



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, March 12, 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, Dori Petee, Danny Friend, Skyler Aubrey, Amanda Lucas, Eric Weck, Oriana Hoffert, Selene Rodriguez, Will Whitten

PUBLIC INPUT

No public input

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT

This item will be fully acknowledged on Monday.

ACTION ITEMS

MISSION CREEK SUBBASIN ANNUAL REPORT FOR WATER YEAR 2024-2025

It is recommended to receive and file the Mission Creek Subbasin Annual Report for Water Year 2024-2025, prepared for the Coachella Valley Water District, Desert Water Agency, and Mission Springs Water District by WSP Environmental & Infrastructure Inc.

General Manager Macy noted there is a written report in the Board packet. The consultant will be present at Monday's meeting to present to the Board.

CONTRACT AMENDMENT NO. 9 WITH WEST YOST FOR REGULATORY REPORTING, PERMITTING, AND DESIGN SERVICES

It is recommended to authorize the General Manager to execute Contract Amendment No. 9 for West Yost to provide regulatory reporting services to prepare the Horton Wastewater Treatment Plant Total Dissolved Solids Annual Report, and permitting and design services to decommission Monitoring Well 1 and reconfigure the Horton Wastewater Treatment Plant percolation ponds in the amount of \$56,100 increasing the contract from \$419,566 to \$475,666.

Engineering Manager Eric Weck explained the amendment would add (1) compliance reporting related to decommissioning/abandoning Monitoring Well No. 1, which is located within the footprint of the proposed Critical Services Center, (2) design services to reconfigure the percolation ponds at the Horton Wastewater Treatment Facility, and (3) preparation and annual submittal of the required Total Dissolved Solids (TDS) Work Plan to the Colorado River Basin Regional Water Quality Control Board. A

Board member asked when Monitoring Well No. 1 was installed and how old it is; staff did not have the date available during the meeting and committed to provide it by Monday. Staff further clarified that under the current Waste Discharge Requirements for the Horton/Wharton plant, the District maintains one upgradient and two downgradient monitoring wells for the percolation ponds; recent nitrogen and TDS studies determined that Monitoring Well No. 1 was not a true upgradient well (it was effectively representing downgradient conditions). As a result, the District pursued and obtained Regional Board approval for a new upgradient location (MW-1A) on District property off La Mesa, and the notice of completion for that new well was noted as being on the current agenda. Staff explained the original well is no longer needed and will also be abandoned to accommodate the Critical Services Center footprint, including planned modifications to the northwesterly pond (Pond 7) in that area.

AWARD OF CONTRACT FOR LITTLE MORONGO & 19TH AVENUE RES-BCT SOLAR SITE REPAIRS

It is recommended to authorize the General Manager to award a contract for the construction of the Little Morongo & 19th Avenue RES-BCT Solar Site Repairs to Photovoltaics California (PVCA), the lowest responsible and responsive bidder, in the amount of \$295,229.27 plus a 10% contingency for a total of \$324,752.20, and augment Capital Job No. 11900 by \$32,000, for a total project budget of \$331,881 and to do all things necessary to complete the project.

Director of Operations, Danny Friend, presented this item. The recommended award was to California PVCA (PVCA), identified as the lowest responsive and responsible bidder, for \$295,229.27 plus a 10% contingency, for a total not-to-exceed contract amount of \$324,752.20. Mr. Friend also noted the need to augment the capital budget to accommodate contingency and internal staff time, bringing the total project budget to \$331,881, and confirmed the contract schedule reflects a 120-day completion timeline. The Director of Operations provided background on the sites' reduced performance following SunPower's bankruptcy and the lapse in operations and maintenance, including loss of tracking capability; staff initially considered an O&M RFP but instead pursued full restoration to return the system to day-one operating condition and to regain the estimated 20–30% energy loss attributed to non-tracking operation. The District received no bids by the original deadline, extended the bid period by addendum, and ultimately received one bid from PVCA, a firm already assisting the District with communications and monitoring portal work. Board questions focused on the distinction between these repairs and ongoing long-term O&M (still required), expected remaining panel life (approximately 12 years if panels are ~20-year assets), whether panel replacement for higher efficiency should be evaluated in the future (not included in the current scope), and the anticipated savings/payback; staff indicated prior analysis suggested roughly a two- to three-year payback and committed to providing more specific savings figures at a subsequent meeting.

AWARD OF CONTRACT FOR THE GQPP AD-15 AREA M-2 SEWER CONSTRUCTION AND WATER LINE REPLACEMENT PROJECT

It is recommended to authorize the General Manager to award a contract for the construction of the GQPP AD-15 Area M-2 Sewer Construction and Water Line Replacement Project to WEKA, Inc (WEKA), the second lowest responsible and responsive bidder, in the amount of

\$19,817,667.00 plus a 10% contingency of \$1,981,767.00 for a total of \$21,799,433.00 and to do all things necessary to complete the project; and augment the Capital Project Budget by \$12,345,000.

Engineering Manager Eric Weck, noted the current available project budget is approximately \$10,655,000 and stated they will coordinate with the State to pursue a capital project budget augmentation of \$12,345,000, with updates to be provided at future Board meetings. Directors asked how the District would proceed if the State does not approve the additional funding; staff responded that the District would work with the contractor to reduce the scope to the portions covered by existing/grant funding, and that if road segments are not opened, associated waterline installation would not occur. In response to questions about the remaining number of septic systems, staff estimated roughly 2,000 septic tanks would remain after connecting approximately 400 parcels under this transition. Directors also requested clarification on which project segments would be prioritized if scope reductions are needed; staff committed to bringing an exhibit on Monday showing the alignment and the likely areas to be removed (noting the upper sections would be reduced if necessary). Staff further shared that recent discussions in Sacramento indicated the State is considering both the additional M2 funding request and potential work related to the road around the wastewater treatment facility; no public comments were offered before the Board moved on to the next agenda item.

NOTICE OF COMPLETION FOR MONITORING WELL 1A PROJECT

It is recommended to accept the Horton Monitoring Well 1A Project as complete and authorize the release of retention money held for ABC Liovin Drilling, Inc., in the amount of \$7,279.00, thirty-five (35) days after filing the Notice of Completion.

Engineering Manager Eric Weck reported that the Board awarded the project at the September meeting for a contract amount of \$171,655 (including a 10% contingency) to abandon an unusable existing monitoring well and construct a new well to monitor groundwater movement and total dissolved solids. Work began in early January and was completed in less than a month, including decommissioning the old well, construction of the new well, installation of a submersible sampling pump, and other above-ground improvements. Staff noted there were no change orders, no significant construction issues, and that the project was completed under budget without using contingency funds. The Board offered positive comments and appreciation for the contractor and project management team, and no further questions were raised.

REVIEW AND ADOPT THE UPDATED MSWD STRATEGIC PLAN

It is recommended that the Board adopt the updated Mission Springs Water District Strategic Plan, which builds on the past year's successes and provides guidance for the future.

Assistant General Manager Marion Champion presented the update. Champion noted that the Strategic Plan was originally adopted in March 2024 and updated again in March 2025, with a February workshop recap of prior-year accomplishments. Key accomplishments cited included updates to the industrial discharge ordinance; adoption of the water and sewer master plans along with the related

financial master plan and cost-of-service study; initial implementation of a new ERP system; progress on the Critical Services Center; expanded customer service training and community engagement; and multiple infrastructure initiatives (including new solar facilities, well rehabilitations, reservoir rehabilitation design work, and other organizational strengthening actions) in support of MSWD's mission to "provide, protect, and preserve" resources. Champion reported that the primary proposed change for the March 2026 update is an addition under SMART Goal #2 (Water Supply): a new section (2.4) to develop and advance a district-wide recycled water program to diversify the District's water supply portfolio by securing external funding, advancing project design, and positioning MSWD for construction readiness to support long-term groundwater sustainability and regulatory compliance. Proposed performance measures include pursuing grant funding, advancing engineering design to 30% or greater, establishing program scope and a phasing strategy, coordinating regulatory and environmental readiness, and integrating recycled water into long-term water supply planning. Board members thanked staff for the update, expressed support for adding the recycled water focus, and indicated the change was timely.

DISCUSSION ITEMS

ADMINISTRATION BUILDING UPDATE

General Manager Macy noted the project is currently out for bid, a pre-bid job walk with potential contractors was held yesterday, and Rhanu Clarke and staff are collecting and answering contractor questions. The process is progressing as expected, and contractors have suggested a 15-month construction schedule (rather than the previously discussed 18 months), which could make the building available sooner. Bids are scheduled to open on April 2nd.

GROUNDWATER PROTECTION PROGRAM UPDATE

General Manager Macy noted that item #11 on this agenda was essentially the update.

HEXAVALENT CHROMIUM UPDATE

This item will be presented on Monday.

CONSENT AGENDA

Consent agenda items are expected to be routine and non-controversial, to be acted upon by the Board at one time, without discussion. If a member would like an item to be handled separately, it will be removed from the Consent Agenda for separate action.

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

1. February 4, 2026 ~ Special Meeting Workshop Minutes
2. February 12, 2026 ~ Study Session Minutes
3. February 17, 2026 ~ Board Meeting Minutes

REGISTER OF DEMANDS

The register of demands totaling \$2,659,704.18

REPORTS

DIRECTOR'S REPORTS

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

1. Finance Report

Accounting Manager Skyler Aubrey presented the district financial summary year-to-date (July 1, 2025–January 31, 2026). Operating revenues totaled \$23.9M versus the \$12.8M budget, largely driven by \$11.4M in pre-treatment non-compliance fees that may be negotiated down; excluding these fees, revenues would align with budget and prior-year actuals. Operating expenses were \$12.9M, under the \$16.4M budget by \$3.4M due to lower-than-expected electricity, outside services, materials, and legal costs. Non-operating revenues (property taxes, grants, and investment income) were \$4.3M versus a \$4.8M budget, primarily due to property tax timing, while non-operating expenses were \$397K versus a \$623K budget due to lower interest expense. The debt service ratio increased to 17.10 (from 3.37 last year) following the payoff of a \$15M Wells Fargo line of credit, leaving approximately \$4M in outstanding debt. Investment returns improved to 2.66% (from 1.31% last year), and total cash was \$72.3M compared with \$73.3M last year.

2. Public Affairs Report

Assistant General Manager Marion Champion delivered the Public Affairs report, summarizing key outreach and stakeholder-engagement activities from the past month. Highlights included MSWD participation in the ACWA State Legislative Symposium (featuring Assembly Member Blanca Rubio) and the CASA DC forum (featuring Congressman Lou Correa), which provided updates on the state and federal legislative climate; attendance at the Urban Water Institute spring conference with discussion of innovation in the water industry and Colorado River negotiations; and sponsorship/participation in local community events including the DHS Rotary four-way speech competition and the DHS Women's Club fashion show hosted by KESQ meteorologist Patrick Evans to raise funds for local high school seniors. Staff also hosted multiple facility and infrastructure tours, including the CV Water Counts Academy tour covering groundwater, imported and recycled water, backflow/cross-connection, and rate-setting; participants rated the Nancy Wright Mission Springs Reclamation Facility highest and specifically recognized operators Andy Grunnet and Ron Ishikawa. Champion reported three additional tours this week, with more than 50 visitors, and early survey feedback indicates that attendees found the experience informative, transparent, and responsive. Upcoming items include CSDA/CGC lobbying days in Sacramento, the CWEA annual conference, and an April 16 ceremony honoring Programs and Public Affairs Specialist April Scott as MSWD Person of the Year for her leadership in tours, education, conservation campaigns, and community engagement. The report also noted continued involvement in career technical education events (including a "Waterworld" event at Cal State San Bernardino, a regional CTE advisory meeting, and a OneFuture scholarship event) and upcoming school outreach events (Desert Hot Springs High School "Unity in the Community" on March 19; Two Bunch Elementary literacy night on March 24; Painted Hills Middle School career day and Cabot Yerxa Elementary career presentations on March 25; and Bella Vista Elementary "Principal for a Day" on March 26 featuring Field Operations Technician Julio Martinez). Champion provided an overview of the City of Desert Hot Springs' "What's Next" initiative funded through a CVAG grant, under which Engineering Resources of Southern California is preparing a feasibility study for downtown and Palm Drive wastewater improvements to support affordable housing, including public surveys and events at City Hall, outreach at DHS Little League opening day, and coordination with MSWD as a stakeholder. Customer communications will continue with a March bill insert focused on rates and the Help 2 Others program,

and the district will ramp up its leak-awareness campaign in conjunction with Fix a Leak Week, promoting the customer portal and leak alerts and distributing checklists and toilet dye tests to help residents identify potential leaks.

COMMENTS

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

1. General Comments

Director Martin noted he would like to see a travel policy that dictates what events get travel days and which ones don't as a matter of general policy.

President Duff announced a community clean up on Saturday, March 14, focusing on the wash at Indian Canyon.

2. Requests for Future Agenda Items

Director Sewell would like more information on Industrial Discharge.

3. Requests for Future Meetings

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF LITIGATION

pursuant to Government Code Section 54956.9(d)(4) Two potential cases.

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section (§54957.6)

Agency designated representatives: President Amber Duff or her designee

Unrepresented employee: General Manager

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in Closed Session on the items listed above; no reportable action was taken on either item.

ADJOURN

With no further business, President Duff adjourned the meeting at 4:45 PM

Respectfully Submitted,

Dori Petee
Executive Assistant