



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Wednesday, October 11, 2023
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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

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

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

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

CONSENT CALENDAR ITEMS:

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

1. Approve minutes of regular Board meeting of September 13, 2023.
2. Approve minutes of regular Board meeting of September 27, 2023.
3. Approve attendance considerations (additions, changes, deletions).
4. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events

PRESENTATION AND DISCUSSION ITEMS:

5. FEDERAL GOVERNMENT ADVOCACY 2023 YEAR IN REVIEW:

Recommendation: Receive the presentation.

6. POTABLE AND RECYCLED WATER RATES:

Recommendation: Receive the presentation.



ACTION ITEMS:

NONE

REPORTS:

7. REPORT OF THE GENERAL MANAGER
8. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

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

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

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

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

**ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR WEDNESDAY,
OCTOBER 25, 2023 AT 4:30 P.M.**



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**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Wednesday, September 13, 2023
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Vice President DePasquale led the Pledge of Allegiance.

Directors Present

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

Directors Absent

None

Staff Present

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

Others Present

None

PUBLIC COMMENTS

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

There was no public present and President Dewane proceeded with the meeting.

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

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

CONSENT CALENDAR ITEMS:

1. Approve minutes of regular Board meeting of August 9, 2023.
2. Approve minutes of regular Board meeting of August 23, 2023.
3. Approve attendance considerations (additions, changes, deletions).
4. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events

MOTION

Motion by Director Atkinson, second by Director Bockmiller, to approve Items 1 – 4 of the Consent Calendar. Motion passed 5 – 0.

PRESENTATION AND DISCUSSION ITEMS:

5. WATER PRODUCTION RESOURCES FOR A PERPETUAL AGENCY:

Assistant Water Operations Manager Jernigan provided a presentation that highlighted the following:

- Production System Operations Plan (PSOP) Overview
- Standard Operating Procedures (SOPs)
- PDO Checklist, Chemical Forecaster, Weekly Checklist, Monthly Checklist
- Efficiently Managing Water Supply
- BLUE PLAN-IT
- Perpetually Renew and Improve Our Infrastructure

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

6. MESA WATER EDUCATION CENTER GRAND OPENING:

Senior Public Affairs Specialist Carrillo and Public Affairs Specialist Norris provided a presentation that highlighted the following:

- Public Relations Plan and Schedule of Events
- Timeline
- Board Preview
- Employee Preview
- 5th Grade Teacher Preview Event
- Fieldtrip Program
- Media Day
- VIP Ribbon Cutting
- VIP Ribbon Cutting Run of Show
- VIP Ribbon Cutting Invite List
- Community Open House

Mses. Carrillo and Norris responded to questions from the Board and they thanked them for the presentation.

RECESS

President Dewane declared a recess at 5:20 p.m.

The Board meeting reconvened at 5:26 p.m.

7. PROCEDURE FOR WILL-SERVE LETTERS:

District Engineer Wiesner provided a presentation that highlighted the following:

- Proposed Will-Serve Letter Procedure

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

8. POTABLE AND RECYCLED WATER RATES:

Chief Financial Officer Khalifa provided a presentation that highlighted the following:

- Strategic Plan Goals
- 2021 Rate Study Inflationary Assumptions
- Consumer Price Index – Los Angeles
- Engineering News Record – Construction Cost Index
- Current Inflationary Assumptions
- Utility Rates vs. Other Goods
- FY 2023 – 2032 Expense Forecast
- Rate Scenarios
- Scenario #1, Days Cash, Cash on Hand
- Scenario #2, Days Cash, Cash on Hand
- Scenario #3, Days Cash, Cash on Hand
- Scenario Recap

Discussion ensued amongst the Board.

The Board gave direction to staff to proceed with Scenario #2.

CFO Khalifa responded to questions from the Board and they thanked him for the presentation.

9. PREFERENCE TO BUY AMERICAN-MADE MANUFACTURED GOODS:

CFO Khalifa provided a review of the topic.

Discussion ensued amongst the Board.

The Board gave direction to staff to agendize this topic at a future meeting.

CFO Khalifa responded to questions from the Board and they thanked him for the discussion.

ACTION ITEMS:

10. SCADA CONTROL ROOM AND WET LAB UPGRADE PROJECT:

MOTION

Motion by Director Bockmiller, second by Vice President DePasquale, to approve an increased contingency for Hamel Contracting Inc.'s contract for construction of the SCADA Control Room and Wet Lab Upgrade Project for an amount not to exceed \$600,000, and authorized staff to execute construction change orders. Motion passed 5 – 0.

REPORTS:

11. REPORT OF THE GENERAL MANAGER

12. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

13. CLAIM OF LINDA DIXON

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

RECESS

President Dewane declared a recess at 6:50 p.m.

The Board meeting reconvened at 6:53 p.m.

President Dewane announced the Board was going into Closed Session at 6:54 p.m.

CLOSED SESSION:

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

The Board returned to Open Session at 7:00 p.m.

District Secretary Garcia announced that the Board conducted one Closed Session with the General Manager, District Secretary, Chief Financial Officer, Chief Operating Officer, District Engineer and District Business Administrator pursuant to California Government Code Sections 54956.9(a) and 54957.1(a)(2). The Board received information and there was no further announcement.

President Dewane adjourned the meeting at 7:02 p.m. to a Regular Board Meeting scheduled for Wednesday, September 27, 2023 at 4:30 p.m.

Approved:

Shawn Dewane, President

Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer

Unapproved



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**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Wednesday, September 27, 2023
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Director Fisler led the Pledge of Allegiance.

Directors Present

Shawn Dewane, President
Marice H. DePasquale, Vice President *(left at 5:25 p.m.)*
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
Denise Garcia, Chief Administrative Officer/
District Secretary
Marwan Khalifa, CPA, MBA, Chief Financial Officer/
District Treasurer
Tracy Manning, Chief Operating Officer
Andrew D. Wiesner, P.E., District Engineer
Stacy Taylor, Water Policy Manager
Tyler Jernigan, Assistant Water Operations Manager
Kurt Lind, District Business Administrator
Karyn Igar, Senior Civil Engineer
Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo

Others Present

Joseph M. Berg, Director of Water Use Efficiency, Municipal Water District of Orange County (MWDOC)
David Mitchell, Partner, M.Cubed
David Bolland, Water Use Efficiency Regulatory Consultant, Dave Bolland and Associates
Emily Owens-Bennett, P.E., BCEE, Drinking Water Lead, Trussell Technologies, Inc.
David Spencer, P.E., Water Asset Management Lead, HDR, Inc.

PUBLIC COMMENTS

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

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

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

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

Vice President DePasquale requested to take Action Items 10 and 11 before the Presentation Items. There were no objections.

CONSENT CALENDAR ITEMS:

1. Receive and file the Developer Project Status Report.
2. Receive and file the Mesa Water and Other Agency Projects Status Report.
3. Receive and file the Water Quality Call Report.
4. Receive and file the Accounts Paid Listing.
5. Receive and file the Monthly Financial Reports.
6. Receive and file the Outreach Update.

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

MOTION

Motion by Director Bockmiller, second by Vice President DePasquale, to approve Items 1 – 6 of the Consent Calendar. Motion passed 5 – 0.

ACTION ITEMS:

ITEM 10 - POLICY FOR THE DISPLAY OF FLAGS:

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

MOTION

Motion by Director Bockmiller, second by Director Atkinson, to adopt Resolution No. 1583 Adopting a Policy for the Display of Flags at District Facilities. Motion passed 5 – 0, by the following roll call vote:

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

ITEM 11 - GENERAL LEGAL COUNSEL SERVICES:

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

MOTION

Motion by Director Bockmiller, second by Vice President DePasquale, to:
a. Amend the General Legal Counsel Services agreement with Atkinson, Andelson, Loya, Ruud & Romo to revise the fee schedule, effective October 1, 2023; remove the billing cap for attendance at regular meetings of the Board of Directors; and remove

- language from the agreement regarding participation in the Association of California Water Agencies Legal Affairs Committee and CalWater PAC meetings; and
- b. Direct staff to retain, within the General Manager's authority, the firm of Burke, Williams & Sorensen, LLP, to participate and engage in said meetings on behalf of Mesa Water District.

Motion passed 5 – 0.

PRESENTATION AND DISCUSSION ITEMS:

7. PROPOSED REGULATION – *MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE:*

Water Policy Manager Taylor provided a review of the topic and introduced M.Cubed Partner David Mitchell who provided a presentation that highlighted the following:

- Review of the Water Board's Standardized Regulatory Impact Analysis (SRIA)
- Our Findings:
 - Costs
 - Baseline
 - Bottom-Line

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

8. LEAD AND COPPER RULE REVISIONS INVENTORY:

Assistant Water Operations Manager Jernigan provided a review of the topic and introduced Trussell Technologies, Inc. Drinking Water Lead Emily Owens-Bennett who provided a presentation that highlighted the following:

- USEPA Lead and Copper Rule Revisions (LCRR)
- LCRR Inventory Requirements
- LCRR Inventory
- LCRR Inventory To-Date
- Records Review
- Field Verification
- Action Plan
- Next Steps

Ms. Owens-Bennett responded to questions from the Board and they thanked her for the presentation.

9. PIPELINE INTEGRITY PROGRAM UPDATE:

Senior Civil Engineer Igar provided a review of the topic and introduced HDR, Inc. Water Asset Management Lead David Spencer who provided a presentation that highlighted the following:

- Pipeline Integrity Program History
- Leak Detection
- Systematic Break Data Collection

- Resolution No. 1525 – Replacement of Assets
- Exposed Pipe Testing
- Updated 100-Year Replacement Cost Curve
- Resolution No. 1525 – Replacement of Assets (continued)
- Planning for FY 2024

Senior Civil Engineer Igar and Mr. Spencer responded to questions from the Board and they thanked them for the presentation.

ACTION ITEMS:

10. POLICY FOR THE DISPLAY OF FLAGS:

This item was taken earlier in the agenda.

11. GENERAL LEGAL COUNSEL SERVICES:

This item was taken earlier in the agenda.

REPORTS:

12. REPORT OF THE GENERAL MANAGER:

- August Key Indicators Report

GM Shoenberger reported that ACWA/JPIA has, on behalf of and in coordination with Mesa Water, settled a lawsuit filed against Mesa Water by Bryan Gonzalez for a personal injury claim previously discussed with the Board in Closed Session on January 25, 2023, for a settlement amount of \$20,000. Such settlement vacates a trial date of April 29, 2024. A copy of the fully executed Settlement Agreement will be on file with Mesa Water's District Secretary for public review upon request.

13. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

14. FEDERAL ADVOCACY UPDATE

15. STATE ADVOCACY UPDATE

16. ORANGE COUNTY UPDATE

President Dewane adjourned the meeting at 6:07 p.m. to a Regular Board Meeting scheduled for Wednesday, October 11, 2023 at 4:30 p.m.

Approved:

Shawn Dewane, President

Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer

Unapproved



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MEMORANDUM

TO: Board of Directors
FROM: Denise Garcia, Chief Administrative Officer
DATE: October 11, 2023
SUBJECT: Attendance at Conferences, Seminars, Meetings, and Events

RECOMMENDATION

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

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

At its June 14, 2023 meeting, the Board of Directors (Board) approved Fiscal Year 2024 attendance at Conferences, Seminars, Meetings, and Events.

DISCUSSION

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

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

2023 CONFERENCES, SEMINARS, AND MEETINGS:

October 13, 2023	
OC Water Summit	<i>Atkinson, Bockmiller, DePasquale, Dewane, Fisler</i>
Costa Mesa, CA	
October 18 - 20, 2023	
CALAFCO Annual Conference	
Monterey, CA	
October 23 - 26, 2023	
AWWA CA-NV Annual Fall Conference	
Las Vegas, NV	
November 7 - 8, 2023	
SWMOA Annual Symposium	
Irvine, CA	
November 28 - 30, 2023	
ACWA Fall Conference	<i>Atkinson, Bockmiller, DePasquale, Fisler</i>
Indian Wells, CA	
December 13 - 15, 2023	
Colorado River Water Users Association Conference	<i>Atkinson</i>
Las Vegas, NV	

2024 CONFERENCES, SEMINARS, AND MEETINGS:

February 5, 2024	
CMUA Annual Capitol Day	
Sacramento, CA	
February 8 - 9, 2024	
CalDesal Annual Conference	
Sacramento, CA	
February 21 - 23, 2024	
Urban Water Institute Spring Conference	
Palm Springs, CA	
February 27 - 29, 2024	
ACWA Washington D.C. Conference	
Washington, D.C.	
March 4 - 7, 2024	
Jt. CA-NV AWWA/AMTA Spring Conference	
West Palm Beach, FL	
March 11 - 13, 2024	
Public-Private Partnership Conference	
Dallas, TX	
March 11 - 14, 2024	
WaterReuse Symposium	
Denver, CO	
April 7 - 9, 2024	
CMUA Annual Conference	
Monterey, CA	
April 7 - 10, 2024	
AWWA CA-NV Annual Spring Conference	
Anaheim, CA	

October 2023

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 1	2	3	4	5	6	7
← From Sep 30	WEFTEC Conference (Chicago, IL)			Pay Period Ends	7:30am WACO (VITRUAL)	
	8:30am MWDOC Planning & Operations Committee Meeting (IN PERSON AND	7:30am ISDOC Executive Committee Meeting 12:00pm R/S from 10/4 Executive Committee 6:00pm Costa Mesa City	8:30am Jt. MWDOC/MWD 12:00pm R/S to 10/3 Executive Committee 5:30pm OCWD Board	12:00pm OCWD Communications/Legislative (IN PERSON AND VIRTUAL)		
8	9	10	11	12	13	14
	5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL) 5:00pm GWRS Steering Committee (Hybrid - 18700 Ward St.	8:00am OCBC Infrastructure Committee (HYBRID)	Payday 8:15am LAFCO Meeting (400 W Civic Center) 8:30am MWDOC Admin 12:00pm OCWD Water 4:30pm Board Meeting	12:00pm OCWD Admin & Finance (IN PERSON & VIRTUAL)	7:30am OC Water Summit (686 Anton Blvd, Costa Mesa, CA 92626)	
15	16	17	18	19	20	21
		7:30am WACO Planning Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	CALAFCO Annual Conference (Monterey, CA)		Pay Period Ends 8:30am MWDOC Executive Committee (HYBRID.)	
			8:30am MWDOC Board Meeting (HYBRID - Boardroom) 5:30pm OCWD Board Meeting (VIRTUAL)			
22	23	24	25	26	27	28
	AWWA CA-NV Annual Fall Conference (Las Vegas, NV)				7:30am OCWD Groundwater Adventure Tour (18700 Ward Street, Fountain Valley, CA)	
	5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)		Payday 8:30am Jt. MWDOC/OCWD 3:00pm Costa Mesa 4:30pm Board Meeting			
29	30	31	Nov 1	2	3	4
	3:30pm Mesa Water District Fall Board Workshop					

November 2023

November 2023							December 2023						
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
Oct 29	30	31	Nov 1 8:30am Jt. MWDOC/MWD 12:00pm Executive Committee Meeting 5:30pm OCWD Board Meeting	2 Pay Period Ends 12:00pm OCWD Communications/Legislative (IN PERSON AND VIRTUAL)	3 7:30am WACO (VIRTUAL)	4
5	6 8:30am MWDOC Planning & Operations Committee Meeting (Hybrid)	7 SWMOA Annual Symposium (Irvine, CA) 7:30am ISDOC Executive Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting	8 Payday 8:15am LAFCO Meeting 8:30am MWDOC Admin 12:00pm OCWD Water 4:30pm Board Meeting	9 12:00pm OCWD Admin & Finance (IN PERSON & VIRTUAL)	10 District Holiday	11
12	13 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	14 9:00am ACC-OC Energy, Environment and Water Committee Meeting (VIRTUAL)	15 8:30am MWDOC Board Meeting (HYBRID - Boardroom) 5:30pm OCWD Board Meeting (VIRTUAL)	16 Pay Period Ends 8:30am MWDOC Executive Committee (HYBRID) 4:00pm Costa Mesa Chamber of	17	18
19	20	21 7:30am WACO Planning Committee Meeting (VIRTUAL) 6:00pm Costa Mesa City Council Meeting (HYBRID)	22 Payday	23 District Holiday	24 District Holiday	25
26	27 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	28 ACWA/JPIA Fall Conference (Indian Wells, CA)	29	30 Pay Period Ends	Dec 1	2

December 2023

December 2023							January 2024						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6
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
Nov 26	27	28	29	30	Dec 1 7:30am WACO (VITRUAL)	2
3	4 8:30am MWDOC Planning & Operations Committee Meeting	5 7:30am ISDOC Executive Committee Meeting 6:00pm Costa Mesa City Council Meeting	6 Payday 8:30am Jt. 12:00pm Executive 5:30pm OCWD Board	7 12:00pm OCWD Communications/Legislative (IN PERSON AND VIRTUAL)	8	9
10	11 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	12 8:00am OCBC Infrastructure Committee (HYBRID)	13 CRWUA Conference (Las Vegas, NV) 8:15am LAFCO Meeting 8:30am MWDOC Admin 12:00pm OCWD Water		14 Pay Period Ends 12:00pm OCWD Admin & Finance (IN	16
17	18	19 7:30am WACO Planning Committee Meeting 6:00pm Costa Mesa City Council Meeting	20 Payday 8:30am MWDOC Board Meeting (HYBRID - 5:30pm OCWD Board	21 8:30am MWDOC Executive Committee (HYBRID.)	22 District Holiday	23
24	25 District Holiday 5:00pm IRWD Board Meeting (IN PERSON & VIRTUAL)	26	27	28 Pay Period Ends	29 District Holiday	30
31	Jan 1, 24	2	3	4	5	6



UPCOMING COMMUNITY OUTREACH EVENTS

Event	Date & Time	Location
Power of One Foundation's Trunk or Treat	Saturday, October 28, 2023 3:00 p.m. - 7:00 p.m.	Ikea Parking Lot 1475 South Coast Drive Costa Mesa, CA 92626



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MEMORANDUM

TO: Board of Directors
FROM: Stacy Taylor, Water Policy Manager
DATE: October 11, 2023
SUBJECT: Federal Government Advocacy 2023 Year in Review

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

In November 2022, following a competitive procurement process, Mesa Water District (Mesa Water®) retained [Van Scoyoc Associates, Inc.](#) (VSA) to provide Federal Government Advocacy consulting services. The VSA team, based in Washington D.C., includes two firm Vice Presidents, [Geoff Bowman](#) and [Pete Evich](#), as well as Government Relations Director [Ashley Strobel](#).

The VSA team was instrumental in supporting the successful grant funding award of \$250,000 from the United States Bureau of Reclamation for the District's Local Groundwater Supply Improvement Project (Local SIP) feasibility study.

VSA will provide a 2023 Year in Review presentation to the Board at the October 11, 2023 meeting.

FINANCIAL IMPACT

In Fiscal Year 2024, \$475,000 is budgeted for Water Policy Support Services; \$65,330 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer
DATE: October 11, 2023
SUBJECT: Potable and Recycled Water Rates

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

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

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

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

At its August 9, 2023 meeting, the Board awarded a contract to Raftelis Financial Consultants, Inc. (Raftelis) for \$42,430 to provide a potable and recycled water rate study for the purpose of establishing water rate schedules for the next five years, and authorized execution of the contract.

At its September 13, 2023 meeting, the Board received a presentation from staff detailing three financial model scenarios. The Board directed staff to proceed with Scenario #2.

BACKGROUND

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



Over the past decade, Mesa Water’s responsible rates and cost controls have continued to result in the District accomplishing a number of key achievements, among them:

- Efficient Operations – Since Fiscal Year 2011, Mesa Water has consistently remained one of Orange County’s most efficient water agencies based on expenditures per capita.
- Financial Strength and Stability – Both Fitch and Standard & Poor’s have reaffirmed Mesa Water’s AAA rating due to the District’s prudent financial policies. Additionally, in Fiscal Year 2021, Mesa Water approved a \$70MM Capital Improvement Program Renewal.

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

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

DISCUSSION

In August 2023, Raftelis was awarded a contract to provide a potable and recycled water rate study based upon multi-year financial and inflationary projections.

When the last rate study was completed in October 2021, the inflationary projections were as follows:

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
General	2.5%	2.5%	2.5%	2.5%	2.5%
Payroll	3.5%	3.5%	3.5%	3.5%	3.5%
Utilities	3.5%	3.5%	3.5%	3.5%	3.5%
Groundwater Basin Replenishment Assessment	6.5%	4.8%	6.9%	7.3%	5.7%
Imported Water Volumetric Costs	5.0%	5.3%	6.5%	6.0%	6.0%
Imported Water Fixed Supply Costs	3.5%	3.5%	3.5%	3.5%	3.5%

Raftelis prepared the following current forecast for inflation over the next five years:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
General	4.5%	4.5%	4.5%	4.5%	4.5%
Payroll	4.0%	3.0%	3.0%	3.0%	3.0%
Utilities	7.0%	6.6%	6.6%	6.6%	6.6%
Groundwater Basin Replenishment Assessment	11.8%	10.8%	11.0%	10.0%	10.0%
Imported Water Volumetric Costs	4.9%	5.3%	6.5%	6.0%	6.0%
Imported Water Fixed Supply Costs	3.5%	7.0%	6.0%	6.0%	6.0%

The inflation forecasts above are based on available Consumer Price Index data for Los Angeles and Orange County, the District’s most recent Memorandum of Understanding effective January 1,



2023, and forecasted cost increases from Orange County Water District and Metropolitan Water District of Southern California.

In September 2023, the Board discussed the revenue needs for Mesa Water over the next five years and considered three different financial model scenarios. The Board provided direction to staff to proceed with Scenario #2 – a rate adjustment of 5% per annum for the years 2024 – 2028.

Proposed Scenarios

At the October 11, 2023 meeting, staff will present the Board with rate options for the years 2024-2028, which will meet the Board’s days cash goals, debt coverage ratios, and capital improvement targets.

For each scenario, Mesa Water will continue to provide high-quality and reliable water service and to finance current and planned infrastructure projects.

Proposed Schedule

Should the Board wish to proceed with a rate adjustment, the schedule below is suggested:

Date	Action
Wednesday, October 11, 2023	Review Rate Options
Wednesday, October 25, 2023	Receive Final Draft of Rate Study
Wednesday, October 25, 2023	Schedule Public Hearing
Thursday, October 26, 2023	Mail Prop. 218 Notice
Wednesday, December 13, 2023	Conduct Public Hearing

FINANCIAL IMPACT

There is no financial impact for the discussion of this matter.

The financial impact will be based on the Board’s selection, if any, of a five-year water rate adjustment.

ATTACHMENTS

None.

REPORTS:

7. REPORT OF THE GENERAL MANAGER

REPORTS:

8. 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
09/05/23	Urban Water Institute Annual Conference, 8/22 – 8/25

Fred R. Bockmiller, P.E. Meetings Attended

Reimbursement Date:	Description, Date
09/08/23	CSDA Annual Conference, 8/22 – 9/2
09/11/23	City/Districts Liaison Meeting, 7/28
09/11/23	Meeting w/ General Manager, 8/11

Marice H. DePasquale Meetings Attended

Reimbursement Date:	Description, Date
N/A	

Shawn Dewane Meetings Attended

Reimbursement Date:	Description, Date
09/05/23	Meeting re: Water Issues, 8/29

James R. Fisler Meetings Attended

Reimbursement Date:	Description, Date
09/11/23	Sunset Beach Sanitary District Board Meeting, 8/10
09/11/23	MWDOC Board Meeting, 8/16
09/11/23	OCWD Board Meeting, 8/16
09/11/23	Serrano Water District Board Meeting, 8/22