\$932

During FY 2023, Mesa Water expects Orange County Water District (OCWD) will not change the Basin Pumping Percentage (BPP) of 77 percent of total potable supply. The Replenishment Assessment (RA) acre foot charge by OCWD is expected to increase from \$507 to \$558 due to increased imported water purchases along with increased costs to expand OCWD’s Groundwater Replenishment System (GWRS).

The MWRf Improvements Project was completed in FY 2013, and the MWRf was fully operational in FY 2014. In FY 2023, the MWRf is budgeted to run at an approximate capacity of 3,754 acre feet, complementing clear water production to achieve 100 percent locally-sourced water supplies. With the MWRf, Mesa Water has eliminated the need to purchase imported water in almost all circumstances. The following is a summary of budgeted sources of water for FY 2023:

Mesa Water District  
Fiscal Year 2023 Budget



**Staffing Levels**

Staffing levels are projected to remain the same from FY 2022, at 55 Full Time Employees (plus two Limited-Term positions to support the CIPR).

**Conclusion**

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

Sincerely,

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



## Fiscal Year 2023 Budget

### TABLE OF CONTENTS

Message from the President (open for final version).....	i
Letter of Transmittal.....	iii
Table of Contents .....	xi
<b><i>I. BUDGET SUMMARY</i></b>	
Comparative Statement of Revenues, Expenses, and Changes in Net Position .....	1
FY 2023 Departmental Statement of Revenues, Expenses, and Changes in Net Position.....	2
FY 2022 Departmental Statement of Revenues, Expenses, and Changes in Net Position.....	3
Capital Expenditures Summary.....	4
Pro Forma Statement of Cash Flows .....	5
<b><i>II. BASIS OF THE BUDGET</i></b>	
Water Data.....	6
Water Supply Components.....	7
Production of Potable Water in Acre Feet, Monthly 4 Year Trend Analysis (Graph) .....	8
Water Supply Needs – Historical and Projected (Graph).....	9
Water Supply Needs – Historical and Projected with Best Fit Line (Graph) .....	10
Organizational Chart.....	11
Personnel Summary .....	12
Labor and Benefits Summary .....	13
COP Coverage Ratios .....	14
Designated Fund Levels.....	15
District Overview.....	16
Major Revenue Descriptions .....	17
Fund Description.....	19
Basis of Accounting .....	19
Budget Controls and Revisions .....	19
<b><i>III. DEPARTMENTS</i></b>	
General (Departments 000).....	20
Governance (Department 100).....	22
Office of the General Manager Department (Department 200).....	22
Water Costs (Departments 310, 320, and 330) .....	23
Water Operations Department (Department 300) .....	24
Engineering Department (Department 400) .....	24
Customer Services Department (Department 500).....	25
Financial Services Department (Department 600) .....	26
Public Affairs Department (Department 700) .....	27
Water Policy Department (Department 900) .....	27
Administrative Services Department (Department 800).....	28
Human Resources Department (Department 850) .....	28
<b><i>IV. APPENDIX</i></b>	
Glossary of Terms .....	Appendix 1



Fiscal Year 2023 Budget

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

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
<b>OPERATING REVENUES:</b>				
Water consumption sales	\$ 26,913,077	\$ 29,431,505	\$ 30,626,417	\$ 32,021,194
Monthly meter service charge	7,870,740	8,464,262	8,910,143	7,922,543
Capital charge	-	-	-	2,269,219
Recycled water sales	1,250,605	1,428,840	1,439,411	1,564,305
Concessions from gov. agencies (incl. CPTP)	163,691	-	-	-
Other charges and services	526,777	665,928	400,000	300,000
<b>TOTAL OPERATING REVENUES</b>	<b>36,724,890</b>	<b>39,990,535</b>	<b>41,375,971</b>	<b>44,077,261</b>
<b>OPERATING EXPENSES:</b>				
Imported Water Fixed Costs	507,008	370,881	463,700	529,700
Basin Managed Water	659,666	28,388	35,000	35,000
Clear water cost	6,760,158	7,569,448	7,960,022	8,907,543
Amber water cost	3,158,924	3,191,073	3,380,832	3,959,947
Recycled water	861,521	1,009,398	1,000,025	1,033,588
Transmission and distribution	6,020,490	7,360,850	6,975,463	7,786,128
General and administrative	9,270,384	8,959,171	9,464,124	11,611,770
<b>TOTAL OPERATING EXPENSES</b>	<b>27,238,151</b>	<b>28,489,209</b>	<b>29,279,166</b>	<b>33,863,676</b>
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>9,486,739</b>	<b>11,501,326</b>	<b>12,096,805</b>	<b>10,213,585</b>
Depreciation and amortization	(5,517,326)	(5,491,984)	(5,850,000)	(5,900,000)
<b>OPERATING INCOME</b>	<b>3,969,413</b>	<b>6,009,342</b>	<b>6,246,805</b>	<b>4,313,585</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>				
Bond issuance costs	(322,473)	-	-	-
Investment earnings (incl. unrealized)	1,255,743	4,367,631	450,000	410,000
Interest expense - long-term debt	(964,979)	(2,754,815)	(2,602,900)	(2,441,761)
Gain (Loss) on sale/disposition of capital assets, net	8,123	5,500	(15,000)	(10,000)
Impairment of capital assets & termination of lease	-	-	-	-
Other non-operating, net	(1,990,429)	(11,182)	(20,000)	(15,000)
<b>NONOPERATING REVENUES / (EXPENSES):</b>	<b>(2,014,015)</b>	<b>1,607,134</b>	<b>(2,187,900)</b>	<b>(2,056,761)</b>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>1,955,398</b>	<b>7,616,476</b>	<b>4,058,905</b>	<b>2,256,824</b>
<b>CAPITAL CONTRIBUTIONS:</b>				
Capacity and installation charges	1,297,240	473,316	1,174,207	1,090,000
Capital Grants (includes LRP)	584,091	578,702	616,060	614,664
Developers and others	1,203,077	1,039,667	600,000	675,000
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>3,084,408</b>	<b>2,091,685</b>	<b>2,390,267</b>	<b>2,379,664</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 5,039,806</b>	<b>\$ 9,708,161</b>	<b>\$ 6,449,172</b>	<b>\$ 4,636,488</b>



Fiscal Year 2023 Budget

FY 2023 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
<b>OPERATING REVENUES:</b>												
Water consumption sales	\$ 32,021,194	\$ 32,021,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	7,922,543	\$ 7,922,543	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	2,269,219	\$ 2,269,219	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,564,305	\$ 1,564,305	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	\$ -	-	-	-	-	-	-	-	-	-	-
Other charges and services	300,000	\$ 300,000	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>44,077,261</b>	<b>44,077,261</b>	-	-	-	-	-	-	-	-	-	-
<b>OPERATING EXPENSES:</b>												
Imported and Basin Managed water costs	564,700	-	-	-	564,700	-	-	-	-	-	-	-
Clear water cost	8,907,543	-	-	-	8,907,543	-	-	-	-	-	-	-
Amber water cost	3,959,947	-	-	-	3,959,947	-	-	-	-	-	-	-
Recycled water	1,033,588	1,033,588	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	7,786,128	-	-	-	6,967,870	818,258	-	-	-	-	-	-
General and administrative	11,611,770	-	465,318	1,614,457	-	-	1,027,938	2,384,322	1,280,548	3,312,896	954,118	572,173
<b>TOTAL OPERATING EXPENSES</b>	<b>33,863,676</b>	<b>1,033,588</b>	<b>465,318</b>	<b>1,614,457</b>	<b>20,400,060</b>	<b>818,258</b>	<b>1,027,938</b>	<b>2,384,322</b>	<b>1,280,548</b>	<b>3,312,896</b>	<b>954,118</b>	<b>572,173</b>
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>10,213,585</b>	<b>43,043,673</b>	<b>(465,318)</b>	<b>(1,614,457)</b>	<b>(20,400,060)</b>	<b>(818,258)</b>	<b>(1,027,938)</b>	<b>(2,384,322)</b>	<b>(1,280,548)</b>	<b>(3,312,896)</b>	<b>(954,118)</b>	<b>(572,173)</b>
Depreciation and amortization	(5,900,000)	(5,900,000)	-	-	-	-	-	-	-	-	-	-
<b>OPERATING INCOME / (LOSS)</b>	<b>4,313,585</b>	<b>37,143,673</b>	<b>(465,318)</b>	<b>(1,614,457)</b>	<b>(20,400,060)</b>	<b>(818,258)</b>	<b>(1,027,938)</b>	<b>(2,384,322)</b>	<b>(1,280,548)</b>	<b>(3,312,896)</b>	<b>(954,118)</b>	<b>(572,173)</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>												
Investment earnings	410,000	410,000	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,441,761)	(2,441,761)	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(10,000)	(10,000)	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(15,000)	(15,000)	-	-	-	-	-	-	-	-	-	-
<b>NONOPERATING REVENUES / (EXPENSES):</b>	<b>(2,056,761)</b>	<b>(2,056,761)</b>	-	-	-	-	-	-	-	-	-	-
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>2,256,824</b>	<b>35,086,912</b>	<b>(465,318)</b>	<b>(1,614,457)</b>	<b>(20,400,060)</b>	<b>(818,258)</b>	<b>(1,027,938)</b>	<b>(2,384,322)</b>	<b>(1,280,548)</b>	<b>(3,312,896)</b>	<b>(954,118)</b>	<b>(572,173)</b>
<b>CAPITAL CONTRIBUTIONS:</b>												
Capacity and installation charges	1,090,000	1,090,000	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	614,664	614,664	-	-	-	-	-	-	-	-	-	-
Developers and others	675,000	675,000	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>2,379,664</b>	<b>2,379,664</b>	-	-	-	-	-	-	-	-	-	-
<b>CHANGE IN NET POSITION (2023 Budget)</b>	<b>\$ 4,636,488</b>	<b>\$ 37,466,576</b>	<b>\$ (465,318)</b>	<b>\$ (1,614,457)</b>	<b>\$ (20,400,060)</b>	<b>\$ (818,258)</b>	<b>\$ (1,027,938)</b>	<b>\$ (2,384,322)</b>	<b>\$ (1,280,548)</b>	<b>\$ (3,312,896)</b>	<b>\$ (954,118)</b>	<b>\$ (572,173)</b>
<b>CHANGE IN NET POSITION (2022 Budget)</b>	<b>\$ 6,449,172</b>	<b>\$ 34,728,313</b>	<b>\$ (426,397)</b>	<b>\$ (1,562,051)</b>	<b>\$ (18,165,732)</b>	<b>\$ (649,285)</b>	<b>\$ (1,090,587)</b>	<b>\$ (1,398,124)</b>	<b>\$ (925,678)</b>	<b>\$ (2,405,172)</b>	<b>\$ (1,125,453)</b>	<b>\$ (530,662)</b>



Fiscal Year 2023 Budget

FY 2022 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
<b>OPERATING REVENUES:</b>												
Water consumption sales	\$ 30,626,417	\$ 30,626,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	8,910,143	8,910,143	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,439,411	1,439,411	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	400,000	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>41,375,971</b>	<b>41,375,971</b>	-	-	-	-	-	-	-	-	-	-
<b>OPERATING EXPENSES:</b>												
Imported and Basin Managed water costs	498,700	-	-	-	498,700	-	-	-	-	-	-	-
Clear water cost	7,960,022	-	-	-	7,960,022	-	-	-	-	-	-	-
Amber water cost	3,380,832	-	-	-	3,380,832	-	-	-	-	-	-	-
Recycled water	1,000,025	1,000,025	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	6,975,463	-	-	-	6,326,178	649,285	-	-	-	-	-	-
General and administrative	9,464,124	-	426,397	1,562,051	-	-	1,090,587	1,398,124	925,678	2,405,172	1,125,453	530,662
<b>TOTAL OPERATING EXPENSES</b>	<b>29,279,166</b>	<b>1,000,025</b>	<b>426,397</b>	<b>1,562,051</b>	<b>18,165,732</b>	<b>649,285</b>	<b>1,090,587</b>	<b>1,398,124</b>	<b>925,678</b>	<b>2,405,172</b>	<b>1,125,453</b>	<b>530,662</b>
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b>												
	<b>12,096,805</b>	<b>40,375,946</b>	<b>(426,397)</b>	<b>(1,562,051)</b>	<b>(18,165,732)</b>	<b>(649,285)</b>	<b>(1,090,587)</b>	<b>(1,398,124)</b>	<b>(925,678)</b>	<b>(2,405,172)</b>	<b>(1,125,453)</b>	<b>(530,662)</b>
Depreciation and amortization	(5,850,000)	(5,850,000)	-	-	-	-	-	-	-	-	-	-
<b>OPERATING INCOME / (LOSS)</b>	<b>6,246,805</b>	<b>34,525,946</b>	<b>(426,397)</b>	<b>(1,562,051)</b>	<b>(18,165,732)</b>	<b>(649,285)</b>	<b>(1,090,587)</b>	<b>(1,398,124)</b>	<b>(925,678)</b>	<b>(2,405,172)</b>	<b>(1,125,453)</b>	<b>(530,662)</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>												
Investment earnings	450,000	450,000	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,602,900)	(2,602,900)	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(15,000)	(15,000)	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(20,000)	(20,000)	-	-	-	-	-	-	-	-	-	-
<b>NONOPERATING REVENUES / (EXPENSES):</b>	<b>(2,187,900)</b>	<b>(2,187,900)</b>	-	-	-	-	-	-	-	-	-	-
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>4,058,905</b>	<b>32,338,046</b>	<b>(426,397)</b>	<b>(1,562,051)</b>	<b>(18,165,732)</b>	<b>(649,285)</b>	<b>(1,090,587)</b>	<b>(1,398,124)</b>	<b>(925,678)</b>	<b>(2,405,172)</b>	<b>(1,125,453)</b>	<b>(530,662)</b>
<b>CAPITAL CONTRIBUTIONS:</b>												
Capacity and installation charges	1,174,207	1,174,207	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	616,060	616,060	-	-	-	-	-	-	-	-	-	-
Developers and others	600,000	600,000	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>2,390,267</b>	<b>2,390,267</b>	-	-	-	-	-	-	-	-	-	-
<b>CHANGE IN NET POSITION (2022 Budget)</b>	<b>\$ 6,449,172</b>	<b>\$ 34,728,313</b>	<b>\$ (426,397)</b>	<b>\$ (1,562,051)</b>	<b>\$ (18,165,732)</b>	<b>\$ (649,285)</b>	<b>\$ (1,090,587)</b>	<b>\$ (1,398,124)</b>	<b>\$ (925,678)</b>	<b>\$ (2,405,172)</b>	<b>\$ (1,125,453)</b>	<b>\$ (530,662)</b>
<b>CHANGE IN NET POSITION (2021 Budget)</b>	<b>\$ 6,698,071</b>	<b>\$ 33,016,460</b>	<b>\$ (366,397)</b>	<b>\$ (1,687,465)</b>	<b>\$ (15,861,569)</b>	<b>\$ (747,789)</b>	<b>\$ (1,844,541)</b>	<b>\$ (1,307,569)</b>	<b>\$ (868,371)</b>	<b>\$ (2,140,548)</b>	<b>\$ (1,004,750)</b>	<b>\$ (489,390)</b>



**Fiscal Year 2023 Budget  
Capital Expenditures Summary**

Description	FY 2022 Budget	FY 2023 Budget
<b>WELLS:</b>		
Croddy/Chandler Pipeline Design & Construction	\$ 12,845,409	\$ 2,807,026
<b>RESERVOIRS:</b>		
Water & Power System Reliability Assessment	793,800	15,541,280
Chemical Management System	6,600	2,599,000
<b>DISTRIBUTION:</b>		
1951 CMLC Cohort Pipeline Replacement	1,900,424	-
Wilson St. Pipeline	2,051,072	422,335
Abandoned Vault Closures	1,648,663	-
Valve Replacements Assessment	1,167,780	1,463,993
Plastic Service Line Replacements	64,680	790,620
Pipeline Integrity Testing Program	250,000	250,000
On-Call Services (Design, Paving, Const., & CM)	249,750	243,000
Other Agency Projects	1,139,172	119,172
<b>ROUTINE OPERATIONS:</b>		
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	1,000,000
<b>NON-ROUTINE OPERATIONS:</b>		
Operations Non-Routine Capital (Vehicles, Other)	550,000	808,782
SCADA Metrics & System Upgrades	400,000	-
<b>DISTRICT FACILITIES:</b>		
MWRF	5,307,652	2,455,022
Garage/Storage	387,333	181,000
Dewatering Pit	54,945	525,000
<b>INFORMATION TECHNOLOGY:</b>		
IT Upgrades	1,937,300	1,973,130
IT Project Support	400,000	-
<b>MISC:</b>		
HRIS	30,000	-
<b>Total Capital</b>	<b>\$ 32,184,580</b>	<b>\$ 31,179,360</b>
Internal Labor, Material, Overhead	\$ 1,120,201	\$ 1,031,623
	<b>\$ 33,304,781</b>	<b>\$ 32,210,983</b>



**Fiscal Year 2023 Budget  
Pro Forma Statement of Cash Flows**

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income	\$ 3,969,413	\$ 6,009,342	\$ 6,246,805	\$ 4,313,585
Adjustments				
Depreciation	5,517,326	5,491,984	5,850,000	5,900,000
Other	(1,476,055)	(234,217)	-	-
Changes in assets & liabilities	3,918,480	3,961,971	715,000	1,138,151
Additional Pension Prepayment/Contribution	-	-	-	-
OPEB Trust Contribution	(110,000)	(110,000)	(110,000)	(110,000)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>11,819,164</b>	<b>15,119,080</b>	<b>12,701,805</b>	<b>11,241,736</b>
<b>CASH FLOWS FROM CAPITAL &amp; FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(6,561,190)	(11,584,643)	(33,304,781)	(32,210,983)
Proceeds from 2020 COPS	-	9,613,350	29,817,280	29,429,071
Impairment of capital assets & lease termination	-	-	-	-
Principal Paid on long-term debt	(2,785,000)	(2,975,000)	(3,175,000)	(3,385,000)
Interest Paid on long-term debt	(1,293,250)	(3,163,764)	(3,571,450)	(3,412,700)
Proceeds from capacity and installation charges	782,866	696,351	650,000	1,191,000
Proceeds from capital grant	584,091	578,702	616,060	614,664
<b>NET CASH PROVIDED BY CAPITAL &amp; FINANCING ACTIVITIES</b>	<b>(9,272,483)</b>	<b>(6,835,004)</b>	<b>(8,967,891)</b>	<b>(7,773,948)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	549,809	363,893	415,000	385,000
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>549,809</b>	<b>363,893</b>	<b>415,000</b>	<b>385,000</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>3,096,490</b>	<b>8,647,969</b>	<b>4,148,914</b>	<b>3,852,788</b>
<b>CASH &amp; INVESTMENTS - beginning of year</b>	<b>31,909,778</b>	<b>35,006,268</b>	<b>43,309,524</b>	<b>47,458,438</b>
<b>CASH &amp; INVESTMENTS - end of year</b>	<b>\$ 35,006,268</b>	<b>\$ 43,654,237</b>	<b>\$ 47,458,438</b>	<b>\$ 51,311,226</b>





## Fiscal Year 2023 Budget

### Water Data

#### Water Revenue Data

##### Revenue

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
All Potable Water Revenue	\$ 26,913,077	\$ 29,431,505	\$ 30,626,417	\$ 32,021,194
Recycled Water Revenue	1,250,605	1,428,840	1,439,411	1,564,305
<b>Total Water Revenue</b>	<b>\$ 28,163,682</b>	<b>\$ 30,860,345</b>	<b>\$ 32,065,828</b>	<b>\$ 33,585,499</b>

##### Acre Feet Sold

Potable	15,905	16,453	15,288	15,344
Recycled	959	1,049	1,105	1,109
<b>Total Acre Feet</b>	<b>16,864</b>	<b>17,502</b>	<b>16,393</b>	<b>16,453</b>

##### Revenue Per Acre Foot

Potable	\$ 1,692.11	\$ 1,788.82	\$ 2,003.28	\$ 2,086.94
Recycled	1,304.07	1,362.10	1,302.63	1,410.55
<b>Total Revenue Per Acre Foot</b>	<b>\$ 1,670.05</b>	<b>\$ 1,763.25</b>	<b>\$ 1,956.05</b>	<b>\$ 2,041.35</b>

#### Water Cost Data

##### Cost

Imported and Basin Managed Water	\$ 1,166,674	\$ 399,269	\$ 498,700	\$ 564,700
Clear Water	6,760,158	7,569,448	7,960,022	8,907,543
Amber Water	3,158,924	3,191,073	3,380,832	3,959,947
<b>Total Potable Water</b>	<b>11,085,756</b>	<b>11,159,790</b>	<b>11,839,554</b>	<b>13,432,190</b>
Recycled Water	861,521	1,009,398	1,000,025	1,033,588
<b>Total Water Cost</b>	<b>\$ 11,947,277</b>	<b>\$ 12,169,188</b>	<b>\$ 12,839,579</b>	<b>\$ 14,465,778</b>

##### Acre Feet Produced

Imported and Basin Managed Water	869	-	-	-
Clear Water	11,364	12,672	12,523	12,569
Clear & Imported and Basin Managed Water	12,233	12,672	12,523	12,569
Amber Water	3,885	3,878	3,741	3,754
<b>Total Potable Water</b>	<b>16,118</b>	<b>16,550</b>	<b>16,264</b>	<b>16,323</b>
Recycled	959	1,049	1,105	1,109
<b>Total Acre Feet</b>	<b>17,077</b>	<b>17,599</b>	<b>17,369</b>	<b>17,432</b>

##### Cost Per Acre Foot

Imported Water (Variable Costs)	\$ 1,064.00	\$ 1,091.00	\$ 1,123.50	\$ 1,197.50
Clear Water	594.87	597.34	635.63	708.69
Amber Water	813.11	822.87	903.72	1,054.86
Recycled	898.35	962.25	905.00	932.00
<b>Total Cost Per Acre Foot</b>	<b>\$ 699.61</b>	<b>\$ 691.47</b>	<b>\$ 739.22</b>	<b>\$ 829.84</b>

Imported Water Variable Costs per Acre Foot	\$1050/1078	\$1078/1104	\$1104/1143	\$1143/1252
---	-------------	-------------	-------------	-------------



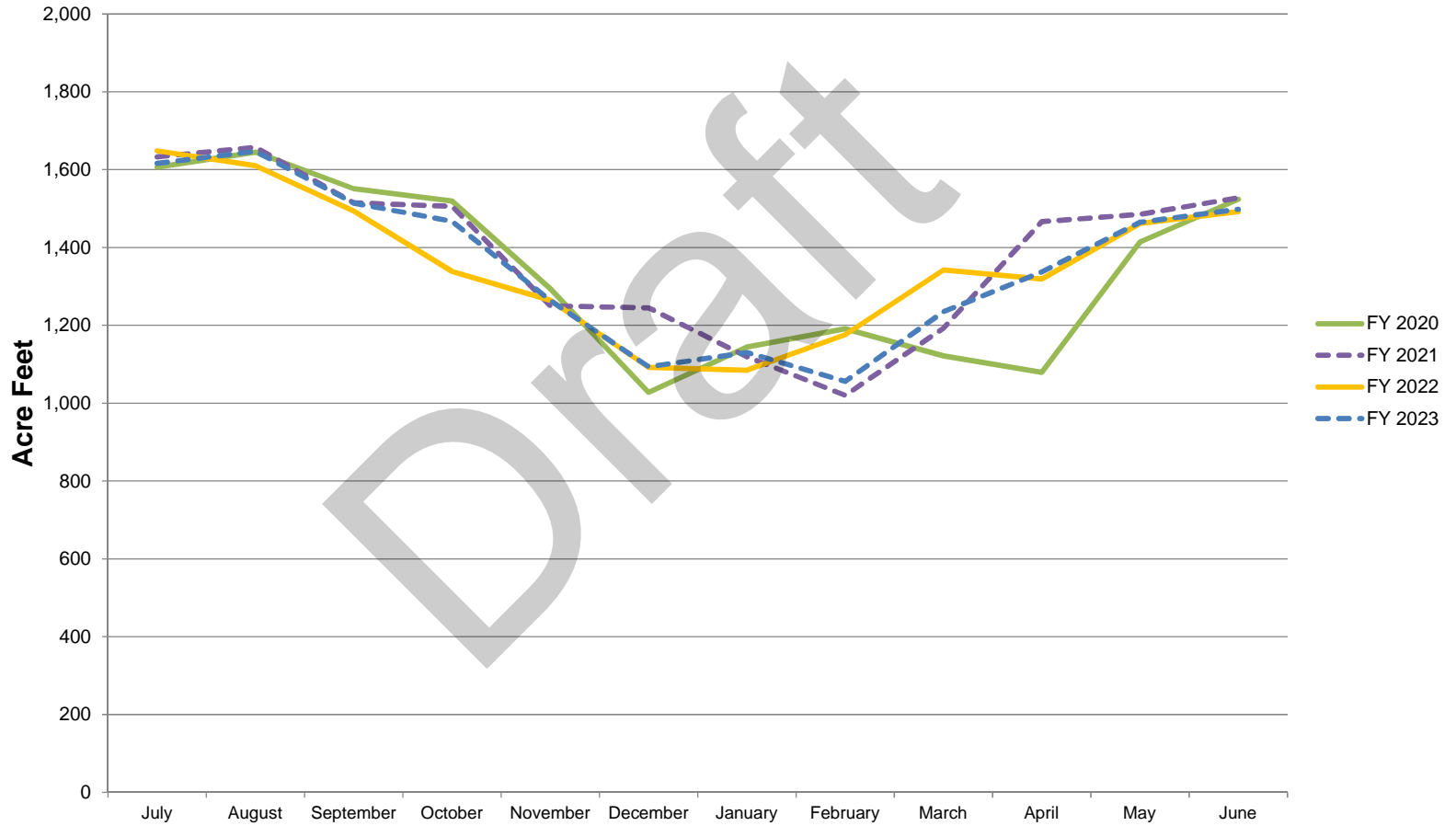
**Fiscal Year 2023 Budget**  
**Water Supply Components**

	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
<b>Clear Water Costs</b>				
Basin Replenishment Assessment	\$ 5,804,625	\$ 6,171,605	\$ 6,374,207	\$ 7,013,502
Utilities Pumping	675,810	857,139	1,027,607	1,090,360
Treatment/ Labor and Materials	550,129	540,704	558,208	803,681
<b>Total Clear Water Costs</b>	<b>\$ 7,030,564</b>	<b>\$ 7,569,448</b>	<b>\$ 7,960,022</b>	<b>\$ 8,907,543</b>
<b>Amber Water Costs</b>				
Basin Replenishment Assessment	\$ 1,891,946	\$ 1,888,635	\$ 1,904,169	\$ 2,094,732
Utilities Pumping	598,338	664,305	854,000	800,000
Treatment/ Labor and Materials	665,702	638,133	622,663	1,065,215
<b>Total Amber Water Costs</b>	<b>\$ 3,155,986</b>	<b>\$ 3,191,073</b>	<b>\$ 3,380,832</b>	<b>\$ 3,959,947</b>
<b>Imported Water Fixed Costs</b>				
Readiness to Serve - Total Charge	\$ 2,533	\$ 2,817	\$ 2,000	\$ 1,000
Capacity Charge	-	-	-	-
Choice Charges	-	-	-	55,000
Retail Meter Charge - Total Charge	297,749	295,191	318,000	336,500
Shared Pipeline Maintenance Costs	128,733	55,325	115,000	100,000
<b>Total Imported Water Fixed Costs</b>	<b>\$ 429,015</b>	<b>\$ 353,333</b>	<b>\$ 435,000</b>	<b>\$ 492,500</b>
Retail Meter Charge - Per Meter (\$)	12.40	12.20	13.00	13.75
Basin Pumping Percentage	77%	77%	77%	77%



Fiscal Year 2023 Budget

Production of Potable Water in Acre Feet, Monthly 4-Year Trend Analysis

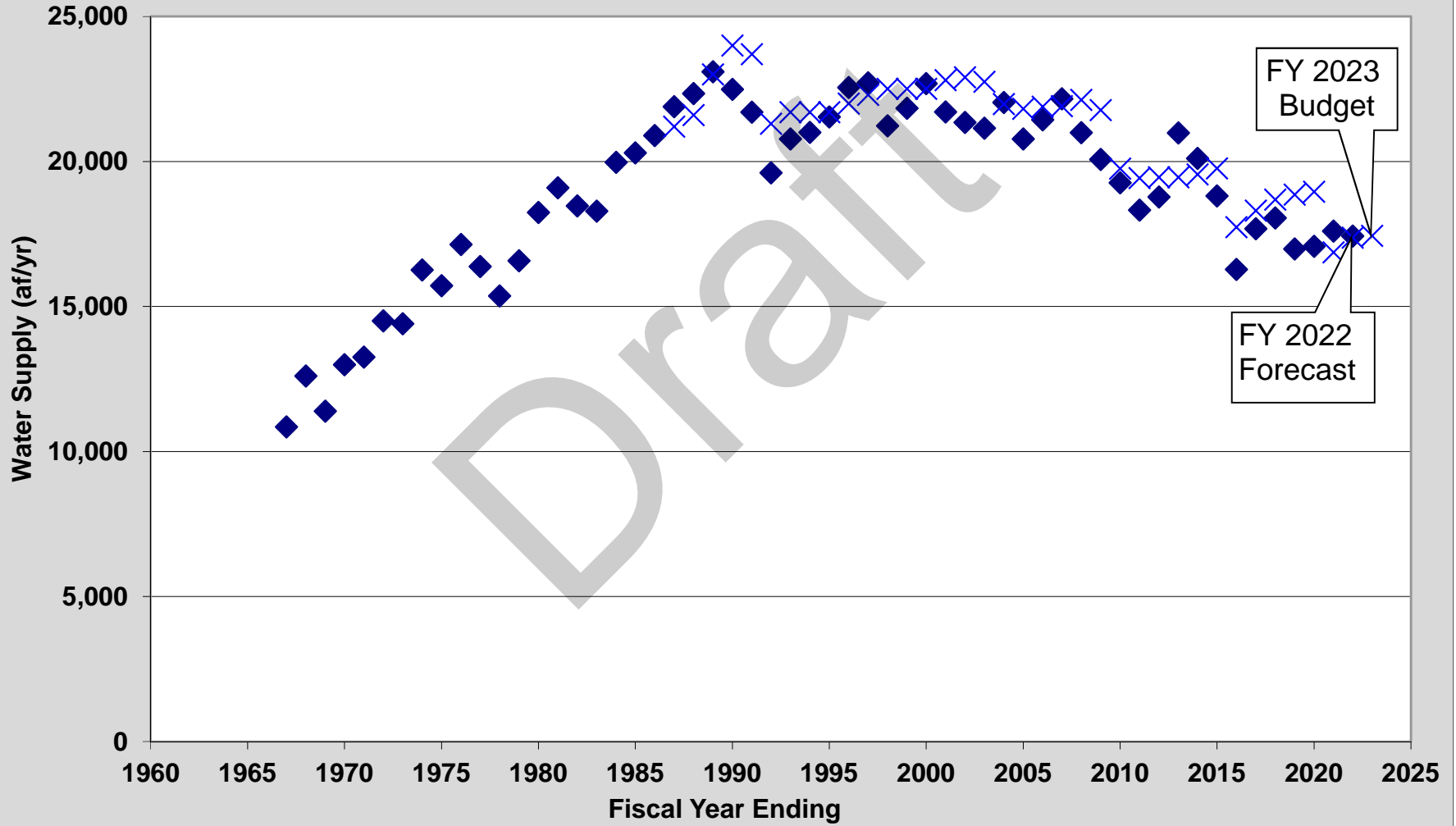


Water Production in Acre Feet

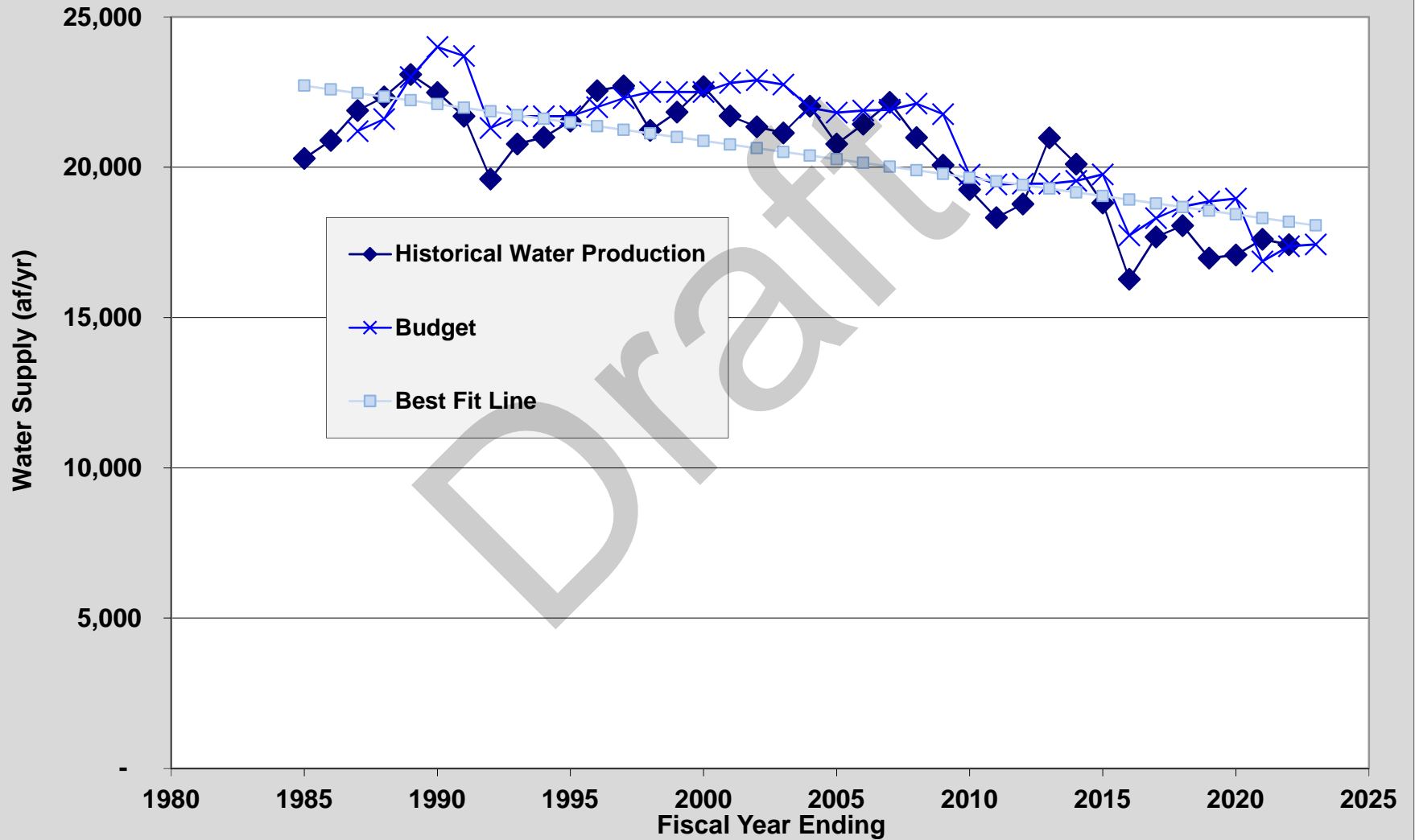
	July	August	September	October	November	December	January	February	March	April	May	June	Total
FY 2020	1,606.1	1,645.1	1,550.9	1,519.4	1,293.7	1,028.0	1,144.5	1,191.1	1,121.4	1,079.5	1,414.0	1,523.7	16,117.4
FY 2021	1,633.0	1,657.6	1,515.0	1,505.6	1,250.3	1,244.8	1,119.1	1,020.1	1,192.4	1,466.2	1,485.5	1,527.4	16,617.0
FY 2022	1,648.4	1,609.8	1,493.5	1,339.0	1,264.3	1,092.5	1,084.7	1,175.8	1,342.2	1,319.0	1,462.0	1,492.0	16,323.2
FY 2023	1,616.0	1,647.0	1,514.0	1,467.0	1,264.0	1,094.0	1,130.0	1,056.0	1,235.0	1,337.0	1,465.0	1,498.0	16,323.0

### Fiscal Year 2023 Budget Water Supply Needs (Historical and Projected)

◆ Historical Water Production      × Budget

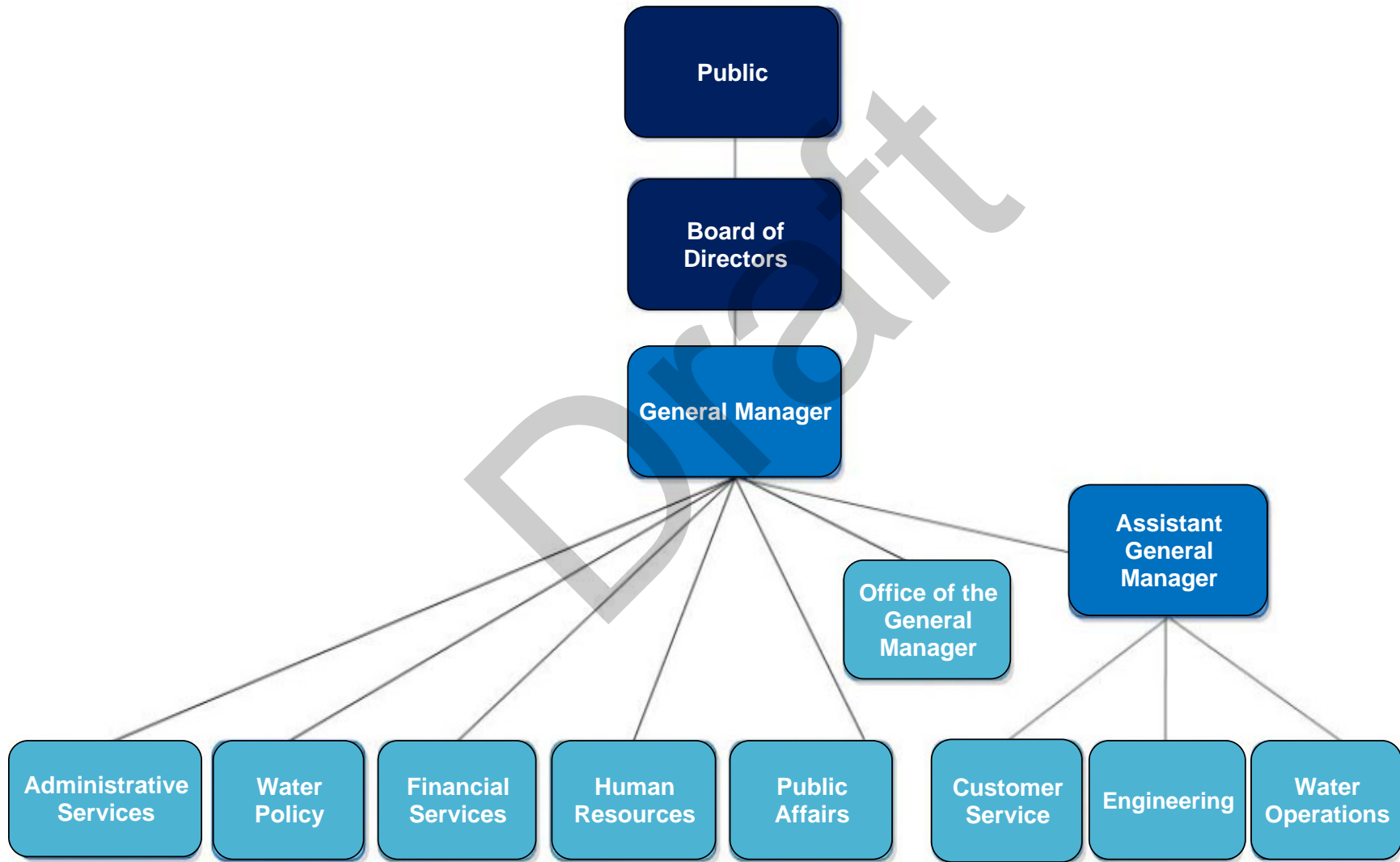


## Fiscal Year 2023 Budget Water Supply Needs (Historical and Projected)





# Mesa Water District FY 2023 Budget





**Fiscal Year 2023 Budget  
Personnel Summary**

	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget
<b>OFFICE OF THE GENERAL MANAGER</b>				
Executive Office	2	2	2	2
<b>TOTAL DISTRICT MANAGEMENT</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>ADMINISTRATIVE SERVICES</b>				
Administrative Services	5	5	5	5
Information Technology	0	0	0	0
<b>TOTAL ADMINISTRATIVE SERVICES/IT</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>HUMAN RESOURCES</b>				
Human Resources	3	3	3	3
<b>TOTAL HUMAN RESOURCES</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>CUSTOMER SERVICES</b>				
Customer Service	9	8	4	4
Conservation	1	1	1	1
<b>TOTAL CUSTOMER SERVICE</b>	<b>10</b>	<b>9</b>	<b>5</b>	<b>5</b>
<b>ENGINEERING</b>				
Engineering	4	5	5	5
<b>TOTAL ENGINEERING</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>FINANCIAL SERVICES</b>				
Financial Services	5	5	5	5
<b>TOTAL FINANCIAL SERVICES</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>WATER POLICY</b>				
Water Policy	1.5	1.5	1.5	1
<b>TOTAL WATER POLICY</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1</b>
<b>PUBLIC AFFAIRS</b>				
Public Affairs	2.5	1.5	1.5	2
<b>TOTAL PUBLIC AFFAIRS</b>	<b>2.5</b>	<b>1.5</b>	<b>1.5</b>	<b>2</b>
<b>WATER OPERATIONS</b>				
Supervision/Support	6	7	7	7
Distribution	11	11	10	10
Limited Term	0	2	2	2
Production	3	3	3	3
Water Quality	2	2	2	2
Field Services	0	0	5	5
<b>TOTAL WATER OPERATIONS</b>	<b>22</b>	<b>25</b>	<b>29</b>	<b>29</b>
<b>TOTAL PERSONNEL</b>	<b>55.00</b>	<b>57.00</b>	<b>57.00</b>	<b>57.00</b>

*Notes:*

- Five elected officials serve on Mesa Water's Board of Directors.
- Limited-Term positions to support the CIPR
- Interns not included in above figures:

Interns	0.5	0.5	0.5	0.5
---------	-----	-----	-----	-----



**Fiscal Year 2023 Budget  
Labor and Benefits Summary**

<b>Category</b>	<b>FY 2019 ACTUAL</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
Labor	\$4,689,423	\$4,872,921	\$5,425,717	\$6,869,261	\$7,252,791
FICA / Medicare	419,936	435,142	469,369	474,724	511,559
Workers Comp	105,144	118,455	106,552	215,011	228,659
Flex Credits	458,493	687,961	1,037,225	1,185,600	1,209,600
LTD/Life Insurance/EAP	32,178	45,410	51,557	56,512	57,799
Benefits Other	-	-	-	285,341	295,943
Retirement	1,003,092	2,410,523	2,009,157	1,370,000	1,555,000
<b>Total</b>	<b>\$6,708,265</b>	<b>\$8,570,412</b>	<b>\$9,099,576</b>	<b>\$10,456,449</b>	<b>\$11,111,351</b>

Draft





**Fiscal Year 2023 Budget  
COP Coverage Ratios**

	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
<b>Revenues</b>				
Operating Revenue	\$ 36,561,199	\$ 39,990,535	\$ 41,375,971	\$ 44,077,261
Capacity and Installation Charges	1,297,240	473,316	1,174,207	1,090,000
Non-Operating Revenue	1,255,743	4,367,631	450,000	410,000
<b>Total Revenues</b>	<b>39,114,182</b>	<b>44,831,482</b>	<b>43,000,178</b>	<b>45,577,261</b>
<b>Expenses (Excluding Depreciation Expense)</b>				
<b>Operating Expenses</b>	<b>27,238,151</b>	<b>28,489,209</b>	<b>29,279,166</b>	<b>33,863,676</b>
<b>Income available for debt service</b>	<b>\$ 11,876,031</b>	<b>\$ 16,342,273</b>	<b>\$ 13,721,012</b>	<b>\$ 11,713,585</b>
Annual Debt Service, Senior Debt	\$ 4,078,250	\$ 4,129,000	\$ 4,180,250	\$ 4,231,500
<b>Coverage Ratio, Senior Debt</b>	<b>291%</b>	<b>396%</b>	<b>328%</b>	<b>277%</b>
Annual Debt Service, Subordinated Debt	\$ -	\$ 2,010,190	\$ 2,566,200	\$ 2,566,200
<b>Coverage Ratio, Total Debt</b>	<b>291%</b>	<b>266%</b>	<b>203%</b>	<b>172%</b>



**Fiscal Year 2023 Budget  
Designated Fund Levels**

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET	DAYS
<b>Customer &amp; Development Deposits</b>	\$ 2,209,544	\$ 2,439,438	\$ 3,000,000	\$ 2,750,000	N/A
<b>Capital Replacement Fund</b>	707,944	7,652,169	4,734,224	2,490,215	N/A
<b>Other Funds</b>					
Administrative & General Fund	1,865,627	1,951,316	1,957,477	2,257,101	20 - 25
Catastrophe Fund	13,432,513	14,049,473	9,381,225	1,500,000	150 - 180
	15,298,140	16,000,788	11,338,702	3,757,101	
<b>Liquidity Funds</b>					
Operating Funds (Target 150 days)	11,193,761	11,707,894	11,744,863	13,542,607	120 - 150
Rate Stabilization Funds (Target 75 days)	5,596,880	5,853,947	5,872,431	6,771,303	60 - 75
<b>Total Liquidity Funds (Max 225 days total)</b>	16,790,641	17,561,841	17,617,294	20,313,910	
<b>Total Cash - Designated Funds</b>	\$ 35,006,269	\$ 43,654,236	\$ 36,690,220	\$ 29,311,226	N/A
Operating Expense	\$ 27,238,151	\$ 28,489,209	\$ 28,579,166	\$ 32,953,676	
Cash per Day	\$ 74,625	\$ 78,053	\$ 78,299	\$ 90,284	
Days Cash Ratio Actual/Estimate	469	559	469	325	
Days Cash Ratio Target	600	600	600	600	

**Fund Descriptions:**

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

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

**Administrative & General Fund** - One of the two capital funds used to fund certain major general, administrative and overhead projects. It is intended to fund (or partially fund) offices, fixtures, furnishings, vehicles and equipment on a pay-as-you-go basis. The target level will equal 20 days of Mesa Water's budgeted total operating expenses and the maximum will be 25 days.

**Catastrophe Fund** - Used to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged or insurance claims are being processed. The target level will equal 150 days of Mesa Water's budgeted total operating expenses and the maximum will be 180 days.

**Operating Fund** - Used for unanticipated operating expenses. This fund is designated to maintain working capital for current operations and to meet routine cash flow needs. The target level will equal 120 days of Mesa Water's budgeted total operating expenses and the maximum will be 150 days.

**Rate Stabilization Fund** - Used to provide flexibility to the Board of Directors when establishing rates such as absorbing temporary rate fluctuations or for one time expenditures. The target level of this fund shall be 60 days of the annual operating budget and the maximum shall be 75 days.



## Fiscal Year 2023 Budget

### District Overview

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

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

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

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

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

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



## Fiscal Year 2023 Budget

### Major Revenue Descriptions

#### **Water Sales Revenue**

**Usage Charge (potable and recycled)** – This is the rate charged per unit (one hundred cubic feet or ccf) to customers based on actual consumption. Mesa Water has a uniform volumetric rate structure, which means all water use is charged at the same per-unit rate. For the first six months of the FY 2023 budget, the potable rate is \$4.72 per ccf, and the recycled rate is \$3.08 per ccf; and, for the second six months of the FY 2023 budget, the potable rate is \$4.87 per ccf, and the recycled rate is budgeted at \$3.40 per ccf. Mesa Water’s Board adopts water rates by resolution. In FY 2022, the Board adopted a multi-year rate resolution with rate increases each year through FY 2027. Usage charges are intended to cover the cost of treating and delivering water to Mesa Water’s customers. The budget for this revenue source is based on estimated water sales which have remained consistent due to Mesa Water’s service area being substantially built-out. The FY 2023 acre feet sales budgeted for both potable and recycled water are listed on page 6.

**Construction Water Revenues** – This revenue is for the use of temporary hydrant meters used during construction. The revenue includes both the daily rental rate for the meter, and the per-unit charge which is approximately 111 percent of the potable water rate based on the Board’s resolution. This revenue source is dependent solely on construction activity and is less predictable than other water revenue sources.

**Fireline Revenues** – This revenue is primarily from the stand-by charge for fireline services. Also, use of water other than for firefighting is charged at approximately 111 percent of the potable water rate based on the Board’s resolution. As Mesa Water’s service area is substantially built-out, this revenue source remains relatively consistent year-to-year.

**Basic Charge** – This charge is assessed per billing period (bi-monthly) and is a set charge based on meter size. This revenue source is intended to cover fixed charges such as financial obligations, customer service, public outreach, and administrative support, per the Board’s resolution. This revenue source is increasing, primarily due to the multi-year rate increase adopted by the Board in FY 2022. As Mesa Water’s service area is substantially built-out, there is limited growth in service connections.

**LAFCO Surcharge** – This is a pass-through surcharge from the Orange County Local Agency Formation Commission (LAFCO) for Mesa Water’s portion of LAFCO’s budget. This annual surcharge is charged once annually on the customer’s bill. For the FY 2023 budget, the LAFCO surcharge is an estimated total of \$25,000 in revenue.



## Fiscal Year 2023 Budget

<b>Major Revenue Descriptions, Continued</b>
--

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

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

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

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

**Non-Operating Revenues and Capital Contributions** – The revenues under this category include interest earned on Mesa Water’s funds as well as development-related revenues such as capacity charges, inspection fees, plan check fees, and installation fees. The budget for interest earnings are based upon forecasted cash balances during the year as well as anticipated interest earnings from the State of California Local Agency Investment Fund (LAIF), and Mesa Water’s investment portfolio. Mesa Water elected to budget a low rate of return on its investments in FY 2023 based on current and anticipated market conditions.

The Metropolitan Water District of Southern California’s (MET’s) Local Resource Program (LRP), reimburses Mesa Water for a portion of its water production costs from the Mesa Water Reliability Facility (MWRF). By assisting in the development of local water sources, MET’s requirements to import water are reduced. In FY 2011, construction began on the MWRF to expand the facility and improve the treatment technology. Production of water commenced at the MWRF in FY 2013. The acre feet used for the budget are listed on page 6 and the reimbursement rate is budgeted at \$163 per acre foot.



## Fiscal Year 2023 Budget

### Fund Description

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

### Basis of Accounting

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

### Budget Control and Revisions

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

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

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



**Fiscal Year 2023 Budget  
Departmental Budgets**

	Dept. 000 - General, Page 1 of 2	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
	<b>REVENUE:</b>				
40100	Usage Charge - Potable Water	\$ 26,700,169	\$ 29,134,244	\$ 30,466,417	\$ 31,881,194
40105	Water sold in lieu of lease payments	-	-	-	-
40149	Accrued Water Sales	143,173	250,022	-	-
40170	Construction Water Revenues	69,735	47,239	160,000	140,000
	<b>TOTAL POTABLE CONSUMPTION REVENUES</b>	<b>26,913,077</b>	<b>29,431,505</b>	<b>30,626,417</b>	<b>32,021,194</b>
40600	Basic Charge - Domestic	7,222,164	7,766,733	8,236,648	7,232,290
40650	Basic Charge - Fire Line	648,576	697,529	673,495	690,253
	<b>TOTAL BASIC CHARGE REVENUES</b>	<b>7,870,740</b>	<b>8,464,262</b>	<b>8,910,143</b>	<b>7,922,543</b>
40700	Capital Charge - Domestic	-	-	-	2,269,219
	<b>TOTAL CAPITAL CHARGE REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,269,219</b>
40260	Usage Charge - Recycled Water	1,250,605	1,428,840	1,439,411	1,564,305
	<b>TOTAL RECYCLED CONSUMPTION REVENUES</b>	<b>1,250,605</b>	<b>1,428,840</b>	<b>1,439,411</b>	<b>1,564,305</b>
45700	Coastal Pumping Trns Pgm (CPTP)	163,691	-	-	-
	<b>TOTAL CONCESSIONS FROM GOV'T AGENCIES</b>	<b>163,691</b>	<b>-</b>	<b>-</b>	<b>-</b>
45100	New Service Establishment Fee	39,304	54,334	50,000	55,000
45105	LAFCO Surcharge	24,681	24,813	25,000	25,000
45110	Delinquent Fees	137,531	784	185,000	70,000
45115	Loss Recovery	6,711	29,819	14,000	10,000
45120	Cross Connection Testing Fee	13,050	-	8,000	5,000
45130	Plan Check Fees	113,236	109,049	55,000	65,000
45140	Water Use Efficiency Program benchmark	10,000	-	-	-
45300	Insurance reimbursement	143,830	-	-	-
45305	OC-44 HB contract revenue	4,800	536,029	30,000	40,000
45505	Sale of brass and scrap	2,197	7,114	3,000	5,000
45515	Other operating revenue	7,273	(37,512)	30,000	25,000
62100	Cash Over/Short	4	3,858	-	-
62190	Write-Off Bad Debt Exp	24,160	(190,305)	-	-
	<b>TOTAL OTHER CHARGES AND SERVICES</b>	<b>526,777</b>	<b>537,983</b>	<b>400,000</b>	<b>300,000</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>36,724,890</b>	<b>39,862,590</b>	<b>41,375,971</b>	<b>44,077,261</b>



**Fiscal Year 2023 Budget  
Departmental Budgets**

	Dept. 000 - General, Page 2 of 2	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
	<b>TOTAL OPERATING REVENUES (previous page)</b>	<b>36,724,890</b>	<b>39,862,590</b>	<b>41,375,971</b>	<b>44,077,261</b>
	<i>Recycled Water Costs</i>				
50200	Recycled Water Costs	861,521	1,009,398	1,000,025	1,033,588
	<b>TOTAL RECYCLED WATER COSTS</b>	<b>861,521</b>	<b>1,009,398</b>	<b>1,000,025</b>	<b>1,033,588</b>
	<i>DEPRECIATION AND AMORTIZATION</i>				
70100	Amortization & Depreciation	5,517,326	5,491,984	5,850,000	5,900,000
	<b>TOTAL AMORTIZATION AND DEPRECIATION</b>	<b>5,517,326</b>	<b>5,491,984</b>	<b>5,850,000</b>	<b>5,900,000</b>
	<i>INVESTMENT EARNINGS</i>				
46105	Interest earned OC Investment Pool	90,083	19,584	25,000	10,000
46110	Change fair value	509,998	(284,275)	(80,000)	(100,000)
46120	Interest Earned - Funds Under District Control	394,587	333,744	380,000	350,000
46125	Realized Gain/Loss on Investments	261,075	4,298,578	125,000	150,000
	<b>TOTAL INVESTMENT EARNINGS</b>	<b>1,255,743</b>	<b>4,367,631</b>	<b>450,000</b>	<b>410,000</b>
	<i>INTEREST EXPENSE</i>				
76115	2009 / 2020 COPs Interest expense	192,465	2,566,200	2,566,200	2,566,200
76120	2010 / 2017 COPs interest expense	1,252,635	1,110,615	958,950	797,136
76125	General interest expense	7	-	-	-
76130	2009 / 2017 COPs deferred amount	129,393	129,393	129,395	129,395
76815	2009 / 2020 Premium Amort Expense	-	(482,003)	(482,255)	(481,580)
76820	2010 / 2017 COPs premium amortization	(609,521)	(569,390)	(569,390)	(569,390)
	<b>TOTAL INTEREST EXPENSE</b>	<b>964,979</b>	<b>2,754,815</b>	<b>2,602,900</b>	<b>2,441,761</b>
	<i>OTHER NON-OPERATING</i>				
46805	Loss on disposal of equipment	8,123	5,500	(15,000)	(10,000)
46810	Non Operating Revenue	130,103	2,474	100,000	25,000
76800	Non Operating Expense	(2,106,957)	(16,274)	(100,000)	(25,000)
76825	Bond Issuance Costs	(322,473)	-	-	-
76805	COPS Trustee Expense	(13,575)	2,617	(20,000)	(15,000)
	<b>TOTAL OTHER NON-OPERATING</b>	<b>(2,304,779)</b>	<b>(5,682)</b>	<b>(35,000)</b>	<b>(25,000)</b>
	<b>TOTAL NON-OPERATING REVENUES/EXPENSE</b>	<b>(2,014,015)</b>	<b>1,607,134</b>	<b>(2,187,900)</b>	<b>(2,056,761)</b>
	<i>CAPITAL CONTRIBUTIONS</i>				
48115	Capacity Charge Completed Projects	1,099,005	366,971	888,132	825,000
48125	Installation Fees Completed Projects	151,258	48,325	176,050	165,000
48135	Inspection Fees Completed Projects	46,977	58,020	110,025	100,000
48200	MWD Local Resource Prog - MWRF	584,091	578,702	598,560	599,664
48205	Utility Rebate - Water Operations	-	-	17,500	15,000
48300	Contributions from Developers	1,203,077	1,039,667	600,000	675,000
	<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>3,084,408</b>	<b>2,091,685</b>	<b>2,390,267</b>	<b>2,379,664</b>
	<b>Department Total</b>	<b>\$ 31,416,436</b>	<b>\$ 37,060,027</b>	<b>\$ 34,728,313</b>	<b>\$ 37,466,576</b>





**Fiscal Year 2023 Budget  
Departmental Budgets**

	<b>Dept. 100 - Governance</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
	<b>PAYROLL EXPENSES:</b>				
60115	Labor Taxes	\$ 12,491	\$ 12,778	\$ 13,357	\$ 14,688
60120	Labor Workers Comp	26,478	1,054	1,908	2,098
60130	Labor Directors Fee	163,617	168,720	174,600	192,000
60205	Benefits LTD/Life/EAP	385	404	532	532
60215	Benefits Other	-	-	90,000	90,000
60220	Benefits Flex Credits	42,996	75,060	96,000	96,000
	<b>Total Payroll</b>	<b>245,967</b>	<b>258,016</b>	<b>376,397</b>	<b>395,318</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
61100	Election Fees	-	12,768	-	25,000
62115	Staff Development & Conferences	14,183	2,007	30,000	25,000
62125	Department Admin	14,212	13,007	20,000	20,000
	<b>Total</b>	<b>28,395</b>	<b>27,782</b>	<b>50,000</b>	<b>70,000</b>
	<b>Department Total</b>	<b>\$ 274,362</b>	<b>\$ 285,798</b>	<b>\$ 426,397</b>	<b>\$ 465,318</b>

	<b>Dept. 200 - Office of the General Manager</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 382,985	\$ 406,174	\$ 491,237	\$ 514,598
60105	Labor Non-Regular	40,676	27,983	-	-
60110	Labor Vacation	39,446	39,009	-	-
	<i>Labor Subtotal</i>	<b>463,107</b>	<b>473,165</b>	<b>491,237</b>	<b>514,598</b>
60115	Labor Taxes	23,184	24,370	23,243	25,690
60120	Labor Workers Comp	3,437	3,761	6,179	6,483
60205	Benefits LTD/Life/EAP	3,118	2,521	3,031	3,128
60210	Benefits CalPERS	249,586	191,567	125,000	150,000
60215	Benefits Other	-	720	14,961	16,158
60220	Benefits Flex Credits	35,703	39,890	38,400	38,400
	<b>Total Payroll</b>	<b>778,135</b>	<b>735,995</b>	<b>702,051</b>	<b>754,457</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
61110	Regulatory Compliance/Permits	562	2,005	1,000	3,000
62115	Staff Development & Conferences	4,980	2,400	10,000	10,000
62125	Department Admin	35,501	2,795	15,000	12,000
62130	Dues and Subscriptions	86,458	77,099	104,000	120,000
63100	Support Services	144,452	207,905	330,000	315,000
63105	Legal Services	302,319	428,216	400,000	400,000
	<b>Total</b>	<b>574,272</b>	<b>720,420</b>	<b>860,000</b>	<b>860,000</b>
	<b>Department Total</b>	<b>\$ 1,352,407</b>	<b>\$ 1,456,414</b>	<b>\$ 1,562,051</b>	<b>\$ 1,614,457</b>



**Fiscal Year 2023 Budget  
Departmental Budgets**

	<b>Dept. 3XX - Water Costs</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
	<b><i>IMPORTED/BASIN MANAGED WATER EXPENSES</i></b>				
50100-320	Imported Water Fixed Costs	\$ 429,015	\$ 353,333	\$ 435,000	\$ 492,500
50105-320	Imported Water Variable Costs	-	-	-	-
50115-320	Basin Managed Water	389,260	28,388	35,000	35,000
50130-320	Chemicals and Treatment	-	-	-	-
50180-320	Utilities - Imported	762	900	1,000	1,200
60100-320	Labor Import	40,531	12,000	-	-
62165-320	Parts and Materials - Import	32,936	300	10,000	15,000
63100-320	Support Services - Import	3,764	4,347	17,700	21,000
	<b>Total Imported / Basin Managed Water Costs</b>	<b>896,268</b>	<b>399,269</b>	<b>498,700</b>	<b>564,700</b>
50110-320	In-Lieu Water	270,406	-	-	-
	<b>Total In-Lieu Water Costs</b>	<b>270,406</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b><i>CLEAR WATER EXPENSES</i></b>				
50130-310	Chemicals - Clear	120,415	144,453	172,737	349,389
50150-310	Basin Replenishment Assessment - Clear	5,534,219	6,171,605	6,374,207	7,013,502
50155-310	Well Land Leases - Clear	68,695	-	-	-
50160-020	BEA (Rebilled to Segerstrom)	-	-	-	-
50180-310	Utilities - Clear	675,810	857,139	1,027,607	1,090,360
60100-310	Labor Clear	132,550	145,973	90,000	100,000
62165-310	Parts and Materials - Clear	104,976	116,941	80,000	100,000
63100-310	Support Services - Clear	123,493	133,337	215,471	254,292
	<b>Total Clear Water Costs</b>	<b>6,760,158</b>	<b>7,569,448</b>	<b>7,960,022</b>	<b>8,907,543</b>
	<b><i>AMBER WATER EXPENSES</i></b>				
50130-330	Chemicals - Amber	404,337	397,579	363,158	696,750
50150-330	Basin Replenishment Assessment - Amber	1,891,946	1,888,635	1,904,169	2,094,732
50180-330	Utilities - Amber	598,338	664,305	854,000	800,000
60100-330	Labor Amber	24,847	31,811	30,000	35,000
62165-330	Parts and Materials - Amber	104,885	66,663	100,000	75,000
63100-330	Support Services - Amber	131,633	142,080	228,505	258,465
	<b>Total Amber Water Costs</b>	<b>3,155,986</b>	<b>3,191,073</b>	<b>3,380,832</b>	<b>3,959,947</b>



**Fiscal Year 2023 Budget  
Departmental Budgets**

	<b>Dept. 300 - Water Operations</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 1,713,794	\$ 2,138,633	\$ 2,944,307	\$ 3,140,169
60105	Labor Non-Reg	329,888	228,073	-	-
60110	Labor Vacation	152,228	187,175	-	-
	<i>Labor Subtotal</i>	<b>2,195,910</b>	<b>2,553,881</b>	<b>2,944,307</b>	<b>3,140,169</b>
60115	Labor Taxes	170,527	206,637	216,761	234,512
60120	Labor Workers Comp	56,771	76,941	161,960	174,342
60125	Labor Temporary	-	46,972	30,000	60,000
60205	Benefits LTD/Life/EAP	17,236	20,556	26,152	27,295
60210	Benefits CalPERS	895,509	780,122	600,000	650,000
60215	Benefits Other	12,360	17,100	105,565	111,305
60220	Flex credits	254,269	458,122	556,800	576,000
60990	Payroll jobs WIP	(136,842)	(98,533)	(285,000)	(250,000)
	<b>Total Payroll</b>	<b>3,465,740</b>	<b>4,061,800</b>	<b>4,356,545</b>	<b>4,723,623</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
50130	Chemicals T&D	2,938	3,236	3,020	11,620
61110	Regulatory Compliance/Permits	181,941	176,328	200,000	225,000
62115	Staff Development & Conferences	28,697	3,387	25,000	25,000
62120	Damages	-	-	-	-
62125	Department Administration	13,429	3,062	15,000	15,000
62135	Facilities improvements	2,487	21,246	40,000	50,000
62140	Fuel	46,175	56,019	65,000	120,000
62145	General Supplies	4,710	7,575	12,000	10,000
62155	Leasing/ Equipment Rental	-	-	-	-
62160	Other Agency Cost Reimbursement	-	1,252	-	-
62165	Parts & Materials	130,973	350,666	340,000	340,000
62180	Tools & Equipment	32,144	16,374	-	-
62185	Utilities	153,864	164,003	176,613	148,430
63100	Support Services	1,027,348	1,275,054	1,318,000	1,474,197
63105	Legal Services	-	-	-	-
63990	Capitalized G&A Contra - T&D	(152,128)	(83,246)	(225,000)	(175,000)
63995	Capitalized Equipment Contra - T&D	-	-	-	-
	<b>Total</b>	<b>1,472,578</b>	<b>1,994,956</b>	<b>1,969,633</b>	<b>2,244,247</b>
	<b>Department Total</b>	<b>\$ 4,938,318</b>	<b>\$ 6,056,756</b>	<b>\$ 6,326,178</b>	<b>\$ 6,967,870</b>

	<b>Dept. 400 - Engineering</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 544,075	\$ 733,919	\$ 854,800	\$ 886,553
60105	Labor Non-Reg	85,049	73,473	-	-
60110	Labor Vacation	48,701	41,269	-	-
	<i>Labor Subtotal</i>	<b>677,825</b>	<b>848,662</b>	<b>854,800</b>	<b>886,553</b>
60115	Labor Taxes	40,087	53,600	49,938	54,733
60120	Labor Workers Comp	4,981	6,492	11,196	11,615
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	4,295	5,575	6,028	6,160
60210	Benefits CalPERS	267,037	252,096	155,000	180,000
60215	Benefits Other	8,148	8,148	28,323	30,197
60220	Benefits Flex Credits	64,368	86,272	96,000	96,000
60990	Capital Labor/Benefit Contra	(225,847)	(180,294)	(675,000)	(600,000)
	<b>Total Payroll</b>	<b>840,894</b>	<b>1,080,551</b>	<b>526,285</b>	<b>665,258</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
62115	Staff Development & Conferences	2,911	250	10,000	10,000
62125	Department Admin	7,373	2,966	6,000	6,000
62145	General Supplies	311	780	2,000	2,000
63100	Support Services	342,998	323,347	330,000	310,000
63990	Capitalized G&A Contra	(109,377)	(103,801)	(225,000)	(175,000)
	<b>Total</b>	<b>244,216</b>	<b>223,543</b>	<b>123,000</b>	<b>153,000</b>
	<b>Department Total</b>	<b>\$ 1,085,110</b>	<b>\$ 1,304,094</b>	<b>\$ 649,285</b>	<b>\$ 818,258</b>

	<b>Transmission and Distribution</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
	<b>Transmission and Distribution Grand Total</b>	<b>\$ 6,023,428</b>	<b>\$ 7,360,850</b>	<b>\$ 6,975,463</b>	<b>\$ 7,786,128</b>



**Fiscal Year 2023 Budget  
Departmental Budgets**

	Dept. 500 - Customer Services	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
	<b><i>PAYROLL EXPENSES:</i></b>				
60100	Labor Regular	\$ 620,499	\$ 381,040	\$ 516,554	\$ 495,626
60105	Labor Non-Reg	111,398	41,253	-	-
60110	Labor Vacation	52,578	15,629	-	-
	<i>Labor Subtotal</i>	<b>784,475</b>	<b>437,922</b>	<b>516,554</b>	<b>495,626</b>
60115	Labor Taxes	62,131	35,575	38,755	37,916
60120	Labor Workers Comp	14,368	5,318	11,551	10,560
60125	Labor Temporary	79,937	250	15,000	2,500
60205	Benefits LTD/Life/EAP	7,136	7,182	4,562	4,517
60210	Benefits CalPERS	369,541	280,038	125,000	150,000
60215	Benefits Other	8,791	6,511	18,540	18,319
60220	Benefits Flex Credits	110,718	89,006	96,000	96,000
	<b>Total Payroll</b>	<b>1,437,097</b>	<b>861,802</b>	<b>825,962</b>	<b>815,438</b>
	<b><i>EXPENSES (NON-PAYROLL)</i></b>				
62100	Cash Over/Short	(4)	-	-	-
62105	Computer Maint/Licensing	-	-	-	-
62115	Staff Development & Conferences	8,934	1,043	6,000	2,500
62125	Department Admin	40,139	798	15,000	11,000
62145	General Supplies	15,311	8,912	13,000	1,000
62175	Telecom/Network	-	-	-	-
63100	Support Services	300,727	208,325	230,625	198,000
	<b>Total</b>	<b>365,107</b>	<b>219,078</b>	<b>264,625</b>	<b>212,500</b>
	<b>Department Total</b>	<b>\$ 1,802,204</b>	<b>\$ 1,080,880</b>	<b>\$ 1,090,587</b>	<b>\$ 1,027,938</b>



**Fiscal Year 2023 Budget  
Departmental Budgets**

	<b>Dept. 600 - Financial Services</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 ACTUAL</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>
	<b><i>PAYROLL EXPENSES:</i></b>				
60100	Labor Regular	\$ 469,189	\$ 521,075	\$ 607,093	\$ 673,581
60105	Labor Non-Reg	63,827	43,721	-	-
60110	Labor Vacation	25,770	29,260	-	-
	<i>Labor Subtotal</i>	<b>558,786</b>	<b>594,056</b>	<b>607,093</b>	<b>673,581</b>
60115	Labor Taxes	39,125	42,420	41,594	46,656
60120	Worker's compensation insurance exp.	3,947	4,051	6,966	7,685
60125	Temporary Labor	46,946	-	15,000	5,000
60205	LTD, Life Insurance & EAP	4,109	4,828	4,938	5,193
60210	Benefits CalPERS	169,936	131,863	85,000	100,000
60215	Benefits - Other	3,180	3,600	21,333	23,207
60220	Flex credits	54,789	93,068	96,000	96,000
60990	Applied Overhead for labor benefits	-	-	-	-
	<b>Total Payroll</b>	<b>880,818</b>	<b>873,886</b>	<b>877,924</b>	<b>957,322</b>
	<b><i>EXPENSES (NON-PAYROLL)</i></b>				
61105	LAFCO charge	27,233	22,265	29,200	25,000
62115	Staff development & conference expense	6,976	625	5,000	15,000
62125	Department administration expense	27,876	7,486	10,000	10,000
62145	General Supplies - Finance	35,635	27,831	45,000	40,000
62150	Liability insurance	225,249	194,935	250,000	1,225,000
63100	Support Services	407,750	652,331	481,000	412,000
63105	Special legal counsel/Advocate	-	-	-	-
63990	Capitalized G&A Contra - Finance	(253,257)	(282,370)	(300,000)	(300,000)
63995	Capitalized Equipment Contra - Finance	-	-	-	-
	<b>Total</b>	<b>477,462</b>	<b>623,103</b>	<b>520,200</b>	<b>1,427,000</b>
	<b>Department Total</b>	<b>\$ 1,358,280</b>	<b>\$ 1,496,989</b>	<b>\$ 1,398,124</b>	<b>\$ 2,384,322</b>



**Fiscal Year 2023 Budget  
Departmental Budgets**

	Dept. 700 - Public Affairs	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 156,412	\$ 147,465	\$ 207,143	\$ 212,621
60105	Labor Non-Reg	37,538	14,747	-	-
60110	Labor Vacation	7,080	8,823	-	-
	<i>Labor Subtotal</i>	<b>201,030</b>	<b>171,035</b>	<b>207,143</b>	<b>212,621</b>
60115	Labor Taxes	16,971	16,208	15,846	16,266
60120	Worker's compensation insurance exp.	1,419	1,232	2,487	2,556
60125	Temporary Labor	-	46,585	-	-
60205	LTD, Life Insurance & EAP	1,663	1,890	2,348	1,787
60210	Benefits CalPERS	46,589	40,879	35,000	50,000
60215	Benefits - Other	-	540	6,934	6,468
60220	Flex credits	20,044	38,685	38,400	38,400
	<b>Total Payroll</b>	<b>287,716</b>	<b>317,053</b>	<b>308,158</b>	<b>328,098</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
62105	Technology/Software Licensing	528	-	1,500	-
62115	Staff development & conference expense	334	(950)	1,000	8,000
62125	Department administration expense	22,636	247	3,600	2,000
62130	District memberships and subscriptions	864	1,407	1,500	3,000
62145	General Office Supplies/Minor Equipment	4,736	274	4,000	35,000
63100	Support Services	370,273	454,135	605,920	904,450
63105	Special legal counsel/Advocate	-	-	-	-
	<b>Total</b>	<b>399,371</b>	<b>455,113</b>	<b>617,520</b>	<b>952,450</b>
	<b>Department Total</b>	<b>\$ 687,087</b>	<b>\$ 772,166</b>	<b>\$ 925,678</b>	<b>\$ 1,280,548</b>

	Dept. 900 - Water Policy	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 154,506	\$ 169,470	\$ 188,554	\$ 192,697
60105	Labor Non-Reg	17,943	15,892	-	-
60110	Labor Vacation	14,971	8,487	-	-
	<i>Labor Subtotal</i>	<b>187,420</b>	<b>193,849</b>	<b>188,554</b>	<b>192,697</b>
60115	Labor Taxes	11,029	11,036	10,794	11,908
60120	Labor Workers Comp	1,400	1,513	2,515	2,571
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	1,177	1,253	1,278	1,296
60210	Benefits CalPERS	88,565	67,947	50,000	60,000
60215	Benefits - Other	4,958	4,958	6,321	6,501
60220	Benefits Flex Credits	15,619	17,140	19,200	19,200
	<b>Total Payroll</b>	<b>310,168</b>	<b>297,695</b>	<b>278,662</b>	<b>294,173</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
61110	Regulatory Compliance/Permits	-	-	-	-
62115	Staff Development & Conferences	20,177	2,009	12,500	12,500
62125	Department Admin	2,610	2,801	2,000	2,000
62130	Dues and Subscriptions	1,158	402	1,500	1,500
62145	General Supplies	857	259	1,000	2,000
63100	Support Services	122,461	164,262	235,000	260,000
63105	Legal Services	84,576	42,000	-	-
	<b>Total</b>	<b>231,839</b>	<b>211,732</b>	<b>252,000</b>	<b>278,000</b>
	<b>Department Total</b>	<b>\$ 542,007</b>	<b>\$ 509,427</b>	<b>\$ 530,662</b>	<b>\$ 572,173</b>



**Fiscal Year 2023 Budget  
Departmental Budgets**

	Dept. 800 - Administrative Services	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 439,868	\$ 433,002	\$ 526,661	\$ 551,165
60105	Labor Non-Reg	54,367	44,372	-	-
60110	Labor Vacation	38,325	23,913	-	-
	<i>Labor Subtotal</i>	<b>532,560</b>	<b>501,287</b>	<b>526,661</b>	<b>551,165</b>
60115	Labor Taxes	39,905	37,600	37,863	40,351
60120	Labor Workers Comp	3,786	3,558	6,334	6,447
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	4,293	4,565	4,667	4,768
60210	Benefits CalPERS	226,564	165,141	150,000	155,000
60215	Benefits - Other	3,540	3,600	18,647	19,415
60220	Benefits Flex Credits	62,151	87,154	96,000	96,000
	<b>Total Payroll</b>	<b>872,799</b>	<b>802,906</b>	<b>840,172</b>	<b>873,146</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
60235	Benefit Unemployment Insurance	2,207	-	-	-
62105	Computer Maint/Licensing	265,809	404,349	609,000	957,750
62115	Staff Development & Conferences	13,054	1,723	10,000	10,000
62125	Department Admin	2,625	1,288	7,000	7,000
62145	General Supplies - IT	6,302	7,624	40,000	129,000
62170	Postage/Shipping/Freight	16,716	6,601	17,000	16,000
62175	Telecom/Network	376,528	411,400	290,000	350,000
62180	Tools & Equipment	-	-	1,000	1,000
63100	Support Services	883,311	943,604	591,000	969,000
63110	Human Resources Services - Admin	3,326	984	-	-
	<b>Total</b>	<b>1,569,878</b>	<b>1,777,574</b>	<b>1,565,000</b>	<b>2,439,750</b>
	<b>Department Total</b>	<b>\$ 2,442,677</b>	<b>\$ 2,580,480</b>	<b>\$ 2,405,172</b>	<b>\$ 3,312,896</b>

	Dept. 850 - Human Resources	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
	<b>PAYROLL EXPENSES:</b>				
60100	Labor Regular	\$ 227,976	\$ 326,218	\$ 358,312	\$ 393,781
60105	Labor Non-Reg	18,163	21,110	-	-
60110	Labor Vacation	16,473	23,682	-	-
	<i>Labor Subtotal</i>	<b>262,612</b>	<b>371,010</b>	<b>358,312</b>	<b>393,781</b>
60115	Labor Taxes	19,692	29,146	26,573	28,839
60120	Labor Workers Comp	1,868	2,631	3,915	4,302
60125	Temporary Labor	116,840	12,676	20,000	-
60205	Benefits LTD/Life/EAP	1,998	2,782	2,976	3,123
60210	Benefits CalPERS	97,196	99,504	45,000	60,000
60215	Benefits Other	1,620	2,160	12,877	13,973
60220	Benefits Flex Credits	27,304	52,828	52,800	57,600
	<b>Total Payroll</b>	<b>529,130</b>	<b>572,737</b>	<b>522,453</b>	<b>561,618</b>
	<b>EXPENSES (NON-PAYROLL)</b>				
60225	Benefits OPEB	72,376	51,300	100,000	80,000
60230	Benefit Retiree Expenses	(6,444)	(1)	50,000	25,000
60235	Benefit Unemployment Insurance	7,034	2,538	8,000	5,000
62115	Staff Development & Conferences	850	200	10,000	7,500
62125	Department Admin	5,543	5,927	15,000	10,000
63110	Human Resources Services - Admin	202,871	144,315	420,000	265,000
	<b>Total</b>	<b>282,230</b>	<b>204,279</b>	<b>603,000</b>	<b>392,500</b>
	<b>Department Total</b>	<b>\$ 811,360</b>	<b>\$ 777,016</b>	<b>\$ 1,125,453</b>	<b>\$ 954,118</b>



## Fiscal Year 2023 Budget

### Glossary of Terms

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





## Fiscal Year 2023 Budget

### Glossary of Terms

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



## Fiscal Year 2023 Budget

### Glossary of Terms

<b>Imported Water</b>	Water purchased from Municipal Water District of Orange County (MWDOC). It is transported by an aqueduct system from the Colorado River or the State Water Project.
<b>LAFCO</b>	Local Agency Formation Commission. This Commission facilitates constructive changes in governmental structure and boundaries and fosters orderly development and governance within its jurisdiction.
<b>Liability</b>	Obligations of the enterprise arising from past events.
<b>Local Agency Investment Fund (LAIF)</b>	A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.
<b>Local Resource Program (LRP)</b>	Financial incentive programs offered by Metropolitan Water District to encourage agencies to develop or improve local agencies sources of water to help ensure future water supplies are available.
<b>Meet and Confer</b>	Labor relations and labor negotiations with different employee groups.
<b>Memorandum of Understanding</b>	A document describing agreement or accord reached between two or more parties including each party's rights and responsibilities.
<b>Mesa Water Reliability Facility (MWRF)</b>	The facility that is used to treat the amber water pumped by wells from deeper in the groundwater aquifer.
<b>Metropolitan Water District (MWD)</b>	A consortium of cities and water districts that provide water usage to water customers in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties.
<b>Municipal Water District of Orange County (MWDOC)</b>	Regional water wholesaler of imported water that serves retail agencies in Orange County.
<b>Non-water Expenses</b>	Expenses associated with operations as a water utility but not directly attributable to the production and distribution of water.
<b>Orange County Investment Pool (OCIP)</b>	A pooled investment vehicle for Orange County California agencies administered by the Orange County Treasurer.
<b>Orange County Water District (OCWD)</b>	The agency responsible for managing the Orange County Groundwater Basin in northern and central Orange County that serves cities and water districts.
<b>Other Expense</b>	An expense that cannot be associated definitely with operations.
<b>Other Income</b>	Revenue from sources other than Mesa Water's principal activities as a water utility.
<b>Potable Water</b>	Water that is suitable for drinking.



## Fiscal Year 2023 Budget

### Glossary of Terms

<b>Public Employees Retirement System (PERS)</b>	An agency, multiple-employer, public retirement system to which Mesa Water contributes that acts as a common investment and administrative agent for participating public entities within the State of California.
<b>Recycled Water</b>	Non-potable water that is used for irrigation purposes.
<b>Replenishment Assessment (RA)</b>	Amount charged on an acre-foot basis for water pumped from the Orange County Groundwater Basin charged by OCWD.
<b>Restricted Reserves</b>	An account used to indicate that a portion of Net Position is legally restricted for a specific purpose or not available for appropriation and subsequent spending.
<b>Reservoir</b>	A pond, lake, tank, or basin (natural or engineered) where water is collected and stored.
<b>Revenue</b>	The sale of goods or services produced by an entity which usually result in the creation of assets, most often cash or receivables.
<b>Statement of Revenues, Expenses and Changes in Net Position</b>	Reports the results of revenues and expenses over a period of time.
<b>Supervisory Control and Data Acquisition (SCADA)</b>	The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water systems and facilities throughout the District's service area.
<b>Water Production Costs</b>	The costs associated directly with the production and distribution of water into the system.
<b>Working Capital</b>	The difference between current assets and current liabilities. Represents the amount available for operations and other expenditures.



District Memberships	FY 2023
American Water Works Association	\$ 4,650
Association of CA Cities - Orange County	\$ 5,000
Association of California Water Agencies	\$ 26,000
AWWA Water Research Foundation	\$ 11,850
The Bond Buyer	\$ 3,650
CalDesal	\$ 20,000
California Municipal Utilities Association	\$ 5,000
California Special Districts Association	\$ 8,300
California Water Efficiency Partnership	\$ 4,350
Costa Mesa Chamber of Commerce	\$ 5,000
Foundation for Cross Connection Control & Hydraulic Research	\$ 1,000
Friends of Costa Mesa Libraries	\$ 100
Independent Special Districts of Orange County	\$ 50
Miscellaneous	\$ 2,000
Mountain Counties Water Resources Association	\$ 550
Newport Beach Chamber of Commerce	\$ 600
Newspaper Subscriptions	\$ 2,000
Orange County Business Council	\$ 5,000
Orange County Forum	\$ 1,000
Orange County Water Association	\$ 250
Southern California Water Committee	\$ 1,000
South Coast Metro Alliance	\$ 500
Southwest Membrane Operator Association	\$ 500
UCI Water Board	\$ 5,000
Urban Water Institute	\$ 2,500
WaterReuse	\$ 4,150
<b>Total District Memberships</b>	<b>\$ 120,000</b>



Board Conferences and Seminars	FY 2023
ACWA/JPIA Fall Conference	\$ 5,000
ACWA/JPIA Spring Conference	\$ 5,000
ACWA Committee Meetings	\$ 2,000
ACWA DC Conference	\$ 1,000
ACWA Legislative Symposium	\$ 1,000
AWWA ACE Conference	\$ 1,000
CA-NV AWWA Fall Conference	\$ 1,000
CalDesal Annual Conference	\$ 1,000
California United Water Conference	\$ 1,000
CALAFCO Annual Conference	\$ 1,000
Colorado River Water Users Association Conference	\$ 1,000
CSDA Annual Conference	\$ 1,000
CSDA Legislative Days	\$ 1,000
H2O Women Conference	\$ 1,000
Miscellaneous Conferences & Seminars	\$ 1,000
Urban Water Institute Conferences	\$ 1,000
<b>Total Board Conferences and Seminars</b>	<b>\$ 25,000</b>



<b>Community Outreach</b>	<b>FY 2023</b>
Association of California Water Agencies	\$ 10,500
CalDesal	\$ 5,000
CALWEP Peer to Peer Sponsorship	\$ 1,000
Community Chats	\$ 25,000
Concerts in the Park	\$ 5,000
Costa Mesa High School & Estancia High School	\$ 2,000
Costa Mesa Lions (Fish Fry)	\$ 1,000
Ducks Unlimited	\$ 1,000
Environmental Nature Center (ENC)	\$ 5,000
Festival of Children @ South Coast Plaza	\$ 5,000
I Heart Costa Mesa	\$ 4,860
Industry Events	\$ 2,500
KOCI	\$ 6,500
Newport Beach Chamber of Commerce	\$ 2,000
Newport-Mesa Unified Schools Foundation	\$ 1,000
Orange County Fair	\$ 10,500
Orange County Tax	\$ 500
Orange County Water Summit	\$ 7,500
Save Our Youth (SOY)	\$ 250
Southern California Water Coalition	\$ 2,000
Southwest Membrane Operator Association (SWMOA)	\$ 1,500
Urban Water Institute	\$ 2,000
Vanguard University Christmas	\$ 2,750
<b>Total Community Outreach</b>	<b>\$ 104,360</b>



Dedicated to  
Satisfying our Community's  
Water Needs

# MEMORANDUM

TO: Board of Directors  
FROM: Stacy Taylor, Water Policy Manager  
DATE: May 11, 2022  
SUBJECT: 2022 State Legislation Pertaining to *Special Districts Week*

## RECOMMENDATION

Approve the recommended position on the 2022 State Legislation pertaining to *Special Districts Week*.

## STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional and statewide water issues.

## PRIOR BOARD ACTION/DISCUSSION

At its January 25, 2022 meeting, the Board of Directors (Board) approved the Mesa Water District (Mesa Water®) Legislative Platforms updated for 2022 (Attachment A).

## DISCUSSION

Mesa Water consultants and staff are engaged with the California Special Districts Association ([CSDA](#)) and other industry associations on state legislation related to special districts. Below is information on a bill -- Assembly Concurrent Resolution (ACR) 180 -- establishing *Special Districts Week* from May 15 – 21, 2022.

CSDA previously sponsored, and Mesa Water supported, [ACR 17 \(Voepel, 2021\)](#), [ACR 179 \(Voepel, 2020\)](#), and [ACR 89 \(Cooley, 2019\)](#) to encourage all Californians to be involved in their communities and be civically engaged with their local government agencies. This year, *Special Districts Week* coincides with [CSDA's 2022 Special Districts Legislative Days](#) -- with which Mesa Water staff is participating -- taking place in Sacramento on May 17 – 18, 2022.

Bill Number	Topic	Recommendation
ACR 180 (Bauer-Kahan – D, San Ramon)	<i>Special Districts Week</i>	Support (with CSDA coalition)

## [ACR 180](#) – *Special Districts Week*

**Summary:** This measure proclaims the week of May 15 to May 21, 2022 to be *Special Districts Week*.



**Background:** On April 21, 2022, ACR 180 was introduced, which would proclaim the week of May 15 to May 21, 2022 to be *Special Districts Week*. In 2021, Assemblyman Randy Voepel (R – Santee) introduced ACR 17, which proclaimed the week of May 16 to May 22, 2021 to be *Special Districts Week*. Prior to that, in 2020, Assemblyman Randy Voepel introduced ACR 179, which proclaimed the week of May 17 to May 23, 2020 to be *Special Districts Week*. In 2019, Assemblyman Ken Cooley (D – Rancho Cordova) introduced ACR 89, which proclaimed the week of September 22 to September 28, 2019 to be *Special Districts Week*.

The previous resolutions encouraged all Californians to be involved in their communities and civically engaged with their local government(s). Similar to previous years, the Assembly and Senate are encouraging Californians across the state to engage with their local communities and to be actively involved with their government, particularly with special districts and the areas they serve.

To commemorate *Special Districts Week* and help raise awareness and understanding in communities statewide about special districts, CSDA is providing its members with a [toolkit](#) that includes a sample press release, newsletter article, resolution, social media icon, and support letter (Attachment B).

**Status:** This bill is pending referral to the Assembly Rules committee.

**Note:** Assemblywoman Bauer-Kahan is the author of ACR 180; she also serves as the Assembly Water Parks & Wildlife committee Chair.

**Mesa Water Suggested Position:** **SUPPORT** (based on the District’s active engagement and longstanding membership with CSDA).

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

Attachment A: 2022 Legislative Platforms  
Attachment B: Support Letter for ACR 180





## 2022 Legislative Platforms

January 2022

Calendar Year 2022 marks the second year of California's two-year (2021 and 2022) legislative session, with the State legislature having reconvened on Monday, January 3, 2022. Due to the ongoing Covid-19 pandemic, the 2022 session is being conducted much like the 2021 and 2020 legislative sessions, with the implementation of new remote lawmaking processes that affected advocacy activities, limited policy hearings and public participation, and resulted in water-related legislation focused on a few priority issues: water affordability and arrears funding; water conservation; and, investments in water and other infrastructure. Also in 2021, the state was focused on addressing climate and wildfires, homelessness and affordable housing, public and employee health related to Covid-19, and budget shortfalls caused by the pandemic.

For 2022, it is expected that some legislative proposals and policy discussions from 2021 could return, including legislation and regulations that could significantly impact Mesa Water District (Mesa Water®). The State administration, legislature, and regulators explored several ongoing water issues in 2021, including, but not limited to:

- water use efficiency/conservation regulations pertaining to data reporting, water loss performance standards, and other topics related to implementing [SB 606 and AB 1668](#) (passed in 2018);
- water affordability related to California's Human Right to Water and the Safe and Affordable Drinking Water Fund (respectively, [AB 685](#) and [SB 200](#)), and a Low-Income Household Water Assistance Program (LiHWAP) also called "lifeline rates" programs ([AB 401](#)), as well as the continuation of the Governor's Executive Order [N-42-20](#) prohibiting shutoffs during the Covid-19 emergency through December 31, 2021;
- water district consolidations;
- headwaters protection, forest management, and wildfires prevention;
- climate adaptation and resilience, and related issues (i.e., energy policies, public safety power shutoffs, etc.);
- water quality, PFAS, and other Constituents of Emerging Concern (CECs);
- recycled water and water reuse;
- affordable housing proposals to alleviate homelessness (i.e., ADUs, CEQA reform, housing development fees, surplus land, etc.); and,
- Delta Flows (e.g., Voluntary Settlement Agreements) and the Delta Conveyance Project (DCP).

As policy discussions continue in 2022, the above issues will be the primary areas of legislative and regulatory focus. Additionally as a reminder, in 2020, Governor Newsom issued two climate-related Executive Orders to require: 1. by 2035, that all new cars and passenger trucks sold in CA are Zero-Emission Vehicles ([N-79-20](#)); and, 2. by 2030, the conservation of 30% of the state's land and coastal waters ([N-82-20](#)).



Lastly, Mesa Water engaged with various agencies and associations that the district is affiliated with (i.e., ACC-OC, ACWA, AWWA, CalDesal, CMUA, CSDA, CWSA, MWDOC/MWD, OCBC, OCWD, OC Tax, SCWC, WaterReuse, etc.) to advocate on legislative/policy issues including, but not necessarily limited to: 1) upholding local control; 2) promoting the “true, full cost of water” concept; 3) supporting desalination; and, 4) exempting potable reuse water from mandates on outdoor irrigation. In 2022, Mesa Water advocacy staff and consultants will continue to focus on these four policy priorities.

Listed below, for the Board’s consideration, are the proposed legislative and regulatory platforms regarding anticipated high-priority public policy issues in 2022 that could have major consequences for Mesa Water:

- **Water Rates** – Mesa Water supports local rate-setting control with rate structures, set by publicly-elected boards and councils, that best serve customers and comply with the law. Furthermore, Mesa Water supports cost-based water rates that:
  - represent the true, full cost of water services, including operational costs and infrastructure funding to ensure water system sustainability into perpetuity; and,
  - harmonize the concepts of conservation and legality, with rates that provide a strong price signal for ratepayers to conserve while also complying with legal mandates (i.e., Article X of the CA Constitution; SB 606 and AB 1668; and, Propositions 13, 26, and 218).
- **Proposition 13** – Mesa Water supports Article XIII A of the California Constitution (Prop. 13) and the taxpayer protections it provides as passed in 1978; and, Mesa Water opposes a “Split Roll” that would remove some of the protections of Prop. 13 from nonresidential properties in order to raise taxes on them.
- **Proposition 218** – Mesa Water supports Article XIII C and D of the California Constitution (Prop. 218) regarding government service assessments, fees, rates, and taxes, specifically:
  - the “2/3 vote” required from the legislature and voters for approval of new levies;
  - the “special benefit and proportionality requirements” provision which directly connects the special benefits received with reasonable proportionate costs, and ensures that assessments imposed for property-related (water) services must not exceed the proportional cost of the services attributable to the parcel; and
  - transparent rate-setting procedures that protect consumers from potential government overcharge by providing ample opportunities for consumer participation as well as the ability for consumers to protest illegal rates.
- **Water Rate Assistance Programs** – Mesa Water supports localized “lifeline rates” or federal/state-funding LiHWAP programs that comply with Prop. 218 of the California Constitution and are funded either voluntarily or via non-restricted/non-water-rates revenues. Mesa Water opposes a state tax on local water customer bills.
- **Orange County Groundwater Basin** – Mesa Water opposes any potential streamlined process for adjudicating groundwater basins, including the Orange County groundwater basin, managed by the Orange County Water District (OCWD).
- **Water Bonds Funding (Propositions 1 and 68)** – Mesa Water supports funding from the November 2014 and June 2018 water bonds for OCWD’s priority projects.

- **Water Desalination** – Mesa Water supports CalDesal in its desalination advocacy efforts, as well as the local and regional development of cost-effective and environmentally-sensitive water desalination projects statewide -- including brackish and ocean water desalination and the proposed Huntington Beach and Dana Point projects -- to enhance the availability and reliability of local and regional water supply sources, and improve water supply reliability for Orange County, Southern California, and statewide.
- **Water Conservation/Water Use Efficiency** – Mesa Water supports accounting for water resource and supply investments -- such as desalination, potable reuse, and water recycling -- as part of any potential statewide effort to update urban water conservation goals. Mesa Water supports compliance flexibility and local control; maximum credit for drought-resilient supplies, including exempting potable reuse water from mandates on outdoor irrigation; and, regulatory water use and water loss target-setting that is based on valid data and includes a glide path for enforcement as well as a variance process for unique situations. Mesa Water also supports the streamlining of water reporting data as part of the implementation of, and compliance with, SB 606 and AB 1668.
- **Water Recycling** – Mesa Water supports OCWD and WaterReuse in its efforts to advance potable reuse legislation and regulations. Mesa Water supports the “Beneficiaries Pay” principle for the development and implementation of new recycledwater projects including stormwater capture.
- **Water Quality and Economic Feasibility** – Mesa Water supports efforts by the Association of California Water Agencies (ACWA) and other water industry associations/organizations to protect public health by using the best available scientific data and cost/benefit analyses to inform the development of reasonable and fiscally- responsible water quality legislation and regulations -- for current and future constituents of concern (e.g., PFAS) -- which consider technical and economic feasibility of standards and treatments to ensure clean, safe drinking water.
- **Water Storage and Exchange Programs** – Mesa Water supports the “Beneficiaries Pay” principle for water storage and exchange/transfer programs if they are market-based, ensure full cost recovery at a minimum, and account for water loss.
- **Affordable Housing** – Mesa Water supports the advocacy efforts of California Special Districts Association (CSDA) and other industry associations/organizations on policies related to Accessory Dwelling Units (ADUs), CEQA reform/streamlining, development impact fees (i.e., capacity charges, connection fees, etc.), metering/sub-metering, surplus land, and other proposed affordable housing solutions provided that they support water utilities’ ability to provide reliable residential water services that are appropriately priced and right-sized for public health and safety.
- **Local Government** – Mesa Water supports the efforts of CSDA and other industry associations/organizations to ensure local control and representation, efficient delivery of government services, and appropriate reserve funds levels.

- **Local Agency Formation Commission (LAFCO)** – Mesa Water supports the existing protest thresholds for LAFCO-initiated reorganizations, per the Cortese-Knox-Hertzberg (CKH) Act, and opposes changes that would make it more difficult for citizens to protest a LAFCO-initiated reorganization. Additionally, Mesa Water opposes any changes to the CKH Act that would weaken local control and representation and/or broaden the mission, powers, and scope of LAFCOs without providing any added public benefit.
- **Special Districts Voting Methods** – Mesa Water supports exempting special districts from Cumulative Voting and Ranked Choice Voting methods, and opposes attempts to make these methods an option or a mandate for special districts elections.
- **Delta Solutions** – Mesa Water supports the efforts of ACWA, Municipal Water District of Orange County (MWDOC), Metropolitan Water District of Southern California (MWD), and Southern California Water Committee (SCWC) to achieve a long-term solution for the Bay Delta that includes functional, unimpaired flows for optimal statewide water supply reliability, sustainability and quality, and Delta ecosystem health and restoration for the public benefit. Mesa Water supports the “Beneficiaries Pay” principle for Delta Solution funding.
- **CA Headwaters and Forest Management** – Mesa Water supports the efforts of ACWA and other water industry coalitions to promote policies that enhance the pace and scale of headwaters protection, forest management and wildfires prevention -- including improved planning, coordination and implementation -- and increase financing, research, and resources to: protect water supply and quality; bring management practices in line with modern challenges; and, provide multiple benefits to the State’s water users.
- **Climate Adaptation/Resilience Bond** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations in engaging with the Governor’s Administration, lawmakers, and regulators on resource funding related to the Governor’s Executive Orders on climate change and related issues including, but not necessarily limited to: energy solutions, water resilience, and public safety power shutoffs.
- **Essential Public Utilities** – Mesa Water supports the concept of carving out Essential Public Utilities -- such as water and wastewater service providers -- from future legislation, administrative actions, and regulations that add costs or time delays to a utility’s work by mandating new, unfunded operational practices.
- **Federal Drought Legislation** – Mesa Water supports the efforts of ACWA and other water industry associations/organizations in collaborating with U.S. representatives to develop bicameral, bipartisan federal drought legislation.
- **Covid-19 Economic Relief** – Mesa Water supports the efforts of ACWA, CSDA, and other industry associations/organizations to advocate for State and Federal funding to help local governments overcome administrative, financial, and operational challenges caused by the global pandemic and related government actions.
- **Cannabis Growers’ Negative Water Impacts** – Mesa Water supports legislation and/or regulations that enforce against cannabis growers’ water theft and/or negative impacts to water supplies and sources.

**[Your Agency's Letterhead (REQUIRED)]**

May 5, 2022

The Honorable Rebecca Bauer-Kahan  
California State Assembly  
1021 O Street, Suite 6320  
Sacramento, CA 95814

**RE: Assembly Concurrent Resolution 180 (Bauer-Kahan) – Support [As Introduced]**

Dear Assembly Member Bauer-Kahan:

The **[Name of Your Agency]** is pleased to support Assembly Concurrent Resolution 180, which would establish Special Districts Week from May 15 to May 21, 2022. **Insert a brief description of your agency, particularly the services it provides.**

Special districts are formed by communities to provide a needed service, overseen by a local board, and funded by local revenue. By focusing on one service, or a small suite of services, these public entities are able to perform efficient, effective, sustainable service delivery and infrastructure development, while maintaining local accountability.

Special districts date back to 1887 and have a long, rich history of providing benefits to their residents. They vary in size to best meet local needs, ranging from servicing multi-county regions and sometimes millions of residents, to small rural communities. As a representative of the special district community, we are pleased to support Assembly Concurrent Resolution 180.

**[Name of Your Agency]** would like to thank the author for introducing this resolution recognizing and commending special districts for the important work that they do throughout California. Please feel free to contact me if you have any questions.

Sincerely,

**[Name of Responsible Officer]**

**[Title]**

**[Name of Your Agency]**

CC: Marcus Detwiler, Associate Legislative Representative, California Special Districts Association  
[advocacy@cnda.net]

**REPORTS:**

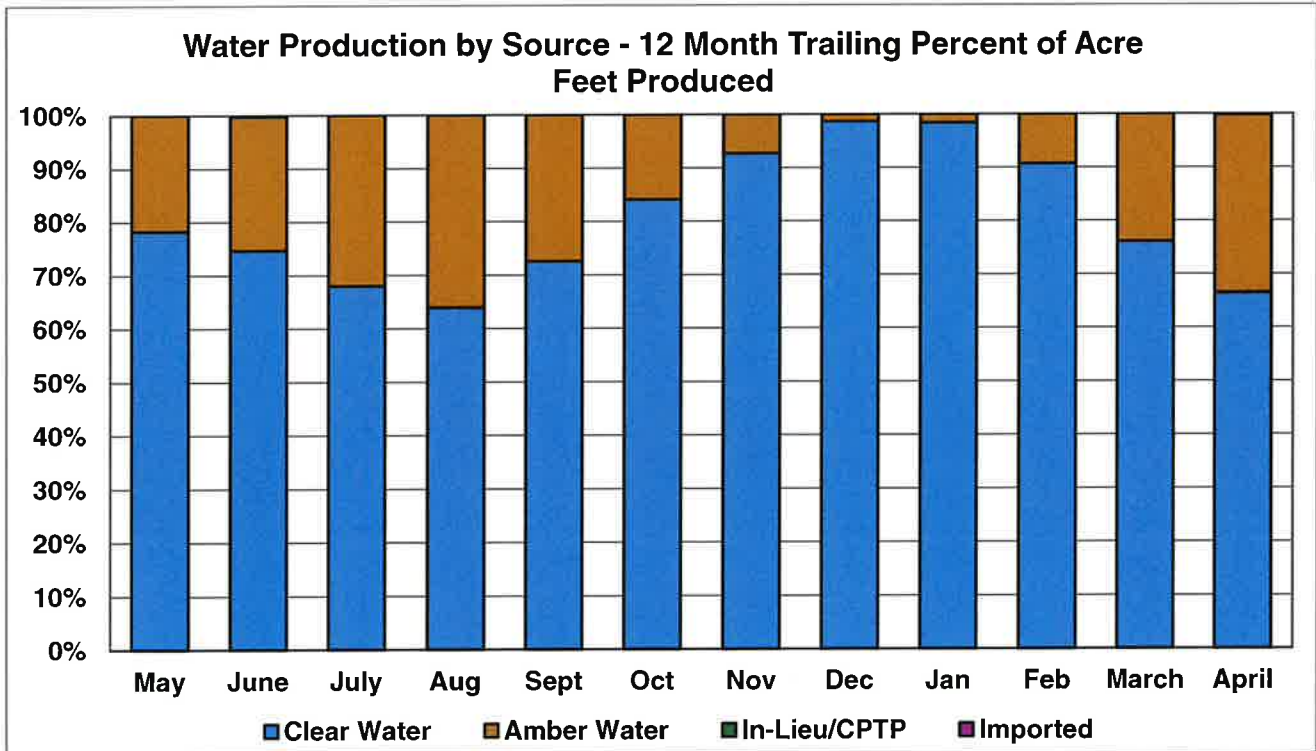
9. REPORT OF THE GENERAL MANAGER:
  - April Key Indicators Report
  - Other (no enclosure)

**Monthly Key Indicators Report  
For The Month of April 2022**

***Goal #1: Provide a safe, abundant, and reliable water supply***  
**FY 2022 Potable Production (Acre Feet)**

<b>Water Supply Source</b>	<b>FY 2022 YTD Actual (AF)</b>	<b>FY 2022 YTD Budget (AF)</b>	<b>FY 2022 Annual Budget (AF)</b>
<b>Clear Water</b>	10,670	10,248	12,523
<b>Amber Water (MWRf)</b>	2,736	3,062	3,741
<b>Imported</b>	3	0	0
<b>Basin Management Water</b>	0	0	0
<b>Total Production</b>	13,409	13,310	16,264

YTD actual water production (AF) through April 30, 2022



**Monthly Key Indicators Report  
For The Month of April 2022**

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

**FY22 System Water Quality – This data reflects samples taken in March**

<b>Distribution System:</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L) <i>Compliance</i>	1.59	0.24 – 2.65 Current RAA = 1.65	4 RAA
Coliform Positive % <i>Compliance</i>	0	0	5
Temperature (° F)	73	69 - 80	None

<b>Reservoir I &amp; II:</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L)	0.54	0.31 – 0.96	None
Monochloramine (mg/L)	0.53	0.16 – 1.05	None
Ammonia (mg/L)	0.13	0.02 - 0.18	None
Temperature (° F)	73	70 – 74	None

<b>Wells (Treated):</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L)	2.52	2.10 – 2.82	None
Monochloramine (mg/L)	2.50	2.12 – 2.81	None
Ammonia (mg/L)	0.54	0.42 - 0.61	None
Temperature (° F)	72	68 - 77	None

<b>MWRF:</b>	<b>Average</b>	<b>Range</b>	<b>MCL</b>
Chlorine Residual (mg/L)	2.37	2.0 – 2.64	None
Monochloramine (mg/L)	2.34	1.91 – 2.52	None
Ammonia (mg/L)	0.52	0.43 – 0.61	None
Temperature (° F)	77	75 - 80	None
Color (CU) <i>Compliance</i>	ND	ND	15
Odor (TON) <i>Compliance</i>	ND	ND	3

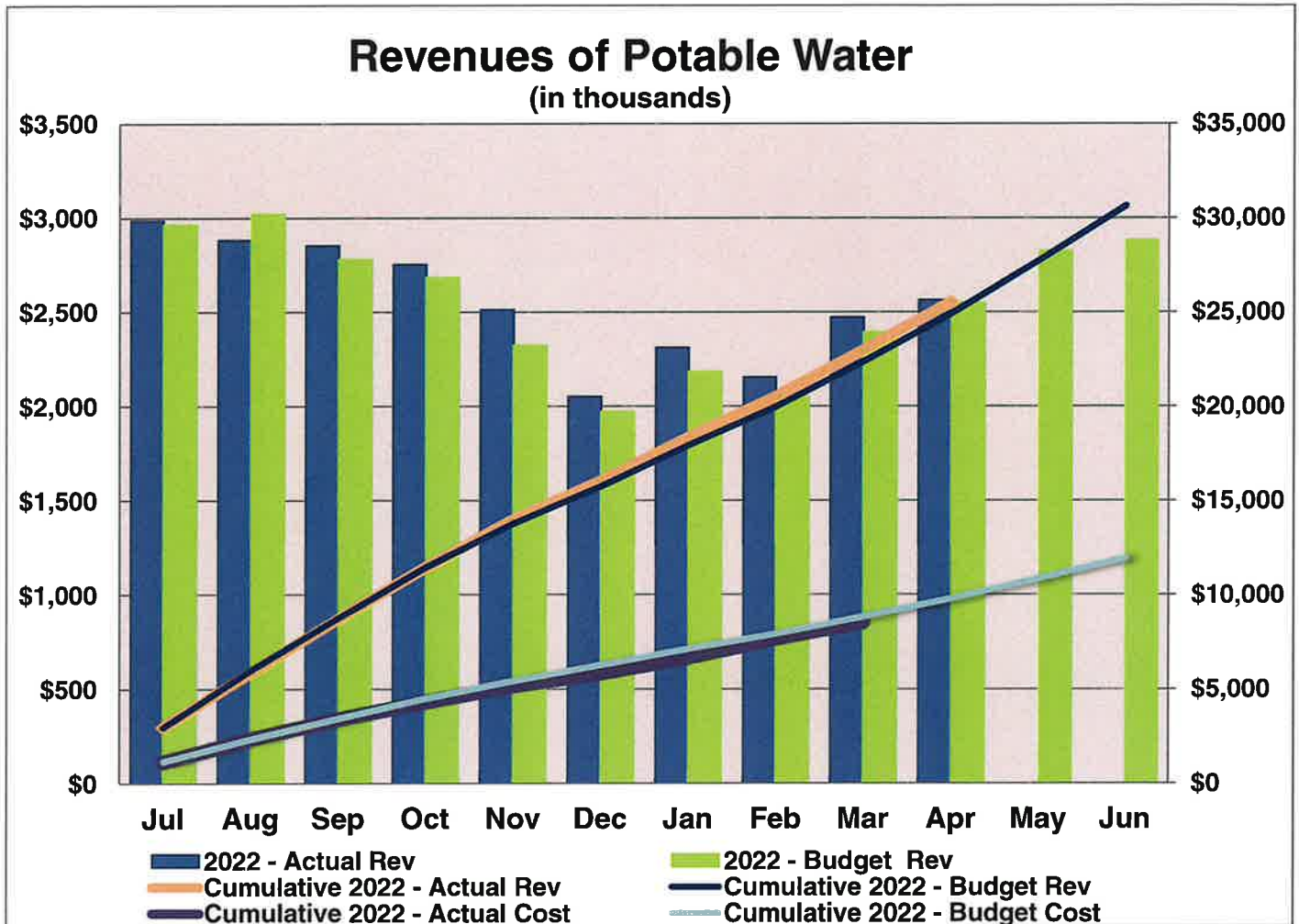
**Water Quality Calls/Investigations:**

Total Calls	4
Total Investigations (from calls)	2



**Monthly Key Indicators Report  
For The Month of April 2022**

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



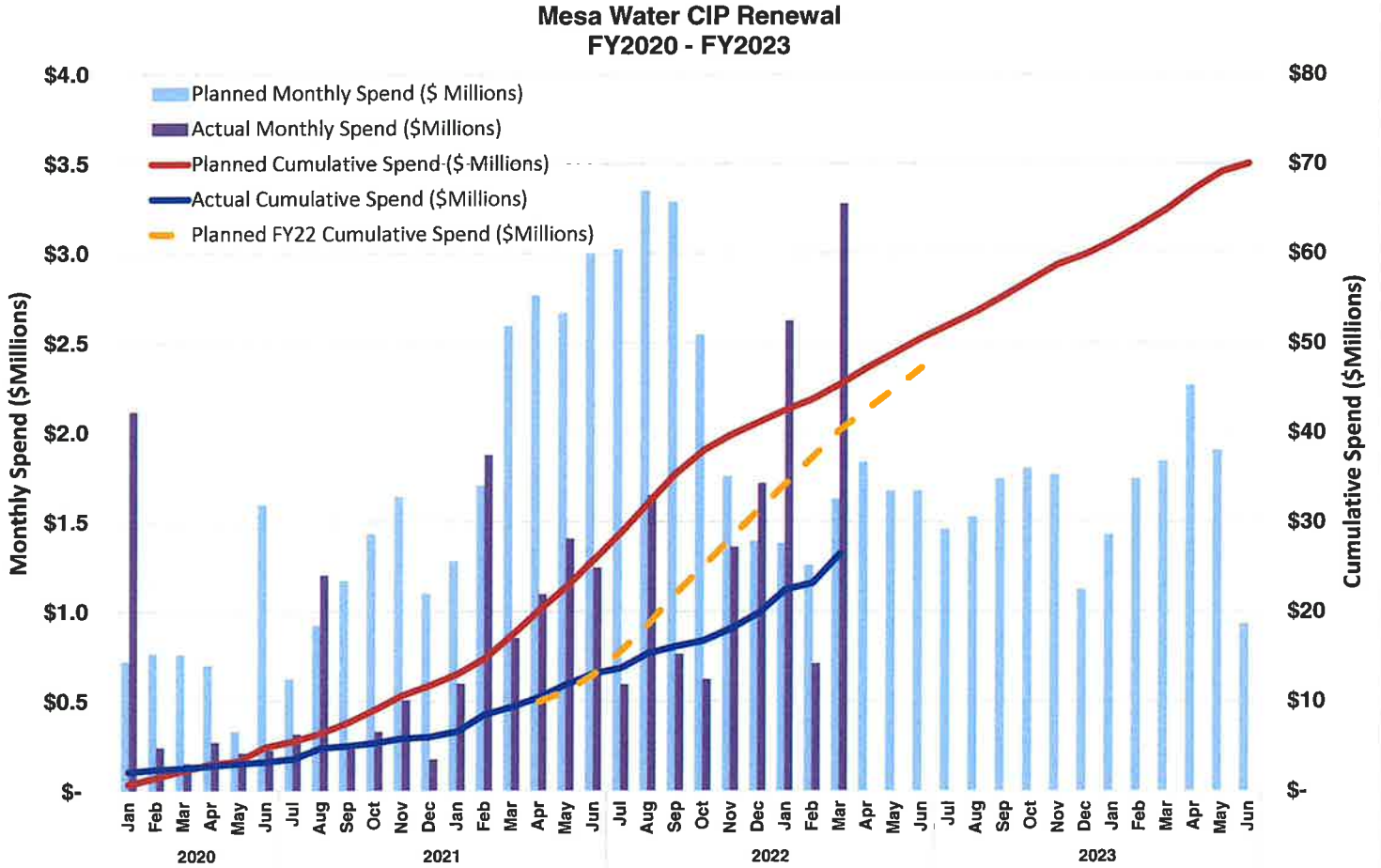
	Actual	Budget	Favorable (Unfavorable)	
			Difference	%
Total YTD Revenue \$	25,539,061	24,917,009	622,052	2.50%

	Actual	Budget	UnFavorable (Favorable)	
			Difference	%
Total YTD Cost \$ *	8,531,846	8,831,061	(299,215)	(3.39%)

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

**Monthly Key Indicators Report  
For The Month of April 2022**

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



**Monthly Key Indicators Report  
For The Month of April 2022**

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

**Web Site Information**

<b>Web Site Information</b>	<b>March 2022</b>	<b>April 2022</b>
Visits to the web site	11781	12736
Unique visitors (First time to the site)	8430	9443
Average per day	380	424
Average visit length	169 seconds	171 seconds
Page visited most	Online Bill Pay	Online Bill Pay
Second most visited page	Press Releases	Press Releases
Third most visited page	Human Resources	Human Resources
Fourth most visited page	Rates and Fees	Rates and Fees
Fifth most visited page	Contact Us	Community
Most downloaded file	2021 Water Quality Report	2021 Water Quality Report
Second most downloaded file	Standard Specifications and Standard Drawings for the Construction of Water Facilities	Standard Specifications and Standard Drawings for the Construction of Water Facilities
Most active day of the week	Tuesday	Tuesday
Least active day of the week	Sunday	Sunday

<b>Total visits since July 1, 2002</b>	<b><u>1,661,048</u></b>
--	-------------------------

**Water Vending Machine Information**

<b>Vending Machine Location</b>	<b>Vend Measurement</b>	<b>April 2022 Vends</b>	<b>Totals Vends</b>
Mesa Water Office	1 gal	4,789	568,522

**Monthly Key Indicators Report  
For the Month of April 2022**

***Goal #5: Attract and retain skilled employees***

DEPARTMENT:	FY 2022			COMMENTS:
	BUDGET	FILLED	VACANT	
<b>OFFICE OF THE GENERAL MANAGER:</b>				
General Manager	1.00	1.00	0.00	
Business Administrator	1.00	1.00	0.00	
<b>Subtotal</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>	
<b>ADMINISTRATIVE SERVICES:</b>				
Administrative Services	5.00	5.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>CUSTOMER SERVICES:</b>				
Conservation	1.00	0.00	1.00	Water Use Efficiency Analyst - <i>vacant; on hold.</i>
Customer Service	4.00	4.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>4.00</b>	<b>1.00</b>	
<b>ENGINEERING:</b>				
Engineering	5.00	5.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>WATER POLICY:</b>				
Legislative & Governmental Affairs	1.50	1.50	0.00	
<b>Subtotal</b>	<b>1.50</b>	<b>1.50</b>	<b>0.00</b>	
<b>FINANCIAL SERVICES:</b>				
Financial Reporting/ Purchasing	4.00	4.00	0.00	
Accounting	1.00	1.00	0.00	
<b>Subtotal</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>HUMAN RESOURCES:</b>				
Human Resources	3.00	2.00	1.00	Human Resources Manager - <i>vacant; on hold.</i>
<b>Subtotal</b>	<b>3.00</b>	<b>2.00</b>	<b>1.00</b>	
<b>PUBLIC AFFAIRS:</b>				
Outreach, Education & Communications	1.50	1.50	0.00	
<b>Subtotal</b>	<b>1.50</b>	<b>1.50</b>	<b>0.00</b>	
<b>WATER OPERATIONS:</b>				
Supervision/Support	7.00	7.00	0.00	Operator I/II - 2 <i>vacancies; recruitment in process.</i>
Distribution	10.00	8.00	2.00	
Field Services	5.00	4.00	1.00	Field Customer Service Representative I/II - <i>vacant; recruitment in process.</i>
Production	3.00	3.00	0.00	
Water Quality	2.00	1.00	1.00	
<b>Subtotal</b>	<b>27.00</b>	<b>23.00</b>	<b>4.00</b>	
<b>* TOTAL BUDGETED POSITIONS:</b>	<b>55.00</b>	<b>49.00</b>	<b>6.00</b>	

**Monthly Key Indicators Report  
For The Month of April 2022**

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

**Customer Calls**

<b>Call Type</b>	<b>FY22 YTD</b>	<b>April 2022</b>	<b>YTD Weekly Average</b>
General Billing Question	1890	164	44
Service Requests	1168	114	27
High Bill	1110	132	26
Payments	1667	163	39
Late Fee	381	13	9
Account Maintenance	916	96	21
On-Line Bill Pay	1324	137	31
Water Pressure	26	2	1
No Water	219	16	5
Conservation	162	12	4
Water Waste	222	21	5
Other (District info. other utility info. etc.)	1655	183	38
Rate Increase	27	0	1
Fluoridation	0	0	0
<b>TOTAL CUSTOMER CALLS</b>	<b>10767</b>	<b>1053</b>	<b>250</b>
<b>AVERAGE ANSWER TIME (Seconds)</b>	<b>39</b>	<b>21</b>	<b>39</b>

**Online Bill Pay Customers**

<b>Customers Enrolled</b>	<b>FY22 YTD</b>	<b>April 2022</b>	<b>YTD Weekly Average</b>
<b>18015</b>	<b>2134</b>	<b>188</b>	<b>50</b>

**REPORTS:**

10. DIRECTORS' REPORTS AND COMMENTS

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

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

**Jim Atkinson Meetings Attended**

Reimbursement Date:	Description, Date
N/A	

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

Reimbursement Date:	Description, Date
04/25/22	Orange County/San Diego Water Leaders Event, 4/21

**Marice H. DePasquale Meetings Attended**

Reimbursement Date:	Description, Date
04/25/22	Women Making a Difference Event, 3/31
04/25/22	BIA Government Affairs, 4/13
04/25/22	Orange County/San Diego Water Leaders Event, 4/21
04/25/22	City/Districts Liaison Meeting, 4/22

**Shawn Dewane Meetings Attended**

Reimbursement Date:	Description, Date
4/13/22	NRCC, 11/6 – 11/10/21

**James R. Fisler Meetings Attended**

Reimbursement Date:	Description, Date
N/A	

There are no support materials for this item.



**CLOSED SESSION:**

13. CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT  
CODE 54957.6:  
District Negotiator: General Manager  
Employee Organization: Represented and Non-Represented Employees



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Board of Directors  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: May 11, 2022  
SUBJECT: Staffing Plan

---

### RECOMMENDATION

Take action as the Board of Directors desires.

### STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION/DISCUSSION

At its May 13, 2021 meeting, the Board of Directors (Board) approved the Fiscal Year 2022 budget which included the current staffing plan.

### DISCUSSION

In 2000, Mesa Water District (Mesa Water®) had 72 full-time equivalent (FTE) positions in the budget. Over the past 21 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 has reduced the number of budgeted employees by 17 FTE, or 23.6%, to 55 FTE positions (plus two Limited-Term positions to support the Capital Improvement Program Renewal) in the Fiscal Year 2023 budget.

### FINANCIAL IMPACT

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

### ATTACHMENTS

None.