AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, April 3, 2025
1965 Placentia Avenue, Costa Mesa, CA 92627
1:00 p.m. Adjourned Regular Board Meeting

Dedicated to Satisfying our Community's Water Needs

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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

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

ITEMS TO BE ADDED, REMOVED OR REORDERED ON THE AGENDA
At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

ACTION ITEMS:

1. DISTRICT ACCOMPLISHMENTS AND ACCOLADES:

   Recommendation: Receive the presentation.

2. REGIONAL WATER ISSUES:

   Recommendation: Receive the presentation.

3. SINGLE METER POLICY:

   Recommendation: Direct staff to develop an updated Single Meter Policy and create a communications plan for existing apartment and master metered communities.

4. FISCAL YEAR 2026 STRATEGIC PLAN:

   Recommendation: Approve Mesa Water District's Fiscal Year 2026 Strategic Plan.

5.   MESA WATER EDUCATION CENTER ENHANCEMENTS:

     Recommendation:

     a. **Allow the community and staff to experience the Mesa Water Education Center over the next year and gather feedback on layout and exhibits; and**
     b. **Install audio/visual capabilities to allow virtual meetings to be hosted at the Mesa Water Education Center.**

6.   FISCAL YEAR 2026 PERFORMANCE AUDIT PROCESS GUIDE:

     Recommendation: Approve Mesa Water District's Fiscal Year 2026 Performance Audit Process Guide.

REPORTS:

7.   REPORT OF THE GENERAL MANAGER

8.   DIRECTORS' REPORTS AND COMMENTS

CLOSED SESSIONS:

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

ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR WEDNESDAY, APRIL 9, 2025 AT 4:30 P.M.

MEMORANDUM

MesaWater
DISTRICT®

Dedicated to
Satisfying our Community's
Water Needs

TO: Board of Directors

FROM: Paul E. Shoenberger P.E., General Manager

DATE: April 3, 2025

SUBJECT: District Accomplishments and Accolades

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

At its April 24, 2024 meeting, the Board of Directors (Board) approved the Fiscal Year (FY) 2025 Strategic Plan.

DISCUSSION

Mesa Water District (Mesa Water®) has achieved significant milestones in water management, including securing a 100% local groundwater supply, earning recognition for excellence in governance and financial reporting, and receiving the prestigious and inaugural Association of California Water Agencies' (ACWA) Certificate of Excellence (A.C.E.) award.

Mesa Water is one of the first water districts in the state to receive the A.C.E. award, which honors agencies for outstanding achievements in effective, efficient and ethical water management practices. The award also recognizes agencies that demonstrate sound financial procedures, good governance policies, and innovative approaches to managing California's most precious resource — water.

These accomplishments reflect Mesa Water's commitment to strategic planning, efficient water resource management, and the policy formalization of a metrics-focused Business Improvement Process.

Staff will present the District's FY 2025 high-level accomplishments and accolades to the Board at the April 3, 2025 workshop.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

MEMORANDUM

TO:	Board of Directors
FROM:	Andrew D. Wiesner, P.E., District Engineer Stacy Taylor, Water Policy Manager
DATE:	April 3, 2025
SUBJECT:	Regional Water Issues

Dedicated to Satisfying our Community's Water Needs

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.
Goal #7: Actively participate in regional and statewide water issues.

PRIOR BOARD ACTION/DISCUSSION

At its October 29, 2024 workshop, the Board of Directors (Board) received a presentation regarding Regional Water Issues.

DISCUSSION

1. **Local groundwater Supply Improvement Project (Local SIP):** This update will discuss the progress of the Local SIP—a study of the feasibility of desalinating brackish groundwater located seaward of the groundwater injection barrier within the Mesa Water District (Mesa Water®), City of Huntington Beach, and City of Newport Beach service areas. The Local SIP study is being executed and funded through a partnership between Mesa Water (as the lead agency), the City of Huntington Beach, the City of Newport Beach, and Orange County Water District, with Mesa Water receiving a $250,000 grant from the U.S. Bureau of Reclamation to fund 50% of the study. The feasibility study began in May 2024 and has completed tasks to recommend well field locations and potential production capacity. The study has also estimated potential influent water quality. Using the estimated production capacity and influent water quality, the project team is developing treatment plant footprints and order-of-magnitude cost estimates.

2. **Interagency Water Transfer:** This update will discuss the progress of the Interagency Water Transfer Project. To date, the project team has executed a cooperative agreement and developed a scope of work for the study.

3. **Water Use Efficiency (WUE)**: This update will discuss the *Making Conservation a California Way of Life* regulation with respect to Mesa Water's WUE Objective, as well as the District's compliance with -- and implementation of -- the regulation. In December 2024, Mesa Water submitted its first Urban Water Use Objective Annual Report. Mesa Water's demands are currently 14% less than Mesa Water's calculated Water Use Objective.

4. **Proposition 218 (Prop. 218):** This update will discuss recent Prop. 218 legal judgements, legislation, and Mesa Water's engagement in support of Prop. 218 -- including the protections that Prop. 218 provides for taxpayers and local control -- as well as the District's Prop. 218 outreach and education efforts.

5. **Groundwater Basin Emergency Interconnection Project:** This update will discuss the status of this project.

   Staff will provide the Board a presentation regarding Regional Water Issues at the April 3, 2025 workshop.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

MEMORANDUM

TO: Board of Directors

FROM: Andrew D. Wiesner, P.E., District Engineer

DATE: April 3, 2025

SUBJECT: Single Meter Policy

RECOMMENDATION

Direct staff to develop an updated Single Meter Policy and create a communications plan for existing apartment and master metered communities.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase favorable opinion of Mesa Water.
Goal #6: Provide excellent customer service.

PRIOR BOARD ACTION/DISCUSSION

None.

BACKGROUND

Mesa Water District's (Mesa Water®) Rules and Regulations for Water Service (Rules and Regulations) establish rules and regulations concerning the sale, distribution and use of water within Mesa Water's service area. One of the policies defined in the Rules and Regulations is Mesa Water's Single Meter Policy. Mesa Water's standard metering policy is that individually owned units shall be individually metered unless otherwise set forth in the Rules and Regulations. Additionally, the Single Meter Policy stipulates that all meters shall be placed in the public right of way unless approved easements are accepted by the District Engineer and approved by the Board of Directors. While the Single Meter Policy is important, Mesa Water recognizes that there may be local and individual conditions that make individual metering not feasible. An example of a local condition where individual metering is not feasible would be a large townhome community (greater than 30 units) with minimal frontage to the public right of way. In this example, a master meter would be installed in the public right of way; the community homeowners association (HOA) would be Mesa Water's customer and the HOA would be responsible for maintaining the piping on private property and billing individual units.

DISCUSSION

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

communities similar to other utilities, such as gas and electric. An example potable water system is shown on Figure 1.
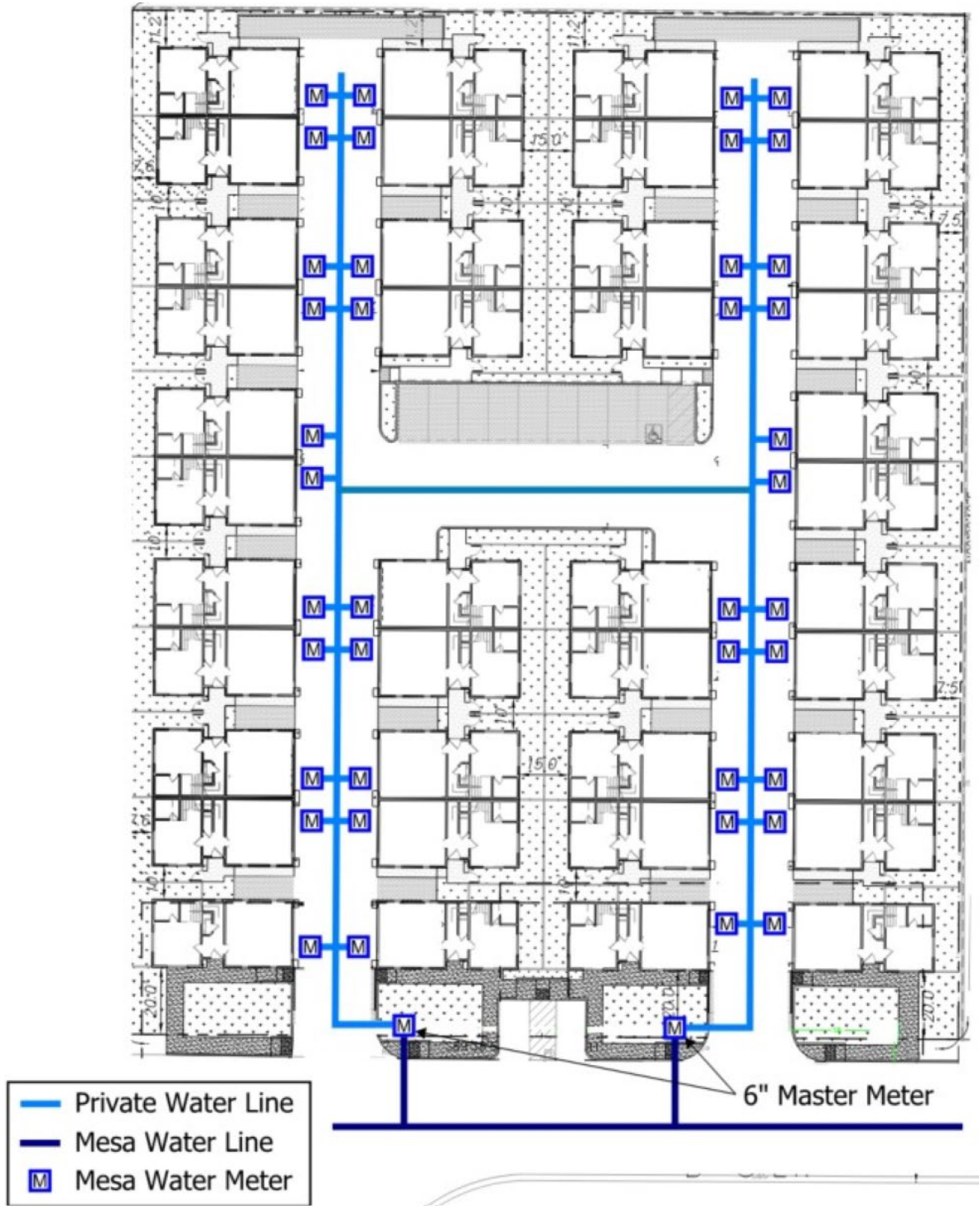

Figure 1. Potable Water System Layout

As shown on Figure 1, the parcel would be connected to Mesa Water's distribution system through a master meter located at the property line. Mesa Water would own the pipeline to up to the meter assembly, and the owner would own and maintain the pipeline on private property. Private service lines would be installed to each unit. At each unit, Mesa Water would install and own the water meter. This configuration would avoid pipeline easements on private property and allow individual metering, but would require an access easement for the meters.

An initial list of pros and cons for individually metering units within HOAs and apartment communities is shown in Table 1.

Table 1. Pros and Cons of Updated Single Meter Policy

Pros	Cons
A direct billing and communication connection	Increased number of bills to process and send
Cost positive	Potential increase in delinquent accounts
No interior pipe easements or ownership	Complicated meter piping
Improved leak detection	Owners shutting down Mesa Water Customers
	Increased staffing needs
	Access to read meters (gated communities)
	Internal cross connection
	Non-permitted internal connections

The goal of an updated Single Meter Policy would be to improve communication with all Mesa Water customers. Providing a bi-monthly bill to individual units rather than HOAs or apartment communities is one idea. Staff will discuss outreach approaches for existing apartments and master meter customers such as mailing lists and door hangers.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

MEMORANDUM

TO: Board of Directors

FROM: Paul E. Shoenberger, P.E., General Manager

DATE: April 3, 2025

SUBJECT: Fiscal Year 2026 Strategic Plan

RECOMMENDATION

Approve Mesa Water District's Fiscal Year 2026 Strategic Plan.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase 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 March 19, 2024 workshop, the Board brainstormed annual strategic goals and objectives for the Fiscal Year (FY) 2025 Strategic Plan and directed staff to bring a draft plan to a future meeting.

At its April 24, 2024 meeting, the Board of Directors (Board) approved the FY 2025 Strategic Plan.

DISCUSSION

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

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

The draft FY 2026 Strategic Plan lists a multitude of new objectives for each of the District's seven strategic plan goals; the following list highlights the key additions to the new plan:

- Develop a Scope of Work for the recommended next step from the Local groundwater Supply Improvement Project (Local SIP) feasibility study by December 2025

- Complete a study by December 2025 to evaluate supplying local groundwater to the City of Huntington Beach

- Secure a professional services firm to develop specifications and requirements for a modern financial and accounting system by June 2026

- Create and implement Standard Operating Procedures across ten key financial processes by June 2026

- Complete a business process department assessment of Engineering and deliver the report to the General Manager by December 2025

- Host 100 field trips and tours at the Mesa Water Education Center by June 2026

- Explore and evaluate the Inspira Lifestyle Spending Account (LSA) Wellness Program by March 2026

- Implement a new Customer Information System by October 2026

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

- Engage in the state of California's Ocean Plan Amendment process through June 2026 to enable more favorable permitting conditions for water desalination projects

Staff recommends that the Board approve the FY 2026 Strategic Plan, with possible modifications, at its April 3, 2025 workshop.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: Fiscal Year 2026 Strategic Plan, Draft
Attachment B: Fiscal Year 2025 Strategic Plan, Redline

STRATEGIC PLAN

Fiscal Year 2026

Vision

To Be a Top Performing Public Water Agency

Mission Statement

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

Core Values

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

Strategic Goals

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

2. **Perpetually renew and improve our infrastructure.**

3. **Be financially responsible and transparent.**

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

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

6. **Provide excellent customer service.**

7. **Actively participate in regional and statewide water issues.**

Strategic Goal #1

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

Objective A: Continue to meet and surpass water quality standards.
- Update the District's Public Health Goals as required per the California Health and Safety Code by July 2025

Objective B: Maintain and protect a high-quality water supply.
- Submit the District's Cross-Connection Control Plan to the California Division of Drinking Water by July 2025

Objective C: Continue to ensure a reliable and abundant supply of water.
- Update the District's Emergency Response Plan (ERP) per the American Water Infrastructure Act (AWIA) by September 2025
- Develop a Scope of Work for the recommended next step from the Local groundwater Supply Improvement Project (Local SIP) feasibility study by December 2025

Objective D: Ensure emergency operations.
- Construct emergency backup power at the District's Headquarters and Reservoir 1 by March 2026

Strategic Goal #2

Perpetually renew and improve our infrastructure.

Objective A: Manage water infrastructure assets to assure reliability.
- Create and memorialize standard operating procedures for all routine activities in the Distribution section of Water Operations by June 2026

Objective B: Efficiently manage our water system.
- Complete the Master Plan and adopt high priority actions by August 2025
- Implement vehicle maintenance software by September 2025
- Complete a study by December 2025 to evaluate supplying local groundwater to the City of Huntington Beach
- Conduct a pilot conversion from aqueous ammonia to liquid ammonia to liquid ammonium sulfate at the Mesa Water Reliability Facility by March 2026
- Submit a plan to implement Mesa Water's Mobile Work Order Functionality by June 2026

Objective C: Plan future projects based on data-driven and life-cycle cost decisions.
- Develop the vision for a SCADA Asset Management Program by October 2025
- Evaluate the installation of an Electric Vehicle Charging Station at the Mesa Water Reliability Facility by December 2025

Objective D: Improve Mesa Water's information technology infrastructure assets to assure reliability and security.
- Secure a professional services firm to develop specifications and requirements for a modern financial and accounting system by June 2026
- Implement improved meter reading software and hardware by August 2025
- Complete a Microsoft Office 365 optimization review by December 2025
- Competitively bid IT services and present result to the Board by March 2026

Strategic Goal #3

Be financially responsible and transparent.

Objective A: Maintain AAA financial goals and meet the appropriate designated fund level goals.
- Develop a standalone report for the AAA rating metrics by December 2025

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

Objective C: Fund the Board's and District's priorities.
- Conduct Federal Earmarks advocacy through September 2025 for Mesa Water's priority projects — "Mainline Valves", "MWRF Backup Power" and "Cybersecurity" and determine 2026 priorities by March 2026
- Implement a robust strategy to aggressively pursue grants and low-interest loan funding for Mesa Water's Capital Improvements and priority projects by June 2026

Objective D: Encompass financial responsibility and transparency.
- Standardize contracts and create a procurement matrix by December 2025
- Obtain the District Transparency Certificate of Excellence by June 2026
- Obtain the District of Distinction Certificate by June 2026
- Complete a business process department assessment of Engineering, and deliver the report to the General Manager by December 2025
- Select the next department to undergo a business process department assessment in Fiscal Year 2027 and conduct a Request for Proposal by June 2026 to select a consultant to conduct that assessment.
- Create and implement Standard Operating Procedures across key financial processes: Accounts Payable, Accounts Receivable, Budgeting, Cash Receipts, Financial Reporting, Payroll, Procurement, and Project Tracking by June 2026

Strategic Goal #4

Increase public awareness of Mesa Water.

Objective A: Enhance Mesa Water's visibility and positive recognition.
- Implement Phase II of the "Detail the District" plan by June 2026
- Reach non-customer audiences, e.g., renters, by cultivating partnerships and sponsorships with trusted local organizations and geotargeted digital and direct mail marketing by June 2026

Objective B: Increase awareness of Mesa Water and water among key audiences.
- Reinstitute Neighborhood Chats hosted at the Mesa Water Education Center by November 2025
- Launch monthly public tours at the Mesa Water Education Center by November 2025
- Host 100 field trips and tours at the Mesa Water Education Center by June 2026

Objective C: Increase customer knowledge about water-use efficiency and water-wise resources
- Host two water use efficiency workshops, e.g., water-wise landscaping, smart timer education by June 2026

Strategic Goal #5

Attract, develop and retain skilled employees.

Objective A: Attract and retain a qualified, skilled and capable workforce.
- Explore and evaluate a new dental insurance plan by September 2025
- Complete a general salary increase survey of our benchmark agencies by June 2026
- Competitively select a firm by June 2026 to conduct an Agency-Wide Classification and Compensation Study

Objective B: Develop employee skills.
- Facilitate performance management training for managers and supervisors by September 2025
- Conduct two Elite Onboarding sessions by June 2026

Objective C: Enhance employee engagement.
- Administer an annual employee engagement pulse survey by January 2026
- Administer the annual employee engagement survey by June 2026

Objective D: Provide a safe working environment.
- Explore and evaluate the Lifestyle Spending Account (LSA) Wellness Program by March 2026

Objective E: Improve operational processes and workflow.
- Update recruitment and selection Standard Operating Procedures by September 2025

Strategic Goal #6

Provide excellent customer service.

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

Objective B: Enhance the customer experience.
- Implement a new Customer Information System by October 2026

Objective C: Measure success.
- Implement new metrics for the Elite Customer Services Standards by January 2026

Objective D: Continuous improvement and reinforcement.

Strategic Goal #7

Actively participate in regional and statewide water issues.

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

Objective B: Positively influence water policy and other priority policy issues.
- Engage in the state of California's Ocean Plan Amendment process through June 2026 to enable more favorable permitting conditions for water desalination projects
- Influence implementation of California's water use efficiency regulation through June 2026 to provide the maximum variance for potable reuse of indoor water
- Advocate through June 2026 for water quality regulatory rulemaking to include a standardized cost-benefit analysis for determining economic feasibility

Objective C: Optimize governmental efficiencies affecting Mesa Water.
- Continue improving internal efficiencies through June 2026 for Water Policy processes involving other Mesa Water departments

Objective D: Facilitate Mesa Water's impactful participation with water, government, utility and non-governmental organizations.
- Support through September 2025 President DePasquale's re-election to ACWA's Region 10 Board
- Support through December 2025 Contra Costa Water District President Avila's candidacy for ACWA President, and Rancho Water District Vice President Gonzales-Brady's candidacy for ACWA Vice President

STRATEGIC PLAN

Fiscal Year 2025~~5~~6

Vision

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Mission Statement

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- **Philosophy of Abundance**
- **Perpetual Agency Philosophy**

Strategic Goals

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

2. Perpetually renew and improve our infrastructure.

3. Be financially responsible and transparent.

4. Increase ~~favorable opinion~~public awareness of Mesa Water.

5. Attract, develop and retain skilled employees.

6. Provide excellent customer service.

7. Actively participate in regional and statewide water issues.

Strategic Goal #1

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

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

- ~~Update the District's triannual in-home Sampling Plan for compliance under the Lead and Copper Rule Revisions and the Lead and Copper Rule Improvements by December 2024~~
- ~~Evaluate effectiveness of free chlorine conversion by November 2024~~ Update the District's Public Health Goals as required per the California Health and Safety Code by July 2025

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

- ~~Submit final findings to DDW for the Lead and Copper Rule Revisions by October 2024~~ Submit the District's Cross-Connection Control Plan to the California Division of Drinking Water by July 2025

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

- ~~Complete the Local groundwater Supply Improvement Project (Local SIP) feasibility study by June 2025~~ Update the District's Emergency Response Plan (ERP) per the American Water Infrastructure Act (AWIA) by September 2025
- Develop a Scope of Work for the recommended next step from the Local groundwater Supply Improvement Project (Local SIP) feasibility study by December 2025

Objective D: Ensure emergency operations.

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

Strategic Goal #2

Perpetually renew and improve our infrastructure.

Objective A: Manage water infrastructure assets to assure reliability.
- ~~Complete construction on Reservoir 2's Reservoir Management System by March 2025~~
- ~~Create and memorialize a capital valve replacement process from valve discovery to updating assets in GIS by February 2025~~Create and memorialize standard operating procedures for all routine activities in the Distribution section of Water Operations by June 2026

Objective B: Efficiently manage our water system.
- Complete the Master Plan and adopt high priority actions by August 2025
- Implement vehicle maintenance software by September 2025
- Complete a study by December 2025 to evaluate supplying local groundwater to the City of Huntington Beach
- Conduct a pilot conversion from aqueous ammonia to liquid ammonia to liquid ammonium sulfate at the Mesa Water Reliability Facility by March 2026
- Submit a plan to implement Mesa Water's Mobile Work Order Functionality by June 202~~5~~6
- ~~Select a Program Manager and develop a Request for Proposal for a new Plan Check system by June 2025~~
- ~~Complete a study to evaluate supplying local groundwater to the City of Huntington Beach by March 2025~~
- ~~Implement an updated water supply and demand optimization model by October 2024~~

Objective C: Plan future projects based on data-driven and life-cycle cost decisions.
- ~~Update the Water System Master Plan including an Asset Management Plan by June 2025~~Develop the vision for a SCADA Asset Management Program by October 2025
- Evaluate the installation of an Electric Vehicle Charging Station at the Mesa Water Reliability Facility by December 2025

Objective D: Improve Mesa Water's information technology infrastructure assets to assure reliability and security.
- Secure a professional services firm to develop specifications and requirements for a modern financial and accounting system by June 2026
- Implement improved meter reading software and hardware by ~~June~~August 2025
- Complete a Microsoft Office 365 optimization review by December 2025
- Competitively bid IT services and present result to the Board by March 2026

Strategic Goal #3

Be financially responsible and transparent.

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

- ~~Create an Investment Policy Statement by September 2024~~
- ~~Review of Financial Service Processes and Implementation of Standard Operating Procedures by April 2025~~ Develop a standalone report for the AAA rating metrics by December 2025

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

Objective C: Fund the Board's and District's priorities.

- ~~Define a 10-15 year financial strategic plan by September 2024~~
- ~~Prepare a 10-15 year financial strategic plan by June 2025~~
- Conduct Federal Earmarks advocacy ~~in 2024~~through September 2025 for Mesa Water's priority projects — ~~"Cohort Pipe",~~ "Mainline Valves", "MWRF Backup Power" and "Cybersecurity" ~~by December 2024~~and determine 2026 priorities by March 2026
- Implement a robust strategy to aggressively pursue grants and low-interest loan funding for Mesa Water's Capital Improvements and priority projects by June 202~~5~~6

Objective D: Encompass financial responsibility and transparency.

- ~~Implement an Electronic Content Management System by January 2025~~
- Standardize contracts and create a procurement matrix by ~~November 2024~~December 2025
- Obtain the District Transparency Certificate of Excellence by June 2026
- Obtain the District of Distinction Certificate by June 2026
- Complete a business process department assessment of ~~Administrative Services and Human Resources~~Engineering, and deliver the report to the General Manager by ~~June 2026~~December 2025
- Select the next department to undergo a business process department assessment in Fiscal Year 2027 and conduct a Request for Proposal by June 2026 to select a consultant to conduct that assessment.
- Create and implement Standard Operating Procedures across key financial processes: Accounts Payable, Accounts Receivable, Budgeting, Cash Receipts, Financial Reporting, Payroll, Procurement, and Project Tracking by June 2026

Strategic Goal #4

Increase ~~favorable opinion~~<u>public awareness</u> of Mesa Water.

Objective A: Enhance Mesa Water's visibility and positive recognition.
- Implement Phase I<u>I</u> of the "Detail the District" plan by June 202~~5~~<u>6</u>
- ~~Reach new audiences by hosting Yo Amo Mesa Water and an industry (e.g., building owners, health and medical professionals) briefing/event~~ <u>Reach non-customer audiences, e.g., renters, by cultivating partnerships and sponsorships with trusted local organizations and geotargeted digital and direct mail marketing by June 2026</u>

Objective B: Increase awareness of Mesa Water and water among key audiences.
- <u>Reinstitute Neighborhood Chats hosted at the Mesa Water Education Center by November 2025</u>
- ~~Launch a school field trip program and community tours by September 2024~~<u>Launch monthly public tours at the Mesa Water Education Center by November 2025</u>
- Host ~~50~~<u>100</u> field trips and tours at the Mesa Water Education Center by June 202~~5~~<u>6</u>

Objective C: Increase customer knowledge about water-use efficiency and water-wise resources
- ~~Create Mesa Water-owned rebate programs by June 2025~~
- ~~Reinstitute home water audits by June 2025~~ <u>Host two water use efficiency workshops, e.g., water-wise landscaping, smart timer education by June 2026</u>

Strategic Goal #5

Attract, develop and retain skilled employees.

Objective A: Attract and retain a qualified, skilled and capable workforce.
- Explore and evaluate a new dental insurance plan by September 2025
- Complete a general salary increase survey of our benchmark agencies by June 2056
- Competitively select a firm by June 2026 to conduct an Agency-Wide Classification and Compensation Study

Objective B: Develop employee skills.
- Facilitate performance management training for managers and supervisors by September 2045
- Conduct antwo Elite Onboarding sessions by June 2056

Objective C: Enhance employee engagement.
- Administer an annual employee engagement pulse survey by January 2056
- Administer the annual employee engagement survey by June 2056

Objective D: Provide a safe working environment.
- Implement an updated wellness program by June 2025Explore and evaluate the Lifestyle Spending Account (LSA) Wellness Program by March 2026

Objective E: Improve operational processes and workflow.
- Update recruitment and selection Standard Operating Procedures by September 2045
- Create an HR Calendar of Events by February 2025
- Conduct a Request for Proposal for a Human Resource Information System by November 2024

Strategic Goal #6

Provide excellent customer service.

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

Objective B: Enhance the customer experience.
- Implement a new ~~e~~Customer ~~i~~Information ~~s~~System by ~~June 2025~~October 2026

Objective C: Measure success.
~~Competitively select a consultant to examine the metrics and measurement values of office Customer Service by September 2024~~
- Implement new metrics for the Elite Customer Services Standards by January 2026

Objective D: Continuous improvement and reinforcement.

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

Objective A: Accomplish the Board's Policy Priorities.
- ~~Advocate during the 2024 state legislative session to support an appropriate water bond on the November 2024 ballot by November 2024~~
- ~~Support the 2024 ACWA-sponsored state assembly bill (AB 2599) to clean up enacted legislation from 2023 re. water shutoffs due to nonpayment and restitution authority by October 2024~~
- Advocate through June 2026 to support appropriate Low Income Rate Assistance programs for residential customers of public water agencies in California
- Support through June 2026 industry associations' sponsored state legislation in alignment with the District's priority Policy Platforms and Policy Positions (ACWA's SBs 394 and 454, CMUA's SB 72, CSDA's SB 496 and CWSA's SB 466)
- ~~Re-engage~~Continue engaging the Buried Utilities Coalition (BUC) through June 2026 to advocate on priority air quality regulations of high impact to Mesa Water (CARB ACF, SCAQMD PR 1110.4) ~~by December 2024~~

Objective B: Positively influence water policy and other priority policy issues.
- Engage in the state of California's Ocean Plan Amendment process through June 2026 to enable more favorable permitting conditions for water desalination projects
- Influence implementation of California's water use efficiency regulation through June 2026 to provide the maximum variance for potable reuse of indoor water
- Advocate through June 2026 for water quality regulatory rulemaking to include a standardized cost-benefit analysis for determining economic feasibility

Objective C: Optimize governmental efficiencies affecting Mesa Water.
- ~~Apply for award(s) -- as offered (ACWA ACE) -- for Mesa Water's Business Improvement Process efforts by December 2024~~
- ~~Explore ways to~~Continue improv~~e~~ing internal efficiencies ~~for FY 2025~~through June 2026 for Water Policy processes involving ~~all~~other Mesa Water departments ~~at Mesa Water by June 2025~~

Objective D: Facilitate Mesa Water's impactful participation with water, government, utility and non-governmental organizations.
- ~~Support MET Chair Adan Ortega's re-election in 2024 for a second two-year term by December 2024~~
- Support through September 2025 President DePasquale's re-election to ACWA's Region 10 Board
- Support through December 2025 Contra Costa Water District President Avila's candidacy for ACWA President, and Rancho Water District Vice President Gonzales-Brady's candidacy for ACWA Vice President

TO: Board of Directors

FROM: Hester "Fritz" Petropoulos, Water Use Efficiency and Education Coordinator

DATE: April 3, 2025

SUBJECT: Mesa Water Education Center Enhancements

Dedicated to Satisfying our Community's Water Needs

RECOMMENDATION

    a. Allow the community and staff to experience the Mesa Water Education Center over the next year and gather feedback on layout and exhibits; and

    b. Install audio/visual capabilities to allow virtual meetings to be hosted at the Mesa Water Education Center.

STRATEGIC PLAN

Goal #4: Increase favorable opinion of Mesa Water.

PRIOR BOARD ACTION/DISCUSSION

At its March 12, 2020 meeting, the Board of Directors (Board) approved the Capital Improvement Program Renewal (CIPR) project, which included the design and construction of the Supervisory Control and Data Acquisition (SCADA) Control Room and Wet Lab Upgrades Project, the Mesa Water Reliability Facility (MWRF) parking improvements, and the development of the Mesa Water Education Center (MWEC).

At its November 9, 2021 workshop, the Board reviewed the MWEC exhibit design concepts and layout.

At its March 19, 2024 workshop, the Board received a presentation on a five-year vision plan for the MWEC.

At its March 27, 2024 meeting, the Board adopted Resolution No. 1592 adopting a District Facility Use Policy Superseding Resolution No. 1135.

At its April 24, 2024 meeting, the Board received a presentation for a one-year plan for the MWEC and also approved the Fiscal Year 2025 Strategic Plan which includes Strategic Goal #4, Objective B: Increase awareness of Mesa Water and water among key audiences by:
- Launching a school field trip program and community tours by September 2024
- Hosting 50 field trips and tours at the Mesa Water Education Center by June 2025

DISCUSSION

The MWEC was completed in June 2024. Since that time, the Board has had the opportunity to tour the new facility on a number of occasions and experience the flow of the facility and the interactive exhibits. During these experiential visits, ideas and suggestions for enhancements have come forward.

The Board recently met with staff at the MWEC to document specific changes for consideration. At this time, staff's recommendation is to allow the community and staff to experience the Mesa Water Education Center over the next year and gather feedback on layout and exhibits; and install audio/visual capabilities to allow virtual meetings to be hosted at the Mesa Water Education Center. Staff will give a verbal update for the Board's discussion at its April 3, 2025 workshop.

FINANCIAL IMPACT

In Fiscal Year 2025, Public Affairs has budgeted $1,047,550 for Public Affairs Support Services; $411,365 has been spent to date.

ATTACHMENTS

None.

MEMORANDUM

TO: Board of Directors

FROM: Kurt Lind, Business Administrator

DATE: April 3, 2025

SUBJECT: Fiscal Year 2026 Performance Audit Process Guide

RECOMMENDATION

Approve Mesa Water District's Fiscal Year 2026 Performance Audit Process Guide.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

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

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

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

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

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

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

At its March 22, 2022 Committee meeting, the Board received a presentation highlighting the results from the FY 2020 Performance Audit.

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

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

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

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

BACKGROUND

In August 2024, LA Consulting, Inc. (LAC) kicked off the FY 2024 Annual Performance Audit. The audit focused on Mesa Water's system and processes to ensure they are functioning as designed. The audit comprehensively reviewed the District and its seven departments, measuring 73 KPIs to evaluate the following:
- The quality of the information staff uses to manage and measure performance;
- The District's business systems and related processes are set up and operating appropriately;
- Critical activities of the business are completed on time and with quality; and,
- Critical programs and processes are in place and operating properly.

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

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

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

Mesa Water earned an overall score of 76% (Green) for the FY 2024 Performance Audit.

DISCUSSION

Mesa Water's Business Management Process, as it relates to the FY 2026 Performance Audit, is designed to communicate and address the recommendations from the performance auditor to the management team. The department manager is required to develop and submit to the General Manager an official response to the performance auditor's recommendations from the FY 2024 Annual Performance Audit.

The General Manager and Department Manager met and reviewed each recommendation and decided upon actions to be taken and a resolution. Action steps were created that include a timeframe and person responsible to ensure actions will be completed. The Performance Audit Process Guide was then amended as necessary for the FY 2026 Annual Performance Audit.

Mesa Water's Business Management Process was also designed to communicate to the Board any significant changes to the measures and/or KPIs. These changes are documented and highlighted in the Performance Audit Process Guide (Attachments A and B). Below is a summary of the document's changes for Board approval:

Water Operations
No changes were made to the Performance Audit Process Guide for FY 2026.

However, there were two recommendations by the auditor related to improved internal departmental documentation for performance clarity:

- Performance Indicator No. 4 – Affirm Quarterly Asset Verification Meetings. The auditor suggested adding clarity on the approach with this metric. Staff agrees with this recommendation. These meetings take place quarterly to track the progress of the asset management process.

- Performance Indicator No. 6 – Comparison of the Submission Time of the Email Production Duty Checklist. The auditor suggested adding documentation of the reasoning for any missing time entries. Staff agrees with this recommendation.

Engineering
No changes were made to the Performance Audit Process Guide for FY 2026.

However, there were two recommendations by the auditor related to improved internal departmental documentation for performance clarity:

- Performance Indicator No. 1 – Work Reporting Accuracy. The auditor suggested an improvement to the recording of labor hours for staff. Staff agrees with this recommendation.

- Performance Indicator 3 – Project Hours. The auditor suggested an adjustment to the calculation of billable hours for staff by including "leave" hours. Staff disagreed with this recommendation and no changes were made to the calculation. Research of this calculation concluded that "leave" hours should be excluded.

Customer Services
No changes were made to the Performance Audit Process Guide for FY 2026.

However, there were two recommendations by the auditor related to improved internal departmental documentation for performance clarity:

- Performance Indicator 1 – Results from Key Performance Indicators. The auditor suggested to add another performance metric. Staff agrees with this recommendation and is currently reviewing the Customer Service metrics with an independent, professional Customer Service consulting firm. Any suggested changes will be provided to the Board for approval for the FY 2027 Performance Audit Process Guide.

- Performance Indicator 3 and 5 – Overall Score of the Elite Customer Service Audit. The auditor suggested reducing the impact of measuring the results of the Elite Customer Service Audit by adding more metrics for Customer Service. Staff is currently reviewing the Customer Service metrics with an independent, professional Customer Service consulting firm. Any suggested changes will be provided to the Board for approval for the FY 2027 Performance Audit Process Guide.

Financial Services
No changes were made to the Performance Audit Process Guide for FY 2026.

The Financial Services Department is currently the first of the District's departments to undergo a Department Assessment as mandated by Resolution No. 1591.

Recommendations have been made by the consultant performing the internal control assessment and have been shared with the Board and staff.

Public Affairs

One recommended change was made to the Performance Audit Process Guide for FY 2026:

1. **Measure 7: Increase the number of Social Media followers (Costa Mesa Only) on Facebook and Instagram (Attachment B, page 43):**
   - Adjust the performance indicator from "number of followers" to "reach and engagement" Measuring the number of followers is an outdated metric. The new metric and recommended measure standard for "reach and engagement" now reads as follows:

   Measure 7: Increase the social media reach and engagement from the previous fiscal year:
     - 9% or less is below acceptable standards
     - 10% to 19% is within the acceptable standards
     - 20% or higher is exceeding acceptable standards

Administrative Services

One recommended change was made to the Performance Audit Process Guide for FY 2026:

1. **Measure 3: Board and Committee Meeting Minutes (Attachment B, page 48):**
   - Staff recommends adjusting the acceptable measures for this metric. Currently, the measure standard is 100% for gold and less than 100% is red with a green score being not applicable. The recommended measure is as follows:
     - 89% or less is below acceptable accuracy standards
     - 90% - 94% is within the acceptable accuracy standards
     - 95% or higher is exceeding acceptable accuracy standards

Human Resources

No changes were made to the Performance Audit Process Guide for FY 2026.

Mesa Water District

One recommended change was made to the Performance Audit Process Guide for FY 2026:

1. **Remove this section from the Performance Audit (Attachment B , page 61):**
   - The Board eliminated the Mesa Water District Fiscal section of the District-Wide Annual Performance Audit and directed staff to develop a standalone report for the AAA rating metrics and to agendize the topic at a future Board meeting.

The performance audit supports Mesa Water's commitment to continuous improvement by providing meaningful feedback that assures the Vision and Strategic Plan of the Board, reassures

the efficient and effective management of public funds, and ensures that measurable standards are in place and achieved.

<u>FINANCIAL IMPACT</u>

None.

<u>ATTACHMENTS</u>

Attachment A: FY 2026 Performance Audit Process Guide (Clean)
Attachment B: FY 2026 Performance Audit Process Guide (Denoted Changes)
Attachment C: FY 2026 Performance Audit Scorecards
Attachment D: FY 2026 Performance Audit Weighting Criteria
Attachment E: FY 2026 Performance Audit Key Performance Indicators

MesaWater
DISTRICT

Performance Audit Process Guide

Final

Fiscal Year 2026

Performance Audit Process Guide

Overview

Mesa Water® District's (Mesa Water®) Board of Directors (Board) has established its Strategic Plan that encompasses seven high level goals. These overarching goals provide the vision for the District and guidance with goals to achieve for staff. The Strategic Plan is the foundation of Mesa Water's business strategy. Moreover, the Strategic Plan establishes a fundamental business management process that embraces the District's Perpetual Agency philosophy. The steps of this business management process include the following:

- Strategic Plan
- Goals
- Key Performance Indicators
- Performance Audit

This sound business approach encompasses the important components of communication, agreement, and feedback of the Goals and Key Performance Indicators (KPIs) at every level within the organization. Communication links all of these pieces and enables Mesa Water to perform and achieve at a high level. The Strategic Plan establishes the Board's vision. Management and staff work together to develop the plans and measures detailing how to reach that vision. It all begins with the leadership of Mesa Water providing their vision for the District.

Strategic Plan

The Board provides the General Manager with direction regarding the District's high level goals and objectives for the upcoming year. Based on this direction, priorities are established, resources are allocated, and staff works to accomplish the goals and objectives.

Department Goals

Mesa Water's goals for each department help determine our KPIs. For example, Water Operations staff has a goal to maintain main line valves by exercising them every two years. Administrative Services staff produces 4 – 6 Committee and Board Packets every month. Customer Services staff reads the water meters, processes billing, and provides our ratepayers excellent customer service. Financial Services staff produces the payroll, pays our vendors, and closes the books every month. By understanding the major activities of what the District does as an agency provides insight with developing goals.

Key Performance Indicators

Mesa Water is in a strong business position in the areas of transparency, accountability, and efficiency. Through the Business Improvement Process Implementation, staff developed:

- Work activities and plans
- Balanced and streamlined labor resources
- Determinations of how and when we do our work
- Established expectations and measurable results

KPIs are the heartbeat of the District's performance management process. They tell us whether we are making progress towards our goals that are linked to the Strategic Plan. There are seven areas that make up the foundation of the KPIs:

- Measure
- Target
- Source
- Frequency
- Purpose
- Audit Preparation
- Strategic Plan

Measure – We can measure progress, which is the percent complete of what we are measuring and we can measure change, which is what we are expecting out of what we are measuring. An example of measuring progress is the percent of valves

exercised to date. An example of measuring change would be if the Board wanted to increase the District's day's cash position in comparison to last year.

Target – This represents the quantifiable piece of the KPIs. Examples include the number of valves exercised, the number of Board Packets produced, and the number of checks written to pay vendors for the year.

Source – This represents the information source that is used to glean the KPIs. Examples include the Computerized Maintenance Management System, Financial System, and Customer Information System.

Frequency – This is how often the results of each KPI are communicated; they can vary from monthly to quarterly depending on the audience.

Purpose – This describes the reasoning for why we are measuring the activity.

Audit Preparation – This provides the expectation of what the department staff need to have prepared in advance of the audit.

Strategic Plan – This represents how the KPIs relate to the strategic plan goal(s).

Understanding what needs to be monitored and how often is the basis for sound decision-making. This will be a critical component of Mesa Water's business strategy.

Mesa Water establishes performance measures because it allows us as an organization to evaluate how well our services are performed and holds us accountable to our annual goals. They provide management the ability to measure accomplishment, time, and cost in order to manage all aspects of the operation. Most importantly, performance measures make transparent our activities and show what services our ratepayers receive for their dollars.

Performance Audits

The performance audit focuses on our system and processes to ensure they are functioning as designed. Components of the audit vary depending on the department, but embrace the following concepts:

- Reviewing the quality of the information staff uses to measure
- Ensuring that our business systems and related processes are set up and operating appropriately
- Ensuring that critical activities of the business are completed on time and with quality
- Ensuring critical programs and processes are in place and operating properly

The performance audit is an independent, third-party confirmation of our performance for the year. The audit is designed to be simple to communicate and meaningful

because the focus is on our most critical business functions. It is meant to be a straightforward evaluation of Mesa Water's efficiency and effectiveness. The performance audit supports Mesa Water's commitment to continuous improvement by providing meaningful feedback that can lead to operational improvements. Overall, the performance audit:

- Assures the vison of the Board
- Reassures efficient and effective management of public funds
- Ensures that measures and standards are in place and achieved

Embracing the Business Management Process benefits our Board, ratepayers, and Mesa Water staff. It reinforces our commitment to our responsibility to our ratepayers; our ratepayers receive an efficiently run business and accountability of resources; and provides the organization with meaningful challenges coupled with opportunity for improvement.

Performance Audit Process

Planning

The first phase of the audit process involves planning the audit, including defining the audit objective, scope, schedule, and audit criteria. This phase involves communicating with the Management Team and each of the departments to share the audit process expectations for both the auditors and staff. The purpose of these meetings are to accomplish the following:

- Review of the information and criteria related to the program or activity to be audited
- Communication of the scope and schedule
- Establish the expectations when the auditors are on site
- Provide a forum for staff questions and feedback

Information Gathering and Analysis

In the second phase of the audit process, the auditors gather and analyze the information necessary to draw a conclusion on each of the particular performance measures. This includes collecting department-prepared documentation and, if necessary, conducting interviews with the managers and staff relevant to the performance measure.

What the Auditors Require:

Access: providing the auditor with access to the premises, systems, documents, and other property that may be necessary to the audit.

Responsiveness: managers and relevant staff should be reasonably available when the auditors are on site for questions, request for documentation, and access to information.

Feedback: concerns or issues related to the audit should be raised with the Business Administrator in a timely manner. The Business Administrator will address these concerns with the General Manager and will provide feedback within 10 business days from the date of notification. The Business Administrator will also seek feedback on the conduct of the audit process at the conclusion of the audit.

Reporting

The third phase is producing the preliminary audit findings, conclusions, and recommendations. This information is provided to the Department Managers for review and feedback, including to correct errors of fact, and where necessary, to allow for provision of additional information and context.

The Business Administrator will schedule individual meetings with the auditor and Department Managers to share the draft information. The auditors first present the information in a presentation format and provide a copy of the presentation to the Department Manager. This format allows for a question and feedback process to ensure clarity of the information and that audit results are communicated. Any issues that arise will be documented by the auditor and reviewed for further consideration. The manager is responsible for providing further context, data, or any other sort of information to the Business Administrator for the auditor to review within seven business days after the audit presentation meeting. The auditor will take no more than seven business days to resolve any outstanding issues. The auditor will make the final determination and score the performance measure(s) accordingly.

The auditor will then prepare written documentation of the draft performance audit results for each department. The report will be provided as one document with a number of sections representing the audited department. The manager is provided seven business days to review the report and provide feedback to the Business Administrator for the auditor to review. The auditor will take no more than seven business days to review any comments. The auditor will make the final determination and score the performance measure(s) in question accordingly. The final report will be prepared and distributed to the Management Team. The auditor and Business Administrator will present the audit results to the Board.

The Business Administrator will be responsible for organizing the recommendations from the audit of each department into an Action Plan. The Business Administrator will submit the Action Plan to the General Manager and Department Manager within twenty business days after the submission of the final report. Each Department Manager will meet with the General Manager and Business Administrator to review each recommendation; discuss/determine/agree to a resolution; and assign a responsible resource to accomplish the agreed upon recommended action(s). This meeting will occur within fifteen business days after the submission of the Action Plan.

The Department Manager is responsible to facilitate and complete each of the agreed upon recommended action(s). Upon completion of each action, the Department Manager will meet with the General Manager and review the completed effort. The General Manager will formally approve the completed action with their signature on the specific recommended action within the Action Plan. The Department Manager will keep record of the Action Plan and will make it available for the forthcoming Annual Performance Audit.

The following pages outline the specific KPIs for each department. The intent of this narrative is to provide a higher level of detail in an effort to bring clarity and agreement to each KPI. The performance indicators are designed to be flexible in order to adjust to the vision of the Board. Any changes to the KPIs will be brought to the Board for approval. This ensures that the vision of Mesa Water aligns with the KPIs.

Water Operations

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

a. Capital Mainline Valve Replace (number of valves replaced per day)
b. Capital Hydrant Upgrade (number of hydrants upgraded per day)
c. Hydrant Maintenance (number of hydrants maintained per day)
d. Distribution Valve Maintenance (number of valves maintained per day)
e. Night Valve Maintenance (number of valves maintained per day)
f. PDO System Monitoring (number of system checks completed per day)
g. PDO Weekly (number of completed checklists per day)
h. Backflow Test Reports (number of test reports completed per day)
i. Water Quality Sampling (number of sites sampled per day)
j. Instrument Calibration Checks (number of instruments checked per day)
k. Capital Small Meters (number of small meters replaced per day)
l. Capital Large Meters (number of large meters replaced in a day)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The measure for each activity is average daily production (ADP) which is a standard output measure that is based on the average number of units produced in a 9-hour day of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = below range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = above range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System (CMMS)

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

VERIFY ACCURATE REPORTING OF WORK

Measure 2: Work Reporting Accuracy

Target: This measure is verified by the percent of accurate work reporting entry into the Computerized Maintenance Management System. A random sample of work reporting forms are selected by the auditor. The auditor will then compare the data on the work reporting form to the data entered in the Computerized Maintenance Management System. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity.

Deviations between what was reported and what was entered into the system will be noted and the accuracy percent will be determined.

Work Reporting Accuracy = Total Data Entry Points/Accurate Data Entry Points

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the accuracy of the information entered into the Computerized Maintenance Management System. The various reports generated from the system are used to make management decisions including work planning, work scheduling, activity performance (productivity), activity costing, work loading, monthly activity monitoring, labor/equipment/parts utilization, and various analysis reports. The management decisions are impactful to the organization and require data entry to meet or exceed acceptable accuracy standards.

Audit Preparation: Work reporting forms for the fiscal year organized, prepared and presented to the auditor upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 3: Two-Week Scheduling, Data Entry, & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule, entry of performance data, and holding the monthly work status meeting. There are 26-27 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted, 12 occurrences where performance data input is completed, and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 50 to 51 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embraces the District's perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACCURACY OF ASSETS

Measure 4: Affirm Quarterly Asset Verification Meetings

Target: Percent of successfully scheduled and performed asset verification meetings. The meetings are run by the Water Operations Manager with the following staff in attendance:

- Assistant Water Operations Manager
- Water Operations Supervisor(s)
- Water Quality & Compliance Supervisor
- Field Services Supervisor
- Department Assistant

A meeting agenda is developed that outlines the various assets groups to be discussed and reviewed including Water System, MWRF, Water System Valves, Water System Hydrants, Facilities, and Fleet. Each supervisor will report any assets that have been added or replaced within the asset groups that are under their responsibility. Added or replaced assets are recorded on the Retiring and Implementing New Asset Form that will be presented at this meeting and confirmed as complete.

This measure is verified by the percentage of successful on time events for the quarterly meeting with department staff. For example, there are 4 scheduled meetings for the fiscal year and if 4 successful events occurred out of 4 possible, the success rate would be 100%.

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored quarterly by the Department Manager and/or Assistant Water Operations Manager through Asset Verification Meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water's critical assets are monitored, maintained, and that the CMMS accurately reflects the assets that are in the field.

Audit Preparation: Meeting Package (agenda, any Retiring and Implementing New Asset Form(s), action plan) organized in a file drawer with easy access upon request.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.

WATER QUALITY

Measure 5: Verify Monthly Water Quality Test Results Submitted to California Division of Drinking Water

Target: Percent of on-time submittals of Mesa Water's water quality test results submitted to California Division of Drinking Water. This measure is verified by the 12 sent emails to California Division of Drinking Water. If the due date falls on a weekend or holiday, the next business day is considered the deadline for submission.

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored monthly by the Department Manager and supervisor through review and submission of test results to California Division of Drinking Water. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California Division of Drinking Water, water quality testing requirements.

Audit Preparation: Organize confirmation emails in one file folder from July to June for the audit year.

Strategic Plan: Goal 1 – Provide a safe, abundant, and reliable water supply.

PRODUCTION DUTY OPERATOR

Measure 6: Production Duty Checklist Compliance

Target: Percent of on-time submittals of emailed production duty checklist to the Production Duty Operator (PDO) Group within the agreed upon time requirements as documented in the Production System Operation Plan. This measure is verified by review of the Supervisor's PDO Daily Performance Log.

The PDO is on-call 24 hours a day for a 7-day period to oversee the operations of Mesa Water's production and storage systems. The PDO shall be responsible for monitoring the SCADA system and use it to capture the required checklist parameters. The PDO shall check the SCADA system (per checklist requirements) to monitor the system parameters via their assigned production duty laptop computer per the following schedule:

- Weekdays (Regular Shift): The PDO shall monitor the operational system parameters at the start of regular work shift at 7:15 (7:45 am Mondays), 10:00 am, 1:00 pm, and 4:15 pm;

- Weeknights: The PDO shall monitor the operational system parameters at 7:00 pm, between 10:00-11:00 pm, and between 4:00-5:00 am;

- Weekends: The PDO shall monitor the operational system parameters at 7:00 am, 10:00 am, 1:00 pm, 4:00 pm, 7:00 pm, between 10:00-11:00 pm, and 4:00-5:00 am;

The checklist is submitted seven times per day, 365 days per year resulting in 2,555 submittals. This is measured by the percentage of successful on-time submission of the PDO Checklist based on the standards established in the Production System Operation Plan. For example, if there were 2,409 successful submissions out of 2,555 possible, the success rate would be 94%. If the due date falls on a weekend or holiday, the next business day is considered the deadline for submission.

The following is the acceptable accuracy range:

- 93% or less is below acceptable accuracy standards
- 94% - 96% is within acceptable accuracy standards
- 97% or higher is exceeding acceptable accuracy standards

Source: Supervisor's PDO Daily Performance Log

Frequency: Monitored daily by the supervisor through review and submission of the PDO Checklist emailed to the PDO Group List. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water's system is operating and performing to the standards documented in the Production System Operation Plan.

Audit Preparation: Prepare and submit upon request the PDO Supervisor Log.

Strategic Plan: Goal 1 – Provide a safe, abundant, and reliable water supply.

FLEET COMPLIANCE

Measure 7: Quarterly CHP/BIT Completed

Target: Compare planned CHP/BIT schedule for required fleet to actual results. This should be completed at 100% for all vehicles that meet the requirements for the CHP/BIT for the previous calendar year. The Water Operations Coordinator is responsible for planning, completing, recording, and filing the CHP/BIT results every quarter. For each quarter, the auditor will review the following for every required vehicle:

a. The CHP/BIT form is completed for each inspection item
b. Identified repairs are completed within 3 months and confirmed by a work order.

  c. The CHP/BIT form signed off by a professional fleet mechanic

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored quarterly by the Department Manager and Water Operations Coordinator through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California Highway Patrol pursuant to Section 34501 or 35501.12 of the Californian Vehicle Code (CVC)

Audit Preparation: CHP/BIT paperwork organized in a file drawer with easy access upon request. Submit a list of vehicles by VIN that are subject to the regulation for the audit year. Organize inspection results in a one file folder for the preceding calendar year.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.
      Goal 6 – Provide outstanding customer service.

Measure 8: Annual SMOG Testing Completed

Target: Compare planned SMOG Testing schedule for required fleet to actual results. This should be completed at 100% for all vehicles that meet the requirements for the previous calendar year. The Water Operations Coordinator is responsible for planning, completing, recording, and filing the SMOG Testing results each calendar year. The auditor will review the following for every required gas powered vehicle:

  a. The Vehicle Inspection Report is completed for each vehicle by a certified testing location
  b. The form signed off by a certified professional SMOG technician

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored annually by the Department Manager and Water Operations Coordinator through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California emissions codes

Audit Preparation: SMOG paperwork organized in a file drawer with easy access upon request. Submit a list of vehicles by VIN that are subject to the regulation for the audit year. Organize inspection results in a one file folder for the preceding calendar year.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.
Goal 6 – Provide outstanding customer service.

Measure 9: Annual Opacity Testing Completed

Target: Compare planned Opacity Testing schedule for required fleet to actual results. This should be completed at 100% for all vehicles that meet the requirements for the previous calendar year. The Water Operations Coordinator is responsible for planning, completing, recording, and filing the Opacity Testing results each calendar year. The auditor will review the following for every required diesel powered vehicle:

   c. The Vehicle Inspection Report is completed for each vehicle by a certified testing professional
   d. The form signed off by a certified professional Opacity technician

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored annually by the Department Manager and Water Operations Coordinator through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California Air Resources Board emissions codes

Audit Preparation: Opacity paperwork organized in a file drawer with easy access upon request. Submit a list of vehicles that are subject to the regulation for the audit year. Organize inspection results in a one file folder for the preceding calendar year.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.
Goal 6 – Provide outstanding customer service.

REVIEW OF COMPLIANCE DOCUMENTATION

Measure 10: Review of Regulatory Compliance Reports.

Target: Mesa Water will identify in the Regulatory Compliance Log those reports that have set, regulated compliance dates. The Regulatory Compliance Report Log will denote due dates and intervals (monthly, quarterly, annual) regarding the submission

requirements. The auditor will randomly select and confirm seven reports that have been completed and submitted to appropriate regulatory agencies. This measure is verified by the accompanied sent emails to the appropriate regulatory agency. If the due date falls on a weekend or holiday, the next business day is considered the deadline for submission.

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored by the Department Manager and Water Quality Supervisor through quarterly review. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance various federal, state, and county regulatory agencies depending on the report selected.

Audit Preparation: Submit compliance documentation log upon request. Auditor to select seven (7) random compliance reports for the audit. Provide written/electronic confirmation of report submission for the three reports.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACTION PLAN COMPLIANCE

Measure 11: Review of all action plans associated with any Root Cause Analysis conducted during the audit year. Confirm that an action plan exists and that progress is being made towards completion.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide any Root Cause Analysis Action Plan that was conducted during the audit year to the auditor. The Root Cause Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Root Cause Analysis Action Plan(s) for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon root cause analysis recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Root Cause Analysis Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 12: Review of all action plans associated with the Annual Water Operations Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 13: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Engineering

VERIFY ACCURATE REPORTING OF WORK

Measure 1: Work Reporting Accuracy

Target: This measure is verified by the percent of accurate work reporting entry into the Computerized Maintenance Management System. A random sample of work reporting forms are selected by the auditor. The auditor will then compare the data on the work reporting form to the data entered in the Computerized Maintenance Management System. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity.

Deviations between what was reported and what was entered into the system will be noted and the accuracy percent will be determined.

Work Reporting Accuracy = Total Data Entry Points/Accurate Data Entry Points

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the accuracy of the information entered into the Computerized Maintenance Management System. The various reports generated from the system are used to make management decisions including work planning, work scheduling, activity performance (productivity), activity costing, work loading, monthly activity monitoring, labor/equipment/parts utilization, and various analysis reports. The management decisions are impactful to the organization and require data entry to meet or exceed acceptable accuracy standards.

Audit Preparation: Work reporting forms for the fiscal year organized, prepared and presented to the auditor upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling, Data Entry, & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule, entry of performance data, and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where performance data input is completed. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 35 successful submissions and events out of 38 possible, the success rate would be 92%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two-week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ENGINEERING PROJECTS

Measure 3: Project Hours

Target: Percent of labor hours directly associated with Capital and Expense Projects compared to available hours less leave. The available hours are established at 2,080 for each Mesa Water engineer. The leave hours associated with the audit year are determined for each Mesa Water engineer through activity code OH-01 Leave and generated out of the Computerized Maintenance Management System. The project hours associated with the audit year are determined for each Mesa Water® engineer through a project hour report generated out of the Computerized Maintenance Management System. The calculation is applied as follows:

Project Application Rate = Actual Booked Hours/Available Hours – Leave Hours

The following is the acceptable accuracy range:

- 69% or less is below acceptable standards
- 70% - 79% is within the acceptable standards
- 80% or higher is exceeding acceptable standards

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the application of staff time booked to Capital and Expense Projects compared to staff availability.

Audit Preparation: No preparation needed. Information provided by the Computerized Maintenance Management System.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 4: Construction Inspections

Target: Percent of construction inspections performed within three business days.

A sample of Customer Project files are randomly selected by the auditor for review. Inspection dates are scheduled and documented throughout the various phases of the project and signed off by the Construction Inspector as complete. Each scheduled inspection for the selected Customer Projects counts as one inspection. The total number of inspections can vary for each Customer Project due to the maturity of the project and status of each phase. This could result in one particular Customer Project incurring six inspections and another Customer project incurring two inspections.

The amount of inspections for the selected Customer Projects are summed providing a total count for the sample. The scheduled inspection dates are documented by the auditor and compared to the actual inspection dates, which are recorded in the Computerized Maintenance Management System. The variance between the scheduled and actual inspection dates are recorded by the auditor and dates that exceed three business days are noted.

Construction Inspections = Inspections Performed within 3 Days/Total Inspections

The following is the acceptable accuracy range:

- 89% or less is below acceptable standards
- 90% - 94% is within the acceptable standards
- 95% or higher is exceeding acceptable standards

Source: Customer Project Files and Computerized Maintenance Management System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the level of customer service provided by Mesa Water inspection services to our customers.

Audit Preparation: Customer project files organized in a file drawer with easy access upon request. Inspection request and completion dates provided in CMMS.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 5: Contract Management

Target: Cost of construction contract change orders in Capital Program projects to less than 5% of the total annual value of construction awarded.

Financial Services will provide the auditor a report of all open projects with change orders. The auditor will determine the total dollar value of the change orders and the total dollar value of the construction contracts.

Contract Management = Total Dollar Value of Change Orders/Total Dollar Value of Construction Contracts

The following is the acceptable accuracy range:

- 10% or greater is below acceptable standards
- 9% - 6% is within the acceptable standards
- 5% or less is exceeding acceptable standards

Source: Financial System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of contract management.

Audit Preparation: No preparation needed. Information provided by Financial System.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 6: Efficiency of Plan Check

Target: Percent of plans reviewed within 15 business days

A sample of Customer Projects files are randomly selected by the auditor for review. The Project Status Form (within each project file) documents the start and end of the plan check process. There are occasions where multiple plan checks are performed on one Customer Project. All plan checks will be noted and counted.

The number of plan checks for each Customer Project selected are summed providing a total count for the sample. The plan check start and end dates will be reviewed and determined to either be within or exceeding the established target. The projects where the plan check end date exceeds the target will be noted.

Construction Inspections = Plan Checks within the Target Range/Total Plan Checks

The following is the acceptable accuracy range:

- 89% or less is below acceptable standards
- 90% - 94% is within the acceptable standards
- 95% or higher is exceeding acceptable standards

Source: Project Files - Project Status Form

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the level of customer service provided by Mesa Water plan check services to our customers.

Audit Preparation: Customer project files organized in a file drawer with easy access upon request. Project Status Form available in customer project file.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 7: Efficiency of Contract Award for Construction or Professional Services

Target: Average number of business days from Committee/Board approval to securing contract signature

The auditor will request a list of construction or professional service contracts for the audit year. The auditor will request select contracts from the list for review. The auditor will then request the Board approval date documentation (as necessary) from Records Management for each contract. The auditor will document the contract signature date for each contract. An analysis will be performed by the auditor that will determine the number of days between the Board approval date and the signature date.

Efficiency of Contract Award = Contract Signature Date – Board Approval Date

The following is the acceptable accuracy range:

- 46 days or greater is below acceptable standards
- 45 to 31 days is within the acceptable standards
- 30 days or less is exceeding acceptable standards

Source: Records request for contract documents.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of the contract approval/award process.

Audit Preparation: No preparation needed. Information provided by Records Management.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 8: Project Management (projects less than $400,000)

Target: Labor/Construction Management Cost as a percent of the total contract cost

Financial Services will provide the auditor a report of all closed projects from the audit year. The auditor will randomly select a number of projects (total cost of less than $400,000) from the list and will document the actual total cost for all selected projects. From the report, the auditor will also document the actual total cost for labor and construction management for all selected projects.

Project Management = Labor Direct + Labor Overhead + Construction Management/Construction + Design

The following is the acceptable accuracy range:

- 30% or greater is below acceptable standards
- 29% - 16% is within the acceptable standards
- 15% or less is exceeding acceptable standards

Source: Financial System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project management.

Audit Preparation: No preparation needed. Information provided by Financial System.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 9: Project Management (projects greater than $400,000)

Target: Labor/Construction Management Cost as a percent of the total contract cost

Financial Services will provide the auditor a report of all closed projects from the audit year. The auditor will randomly select a number of projects (total cost greater than $400,000) from the list and will document the actual total cost for all selected projects. From the report, the auditor will also document the actual total cost for labor and construction management for all selected projects.

Project Management = Labor Direct + Labor Overhead + Construction Management/Construction + Design

The following is the acceptable accuracy range:

- 20% or greater is below acceptable standards
- 19% - 11% is within the acceptable standards
- 10% or less is exceeding acceptable standards

Source: Financial System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project management

Audit Preparation: No preparation needed. Information provided by Financial System.

Strategic Plan: Goal 3 – Be financially responsible and transparent

Measure 10: Close completed projects in a timely manner

Target: Number of calendar days that projects are accepted by Engineering as complete and closed in the financial system.

Financial Services will provide the auditor a list of all closed Customer and Mesa Water projects from the audit year. The auditor will randomly select a number of projects from the list. The auditor will document the Project Acceptance Date and the Project Close Date. An analysis will be performed by the auditor that will determine the number of calendar days between the Project Acceptance Date and the Project Close Date.

Engineering will submit to Financial Services the approved project closing paperwork quarterly. Financial Services and Engineering will work together to close the accepted projects and approve refunds (if any) within 90 days.

The computation is based on when the project is accepted by Engineering and documented on the first day of the next quarter after a project is complete (such as for a 3/13/24 project, the documentation by Engineering should be by April 1, 2023) as complete. This date is then compared, and a difference in calendar days is computed to when the project is closed in the financial system.

The process for the auditor to affirm should include signoff on the form for the project with both locations for Engineering to sign and date when the project is affirmed to be completed by Engineering staff and Finance to sign and date when the project is closed in the financial system. An analysis will be performed by the auditor that will determine the number of days between the Project Acceptance Date and the Project Closed Date.

Project Closing Efficiency = Project Acceptance Date – Project Close Date

The following is the acceptable accuracy range:

- 120 days or greater is below acceptable standards
- 119 - 90 days is within the acceptable standards
- 89 days or less is exceeding acceptable standards

Source: Project Files – Project Sign Off Form

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project acceptance process which drives the project close out process.

Audit Preparation: Financial Services to provide closed project list for the audit year. Mesa Water & Customer project files organized in a file drawer with easy access upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.
Goal 6 – Provide outstanding customer service.

ACTION PLAN COMPLIANCE

Measure 11: Review of all action plans associated with the Annual Engineering Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 12: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Customer Services

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

    a. Customer Inquiries - Office (number of customers served per day)
    b. Customer Payment Processing (number of payment batches processed per day)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The measure for each activity is "average daily production" which is a standard output measure that is based on the average number of units produced in a 9-hour day of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = below range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = above range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CUSTOMER SATISFACTION

Measure 3: Overall result of the Annual Elite Customer Service Audit

Target: Overall Key Performance Indicator Score

The following is the acceptable accuracy range:

- 71% or less is below acceptable standards

- 72% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Elite Customer Service Audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is providing outstanding customer service.

Audit Preparation: Mesa Water's Business Administrator to provide the Elite Customer Service Audit for the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

ACTION PLAN COMPLIANCE

Measure 4: Review of all action plans associated with the Annual Customer Service Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 5: Review of the overall score from the previous Elite Customer Service Audit.

Target: Measure percent change of the overall Elite Customer Service Audit score compared to the previous audit year.

The Business Administrator will provide the auditor the Elite Customer Service Audit from the previous year. After the review of the current year's Elite Customer Service Audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Elite Customer Service Audit Score = Percent of Current Year's Score – Percent of Previous Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's Elite Customer Service Audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Elite Customer Service Audit for the previous year.

Strategic Plan: Goal 6 – To provide outstanding customer service.

Measure 6: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Current Year's Score – Percent of Previous Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Financial Services

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

 a. Purchase Order/Change Order Processing (time per PO/CO produced)
 b. Payroll Process (time per payroll produced)
 c. Project Accounting - District (time per district capital project closed)
 d. Monthly Close (time per close)
 e. Accounts Payable (time per check produced)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = above range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = below range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Controller through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work

schedule, entry of performance data, and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

VERIFICATION OF NEW ACCOUNTS

Measure 3: Verification of New Accounts

Target: Verify documentation and approval of new accounts. Identify accounts within the Chart of Accounts that were established during the audit year with corresponding documentation for the previous audit year. This includes all new accounts and sub/repurposed accounts.

This measured is verified by the percentage of approved documentation for each new account that was added to the chart of accounts. For example, if 5 accounts were added to the chart of accounts compared to the previous year, there must be corresponding 5 Change of Accounts forms approved by the General Manager.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 99% is within the acceptable accuracy standards
- 100% is exceeding acceptable accuracy standards

Source: Change of Account Log book and signed request form. Previous and List of Chart of Accounts for the audit year and previous audit year from the Financial System.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water's Chart of Accounts are effectively managed to a size that meets its business needs.

Audit Preparation: List of chart of accounts from the financial system for the audit year and previous audit year. Change of accounts log book with GM approval form for each change prepared for request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ENGINEERING PROJECTS

Measure 4: Close completed projects in a timely manner

Target: Number of calendar days that projects are accepted by Engineering as complete and closed in the financial system.

Financial Services will provide the auditor a list of all closed Customer and Mesa Water projects from the audit year. The auditor will randomly select a number of projects from the list. The auditor will document the Project Acceptance Date and the Project Close Date. An analysis will be performed by the auditor that will determine the number of calendar days between the Project Acceptance Date and the Project Close Date.

Engineering will submit to Financial Services the approved project closing paperwork quarterly. Financial Services and Engineering will work together to close the accepted projects and approve refunds (if any) within 90 days.

The computation is based on when the project is accepted by Engineering and documented on the first day of the next quarter after a project is complete (such as for a 3/13/24 project, the documentation by Engineering should be by April 1, 2023) as complete. This date is then compared, and a difference in calendar days is computed to when the project is closed in the financial system.

The process for the auditor to affirm should include signoff on the form for the project with both locations for Engineering to sign and date when the project is affirmed to be completed by Engineering staff and Finance to sign and date when the project is closed in the financial system. An analysis will be performed by the auditor that will determine the number of days between the Project Acceptance Date and the Project Closed Date.

Project Closing Efficiency = Project Acceptance Date – Project Close Date

The following is the acceptable accuracy range:

- 120 days or greater is below acceptable standards
- 119 - 90 days is within the acceptable standards
- 89 days or less is exceeding acceptable standards

Source: Project Files – Project Sign Off Form

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project acceptance process which drives the project close out process.

Audit Preparation: Financial Services to provide closed project list for the audit year. Mesa Water & Customer project files organized in a file drawer with easy access upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.
Goal 6 – Provide outstanding customer service.

MONTHLY CLOSE

Measure 5: Monthly Close Documentation

Target: Verify the monthly close checklist for Project Accounting and Expense Accounts

This measured is verified by the percentage of approved documentation for each monthly close. There are 12 monthly close operations performed each year. Financial Services will document the closing of the capital projects and expense accounts each

month through a detailed checklist. This checklist will be signed off by the CFO and Controller. In addition, monthly financial statements (projects and expense) will be produced for and delivered to the departments by the 15 business days of every month.

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standards

Source: Signed monthly close checklist (capital projects/expense accounts) and corresponding department financial statements for each month of the audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure accurate and timely statements to support fiscal monitoring and decision making. The financial statements represent Mesa Water's true financial position to inform the Board of Directors, managers, lenders, and the public.

Audit Preparation: Monthly close packet that includes a checklist and financial statements.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACTION PLAN COMPLIANCE

Measure 6: Review of all action plans associated with the Annual Financial Services Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent

CONTINUOUS IMPROVEMENT

Measure 7: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Public Affairs

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

    a. Welcome Program (time per Welcome Bag produced)
    b. Mesa Water Notify (time per Notification produced)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = above range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = below range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Controller through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting

needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

PUBLIC AWARENESS

Measure 3: Mesa Water Brand Identity

Target: Percent of respondents who correctly identify Mesa Water as their water provider. This measure represents unaided awareness.

The following is the acceptable standard range:

- 60% or less is below acceptable standards
- 61% to 70% is within the acceptable standards
- 71% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's brand identity with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water

Measure 4: Mesa Water Brand Recognition

Target: Percent of respondents who have an overall awareness of Mesa Water. This measure represents unaided awareness plus aided awareness.

The following is the acceptable standard range:

- 69% or less is below acceptable standards
- 70% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's awareness with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water®

Measure 5: Mesa Water Knowledge of Water Origin

Target: Percent of respondents who correctly know the origin of water (produced locally) that Mesa Water produces and delivers.

The following is the acceptable standard range:

- 49% or less is below acceptable standards
- 50% to 89% is within the acceptable standards

- 90% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's awareness with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water

COMMUNICATION

Measure 6: Communication Efforts

Target: Percent of respondents who are very satisfied with Mesa Water's efforts to communicate with customers

The following is the acceptable standard range:

- 42% or less is below acceptable standards
- 43% to 53% is within the acceptable standards
- 54% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's communication efforts with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 6 – Provide excellent customer service.

SOCIAL MEDIA GROWTH

Measure 7: Increase the social media reach and engagement from the previous fiscal year.

Target: Percent increase from previous fiscal year.

The Department will provide the fiscal year end Westbound Report to the auditor. The Westbound Report will contain the following information regarding the reach and engagement numbers:

- Previous fiscal year's reach and engagement count
- Current fiscal year's reach and engagement count

Percent Increase from previous fiscal year = (Current fiscal year's reach and engagement count – Previous fiscal year's reach and engagement count)/Previous fiscal year's reach and engagement count

The following is the acceptable accuracy range:

- 9% or less is below acceptable standards
- 10% to 19% is within the acceptable standards
- 20% or higher is exceeding acceptable standards

Source: Westbound Media Report.

Frequency: Monitored monthly by the Department Manager through the Westbound media report. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To increase Mesa Water's communication capabilities, presence and engagement in the local community.

Audit Preparation: Prepare and deliver the fiscal year end Westbound Report.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water and Goal 6 – Provide excellent customer service

ACTION PLAN COMPLIANCE

Measure 8: Review of all action plans associated with the Annual Public Affairs Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water® is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent

CONTINUOUS IMPROVEMENT

Measure 9: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Administrative Services

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

   a. Board Meeting Process (time per Board Meeting Packet Produced and meeting held)
   b. Committee Meeting Process (time per Committee Meeting Packet Produced and meeting held)
   c. Public Records Act Request (time per public request processed)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = above range (lower productivity)
- 2 points = within the range (expected productivity)
- 3 points = below range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager through the work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work

schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

TRANSPARENCY

Measure 3: Board and Committee Meeting Minutes

Target: Publish Board-approved Minutes within 60 days of each Board and Committee Meeting. This target is an internal standard.

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Website report denoting the day/time of the publishing

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to transparency and outstanding customer service to our ratepayers.

Audit Preparation: Administrative Services to provide confirmation of postings via website services.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 4: Website Transparency

Target: Verify and affirm that select items are posted on the Mesa Water website and are current. This includes:

a. Budget for the audit fiscal year
b. CAFR for previous audit year ending June 30
c. Rates & Fee's for the current year
d. Board Member Compensation Ordinance reflecting rates as approved by the Board of Directors and confirmed by a Board Memo from staff. The Board Memo will document the current compensation rates under the "Prior Board Action/Discussion" section. The Board of Directors reviews Board Compensation annually and approves any action by April. Staff will submit to the auditors the Board memo that reflects the website posted Board Member Compensation Ordinance

The auditor will visually verify and affirm the items listed above on Mesa Water's website.

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standards

Source: Mesa Water's website

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to transparency.

Audit Preparation: None

Strategic Plan: Goal 3 – Be financially responsible and transparent.

DEPARTMENT COMPLIANCE

Measure 5: Board and Committee Packets

Target: Post to website all Board and Committee Packets within 72 hours of regular/adjourned meeting or 24 hours for a special meeting.

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standards

Source: Website report denoting the day/time of the publishing

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure compliance with the Brown Act related to adequate public notice for open meetings.

Audit Preparation: Administrative Services to provide confirmation of postings via website services

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 6: Public Records Act Compliance

Target: Provide initial response to all requests made under the California Public Records Act within 10 calendar days of the date of receipt of a request

If a request is received after business hours or on a weekend or holiday, the next business day may be considered the date of receipt. If the tenth day falls on a weekend or holiday, the next business day is considered the deadline for responding to the request.

In unusual circumstances, the time limit to initially respond to the request may be extended by written notice for an additional 14 days.

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standards

Source: A completed Mesa Water Public Records Request form for each public records

request.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure compliance with the 10-day response deadline as required in California's Public Records Request Act.

Audit Preparation: Administrative Services will provide a copy for each of the completed Public Records Request forms for the audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACTION PLAN COMPLIANCE

Measure 7: Review of all action plans associated with the Annual Administration Services Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 8: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Human Resources

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

a. Recruitment & Selection (hours per completed recruitment event)
b. New Hire Administration (hours per new hire)
c. Performance Evaluations (hours per completed performance evaluation)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = below range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = above range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the

year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

EMPLOYEE DEVELOPMENT

Measure 3: Professional Development Participation

Target: Percentage of Employees participating in Tuition/Education/Certification Reimbursement Programs

Percent of Employee Participation = Employees Participating/Total Employees Eligible

The following is the acceptable accuracy range:

- 9% or less is below acceptable standards
- 10% to 15% is within the acceptable standards
- 16% or higher is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water employee's professional development participation.

Audit Preparation: Prepare electronic files for auditor. Count of total eligible FTE's and count of FTE's participating in the professional development program.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

Measure 4: Time to Fill

Target: The amount of time that it takes to fill a vacant position.

Time to Fill = Average number of business days elapsed between requisition date and offer acceptance

The following is the acceptable accuracy range:

- 91 days or greater is below acceptable standards
- 90 – 80 days is within the acceptable standards
- 79 days or less is exceeding acceptable standards

Source: NeoGov

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge the efficiency of Mesa Water's hiring process.

Audit Preparation: Report out of NeoGov for each position hired showing the requisition date and offer acceptance date for the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

EMPLOYEE RECRUITMENT

Measure 5: Job Offer Ratio

Target: The level of job offers rejected compared to the number of job offers made.

Job Offer Ratio = Percent of offers rejected to offers made

The following is the acceptable accuracy range:

- 69% of less is below acceptable standards
- 70% to 74% is within the acceptable standards
- 75% or greater is exceeding acceptable standards

Source: NeoGov

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the quality of the job offers and Mesa Water's recruitment process.

Audit Preparation: Report out of NeoGov for each position offered and offers rejected for the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 6: Temporary Staff Utilization

Target: The level of full time temporary employees working at Mesa Water. This metric excludes limited term employees.

Temporary Staff Utilization = Average duration of time temporary staff are employed at Mesa Water.

The following is the acceptable employment day range:

- 181 days or greater below acceptable standards
- 180 to 91 days is within the acceptable standards
- 90 days or less is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure temporary staff are used to fill short-term needs.

Audit Preparation: Prepared list of temporary staff employed showing start date, end date, department, position, staff name, and number of   days employed.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

EMPLOYEE RETENTION

Measure 7: Turnover Rate

Target: Monitoring employee voluntary and involuntary movement out of the organization

Turnover Rate = (# employees leaving/employees at start + employees at end)/2)

The following is the acceptable accuracy range:

- 16% or greater is below acceptable standards
- 15% to 7% is within the acceptable standards
- 6% or less is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure, by percent, how many employees are leaving Mesa Water

Audit Preparation: Prepare electronic files for auditor. Total count of FTE's and count of FTE's that moved out of the organization during the audit year.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

EMPLOYEE ENGAGEMENT

Measure 8: Annual Employee Performance Evaluation

Target: All employees receive their annual review by September 30

Annual Review Rate = (number employees receiving their review on time/number of employees)

The following is the acceptable accuracy range:

- 94% or less is below acceptable standards
- 95% to 99% is within the acceptable standards
- 100% is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to annual employee reviews are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: Prepare electronic files for auditor. Total count of FTE's and the date that their annual performance evaluation occurred during the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 9: Annual Employee Engagement Survey

Target: All employees participate in the Annual Employee Survey by August 15

Overall Mesa Water score from the 12 Question Gallup Poll measuring the work environment.

The following is the acceptable accuracy range:

- Below 33rd percentile is below acceptable standards
- 33rd to 66th percentile is within the acceptable standards
- 66th percentile of higher is exceeding acceptable standards

Source: Gallup Poll Report

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To understand how engaged Mesa Water employees are at work. Provide insight into employee motivation and productivity.

Audit Preparation: Business Administrator to provide documentation from the Gallup organization depicting the overall score for Mesa Water resulting from the annual survey.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

ACTION PLAN COMPLIANCE

Measure 10: Review of all action plans associated with the Annual Administration Services Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 11: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent

Performance Audit Process Guide

Denoted Changes

Fiscal Year 2026

Performance Audit Process Guide

Overview

Mesa Water® District's (Mesa Water®) Board of Directors (Board) has established its Strategic Plan that encompasses seven high level goals. These overarching goals provide the vision for the District and guidance with goals to achieve for staff. The Strategic Plan is the foundation of Mesa Water's business strategy. Moreover, the Strategic Plan establishes a fundamental business management process that embraces the District's Perpetual Agency philosophy. The steps of this business management process include the following:

- Strategic Plan
- Goals
- Key Performance Indicators
- Performance Audit

This sound business approach encompasses the important components of communication, agreement, and feedback of the Goals and Key Performance Indicators (KPIs) at every level within the organization. Communication links all of these pieces and enables Mesa Water to perform and achieve at a high level. The Strategic Plan establishes the Board's vision. Management and staff work together to develop the plans and measures detailing how to reach that vision. It all begins with the leadership of Mesa Water providing their vision for the District.

Strategic Plan

The Board provides the General Manager with direction regarding the District's high level goals and objectives for the upcoming year. Based on this direction, priorities are established, resources are allocated, and staff works to accomplish the goals and objectives.

Department Goals

Mesa Water's goals for each department help determine our KPIs. For example, Water Operations staff has a goal to maintain main line valves by exercising them every two years. Administrative Services staff produces 4 – 6 Committee and Board Packets every month. Customer Services staff reads the water meters, processes billing, and provides our ratepayers excellent customer service. Financial Services staff produces the payroll, pays our vendors, and closes the books every month. By understanding the major activities of what the District does as an agency provides insight with developing goals.

Key Performance Indicators

Mesa Water is in a strong business position in the areas of transparency, accountability, and efficiency. Through the Business Improvement Process Implementation, staff developed:

- Work activities and plans
- Balanced and streamlined labor resources
- Determinations of how and when we do our work
- Established expectations and measurable results

KPIs are the heartbeat of the District's performance management process. They tell us whether we are making progress towards our goals that are linked to the Strategic Plan. There are seven areas that make up the foundation of the KPIs:

- Measure
- Target
- Source
- Frequency
- Purpose
- Audit Preparation
- Strategic Plan

Measure – We can measure progress, which is the percent complete of what we are measuring and we can measure change, which is what we are expecting out of what we are measuring. An example of measuring progress is the percent of valves

exercised to date. An example of measuring change would be if the Board wanted to increase the District's day's cash position in comparison to last year.

Target – This represents the quantifiable piece of the KPIs. Examples include the number of valves exercised, the number of Board Packets produced, and the number of checks written to pay vendors for the year.

Source – This represents the information source that is used to glean the KPIs. Examples include the Computerized Maintenance Management System, Financial System, and Customer Information System.

Frequency – This is how often the results of each KPI are communicated; they can vary from monthly to quarterly depending on the audience.

Purpose – This describes the reasoning for why we are measuring the activity.

Audit Preparation – This provides the expectation of what the department staff need to have prepared in advance of the audit.

Strategic Plan – This represents how the KPIs relate to the strategic plan goal(s).

Understanding what needs to be monitored and how often is the basis for sound decision-making. This will be a critical component of Mesa Water's business strategy.

Mesa Water establishes performance measures because it allows us as an organization to evaluate how well our services are performed and holds us accountable to our annual goals. They provide management the ability to measure accomplishment, time, and cost in order to manage all aspects of the operation. Most importantly, performance measures make transparent our activities and show what services our ratepayers receive for their dollars.

Performance Audits

The performance audit focuses on our system and processes to ensure they are functioning as designed. Components of the audit vary depending on the department, but embrace the following concepts:

- Reviewing the quality of the information staff uses to measure
- Ensuring that our business systems and related processes are set up and operating appropriately
- Ensuring that critical activities of the business are completed on time and with quality
- Ensuring critical programs and processes are in place and operating properly

The performance audit is an independent, third-party confirmation of our performance for the year. The audit is designed to be simple to communicate and meaningful

because the focus is on our most critical business functions. It is meant to be a straightforward evaluation of Mesa Water's efficiency and effectiveness. The performance audit supports Mesa Water's commitment to continuous improvement by providing meaningful feedback that can lead to operational improvements. Overall, the performance audit:

- Assures the vison of the Board
- Reassures efficient and effective management of public funds
- Ensures that measures and standards are in place and achieved

Embracing the Business Management Process benefits our Board, ratepayers, and Mesa Water staff. It reinforces our commitment to our responsibility to our ratepayers; our ratepayers receive an efficiently run business and accountability of resources; and provides the organization with meaningful challenges coupled with opportunity for improvement.

Performance Audit Process

Planning
The first phase of the audit process involves planning the audit, including defining the audit objective, scope, schedule, and audit criteria. This phase involves communicating with the Management Team and each of the departments to share the audit process expectations for both the auditors and staff. The purpose of these meetings are to accomplish the following:

- Review of the information and criteria related to the program or activity to be audited
- Communication of the scope and schedule
- Establish the expectations when the auditors are on site
- Provide a forum for staff questions and feedback

Information Gathering and Analysis
In the second phase of the audit process, the auditors gather and analyze the information necessary to draw a conclusion on each of the particular performance measures. This includes collecting department-prepared documentation and, if necessary, conducting interviews with the managers and staff relevant to the performance measure.

What the Auditors Require:

Access: providing the auditor with access to the premises, systems, documents, and other property that may be necessary to the audit.

Responsiveness: managers and relevant staff should be reasonably available when the auditors are on site for questions, request for documentation, and access to information.

Feedback: concerns or issues related to the audit should be raised with the Business Administrator in a timely manner. The Business Administrator will address these concerns with the General Manager and will provide feedback within 10 business days from the date of notification. The Business Administrator will also seek feedback on the conduct of the audit process at the conclusion of the audit.

Reporting

The third phase is producing the preliminary audit findings, conclusions, and recommendations. This information is provided to the Department Managers for review and feedback, including to correct errors of fact, and where necessary, to allow for provision of additional information and context.

The Business Administrator will schedule individual meetings with the auditor and Department Managers to share the draft information. The auditors first present the information in a presentation format and provide a copy of the presentation to the Department Manager. This format allows for a question and feedback process to ensure clarity of the information and that audit results are communicated. Any issues that arise will be documented by the auditor and reviewed for further consideration. The manager is responsible for providing further context, data, or any other sort of information to the Business Administrator for the auditor to review within seven business days after the audit presentation meeting. The auditor will take no more than seven business days to resolve any outstanding issues. The auditor will make the final determination and score the performance measure(s) accordingly.

The auditor will then prepare written documentation of the draft performance audit results for each department. The report will be provided as one document with a number of sections representing the audited department. The manager is provided seven business days to review the report and provide feedback to the Business Administrator for the auditor to review. The auditor will take no more than seven business days to review any comments. The auditor will make the final determination and score the performance measure(s) in question accordingly. The final report will be prepared and distributed to the Management Team. The auditor and Business Administrator will present the audit results to the Board.

The Business Administrator will be responsible for organizing the recommendations from the audit of each department into an Action Plan. The Business Administrator will submit the Action Plan to the General Manager and Department Manager within twenty business days after the submission of the final report. Each Department Manager will meet with the General Manager and Business Administrator to review each recommendation; discuss/determine/agree to a resolution; and assign a responsible resource to accomplish the agreed upon recommended action(s). This meeting will occur within fifteen business days after the submission of the Action Plan.

The Department Manager is responsible to facilitate and complete each of the agreed upon recommended action(s). Upon completion of each action, the Department Manager will meet with the General Manager and review the completed effort. The General Manager will formally approve the completed action with their signature on the specific recommended action within the Action Plan. The Department Manager will keep record of the Action Plan and will make it available for the forthcoming Annual Performance Audit.

The following pages outline the specific KPIs for each department. The intent of this narrative is to provide a higher level of detail in an effort to bring clarity and agreement to each KPI. The performance indicators are designed to be flexible in order to adjust to the vision of the Board. Any changes to the KPIs will be brought to the Board for approval. This ensures that the vision of Mesa Water aligns with the KPIs.

Water Operations

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

    a. Capital Mainline Valve Replace (number of valves replaced per day)
    b. Capital Hydrant Upgrade (number of hydrants upgraded per day)
    c. Hydrant Maintenance (number of hydrants maintained per day)
    d. Distribution Valve Maintenance (number of valves maintained per day)
    e. Night Valve Maintenance (number of valves maintained per day)
    f. PDO System Monitoring (number of system checks completed per day)
    g. PDO Weekly (number of completed checklists per day)
    h. Backflow Test Reports (number of test reports completed per day)
    i. Water Quality Sampling (number of sites sampled per day)
    j. Instrument Calibration Checks (number of instruments checked per day)
    k. Capital Small Meters (number of small meters replaced per day)
    l. Capital Large Meters (number of large meters replaced in a day)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The measure for each activity is average daily production (ADP) which is a standard output measure that is based on the average number of units produced in a 9-hour day of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = below range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = above range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System (CMMS)

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

VERIFY ACCURATE REPORTING OF WORK

Measure 2: Work Reporting Accuracy

Target: This measure is verified by the percent of accurate work reporting entry into the Computerized Maintenance Management System. A random sample of work reporting forms are selected by the auditor. The auditor will then compare the data on the work reporting form to the data entered in the Computerized Maintenance Management System. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity.

Deviations between what was reported and what was entered into the system will be noted and the accuracy percent will be determined.

Work Reporting Accuracy = Total Data Entry Points/Accurate Data Entry Points

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the accuracy of the information entered into the Computerized Maintenance Management System. The various reports generated from the system are used to make management decisions including work planning, work scheduling, activity performance (productivity), activity costing, work loading, monthly activity monitoring, labor/equipment/parts utilization, and various analysis reports. The management decisions are impactful to the organization and require data entry to meet or exceed acceptable accuracy standards.

Audit Preparation: Work reporting forms for the fiscal year organized, prepared and presented to the auditor upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 3: Two-Week Scheduling, Data Entry, & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule, entry of performance data, and holding the monthly work status meeting. There are 26-27 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted, 12 occurrences where performance data input is completed, and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 50 to 51 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embraces the District's perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACCURACY OF ASSETS

Measure 4: Affirm Quarterly Asset Verification Meetings

Target: Percent of successfully scheduled and performed asset verification meetings. The meetings are run by the Water Operations Manager with the following staff in attendance:

- Assistant Water Operations Manager
- Water Operations Supervisor(s)
- Water Quality & Compliance Supervisor
- Field Services Supervisor
- Department Assistant

A meeting agenda is developed that outlines the various assets groups to be discussed and reviewed including Water System, MWRF, Water System Valves, Water System Hydrants, Facilities, and Fleet. Each supervisor will report any assets that have been added or replaced within the asset groups that are under their responsibility. Added or replaced assets are recorded on the Retiring and Implementing New Asset Form that will be presented at this meeting and confirmed as complete.

This measure is verified by the percentage of successful on time events for the quarterly meeting with department staff. For example, there are 4 scheduled meetings for the fiscal year and if 4 successful events occurred out of 4 possible, the success rate would be 100%.

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored quarterly by the Department Manager and/or Assistant Water Operations Manager through Asset Verification Meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water's critical assets are monitored, maintained, and that the CMMS accurately reflects the assets that are in the field.

Audit Preparation: Meeting Package (agenda, any Retiring and Implementing New Asset Form(s), action plan) organized in a file drawer with easy access upon request.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.

WATER QUALITY

Measure 5: Verify Monthly Water Quality Test Results Submitted to California Division of Drinking Water

Target: Percent of on-time submittals of Mesa Water's water quality test results submitted to California Division of Drinking Water. This measure is verified by the 12 sent emails to California Division of Drinking Water. If the due date falls on a weekend or holiday, the next business day is considered the deadline for submission.

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored monthly by the Department Manager and supervisor through review and submission of test results to California Division of Drinking Water. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California Division of Drinking Water, water quality testing requirements.

Audit Preparation: Organize confirmation emails in one file folder from July to June for the audit year.

Strategic Plan: Goal 1 – Provide a safe, abundant, and reliable water supply.

PRODUCTION DUTY OPERATOR

Measure 6: Production Duty Checklist Compliance

Target: Percent of on-time submittals of emailed production duty checklist to the Production Duty Operator (PDO) Group within the agreed upon time requirements as documented in the Production System Operation Plan. This measure is verified by review of the Supervisor's PDO Daily Performance Log.

The PDO is on-call 24 hours a day for a 7-day period to oversee the operations of Mesa Water's production and storage systems. The PDO shall be responsible for monitoring the SCADA system and use it to capture the required checklist parameters. The PDO shall check the SCADA system (per checklist requirements) to monitor the system parameters via their assigned production duty laptop computer per the following schedule:

- Weekdays (Regular Shift): The PDO shall monitor the operational system parameters at the start of regular work shift at 7:15 (7:45 am Mondays), 10:00 am, 1:00 pm, and 4:15 pm;

- Weeknights: The PDO shall monitor the operational system parameters at 7:00 pm, between 10:00-11:00 pm, and between 4:00-5:00 am;

- Weekends: The PDO shall monitor the operational system parameters at 7:00 am, 10:00 am, 1:00 pm, 4:00 pm, 7:00 pm, between 10:00-11:00 pm, and 4:00-5:00 am;

The checklist is submitted seven times per day, 365 days per year resulting in 2,555 submittals. This is measured by the percentage of successful on-time submission of the PDO Checklist based on the standards established in the Production System Operation Plan. For example, if there were 2,409 successful submissions out of 2,555 possible, the success rate would be 94%. If the due date falls on a weekend or holiday, the next business day is considered the deadline for submission.

The following is the acceptable accuracy range:

- 93% or less is below acceptable accuracy standards
- 94% - 96% is within acceptable accuracy standards
- 97% or higher is exceeding acceptable accuracy standards

Source: Supervisor's PDO Daily Performance Log

Frequency: Monitored daily by the supervisor through review and submission of the PDO Checklist emailed to the PDO Group List. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water's system is operating and performing to the standards documented in the Production System Operation Plan.

Audit Preparation: Prepare and submit upon request the PDO Supervisor Log.

Strategic Plan: Goal 1 – Provide a safe, abundant, and reliable water supply.

FLEET COMPLIANCE

Measure 7: Quarterly CHP/BIT Completed

Target: Compare planned CHP/BIT schedule for required fleet to actual results. This should be completed at 100% for all vehicles that meet the requirements for the CHP/BIT for the previous calendar year. The Water Operations Coordinator is responsible for planning, completing, recording, and filing the CHP/BIT results every quarter. For each quarter, the auditor will review the following for every required vehicle:

a. The CHP/BIT form is completed for each inspection item
b. Identified repairs are completed within 3 months and confirmed by a work order.

  c. The CHP/BIT form signed off by a professional fleet mechanic

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored quarterly by the Department Manager and Water Operations Coordinator through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California Highway Patrol pursuant to Section 34501 or 35501.12 of the Californian Vehicle Code (CVC)

Audit Preparation: CHP/BIT paperwork organized in a file drawer with easy access upon request. Submit a list of vehicles by VIN that are subject to the regulation for the audit year. Organize inspection results in a one file folder for the preceding calendar year.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.
       Goal 6 – Provide outstanding customer service.

Measure 8: Annual SMOG Testing Completed

Target: Compare planned SMOG Testing schedule for required fleet to actual results. This should be completed at 100% for all vehicles that meet the requirements for the previous calendar year. The Water Operations Coordinator is responsible for planning, completing, recording, and filing the SMOG Testing results each calendar year. The auditor will review the following for every required gas powered vehicle:

 a. The Vehicle Inspection Report is completed for each vehicle by a certified testing location
 b. The form signed off by a certified professional SMOG technician

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored annually by the Department Manager and Water Operations Coordinator through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California emissions codes

Audit Preparation: SMOG paperwork organized in a file drawer with easy access upon request. Submit a list of vehicles by VIN that are subject to the regulation for the audit year. Organize inspection results in a one file folder for the preceding calendar year.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.
Goal 6 – Provide outstanding customer service.

Measure 9: Annual Opacity Testing Completed

Target: Compare planned Opacity Testing schedule for required fleet to actual results. This should be completed at 100% for all vehicles that meet the requirements for the previous calendar year. The Water Operations Coordinator is responsible for planning, completing, recording, and filing the Opacity Testing results each calendar year. The auditor will review the following for every required diesel powered vehicle:

    c. The Vehicle Inspection Report is completed for each vehicle by a certified testing professional
    d. The form signed off by a certified professional Opacity technician

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored annually by the Department Manager and Water Operations Coordinator through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance with California Air Resources Board emissions codes

Audit Preparation: Opacity paperwork organized in a file drawer with easy access upon request. Submit a list of vehicles that are subject to the regulation for the audit year. Organize inspection results in a one file folder for the preceding calendar year.

Strategic Plan: Goal 2 – Practice perpetual infrastructure renewal and improvement.
Goal 6 – Provide outstanding customer service.

REVIEW OF COMPLIANCE DOCUMENTATION

Measure 10: Review of Regulatory Compliance Reports.

Target: Mesa Water will identify in the Regulatory Compliance Log those reports that have set, regulated compliance dates. The Regulatory Compliance Report Log will denote due dates and intervals (monthly, quarterly, annual) regarding the submission

requirements. The auditor will randomly select and confirm seven reports that have been completed and submitted to appropriate regulatory agencies. This measure is verified by the accompanied sent emails to the appropriate regulatory agency. If the due date falls on a weekend or holiday, the next business day is considered the deadline for submission.

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standard

Source: Manual Files

Frequency: Monitored by the Department Manager and Water Quality Supervisor through quarterly review. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the compliance various federal, state, and county regulatory agencies depending on the report selected.

Audit Preparation: Submit compliance documentation log upon request. Auditor to select seven (7) random compliance reports for the audit. Provide written/electronic confirmation of report submission for the three reports.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACTION PLAN COMPLIANCE

Measure 11: Review of all action plans associated with any Root Cause Analysis conducted during the audit year. Confirm that an action plan exists and that progress is being made towards completion.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide any Root Cause Analysis Action Plan that was conducted during the audit year to the auditor. The Root Cause Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Root Cause Analysis Action Plan(s) for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon root cause analysis recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Root Cause Analysis Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 12: Review of all action plans associated with the Annual Water Operations Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 13: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Engineering

VERIFY ACCURATE REPORTING OF WORK

Measure 1: Work Reporting Accuracy

Target: This measure is verified by the percent of accurate work reporting entry into the Computerized Maintenance Management System. A random sample of work reporting forms are selected by the auditor. The auditor will then compare the data on the work reporting form to the data entered in the Computerized Maintenance Management System. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity.

Deviations between what was reported and what was entered into the system will be noted and the accuracy percent will be determined.

Work Reporting Accuracy = Total Data Entry Points/Accurate Data Entry Points

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the accuracy of the information entered into the Computerized Maintenance Management System. The various reports generated from the system are used to make management decisions including work planning, work scheduling, activity performance (productivity), activity costing, work loading, monthly activity monitoring, labor/equipment/parts utilization, and various analysis reports. The management decisions are impactful to the organization and require data entry to meet or exceed acceptable accuracy standards.

Audit Preparation: Work reporting forms for the fiscal year organized, prepared and presented to the auditor upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling, Data Entry, & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule, entry of performance data, and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where performance data input is completed. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 35 successful submissions and events out of 38 possible, the success rate would be 92%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two-week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ENGINEERING PROJECTS

Measure 3: Project Hours

Target: Percent of labor hours directly associated with Capital and Expense Projects compared to available hours less leave. The available hours are established at 2,080 for each Mesa Water engineer. The leave hours associated with the audit year are determined for each Mesa Water engineer through activity code OH-01 Leave and generated out of the Computerized Maintenance Management System. The project hours associated with the audit year are determined for each Mesa Water® engineer through a project hour report generated out of the Computerized Maintenance Management System. The calculation is applied as follows:

Project Application Rate = Actual Booked Hours/Available Hours – Leave Hours

The following is the acceptable accuracy range:

- 69% or less is below acceptable standards
- 70% - 79% is within the acceptable standards
- 80% or higher is exceeding acceptable standards

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the application of staff time booked to Capital and Expense Projects compared to staff availability.

Audit Preparation: No preparation needed. Information provided by the Computerized Maintenance Management System.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 4: Construction Inspections

Target: Percent of construction inspections performed within three business days.

A sample of Customer Project files are randomly selected by the auditor for review. Inspection dates are scheduled and documented throughout the various phases of the project and signed off by the Construction Inspector as complete. Each scheduled inspection for the selected Customer Projects counts as one inspection. The total number of inspections can vary for each Customer Project due to the maturity of the project and status of each phase. This could result in one particular Customer Project incurring six inspections and another Customer project incurring two inspections.

The amount of inspections for the selected Customer Projects are summed providing a total count for the sample. The scheduled inspection dates are documented by the auditor and compared to the actual inspection dates, which are recorded in the Computerized Maintenance Management System. The variance between the scheduled and actual inspection dates are recorded by the auditor and dates that exceed three business days are noted.

Construction Inspections = Inspections Performed within 3 Days/Total Inspections

The following is the acceptable accuracy range:

- 89% or less is below acceptable standards
- 90% - 94% is within the acceptable standards
- 95% or higher is exceeding acceptable standards

Source: Customer Project Files and Computerized Maintenance Management System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the level of customer service provided by Mesa Water inspection services to our customers.

Audit Preparation: Customer project files organized in a file drawer with easy access upon request. Inspection request and completion dates provided in CMMS.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 5: Contract Management

Target: Cost of construction contract change orders in Capital Program projects to less than 5% of the total annual value of construction awarded.

Financial Services will provide the auditor a report of all open projects with change orders. The auditor will determine the total dollar value of the change orders and the total dollar value of the construction contracts.

Contract Management = Total Dollar Value of Change Orders/Total Dollar Value of Construction Contracts

The following is the acceptable accuracy range:

- 10% or greater is below acceptable standards
- 9% - 6% is within the acceptable standards
- 5% or less is exceeding acceptable standards

Source: Financial System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of contract management.

Audit Preparation: No preparation needed. Information provided by Financial System.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 6: Efficiency of Plan Check

Target: Percent of plans reviewed within 15 business days

A sample of Customer Projects files are randomly selected by the auditor for review. The Project Status Form (within each project file) documents the start and end of the plan check process. There are occasions where multiple plan checks are performed on one Customer Project. All plan checks will be noted and counted.

The number of plan checks for each Customer Project selected are summed providing a total count for the sample. The plan check start and end dates will be reviewed and determined to either be within or exceeding the established target. The projects where the plan check end date exceeds the target will be noted.

Construction Inspections = Plan Checks within the Target Range/Total Plan Checks

The following is the acceptable accuracy range:

- 89% or less is below acceptable standards
- 90% - 94% is within the acceptable standards
- 95% or higher is exceeding acceptable standards

Source: Project Files - Project Status Form

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the level of customer service provided by Mesa Water plan check services to our customers.

Audit Preparation: Customer project files organized in a file drawer with easy access upon request. Project Status Form available in customer project file.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 7: Efficiency of Contract Award for Construction or Professional Services

Target: Average number of business days from Committee/Board approval to securing contract signature

The auditor will request a list of construction or professional service contracts for the audit year. The auditor will request select contracts from the list for review. The auditor will then request the Board approval date documentation (as necessary) from Records Management for each contract. The auditor will document the contract signature date for each contract. An analysis will be performed by the auditor that will determine the number of days between the Board approval date and the signature date.

Efficiency of Contract Award = Contract Signature Date – Board Approval Date

The following is the acceptable accuracy range:

- 46 days or greater is below acceptable standards
- 45 to 31 days is within the acceptable standards
- 30 days or less is exceeding acceptable standards

Source: Records request for contract documents.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of the contract approval/award process.

Audit Preparation: No preparation needed. Information provided by Records Management.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 8: Project Management (projects less than $400,000)

Target: Labor/Construction Management Cost as a percent of the total contract cost

Financial Services will provide the auditor a report of all closed projects from the audit year. The auditor will randomly select a number of projects (total cost of less than $400,000) from the list and will document the actual total cost for all selected projects. From the report, the auditor will also document the actual total cost for labor and construction management for all selected projects.

Project Management = Labor Direct + Labor Overhead + Construction Management/Construction + Design

The following is the acceptable accuracy range:

- 30% or greater is below acceptable standards
- 29% - 16% is within the acceptable standards
- 15% or less is exceeding acceptable standards

Source: Financial System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project management.

Audit Preparation: No preparation needed. Information provided by Financial System.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 9: Project Management (projects greater than $400,000)

Target: Labor/Construction Management Cost as a percent of the total contract cost

Financial Services will provide the auditor a report of all closed projects from the audit year. The auditor will randomly select a number of projects (total cost greater than $400,000) from the list and will document the actual total cost for all selected projects. From the report, the auditor will also document the actual total cost for labor and construction management for all selected projects.

Project Management = Labor Direct + Labor Overhead + Construction Management/Construction + Design

The following is the acceptable accuracy range:

- 20% or greater is below acceptable standards
- 19% - 11% is within the acceptable standards
- 10% or less is exceeding acceptable standards

Source: Financial System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project management

Audit Preparation: No preparation needed. Information provided by Financial System.

Strategic Plan: Goal 3 – Be financially responsible and transparent

Measure 10: Close completed projects in a timely manner

Target: Number of calendar days that projects are accepted by Engineering as complete and closed in the financial system.

Financial Services will provide the auditor a list of all closed Customer and Mesa Water projects from the audit year. The auditor will randomly select a number of projects from the list. The auditor will document the Project Acceptance Date and the Project Close Date. An analysis will be performed by the auditor that will determine the number of calendar days between the Project Acceptance Date and the Project Close Date.

Engineering will submit to Financial Services the approved project closing paperwork quarterly. Financial Services and Engineering will work together to close the accepted projects and approve refunds (if any) within 90 days.

The computation is based on when the project is accepted by Engineering and documented on the first day of the next quarter after a project is complete (such as for a 3/13/24 project, the documentation by Engineering should be by April 1, 2023) as complete. This date is then compared, and a difference in calendar days is computed to when the project is closed in the financial system.

The process for the auditor to affirm should include signoff on the form for the project with both locations for Engineering to sign and date when the project is affirmed to be completed by Engineering staff and Finance to sign and date when the project is closed in the financial system. An analysis will be performed by the auditor that will determine the number of days between the Project Acceptance Date and the Project Closed Date.

Project Closing Efficiency = Project Acceptance Date – Project Close Date

The following is the acceptable accuracy range:

- 120 days or greater is below acceptable standards
- 119 - 90 days is within the acceptable standards
- 89 days or less is exceeding acceptable standards

Source: Project Files – Project Sign Off Form

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project acceptance process which drives the project close out process.

Audit Preparation: Financial Services to provide closed project list for the audit year. Mesa Water & Customer project files organized in a file drawer with easy access upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.
Goal 6 – Provide outstanding customer service.

ACTION PLAN COMPLIANCE

Measure 11: Review of all action plans associated with the Annual Engineering Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 12: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Customer Services

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

a. Customer Inquiries - Office (number of customers served per day)
b. Customer Payment Processing (number of payment batches processed per day)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The measure for each activity is "average daily production" which is a standard output measure that is based on the average number of units produced in a 9-hour day of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = below range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = above range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CUSTOMER SATISFACTION

Measure 3: Overall result of the Annual Elite Customer Service Audit

Target: Overall Key Performance Indicator Score

The following is the acceptable accuracy range:

- 71% or less is below acceptable standards

- 72% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Elite Customer Service Audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is providing outstanding customer service.

Audit Preparation: Mesa Water's Business Administrator to provide the Elite Customer Service Audit for the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

ACTION PLAN COMPLIANCE

Measure 4: Review of all action plans associated with the Annual Customer Service Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 5: Review of the overall score from the previous Elite Customer Service Audit.

Target: Measure percent change of the overall Elite Customer Service Audit score compared to the previous audit year.

The Business Administrator will provide the auditor the Elite Customer Service Audit from the previous year. After the review of the current year's Elite Customer Service Audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Elite Customer Service Audit Score = Percent of Current Year's Score – Percent of Previous Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's Elite Customer Service Audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Elite Customer Service Audit for the previous year.

Strategic Plan: Goal 6 – To provide outstanding customer service.

Measure 6: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Current Year's Score – Percent of Previous Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Financial Services

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

    a. Purchase Order/Change Order Processing (time per PO/CO produced)
    b. Payroll Process (time per payroll produced)
    c. Project Accounting - District (time per district capital project closed)
    d. Monthly Close (time per close)
    e. Accounts Payable (time per check produced)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = above range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = below range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Controller through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work

schedule, entry of performance data, and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule, data entry date, and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

VERIFICATION OF NEW ACCOUNTS

Measure 3: Verification of New Accounts

Target: Verify documentation and approval of new accounts. Identify accounts within the Chart of Accounts that were established during the audit year with corresponding documentation for the previous audit year. This includes all new accounts and sub/repurposed accounts.

This measured is verified by the percentage of approved documentation for each new account that was added to the chart of accounts. For example, if 5 accounts were added to the chart of accounts compared to the previous year, there must be corresponding 5 Change of Accounts forms approved by the General Manager.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 99% is within the acceptable accuracy standards
- 100% is exceeding acceptable accuracy standards

Source: Change of Account Log book and signed request form. Previous and List of Chart of Accounts for the audit year and previous audit year from the Financial System.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water's Chart of Accounts are effectively managed to a size that meets its business needs.

Audit Preparation: List of chart of accounts from the financial system for the audit year and previous audit year. Change of accounts log book with GM approval form for each change prepared for request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ENGINEERING PROJECTS

Measure 4: Close completed projects in a timely manner

Target: Number of calendar days that projects are accepted by Engineering as complete and closed in the financial system.

Financial Services will provide the auditor a list of all closed Customer and Mesa Water projects from the audit year. The auditor will randomly select a number of projects from the list. The auditor will document the Project Acceptance Date and the Project Close Date. An analysis will be performed by the auditor that will determine the number of calendar days between the Project Acceptance Date and the Project Close Date.

Engineering will submit to Financial Services the approved project closing paperwork quarterly. Financial Services and Engineering will work together to close the accepted projects and approve refunds (if any) within 90 days.

The computation is based on when the project is accepted by Engineering and documented on the first day of the next quarter after a project is complete (such as for a 3/13/24 project, the documentation by Engineering should be by April 1, 2023) as complete. This date is then compared, and a difference in calendar days is computed to when the project is closed in the financial system.

The process for the auditor to affirm should include signoff on the form for the project with both locations for Engineering to sign and date when the project is affirmed to be completed by Engineering staff and Finance to sign and date when the project is closed in the financial system. An analysis will be performed by the auditor that will determine the number of days between the Project Acceptance Date and the Project Closed Date.

Project Closing Efficiency = Project Acceptance Date – Project Close Date

The following is the acceptable accuracy range:

- 120 days or greater is below acceptable standards
- 119 - 90 days is within the acceptable standards
- 89 days or less is exceeding acceptable standards

Source: Project Files – Project Sign Off Form

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the efficiency of project acceptance process which drives the project close out process.

Audit Preparation: Financial Services to provide closed project list for the audit year. Mesa Water & Customer project files organized in a file drawer with easy access upon request.

Strategic Plan: Goal 3 – Be financially responsible and transparent.
Goal 6 – Provide outstanding customer service.

MONTHLY CLOSE

Measure 5: Monthly Close Documentation

Target: Verify the monthly close checklist for Project Accounting and Expense Accounts

This measured is verified by the percentage of approved documentation for each monthly close. There are 12 monthly close operations performed each year. Financial Services will document the closing of the capital projects and expense accounts each

month through a detailed checklist. This checklist will be signed off by the CFO and Controller. In addition, monthly financial statements (projects and expense) will be produced for and delivered to the departments by the 15 business days of every month.

The following is the acceptable accuracy range:

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standards

Source: Signed monthly close checklist (capital projects/expense accounts) and corresponding department financial statements for each month of the audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure accurate and timely statements to support fiscal monitoring and decision making. The financial statements represent Mesa Water's true financial position to inform the Board of Directors, managers, lenders, and the public.

Audit Preparation: Monthly close packet that includes a checklist and financial statements.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACTION PLAN COMPLIANCE

Measure 6: Review of all action plans associated with the Annual Financial Services Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent

CONTINUOUS IMPROVEMENT

Measure 7: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Public Affairs

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

a. Welcome Program (time per Welcome Bag produced)
b. Mesa Water Notify (time per Notification produced)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = above range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = below range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Controller through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting

needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

PUBLIC AWARENESS

Measure 3: Mesa Water Brand Identity

Target: Percent of respondents who correctly identify Mesa Water as their water provider. This measure represents unaided awareness.

The following is the acceptable standard range:

- 60% or less is below acceptable standards
- 61% to 70% is within the acceptable standards
- 71% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's brand identity with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water

Measure 4: Mesa Water Brand Recognition

Target: Percent of respondents who have an overall awareness of Mesa Water. This measure represents unaided awareness plus aided awareness.

The following is the acceptable standard range:

- 69% or less is below acceptable standards
- 70% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's awareness with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water®

Measure 5: Mesa Water Knowledge of Water Origin

Target: Percent of respondents who correctly know the origin of water (produced locally) that Mesa Water produces and delivers.

The following is the acceptable standard range:

- 49% or less is below acceptable standards
- 50% to 89% is within the acceptable standards

- 90% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's awareness with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water

COMMUNICATION

Measure 6: Communication Efforts

Target: Percent of respondents who are very satisfied with Mesa Water's efforts to communicate with customers

The following is the acceptable standard range:

- 42% or less is below acceptable standards
- 43% to 53% is within the acceptable standards
- 54% or higher is exceeding acceptable standards

Source: Annual Customer Opinion Survey

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's communication efforts with its customers

Audit Preparation: Mesa Water's Business Administrator to provide the Annual Customer Opinion Survey for the audit year.

Strategic Plan: Goal 6 – Provide excellent customer service.

SOCIAL MEDIA GROWTH

Measure 7: Increase the number of social media followers (Costa Mesa Only) on Facebook and Instagram.

Target: Percent increase from previous fiscal year.

The Department will provide the FY2023 year-end Westbound Report to the auditor. The Westbound Report will contain the following information regarding the number of followers (Costa Mesa only) for Facebook and Instagram:

Measure 7: Increase the social media reach and engagement from the previous fiscal year.

Target: Percent increase from previous fiscal year.

The Department will provide the fiscal year end Westbound Report to the auditor. The Westbound Report will contain the following information regarding the reach and engagement numbers:

- Previous fiscal year's reach and engagement count
- Current fiscal year's reach and engagement count

Percent Increase from previous fiscal year = (Current fiscal year's reach and engagement count – Previous fiscal year's reach and engagement count)/Previous fiscal year's reach and engagement count

The following is the acceptable accuracy range:

- 9% or less is below acceptable standards
- 10% to 19% is within the acceptable standards
- 20% or higher is exceeding acceptable standards

Source: Westbound Media Report.

Frequency: Monitored monthly by the Department Manager through the Westbound media report. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To increase Mesa Water's communication capabilities, presence and engagement in the local community.

Audit Preparation: Prepare and deliver the fiscal year end Westbound Report.

Strategic Plan: Goal 4 – Increase favorable opinion of Mesa Water and Goal 6 – Provide excellent customer service

ACTION PLAN COMPLIANCE

Measure 8: Review of all action plans associated with the Annual Public Affairs Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water® is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent

CONTINUOUS IMPROVEMENT

Measure 9: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Administrative Services

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

  a. Board Meeting Process (time per Board Meeting Packet Produced and meeting held)
  b. Committee Meeting Process (time per Committee Meeting Packet Produced and meeting held)
  c. Public Records Act Request (time per public request processed)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

  • 1 point = above range (lower productivity)
  • 2 points = within the range (expected productivity)
  • 3 points = below range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager through the work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work

schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

TRANSPARENCY

Measure 3: Board and Committee Meeting Minutes

Target: Publish Board-approved Minutes within 60 days of each Board and Committee Meeting. This target is an internal standard.

- ~~99% or less is below acceptable accuracy standards~~
- ~~100% is the acceptable accuracy standards~~

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Website report denoting the day/time of the publishing

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to transparency and outstanding customer service to our ratepayers.

Audit Preparation: Administrative Services to provide confirmation of postings via website services.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 4: Website Transparency

Target: Verify and affirm that select items are posted on the Mesa Water website and are current. This includes:

a. Budget for the audit fiscal year
b. CAFR for previous audit year ending June 30
c. Rates & Fee's for the current year
d. Board Member Compensation Ordinance reflecting rates as approved by the Board of Directors and confirmed by a Board Memo from staff. The Board Memo will document the current compensation rates under the "Prior Board Action/Discussion" section. The Board of Directors reviews Board Compensation annually and approves any action by April. Staff will submit to the auditors the Board memo that reflects the website posted Board Member Compensation Ordinance

The auditor will visually verify and affirm the items listed above on Mesa Water's website.

- 99% or less is below acceptable accuracy standards

- 100% is the acceptable accuracy standards

Source: Mesa Water's website

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to transparency.

Audit Preparation: None

Strategic Plan: Goal 3 – Be financially responsible and transparent.

DEPARTMENT COMPLIANCE

Measure 5: Board and Committee Packets

Target: Post to website all Board and Committee Packets within 72 hours of regular/adjourned meeting or 24 hours for a special meeting.

- 99% or less is below acceptable accuracy standards
- 100% is the acceptable accuracy standards

Source: Website report denoting the day/time of the publishing

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure compliance with the Brown Act related to adequate public notice for open meetings.

Audit Preparation: Administrative Services to provide confirmation of postings via website services

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 6: Public Records Act Compliance

Target: Provide initial response to all requests made under the California Public Records Act within 10 calendar days of the date of receipt of a request

If a request is received after business hours or on a weekend or holiday, the next business day may be considered the date of receipt. If the tenth day falls on a weekend or holiday, the next business day is considered the deadline for responding to the request.

In unusual circumstances, the time limit to initially respond to the request may be extended by written notice for an additional 14 days.

- 99% or less is below acceptable accuracy standards

- 100% is the acceptable accuracy standards

Source: A completed Mesa Water Public Records Request form for each public records request.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure compliance with the 10-day response deadline as required in California's Public Records Request Act.

Audit Preparation: Administrative Services will provide a copy for each of the completed Public Records Request forms for the audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

ACTION PLAN COMPLIANCE

Measure 7: Review of all action plans associated with the Annual Administration Services Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 8: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Human Resources

WORK PERFORMANCE

Measure 1: Results from the Key Performance Indicators for the Fiscal Year

Target: This measure varies based on activity

- a. Recruitment & Selection (hours per completed recruitment event)
- b. New Hire Administration (hours per new hire)
- c. Performance Evaluations (hours per completed performance evaluation)

The activities listed above are measured utilizing a 3-point system and assigning points based upon performance. The output for each activity is "hours per unit" which is a standard output measure for administrative type of efforts that is based on the average time that it takes to produce one unit of work. A production range is established for each activity and points are awarded based on the following criteria:

- 1 point = below range (lower productivity)
- 2 points = within range (expected productivity)
- 3 points = above range (higher productivity)

The production range for each activity is determined during the Annual Work Plan Update each year. This update process begins in March and is a collaborative effort with the Department Manager, Supervisors, and staff.

Source: Computerized Maintenance Management System

Frequency: Monitored monthly by the Department Manager and Supervisors through work status meetings. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To evaluate how well our key services are performed and holds management accountable to our annual goals. They provide management the ability to measure time (through ADP and Hours per Unit) in order to manage all aspects of the operation.

Audit Preparation: No preparation needed. Information from Work Status Reports from CMMS.

MANAGEMENT PROCESS

Measure 2: Two-Week Scheduling & Monthly Work Status Meetings

Target: Percent of successfully completed and on-time submittal of the two-week work schedule and holding the monthly work status meeting. There are 26-28 occurrences (depending on the year) where the two-week schedule needs to be completed/submitted and 12 occurrences where the monthly work status meeting needs to be conducted with staff. There are a total of 38 to 40 opportunities for the year.

The Business Administrator develops and submits to the Department Managers by June 15 the monthly schedule with the expected date of completion for these events. The Business Administrator tracks the completion of the two-week schedule adherence by checking the electronic file location and ensuring the schedule has been developed by the designated time frame. The Business Administrator runs the labor report out of the Computerized Maintenance Management System at the end of the scheduled data entry due date to ensure all labor hours for each employee have been entered. The Business Administrator tracks the completion of the monthly status meeting through the electronic documentation in the same file location of the Meeting Agenda and Monthly Status Report.

This measure is verified by the percentage of successful on-time submission of the two-week schedule and successful on time event for the monthly status meeting with department staff. For example, if there were 47 successful submissions and events out of 50 possible, the success rate would be 94%.

The following is the acceptable accuracy range:

- 89% or less is below acceptable accuracy standards
- 90% - 94% is within the acceptable accuracy standards
- 95% or higher is exceeding acceptable accuracy standards

Source: Monthly Management Process Schedule

Frequency: Monitored monthly by the Business Administrator and submitted to the Department Managers. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to two-week scheduling (planning work in advance in short two week sprints) and monitoring work performance monthly (time, productivity, and costs for delivering our services to the ratepayers) are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: No preparation needed. Information from the Monthly Management Process Schedule.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

EMPLOYEE DEVELOPMENT

Measure 3: Professional Development Participation

Target: Percentage of Employees participating in Tuition/Education/Certification Reimbursement Programs

Percent of Employee Participation = Employees Participating/Total Employees Eligible

The following is the acceptable accuracy range:

- 9% or less is below acceptable standards
- 10% to 15% is within the acceptable standards
- 16% or higher is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water employee's professional development participation.

Audit Preparation: Prepare electronic files for auditor. Count of total eligible FTE's and count of FTE's participating in the professional development program.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

Measure 4: Time to Fill

Target: The amount of time that it takes to fill a vacant position.

Time to Fill = Average number of business days elapsed between requisition date and offer acceptance

The following is the acceptable accuracy range:

- 91 days or greater is below acceptable standards
- 90 – 80 days is within the acceptable standards
- 79 days or less is exceeding acceptable standards

Source: NeoGov

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge the efficiency of Mesa Water's hiring process.

Audit Preparation: Report out of NeoGov for each position hired showing the requisition date and offer acceptance date for the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

EMPLOYEE RECRUITMENT

Measure 5: Job Offer Ratio

Target: The level of job offers rejected compared to the number of job offers made.

Job Offer Ratio = Percent of offers rejected to offers made

The following is the acceptable accuracy range:

- 69% of less is below acceptable standards
- 70% to 74% is within the acceptable standards
- 75% or greater is exceeding acceptable standards

Source: NeoGov

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure the quality of the job offers and Mesa Water's recruitment process.

Audit Preparation: Report out of NeoGov for each position offered and offers rejected for the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 6: Temporary Staff Utilization

Target: The level of full time temporary employees working at Mesa Water. This metric excludes limited term employees.

Temporary Staff Utilization = Average duration of time temporary staff are employed at Mesa Water.

The following is the acceptable employment day range:

- 181 days or greater below acceptable standards
- 180 to 91 days is within the acceptable standards
- 90 days or less is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure temporary staff are used to fill short-term needs.

Audit Preparation: Prepared list of temporary staff employed showing start date, end date, department, position, staff name, and number of   days employed.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

EMPLOYEE RETENTION

Measure 7: Turnover Rate

Target: Monitoring employee voluntary and involuntary movement out of the organization

Turnover Rate = (# employees leaving/employees at start + employees at end)/2)

The following is the acceptable accuracy range:

- 16% or greater is below acceptable standards
- 15% to 7% is within the acceptable standards
- 6% or less is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To measure, by percent, how many employees are leaving Mesa Water

Audit Preparation: Prepare electronic files for auditor. Total count of FTE's and count of FTE's that moved out of the organization during the audit year.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

EMPLOYEE ENGAGEMENT

Measure 8: Annual Employee Performance Evaluation

Target: All employees receive their annual review by September 30

Annual Review Rate = (number employees receiving their review on time/number of employees)

The following is the acceptable accuracy range:

- 94% or less is below acceptable standards
- 95% to 99% is within the acceptable standards
- 100% is exceeding acceptable standards

Source: Human Resource Information System

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure the excellent business processes related to annual employee reviews are part of Mesa Water's culture and embracing our perpetual agency philosophy.

Audit Preparation: Prepare electronic files for auditor. Total count of FTE's and the date that their annual performance evaluation occurred during the audit year.

Strategic Plan: Goal 6 – Provide outstanding customer service.

Measure 9: Annual Employee Engagement Survey

Target: All employees participate in the Annual Employee Survey by August 15

Overall Mesa Water score from the 12 Question Gallup Poll measuring the work environment.

The following is the acceptable accuracy range:

- Below 33rd percentile is below acceptable standards
- 33rd to 66th percentile is within the acceptable standards
- 66th percentile of higher is exceeding acceptable standards

Source: Gallup Poll Report

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To understand how engaged Mesa Water employees are at work. Provide insight into employee motivation and productivity.

Audit Preparation: Business Administrator to provide documentation from the Gallup organization depicting the overall score for Mesa Water resulting from the annual survey.

Strategic Plan: Goal 5 – Attract and retain skilled employees.

ACTION PLAN COMPLIANCE

Measure 10: Review of all action plans associated with the Annual Administration Services Performance Audit.

Target: Percent of resolved action items and confirmed by signature of Department Manager and General Manager.

The Business Administrator will provide the previous year's Performance Audit Action Plan to the auditor. The Performance Audit Action Plan will list the total number of actions and indicate whether that actions have been resolved. The auditor will determine the percentage of resolved actions.

Percent of Resolved Action Items = Resolved Action Items/Total Action Items

The following is the acceptable accuracy range:

- 79% or less is below acceptable standards
- 80% to 89% is within the acceptable standards
- 90% or higher is exceeding acceptable standards

Source: Performance Audit Action Plan for the previous audit year.

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure Mesa Water is actively progressing towards recommended and agreed upon audit recommendations.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit Action Plan for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

CONTINUOUS IMPROVEMENT

Measure 11: Review of the overall score from the previous audit year.

Target: Measure percent change of the overall department performance score compared to the previous audit year.

The Business Administrator will provide the auditor the Performance Audit from the previous year. After the completion of the current year's audit and associated overall score, the auditor will determine the change in percent compared to the previous year and score accordingly.

Percent Change of Overall Department Score = Percent of Previous Year's Score – Percent of Current Year's Score

The following is the acceptable accuracy range:

- - 5% or lower than previous year is below acceptable standards
- - 4% or + 4% of previous year is within the acceptable standards
- 5% or higher that previous year or maintained gold status is exceeding acceptable standards

Source: Previous year's performance audit

Frequency: Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To encourage and reward departments based on the continuous improvement philosophy.

Audit Preparation: Mesa Water's Business Administrator to provide the Performance Audit for the previous audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Mesa Water District

FINANCIAL INVESTMENTS

Measure 1: Investment Performance (PARS/OPEB Trust)

Target: Rate of Return on Investments (Pension Trust & OPEB Trust). Performance tied to S&P 500 for the fiscal year timeframe.

The following is the acceptable return on investment range:

- 90% or less is below an acceptable rate of return
- +/- 10% is an acceptable rate of return
- 110% or greater is exceeding and acceptable rate of return

Source: Monthly treasury status report on investments (June)

Frequency: Reviewed monthly by Financial Services and submitted quarterly to the Board of Directors. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure an investment return is achieved that aligns with the objectives of the Board of Directors.

Audit Preparation: June investment statement for the audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 2: Investment Performance (Other Investments)

Target: Rate of Return on Investments (Other Investments). Performance tied to Local Agency Investment Fund (LAIF) for the fiscal year timeframe.

The following is the acceptable rate of return range:

- 90% or less is below an acceptable rate of return
- +/- 10% is an acceptable rate of return
- 110% or greater is exceeding and acceptable rate of return

Source: Monthly treasury status report on investments (June)

Frequency: Reviewed monthly by Financial Services and submitted quarterly to the Board of Directors. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure an investment return is achieved that aligns with the objectives of the Board of Directors.

Audit Preparation: June LAIF investment statement for the audit year.

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 3: Cash On Hand

Target: The amount of cash on hand. Measured at the end of the fiscal year. Adjusted for any Board approved actions.

The following is the acceptable cash on hand range:

- 95% or less of budgeted cash on hand
- +/- 5% of budgeted cash on hand
- 105% or greater than budgeted cash on hand

Source: 4th Quarter Mesa Water Financial Statement.

Frequency: Reviewed monthly by Financial Services and submitted quarterly to the Board of Directors. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To ensure a level of cash on hand is achieved that aligns with the objectives of the Board of Directors.

Audit Preparation: 4th Quarter Mesa Water Financial Statement

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 4: Days Cash

Target: The number of days Mesa Water can fully run its operations and maintenance with no revenue. Measured at the end of the fiscal year. Adjusted for any Board approved actions.

The following is the acceptable budgeted days range:

- 95% or less of budgeted days
- +/- 5% of budgeted days
- 105% or greater than budgeted days

Source: 4th Quarter Mesa Water Financial Statement.

Frequency: Reviewed monthly by Financial Services and submitted quarterly to the Board of Directors. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's financial security.

Audit Preparation: 4th Quarter Mesa Water Financial Statement

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Measure 5: Debt Coverage Ratio

Target: Ratio of cash available for debt servicing to interest, principal and lease payments. Measured at the end of the fiscal year. Adjusted for any Board approved actions.

The following is the acceptable debt coverage range:

- 95% or less of Board approved debt coverage ratio
- +/- 5% Board approved debt coverage ratio
- 105% or greater than Board approved debt coverage ratio

Source: 4th Quarter Mesa Water Financial Statement.

Frequency: Reviewed monthly by Financial Services and submitted quarterly to the Board of Directors. Audited annually based on the year-end results compared to established standards for the audit year.

Purpose: To gauge Mesa Water's financial security

Audit Preparation: 4th Quarter Mesa Water Financial Statement

Strategic Plan: Goal 3 – Be financially responsible and transparent.

Performance Audit Scorecard
Water Operations
Fiscal Year 2026

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

Performance Audit Scorecard
Engineering
Fiscal Year 2026

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

Overall Performance Scale				59% or Less	60%-89%	90%-100%	
				(red)	(green)	(gold)	
Overall Performance Score							

Performance Audit Scorecard
Customer Services
Fiscal Year 2026

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

Overall Performance Scale		59% or Less	60%-89%	90%-100%	
		🟥	🟩	🟨	

Overall Performance Score	

Performance Audit Scorecard
Financial Services
Fiscal Year 2026

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

Overall Performance Scale			59% or Less	60%-89%	90%-100%	
			🟥	🟩	🟨	

Overall Performance Score

Performance Audit Scorecard
Public Affairs
Fiscal Year 2026

No.	Performance Indicator	Definition	Source				Score
	Work Performance						
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an HPU that is lower than planned range; 2 points for within planned range; and 1 point for higher that planned range.	CMMS	**Lower than Planned Range**	**Within Planned Range**	**Higher than Planned Range**	
	Management Process						
2	Two Week Schedeling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle and holding the monthly work status meeting	Electronic Document	**89% or Less**	**90% to 94%**	**Greater than 95%**	
	Public Awareness						
3	Mesa Water® Brand Identity	Percent of respondents who correctly identify Mesa Water® as their water provider (unaided awareness)	Annual Customer Opinion Survey	**60% or Less**	**61% to 70%**	**71% or Greater**	
4	Mesa Water® Brand Recognition	Percent of respondents who have an overall awareness of Mesa Water® (unaided awareness + aided awareness)	Annual Customer Opinion Survey	**69% or Less**	**70% to 89%**	**90% or Greater**	
5	Mesa Water® Knowledge of Water Origin	Percent of respondents who correctly know the orgin of water (produced locally) that Mesa Water® produces and delivers.	Annual Customer Opinion Survey	**49% or Less**	**50% to 89%**	**90% or Greater**	
	Communication						**Score**
6	Communication Efforts	Percent of respondents who are very satisfied with Mesa Water®'s efforts to communicate with customers	Annual Customer Opinion Survey	**42% or Less**	**10% to 19%**	**20% or Greater**	
	Social Media Growth						**Score**
7	Increase the social media reach and engagement from the previous fiscal year	Percent increase from the previous fiscal year.	Westbound Report	**9% or Less**	**30% to 49%**	**50% or Greater**	
	Action Plan Compliance						**Score**
8	Review of all action plans associated with the Annual Public Affairs Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans	Electronic Document	**79% or Less**	**80% to 89%**	**90% or Greater**	
	Continuous Improvement						**Score**
9	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	Previous year's Performance Audit	**-5% or Lower**	**-4% to +4%**	**5% and Greater OR Maintained Gold Status**	

Overall Performance Scale			59% or Less	60%-89%	90%-100%	
		Overall Performance Score				

Performance Audit Scorecard
Administrative Services
Fiscal Year 2026

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

Overall Performance Scale					
		59% or Less	**60%-89%**	**90%-100%**	

Overall Performance Score

Performance Audit Scorecard
Human Resources
Fiscal Year 2026

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

Performance Audit
Water Operations
Weighting Criteria

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

Weighting Definition - Business & Performance Impact

1	Important	Considerable effect on success
2	Significant	Great significance on success
3	Impactful	Major impact on success

Performance Audit
Engineering
Weighting Criteria

No.	Performance Indicator	Definition	Weighting
	Verify Accurate Reporting of Work		
1	Work Reporting Accuracy	Percent of accurate work reporting and entry. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity.	**2**
	Management Process		
2	Two Week Scheudling, Data Entry, & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle, work reporting data entry, and holding the monthly work status meeting	**2**
	Engineering Projects		
3	Project Hours	Percent of labor hours directly associated with Capital and Expense Projects compared to avaiable hours less leave.	**3**
4	Construction Inspections	Percent of construction inspections performed within 3 business days of request. Documentation of inspection request and actual occurrence	**2**
5	Contract Management	Cost of construction contract change orders in Capital Program projects to less than 5% of the total value of open construction contracts	**2**
6	Efficiency of Plan Check	Percent of plans reviewed within 15 business days	**3**
7	Efficiency of Contract Award for Construction or Professional Services	Average time from Committee/Board approval to securing contract signature	**2**
8	Project Management	Projects less than $400,000: Labor/Construction Management Cost as a percent of the total contract cost	**2**
9	Project Management	Projects greater than $400,000: Labor/Construction Management Cost as a percent of the total contract cost	**2**
10	Close completed projects in a timely manner	Number of calendar days that projects are accepted by Engineering and closed in the financial system.	**2**
	Action Plan Compliance		
11	Review of all action plans associated with the Annual Engineering Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans and confirmed by signature of Department Manager and General Manager.	**2**
	Continuous Improvement		
12	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	**2**

Weighting Definition - Business & Performance Impact

1	Important	Considerable effect on success
2	Significant	Great significance on success
3	Impactful	Major impact on success

Performance Audit
Customer Services
Weighting Criteria

No.	Performance Indicator	Definition	Weighting
	Work Performance		
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an ADP that is higher than planned range; 2 points for within planned range; and 1 point for lower that planned range.	**3**
	Management Process		
2	Two Week Scheudling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle and holding the monthly work status meeting	**3**
	Customer Satisfaction		
3	Overall result of the annual Elite Customer Service Audit	Overall Key Performance Indicator Score	**3**
	Action Plan Compliance		
4	Review of all action plans associated with the Annual Customer Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans	**2**
	Continuous Improvement		
5	Review of the overall score from the previous Elite Customer Service Audit.	Measure percent change of overall Elite Customer Service Audit score compared to the previous audit year.	**2**
6	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	**2**

Weighting Definition - Business & Performance Impact

1	Important	Considerable effect on success
2	Significant	Great significance on success
3	Impactful	Major impact on success

Performance Audit
Financial Services
Weighting Criteria

No.	Performance Indicator	Weighting	Weighting
Work Performance			
1	Results from the Key Performance Indicators for the Fiscal Year	The KPI's are scored 3 points for an UPH that is lower than planned range; 2 points for within planned range; and 1 point for higher that planned range.	**3**
Management Process			
2	Two Week Scheudling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle and holding the monthly work status meeting	**3**
Review of Financial System			
3	Verification of New Accounts	Verify documentation and approval of new accounts. Identify accounts within the Chart of Accounts that were established with corresponding documentation for the fiscal year	**2**
Engineering Projects			
4	Close completed projects in a timely manner	Number of calendar days that projects are accepted by Engineering and closed in the financial system.	**2**
Monthly Close			
5	Monthly Close Documentation	Verify the signed monthly close checklist for Projects and Expense Accounts and cooresponding fiancial statements	**3**
Action Plan Compliance			
6	Review of all action plans associated with the Annual Financial Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans	**2**
Continuous Improvement			
7	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	**2**

Weighting Definition - Business & Performance Impact

1	Important	Considerable effect on success
2	Significant	Great significance on success
3	Impactful	Major impact on success

Performance Metrics
Public Affairs
Weighting

No	Performance Indicator	Definition	Weighting
Work Performance			
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an HPU that is lower than planned range; 2 points for within planned range; and 1 point for higher that planned range.	**3**
Management Process			
2	Two Week Schedeling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle and holding the monthly work status meeting	**3**
Public Awareness			
3	Mesa Water® Brand Identity	Percent of respondents who correctly identify Mesa Water® as their water provider (unaided awareness)	**3**
4	Mesa Water® Brand Recognition	Percent of respondents who have an overall awareness of Mesa Water® (unaided awareness + aided awareness)	**3**
5	Mesa Water® Knowledge of Water Origin	Percent of respondents who correctly know the orgin of water (produced locally) that Mesa Water® produces and delivers.	**3**
Communication			
6	Communication Efforts	Percent of respondents who are very satisfied with Mesa Water®'s efforts to communicate with customers	**2**
Social Media Growth			
7	Increase the social media reach and engagement from the previous fiscal year	Percent increase from the previous fiscal year.	**2**
Action Plan Compliance			
8	Review of all action plans associated with the Annual Public Affairs Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans	**3**
Continuous Improvement			
9	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	**2**

Weighting Definition - Business & Performance Impact

1	Important	Considerable effect on success
2	Significant	Great significance on success
3	Impactful	Major impact on success

Performance Audit
Administrative Services
Weighting Criteria

No.	Performance Indicator	Definition	Weighting
	Work Performance		
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an HPU that is lower than planned range; 2 points for within planned range; and 1 point for higher that planned range.	**3**
	Management Process		
2	Two Week Scheudling, & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle and holding the monthly work status meeting	**3**
	Transparency		
3	Board and Committee Meeting Minutes	Publish Draft Minutes within 60 days of the each Board and Committee Meeting	**2**
4	Website Transparency	Verify and affirm that select items are posted on the Mesa Water website and are current	**2**
	Department Compliance		
5	Board and Committee Packets	Post to website all Board and Committee Packets within 72 hours of regular or adjourned meeting or 24 hours for a special meeting	**3**
6	Public Records Request Act Compliance	Response to all public records requests within 10 calendar days of receipt of request	**3**
	Action Plan Compliance		
7	Review of all action plans associated with the Annual Administrative Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans	**2**
	Continuous Improvement		
8	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	**2**

Weighting Definition - Business & Performance Impact

1	Important	Considerable effect on success
2	Significant	Great significance on success
3	Impactful	Major impact on success

Performance Audit
Human Resources
Weighting Criteria

No.	Performance Indicator	Definition	Weighting
Work Performance			
1	Results from the Key Performance Indicators for the Fiscal Year.	The KPI's are scored 3 points for an ADP that is higher than planned range; 2 points for within planned range; and 1 point for lower that planned range.	**3**
Management Process			
2	Two Week Scheudling & Monthly Status	Percent of compliance with meeting the deadline dates for submitting the 2 week scheudle and holding the monthly work status meeting	**3**
Employee Development			
3	Professional Development Participation	Percentage of Employees participating in Tuition/Education/Certification Reimbursement Programs divided by the number of employees eligible	**2**
4	Time To Fill	The amount of time that it takes to fill a vacant position. Average number of business days elapsed between requisition date and offer acceptance	**1**
Employee Recruitment			
5	Job Offer Ratio	Percent of offers accepted to offers made	**2**
6	Temporary Staff Utilization	Average duration of time using temporary staff	**3**
Employee Retention			
7	Turnover Rate	Monitoring employee voluntary and involuntary movement out of the organization	**1**
Employee Engagement			
8	Annual Employee Performance Evaluations	All employees receive their annual review by September 30	**2**
9	Annual Employee Engagement Survey	Overall Mesa Water® score from the 12 Question Gallup Poll measuring the work environment.	**2**
Action Plan Compliance			
10	Review of all action plans associated with the Annual Human Resources Performance Audit. Confirm that an action plan exists and that progress is being made towards completion.	Percent of resolved actions for all plans	**2**
Continuous Improvement			
11	Review of the overall score from the previous audit year.	Measure percent change of overall department performance score compared to the previous audit year.	**2**

Weighting Definition - Business & Performance Impact

1	Important	Considerable effect on success
2	Significant	Great significance on success
3	Impactful	Major impact on success

FY 2026 Performance Audit
Water Operations
Key Performance Indicators

Item	KPI Task	MaintStar Data Source	Planned ADP Range	Actual ADP	What We Are Measuring	Result	Points
1	Capital Mainline Valve Replace	Activity CAP-MV	0.45 - 0.55		Valves Replaced		
2	Capital Hydrant Upgrade	Activity CAP-FH	0.40 - 0.50		Hydrants Upgraded		
3	Hydrant Maintenance	Activity WD-0101	36 - 44		Hydrants Maintained		
4	Distribution Valve Maintenance	Activity WD-0201	36 - 44		Valves Excercised		
5	Night Valve Maintenance	Activity WD-0202	36 - 44		Valves Excercised		
6	PDO System Monitoring	Activity WPDO-001	27 - 33		Completed System Checks		
7	PDO Weekly	Activity WPDO-002	1.35 - 1.65		Completed Checklist		
8	Backflow Test Reports	Activity CC-01	191 - 233		Completed Backflow Tests		
9	Water Quality Sampling	Activity WQ-1215	29 - 35		Sites Sampled		
10	Instrument Calibration Check	Activity WQ-1216	90 - 110		Instruments Checked		
11	Capital Small Meters	Activity CAP-SM	13.50 - 16.50		Meters Replaced		
12	Capital Large Meters	Activity CAP-LM	5 - 7		Meters Replaced		

Points Earned   0
Max Points   36

Score Criteria

		Points	
Lower than Planned Range		3	90% -100%
Within Planned Range		2	60% - 89%
Higher than Planned Range		1	59% or below

SCORE   0%

ADP = Average Daily Production

FY 2026 Performance Audit
Customer Services
Key Performance Indicators

Item	KPI Task	MaintStar Data Source	Planned ADP Range	Actual ADP	What We Are Measuring	Result	Points
1	Customer Inquiries - Office	Activity CS-01	135 - 165		Contacts Served		
2	Customer Payment Processing	Activity CS-10	16.2 - 19.8		Payment Batches Processed		

Points Earned   0

Max Points   6

SCORE   0%

Score Criteria

		Points	
Lower than Planned Range		3	90% -100%
Within Planned Range		2	60% - 89%
Higher than Planned Range		1	59% or below

ADP = Average Daily Production

Item	KPI Task	MaintStar Data Source	Planned Unit Time	Planned Unit Time Range	Actual Unit Time	What We Are Measuring	Result	Points
1	PO/CO Processing	Activity FIN-15	0.28	0.31 - 0.25		Hours per PO/CO Produced		
2	Payroll Process	Activity FIN-23	15	16.50 - 13.50		Hours per Payroll Produced		
3	Project Accounting Process	Activity FIN-14	4.5	5.00 - 4.00		Hours per Project Closed		
4	Monthly Close	Activity FIN-8	83	91.3 - 74.7		Hours per Close		
5	Accounts Payable	Activity FIN-16	0.30	0.33 - 0.27		Hours per Check Produced		

Points Earned   0

Max Points   15

Score Criteria

SCORE 0%

		Points	
Lower than Planned Range		3	90% -100%
Within Planned Range		2	60% - 89%
Higher than Planned Range		1	59% or below

Unit Time = Time to Produce a Unit

FY 2026 Performance Audit
Public Affairs
Key Performance Indicators

Item	KPI Task	MaintStar Data Source	Planned Unit Time	Planned Unit Time Range	Actual Unit Time	What We Are Measuring	Result	Points
1	Welcome Program	Activity PA-05	0.45	0.405 - 0.495		Hours per Welcome Bag		
2	Mesa Water® Notify	Activity PA-08	2	1.80 - 2.20		Hours per Sent Notify		

Points Earned   0

Max Points   6

SCORE   0%

Score Criteria

		Points	
Lower than Planned Range		3	90% -100%
Within Planned Range		2	60% - 89%
Higher than Planned Range		1	59% or below

Unit Time = Time to Produce a Unit

FY 2026 Performance Audit
Administrative Services
Key Performance Indicators

Item	KPI Task	MaintStar Data Source	Planned Unit Time	Planned Unit Time Range	Actual Unit Time	What We Are Measuring	Result	Points
1	Board Meetings	Activity ADM-01	55	50 - 60		Hours per Board Meeting		
2	Committee Meetings	Activity ADM-02	23	17 - 28		Hours per Committee Meeting		
3	Public Records Request	Activity ADM-19	1.50	1.35 - 1.65		Hours PR Requests Completed		

Points Earned   0
Max Points   9

SCORE   0%

Score Criteria

		Points	
Lower than Planned Range		3	90% -100%
Within Planned Range		2	60% - 89%
Higher than Planned Range		1	59% or below

Unit Time = Time to Produce a Unit

Item	KPI Task	MaintStar Data Source	Planned Unit Time Range	Actual Unit Time	What We Are Measuring	Result	Points
1	Recruitment & Selection	Activity HR-01	45.00 - 55.00		Hours per Event		
2	New Hire Administration	Activity HR-09	16.20 - 19.20		Hours per Person Hired		
3	Performance Evaluations	Activity HR-10	2.70 - 3.30		Hours per Evaluation Completed		

Points Earned 0

Max Points 9

SCORE 0%

Score Criteria

		Points	
Lower than Planned Range		3	90% -100%
Within Planned Range		2	60% - 89%
Higher than Planned Range		1	59% or below

Unit Time = Time to Produce a Unit

REPORTS:

7.   REPORT OF THE GENERAL MANAGER

REPORTS:

8.   DIRECTORS' REPORTS AND COMMENTS

CLOSED SESSION:

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