BOARD OF DIRECTORS REGULAR MEETING MINUTES

Monday, July 20, 2026 at 3:00 PM

66575 Second St, Desert Hot Springs, CA AND/OR Via Teleconference

CALL TO ORDER
President Duff called the meeting to order at 3:00 PM

ROLL CALL
BOARD MEMBERS PRESENT: President Amber Duff, Vice President Robert Griffith, Director Ivan Sewell Director Russ Martin, Director Ted Mayrhofen

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Kurt Kettenacker, Danny Friend, Oriana Hoffert, Skyler Aubrey, Will Whitten, Dori Petee

PLEDGE OF ALLEGIANCE
Led by Director Sewell

RULES OF PROCEDURE
Rules of Procedure were read by General Counsel.
All noticed meetings are conducted using Rosenberg's Rules of Order as a procedural guideline. Directors should refrain from responding directly to public comments at meetings of the Board. The Board President will refer matters raised during public comment to the General Manager for follow-up when appropriate. Occasionally, a prompt response may be offered when an obvious answer or resolution is available, provided this is done in compliance with the Brown Act. Directors should refrain from debating or making decisions in response to public comments. The President of the Board presides at all meetings and decides all points of order and procedure during meetings. The President is responsible for maintenance and decorum at all Board meetings. No person shall be allowed to speak who has not first been recognized by the President. All questions and remarks should be addressed to the President as the presiding officer. No member of the Board should speak more than once about any one subject until every other member on the Board wishing to speak on the subject shall have been given the opportunity to speak. No Board member shall interfere with the orderly progress of a Board meeting. In order to ensure the orderly progress of Board meetings, the Board President regulates the amount of time to be dedicated to a particular agenda item."

PUBLIC INPUT
No public input

PRESENTATION

DESERT HOT SPRINGS HIGH SCHOOL REAL ACADEMY INTERNSHIP PROGRAM
This presentation took place during the Study Session on Thursday, July 20, 2026

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT - PERSONNEL ACTIVITY FOR JUNE 2026

The Board acknowledged the following employees:
ANNIVERSARIES

Richard Andrade	Field Operations Technician II	2 Years
Adrian Gaona	Field Service Representative I	4 Years
Michael Moore	Field Operations Technician II	7 Years

CERTIFICATIONS/EDUCATIONAL ACCOMPLISHMENTS
Zachary Norman Water Distribution Grade 2 and Water Treatment Grade 2 Certificates

ACTION ITEMS

ADOPT RESOLUTION 2026-15: AUTHORIZING THE ISSUANCE AND SALE OF NOT-TO-EXCEED $28,500,000 REVENUE CERTIFICATES OF PARTICIPATION AND APPROVING RELATED ACTIONS
The Board of Directors of the Mission Springs Water District adopted Resolution No. 2026-15 authorizing the issuance and sale of not-to-exceed $28,500,000 Revenue Certificates of Participation ("2026 COPs"); approve a budget adjustment of $350,000 for bond issuance expenses, $40,000 for municipal financial advisory services related to the debt issuance, and $603,450 for related interest expenses for the first year of debt service; and transfer $350,000 into the Water Rate Stabilization Fund and $150,000 into the Wastewater Rate Stabilization Fund.

The Board considered Action Item No. 9 to adopt Resolution No. 2026-15, authorizing the issuance and sale of revenue certificates of participation in an amount not to exceed $28,500,000 and approving related actions. General Manager Brian Macy introduced the item and noted that the Board had previously discussed the financing process and related efforts by District staff and the finance team. Staff introduced representatives from Urban Futures Incorporated and Stradling, who provided an overview of the proposed debt issuance, including the financing structure, market conditions, good faith estimate, required documents, rating process, continuing disclosure obligations, and anticipated schedule.

The presentation explained that the certificates of participation would be issued to finance the new administrative building and water infrastructure improvements, including booster stations, and would be payable from water and wastewater revenues. The financing includes a rate covenant requiring revenues equal to at least 115% of annual debt service, as well as a funded rate stabilization fund intended to support credit strength and provide flexibility if needed. The District's financial position was described as strong, with prior debt reductions improving the transaction structure and supporting the anticipated rating process. The presenters also reviewed the 30-year term, estimated true interest cost, standard 10-year call provision, and the authorization documents, including the resolution, installment purchase agreement, trust agreement, assignment agreement, purchase contract, preliminary official statement, and continuing disclosure certificate.

Board members asked questions regarding the ability to refinance or pay down the debt before the 10-year call date and whether the District would be obligated to proceed if market conditions worsened before pricing. The presenter explained that earlier redemption may be possible with a premium but could result in higher costs, and that the resolution includes not-to-exceed parameters that would prevent the transaction from proceeding if rates or costs exceeded approved limits. Board members and staff acknowledged the District's efforts to strengthen its financial position, including paying down debt and maintaining cash for projects.

Motion made by Vice President Griffith, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin
Voting Nay: Director Mayrhofen

AWARD OF CONSTRUCTION CONTRACT FOR THE MSWD MAIN CAMPUS TO ROBERT CLAPPER CONSTRUCTION SERVICES, INC.
The Board of Directors of the Mission Springs Water District authorized the General Manager to execute a contract for the construction of the MSWD Main Campus to Robert Clapper Construction Services, Inc. in the amount of $32,922,000 plus a 10% contingency of $3,292,200 for a total of $36,214,200; and augment the Capital Improvement Program by creating two project job numbers for the relocation of the Horton Percolation Ponds in the amount of $581,000 plus a 10% contingency of $58,100 for a total of $639,100 and for the construction of the Park Lane water main in the amount of $1,232,000 plus a 10% contingency of $123,200 for a total of $1,355,200, and do all things necessary to complete the project.

General Manager Macy introduced Item No. 10, Award of Construction Contract for the MSWD Main Campus to Robert Clapper Construction Services, Inc., and summarized the District's long-term consideration of replacing or relocating its main campus facilities, the development of the campus concept, and the subsequent public bidding process. Eric Weck, Engineering Manager, provided a presentation recommending award of the construction contract to Robert Clapper Construction Services, Inc. in the amount of $32,922,000, noting that two bids were received on May 7, 2026, and that Robert Clapper Construction Services, Inc. was determined to be the lowest responsive bidder following staff review of the bid proposal and supporting documentation.

Staff explained that the overall project scope includes construction of the main campus facility, waterline construction on Park Lane, and relocation of Horton Ponds 7 and 8. Staff further clarified that the Park Lane waterline improvements would be funded separately through Water Fund 2011, with a separate job number requested, and that the pond relocation would be funded through Wastewater Fund 301. Staff noted that a nearby apartment development is expected to benefit from the Park Lane waterline improvements and that a future cost-sharing agreement is anticipated to be brought back to the Board for consideration. Staff also stated that the waterline and pond relocation costs, along with staff time and ancillary project costs, would be allocated to the appropriate funding sources and not charged against the main campus project budget.

The Board discussed the recommendation, including confirmation that there were no questions from certain Directors, comments regarding confidence in the contractor based on prior related work and review by project representatives, and concern that the contractor was not present during the meeting to respond to questions regarding the contract award. Staff responded that the contractor did not appear to be present and may not have known the item was scheduled for Board action at that meeting.

Motion made by Director Sewell, Seconded by Vice President Griffith.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin
Voting Nay: Director Mayrhofen

AWARD OF CONSTRUCTION INSPECTION AGREEMENTS TO Z&K CONSULTANTS AND LANDMARK CONSULTANTS FOR THE CONSTRUCTION OF THE MSWD MAIN CAMPUS

The Board authorized the General Manager to execute a Professional Services Agreements with Z&K Consultants for construction management services in the amount not to exceed $641,520, and Landmark Consultants, Inc. for geotechnical inspections in an amount not to exceed $250,000.00 to oversee construction activities at the MSWD Main Campus.

This item was presented at the Study Session; there is nothing further to add.

Motion made by Vice President Griffith, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

APPROVE CONTRACT AMENDMENT NO. 6 TO RUHNAU CLARKE ARCHITECTS FOR THE MSWD MAIN CAMPUS PROJECT

The Board authorized the General Manager to execute Contract Amendment No. 6 for the Professional Services Agreement with Ruhnau Clarke Architects for the MSWD Main Campus in the amount of $180,200 for a total of $2,405,164.

This item was presented at the Study Session; there is nothing further to add.

President Duff emphasized the importance of the project to the community and to every member of Mission Springs Water District. She noted that the District's success depends not only on the quality of its facilities and infrastructure, but also on how the work is carried out. She stressed that contractors and subcontractors are expected to uphold legal and regulatory compliance, safety, integrity, and high professional standards while representing the District on the job site. She concluded by expressing her excitement to see the project move forward.

Motion made by Vice President Griffith, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

APPROVE CONTRACT AMENDMENT NO. 1 TO CANYON SPRINGS ENTERPRISES CONTRACT FOR WELL 22 PROJECT

The Board authorized the General Manager to execute Contract Amendment No. 1 in the amount of $70,323.61 for a total contract amount of $1,529,239.61.

This item was presented at the Study Session; there is nothing further to add.

Motion made by Director Sewell, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

AWARD CONTRACT AGREEMENT WITH URBAN HABITAT FOR ANNUAL LANDSCAPE MAINTENANCE FOR DISTRICT FACILITIES FOR 2026-2027
The Board authorized the General Manager to execute a one-year contract with Urban Habitat for Annual Landscape Maintenance for District Facilities for 2026-2027, with the option to extend for two additional one-year terms. The total not to exceed contract amounts, including a 10% contingency, are $84,629.60 for FY 2026-2027, $87,230.00 for FY 2027-2028, and $89,883.20 for FY 2028-2029.

This item was presented at the Study Session; there is nothing further to add.

Motion made by Director Sewell, Seconded by Vice President Griffith.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin
Voting Nay: Director Mayrhofen

AWARD CONTRACT WITH GENTRY GENERAL ENGINEERING INC. FOR ON-CALL PAVEMENT AND CONCRETE REPAIRS FOR WATER AND SEWER PROJECTS FOR 2026-2027
The Board authorized the General Manager to execute a one-year contract with Gentry General Engineering Inc. for On-call Pavement and Concrete Repairs for Water and Sewer Projects for 2026-2027, in an amount not to exceed $250,000.00, with the option to extend for two additional one-year terms, and to negotiate any associated price adjustments.

This item was presented at the Study Session; there is nothing further to add.

President Duff asked that her previous comments be shared with this contractor as well.

Motion made by Vice President Griffith, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

AFFILIATION LIST UPDATE
The Board of Directors discussed, amended, and approved the updated 2026 Affiliation List.

Director Mayrhofen noted he is very unhappy with what is going on with these meetings.

Motion made by Director Sewell, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin
Voting Nay: Director Mayrhofen

DISCUSSION ITEMS

MSWD MAIN CAMPUS UPDATE
Most of the items on the agenda were directly related to this topic; no additional update was given.

GROUNDWATER PROTECTION PROGRAM UPDATE
General Manager Macy provided an update on Item 18, the Groundwater Protection Program, with specific

reference to the M-2 project. He noted that the District is still awaiting a schedule from the contractor and reminded the Board that a public meeting is scheduled for Thursday, the 23rd. Assistant General Manager Marion Champion added that the public workshop will be held in person and will also be available via Zoom for those who wish to participate remotely.

The District will provide the presentation materials in both English and Spanish and post them on its website for those unable to attend. Champion explained that the District has created a dedicated webpage with FAQs, a presentation, and a map showing the areas that may be impacted. She also noted that staff is conducting additional social media outreach to encourage public participation and address community questions.

In response to Board questions, staff reported that the District had received one phone call and one email regarding the matter. No online public comments or questions were received during the meeting. Staff confirmed that the workshop recording will be posted to the District's YouTube channel, with a link made available on the District's website following the meeting.

Motion made by Vice President Griffith, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

CONSENT AGENDA

General Manager Macy explained that a monthly demand amount of approximately $3 million appeared higher than usual because the District was paying down prior debt, as referenced by Urban Futures and confirmed through discussion with the Accounting Manager. A follow-up comment noted that the new Tyler reporting made the transaction easy to understand and clearly showed where the funds went, including the debt payoff. President Duff expressed appreciation for the improved clarity and transparency of the reporting.

Motion made by Vice President Griffith, Seconded by Director Martin.
Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:
June 3, 2026 ~ Special Meeting Workshop
June 11, 2026 ~ Study Session
June 15, 2026 ~ Board Meeting

REGISTER OF DEMANDS

The register of demands totaling $3,090,831.16

REPORTS

DIRECTOR'S REPORTS

Director Martin reported attending the following meetings and events: 6/3 ACWA Region 9 Meeting, 6/4 DVBA Legislative Meeting, 6/9 GCVCC Business Awards, 6/12 ACWA Region 9 Meeting, 6/17

Countywide Oversight Board Meeting, 6/17 DVBA Mixer, 6/22 Cabot's Museum Board Meeting, 6/24 Tribal Water Authority Board Meeting, 6/29 CVAG General Assembly.

Director Sewell reported attending the following meetings and events: 6/2 DHS City Council Meeting, 6/9 GCVCC Business Awards, 6/16 DHS City Council Meeting.

Vice President reported attending the following meetings and events: 6/2 DWA Board Meeting, 6/9 GCVCC Business Awards, 6/16 DWA Board Meeting, 6/29 CVAG General Assembly.

President Duff reported attending the following meetings and events: 6/9 GCVCC Business Awards, 6/12 ACWA State Legislative Meeting, 6/22 ACWA State Legislative Committee Meeting – Emergency Session, 6/29 CVAG General Assembly.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

A. Finance Report
B. Public Affairs Report
C. CSDA Southern Region Election

General Manager Macy noted consensus from the Board to place a vote for Jason Dafforn in the CSDA Southern Region Election.

COMMENTS

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

1. General Comments
2. Requests for Future Agenda Items
3. Requests for Future Meetings

Director Sewell noted his excitement about the new building. He also commended staff for their hard work and noted that their work deserves a new building.

Director Martin also commended the staff on all of their hard work.

Director Mayrhofen clarified that his prior comments regarding cleanup efforts by the City and CBEC were not intended to discredit anyone involved, and he specifically acknowledged Council Member Gardner's efforts, stating that the cleanup is needed. He explained that his concern was focused on what remains underground, including makeshift septic tanks from RVs and trash associated with homeless encampments. He noted that because cleanup of underground materials can be costly and is generally the property owner's responsibility, those materials may ultimately be addressed when the property is sold or developed. Director Mayrhofen expressed concern about potential groundwater contamination and referenced pollution issues around many military bases as an example of what he does not want to see occur locally. He stated that stricter rules are needed to protect groundwater and emphasized that doing so would demonstrate the value of the District's water resources, including the mineral water that supports tourism.
Director Mayrhofen also addressed the discussion regarding the Pledge of Allegiance, sharing his family's military background, including his grandfather's service in World War I and part of World War II, as well as other family service connected to Desert Storm. He stated that, given his background and personal

circumstances, he reserves the right to choose when he participates in reciting the Pledge. He concluded by indicating that better communication with President Duff over the past three years would have provided context for his decision not to recite the Pledge at the dais.

President Duff stated that, in the interest of time and ending on a positive note, he would reserve some comments for a future meeting. He expressed appreciation for staff and the hard work they contribute to making MSWD what it is today. He also noted his pride in the District’s accomplishments over the past three years and emphasized the importance of continuing to move in the right direction. President Duff concluded by reminding Board members, legal counsel, the General Manager, and staff of their obligations to act with integrity, honesty, and respect toward the organization, employees, neighbors, and community.

ADJOURN

With no further business, President Duff adjourned the meeting at 4:14 PM

Respectfully Submitted,

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Dori Petee
Executive Assistant