# BOARD OF DIRECTORS SPECIAL MEETING (WORKSHOP) MINUTES

## Wednesday, June 03, 2026 at 9:00 AM

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

**CALL TO ORDER**
President Duff called the meeting to order at 9:00 AM

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

**BOARD MEMBERS ABSENT:** Director Ted Mayrhofen

**STAFF MEMBERS PRESENT:** Brian Macy, Marion Champion, Kurt Kettenacker, Skyler Aubrey, Will Whitten, Theresa Murphy, Oriana Hoffert, April Scott

**PUBLIC INPUT**
*No public input*

**ACTION ITEMS**

**PUBLIC HEARING ~ ADOPTION OF THE 2025 COACHELLA VALLEY REGIONAL URBAN WATER MANAGEMENT PLAN (RUWMP) AND THE 2025 COACHELLA VALLEY WATER SHORTAGE CONTINGENCY PLAN (WSCP)**
It is recommended to adopt the 2025 Coachella Valley Regional Urban Water Management Plan and the 2025 Coachella Valley Water Shortage Contingency Plan.

President Duff opened the public hearing and called for the secretary's report. Notice of public hearing was published to the Desert Sun on May 19th and May 24th, 2026. As of this afternoon there have been no written comments, protests or objections have been received.

Assistant General Manager Marion Champion presented the 2025 Coachella Valley Regional Urban Water Management Plan and Mission Springs Water District's related Water Shortage Contingency Plan. She explained that California's Urban Water Management Planning Act requires qualifying urban water suppliers to adopt an Urban Water Management Plan every five years to forecast long-term water demands and supplies, evaluate reliability under normal and drought conditions, identify water efficiency programs, and describe shortage response actions. Ms. Champion stated that MSWD participated with Coachella Valley Water District, Coachella Water Authority, Desert Water Agency, Indio Water Authority, and Myoma Dunes Mutual Water Company in preparing a joint regional plan, with agency-specific chapters addressing individual requirements, including MSWD's chapter. She noted that the public review period was held from April 13, 2026, through May 3, 2026, that comments received had been incorporated, and that the public hearing provided an additional opportunity for comment before the plan's submittal to the California Department of Water Resources by July 1, 2026.

Emily McCord of Rincon Consultants, who prepared the plan with Todd Groundwater on behalf of the participating agencies, provided an overview of the regional planning assumptions, water demand projections, supply sources, and reliability findings. She stated that the six agencies collectively serve more than 183,600 urban connections and more than 196,000 acre-feet of potable water annually, while MSWD has 13,213 connections and currently serves approximately 7,897 acre-feet per year. Ms. McCord reported that regional demand is projected to increase to approximately 193,000 acre-feet per year by 2050 and that MSWD’s baseline demand is projected to increase by 84 percent due to population growth; however, conservation measures are expected to reduce MSWD’s projected 2050 demand by approximately 23 percent. She stated that regional and District demands are expected to be met through groundwater from the Indio and Mission Creek subbasins, imported water used for recharge, increased recycled water, surface water use, conservation programs, and continued groundwater management.

Ms. McCord reviewed the Water Shortage Contingency Plan, which establishes six shortage levels and corresponding demand reduction measures ranging from water waste restrictions, leak repairs, rebates, and outdoor watering limits to broader restrictions, drought rate surcharges, and prohibition of potable outdoor water use during the most severe shortage conditions. She also described supply augmentation measures, including emergency interconnections and water exchanges with neighboring agencies, and reviewed the enforcement framework, which may include written notices, surcharges, flow restrictions, service discontinuance, reconnection fees, and fines. The presentation provided the Board with the statutory basis for the plan, the regional planning approach, projected demands, conservation assumptions, supply reliability findings, and the District’s planned response to varying levels of shortage. The rationale for the regional approach was to coordinate planning among Coachella Valley water agencies, provide consistent public messaging and customer requirements, and demonstrate that projected demands can be met through groundwater management, imported water recharge, recycled water, conservation, and contingency planning.

The Board received public comment.

**Tabitha Davies:** Hi, my name is Tabitha Davies and I am a resident of ID8, uh, which is the Desert Edge Sky Valley Indio area and I'm here on the record. I want to speak to what it means for this board to adopt the 2025 [inaudible]…thing that this community has been through. So let's be honest about what happened. CVWD attempted [inaudible] to because you wanted us. So that stated reason was Chromium 6 compliance, but that's not why it was. And the issue that I have is that the record shows that it was the DHS city council publicly stating that the biggest barrier to the I-10 corridor development was the lack of sewer access and the lack of water connection.

(President Duff attempted to speak)Miss Davies transferring ID8 clears that regulatory. Miss Davies, I'm sorry to interrupt. This is a public hearing. Yes, Miss Davies. This is President Duff, This is a public hearing. It is. I'm reclaiming my time, and it is connected to the exact issue. So, as we found out, we showed up. We did our own research. And I'm really glad that you're bringing this exact because was ID8 ever considered in all of the research for this prop piece that you were folding into it? Because at the end of the day, your community deserves to have accountability for the time and effort and money that was spent on this divestiture attempt, especially if this regional plan does not reflect the ID8 system that you're attempting to take in. So, I think that those answers are needed and they're not rhetorical. I also want to know that I want you to know that we are actively tracking how this plan connects broader supply interests in the valley including Cadiz. We have public record requests pending. We will be reading the plan care. And to the board members, I would strongly encourage each of you to exercise independent judgment. Ask your own questions and do not just stamp what your staff presents to you because everyone is now watching and none of us are going away. And your community deserves to have you be accountable to them for all of the time and effort. At the end of this, I'm gonna say, "Marion, thank you for joining the Mom's Group, giving your comment because you gave me exactly the clarity I needed to research and questions. Thank you and have a wonderful day.

There was no further board discussion.

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

**REGISTER OF DEMANDS (APRIL)**
The register of demands totaling $3,305,102.63

General Manager Macy noted that last month's demands did not have description keys due to a change in the finance system. Those descriptions have been added and is now ready for action.

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

## DISCUSSION ITEMS

**FY 2026/27 BUDGET REVIEW AND DISCUSSION**
Review and discuss the FY 2026/27 budget.

The Board received a fiscal year 2026-27 budget review and discussion presented by Accounting Manager Skyler Aubry. The preliminary budget included operating revenues of approximately $25.8 million, reflecting approved increases of 9% for water rates and 7% for sewer rates, and operating expenses of approximately $31.7 million, representing a 6% increase from the prior year. Staff also explained that groundwater replenishment fee revenues and expenses had been corrected for fiscal year 2027 and restated in prior years for comparison purposes, as those amounts are collected from customers and remitted to Desert Water Agency as positive revenues and expenses.

Staff reviewed projected cash flows, cash and investment balances, fund-level budget results, staffing changes, and material operating and capital budget changes. The proposed budget reflected nonoperating revenue of approximately $20.5 million, primarily affected by using remaining wastewater grant funds and a conservative approach to investment income, with no budgeted investment gains due to market uncertainty. Staff reported an estimated $4.8 million positive cash flow for the year after accounting for depreciation, amortization, pension-related adjustments, expected debt issuance, and anticipated capital project expenditures. In response to Board questions, staff clarified that the apparent decline in cash flow compared to prior years was significantly affected by the payoff of the Wells Fargo line of credit, and that any increase in the Desert Water Agency replenishment assessment would be treated as a pass-through charge with corresponding revenue and expense adjustments.

The Board also reviewed proposed staffing and budget changes, including the addition of a Regulatory Compliance and Safety Officer, reclassification of certain positions, a cost-of-living adjustment, equipment purchases, wastewater treatment and pretreatment needs, valve replacements, manhole pest control, and odor-control improvements intended to support regulatory compliance, operational reliability, employee safety, and reduced service disruptions. Staff further reviewed proposed capital budget adjustments, continuing appropriations, and the budget comparison report generated by the new Tyler ERP system, explaining that some line-item variances resulted from account restructuring and from the conversion from the prior system, rather than substantive budget changes. Board members acknowledged the amount of information provided, noted that additional detailed questions may be addressed at the study session or individually with staff, and no formal action was taken during the workshop discussion.

**WEBSITE REDESIGN PREVIEW**

Assistant General Manager Champion presented an update on the District’s website redesign, noting that the current website is more than five years old and built on a platform that no longer receives technology upgrades. She stated that the redesign is intended to improve accessibility, comply with current government accessibility requirements, and better serve users accessing the site via mobile devices or tablets. She noted that staff have been working with the contractor on implementation and that the preview shown to the Board was a draft design, with content migration, page development, and quality assurance review still to be completed before launch.

The presentation highlighted several key design elements, including continued use of the District’s established branding colors, retention of the existing menu structure and mega menu format, a rotating homepage carousel for featured information, improved placement of news, events, emergency notices, and customer resources, and a static footer with quick access to frequently used pages such as agendas, careers, bids, service start and stop information, contact information, and the customer portal. Champion also reviewed the proposed interior page format and mobile layout, noting that the redesigned site is intended to provide cleaner navigation and reduce current mobile display issues. Staff is also evaluating possible integration of social media feeds and have begun using some new forms on the existing site while learning the new platform, including meeting and agenda management components.

Champion reported that if content migration and quality assurance proceed as planned, the District will remain on track for a full website launch in the fall. In response to Board questions, staff confirmed that the District currently maintains a project area based on information from the budget book and intends to continue refreshing that information annually to keep it consistent with the budget document. Board members expressed support for the redesign, noted the importance of keeping the website current, and indicated interest in seeing the completed product.

**COMMENTS**

**GENERAL MANAGER'S COMMENTS**

A. GCVCC Annual Installation & Business Awards; Tuesday, June 9th from 5:30 - 8:00 PM @ Renaissance Esmeralda Resort & Spa - Indian Wells

The Board discussed scheduling considerations for the Greater Coachella Valley Chamber of Commerce Annual Installation and Business Awards, scheduled for Tuesday, June 9, from 5:30 p.m. to 8:00 p.m., as well as a request from Cabot Management to reschedule a District meeting previously scheduled for June 9. General Manager Macy explained that Cabot Management requested additional time because materials recently submitted for Board review were incomplete, including missing dates and contextual information. Board members expressed concern about postponing the related hearing again and emphasized the importance of resolving the matter within the month of June, while also acknowledging the need for complete information before the Board considers the item.

The Board considered whether attendance at the Greater Coachella Valley Chamber of Commerce event should be compensable for Board members, noting that the event included recognition of the District and that Board attendance would be appropriate. No opposition was expressed to compensating Board members who can attend. The Board also discussed potential rescheduling dates for the District meeting; however, June 22 was not available for at least one Board member, and staff indicated they would continue coordinating with Cabot Management to identify an alternative date.

Mr. Macy further reported that a court had ruled in favor of the State on hexavalent chromium. Staff stated that the ruling does not change the District’s compliance approach, as MSWD had continued moving forward in anticipation of that outcome. He noted that some plaintiffs may seek an appeal and advised that the Board would be updated as additional information becomes available, including receipt of the judge’s ruling by email.

**ADJOURN**

With no further business, President Duff adjourned the meeting at 10:03 AM

Respectfully submitted,

Dori Petee
Executive Assistant