GM Recommended Draft
June 11, 2026

FISCAL YEAR 2026 - 2027

OPERATING & CAPITAL BUDGET

2027

Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

Mission Statement

Mission Springs Water District has one simple mission:
Provide, protect, and preserve our most
valuable resource…water.

Board of Directors

Amber Duff
President

Robert Griffith
Vice President

Ivan Sewell
Member

Russ Martin
Member

Ted Mayrhofen
Member

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

GENERAL MANAGER'S MESSAGE

2027

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

GENERAL MANAGER'S MESSAGE

June 15, 2026

To the Board of Directors:

Over the past two years, my focus as General Manager of the Mission Springs Water District (MSWD) has been on rebuilding organizational culture and leadership. This intentional effort to strengthen accountability, transparency, and performance is helping to position the District for long-term success, and I am pleased to share this commitment is yielding meaningful results.

In the past year, we made significant progress advancing our Strategic Plan, strengthening the reliability of our water system while preparing for the future. We are rehabilitating key wells and reservoirs to maintain dependable water supplies, and we are expanding sewer service to areas that rely on septic systems, protecting our groundwater and improving public health.

MSWD also took an important step forward in planning for long-term water sustainability. Our Board adopted a new strategic goal to develop a District-wide recycled water program. This effort will diversify our water supply, reduce reliance on imported water, and position MSWD to secure funding and advance projects that support regulatory compliance and future growth.

We are building a new culture at MSWD – one rooted in transparency, accountability, and good governance – and I am proud that these efforts have earned the Special Districts Leadership Foundation Platinum Level District of Distinction, the highest honor a California Special District can receive. This achievement distinguishes MSWD as the sole water district in the Coachella Valley to receive this level of recognition for its excellence in governance, transparency, and fiscal responsibility.

One of the most important efforts this year was our transparent rate review process, which was deliberately guided by information, analysis, and recommendations developed through the Community Listening Engagement and Advisory on Rates (CLEAR) Committee. We established this community advisory group and held public meetings to ensure that any decisions about rates were informed, open, and accountable.

This process looked not only at our current operating needs, but also at the long-term investments required to maintain reliable service and protect the District's financial health. By setting rates in this transparent and methodical way, we established a clear and responsible course for financial stability – both now and into the future. That level of transparency is not a one-time effort; it is a standard we will continue to uphold.

While we are proud of this progress, we know there is more work ahead. Ensuring safe, reliable water services required ongoing investment, careful planning, and a long-term perspective – and MSWD remains committed to meeting that responsibly for our community now and into the future.

Budget Highlights

The operating budget for fiscal year (FY) 2027 is $31,693,004 as shown in **Table 1** below. There is an additional $43,481,406 in capital improvements proposed for a total budget of $75,174,410. This is a significant decrease in total budget expenses when compared to FY 2026. The decrease is primarily in the capital improvements budget due to several projects being delayed or on-hold until the next fiscal year. Also, MSWD staff continues to monitor the impacts of strict State regulations and drought mandates on District operations and will make any necessary changes to the budget as part of the mid-year budget evaluation.

Table 1: Budget Summary by Fiscal Year

	Budget FY 2027**	Budget Change	Budget FY 2026*	Budget Change	Budget FY 2025*
Operating Budget					
Operating Revenue	$25,837,512	$5,220,492	$20,617,020	$288,092	$20,328,928
Operating Expenses	$31,693,004	$3,845,363	$27,847,641	$517,396	$27,330,245
Operating Income	**($5,855,492)**	**$1,375,129**	**($7,230,621)**	**($229,304)**	**($7,001,317)**
Expenses					
Operating Expenses	$31,693,004	$3,845,363	$27,847,641	$517,396	$27,330,245
Capital Improvement Projects	$43,481,406	($26,956,293)	$70,437,699	$25,627,442	$44,810,257
Total Budget	**$75,174,410**	**($23,110,930)**	**$98,285,340**	**$24,080,080**	**$72,140,502**

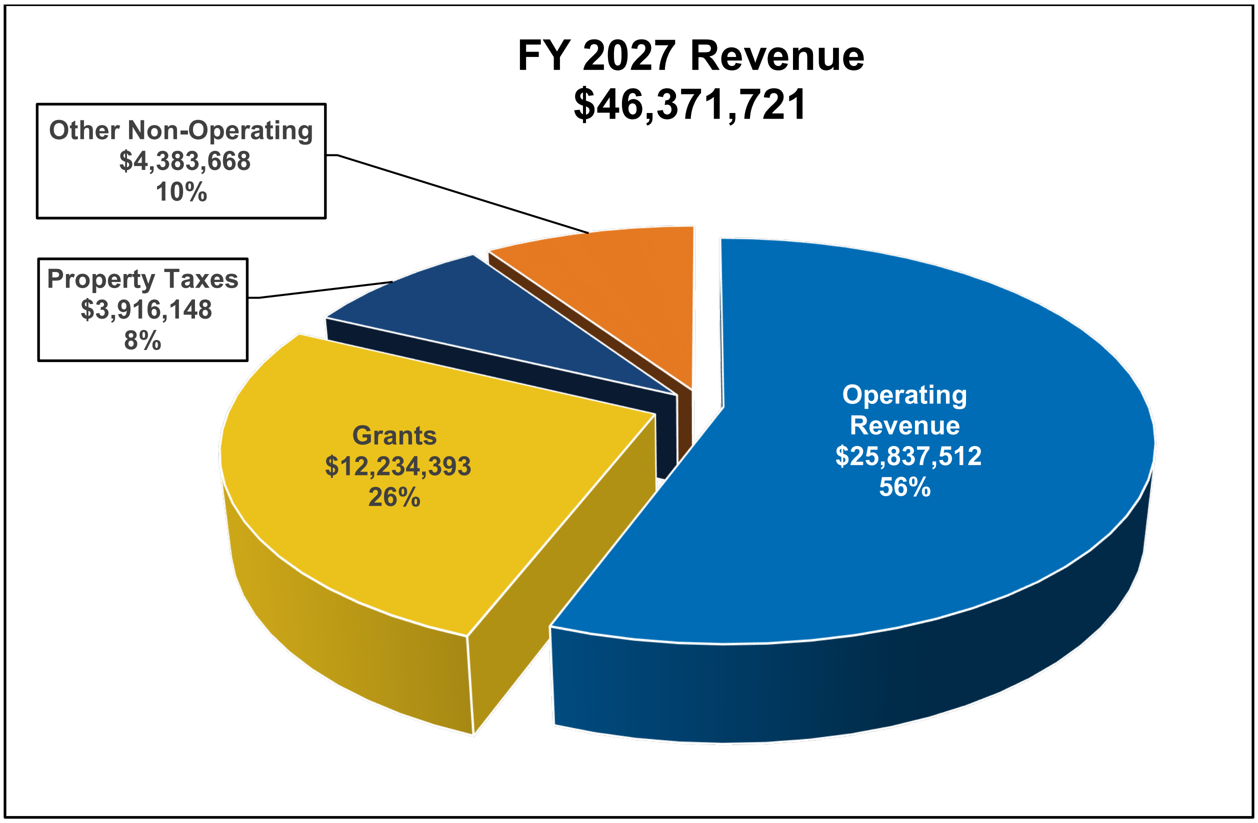
* - Revised after mid-year Board approval.
** - Starting in FY 2027, a new chart of accounts was implemented resulting in differences in categories from previous years.

Revenues

MSWD receives funding from a variety of sources: domestic water sales, wastewater service charges, water and sewer connection fees, property taxes, grants, investment income, rental property, cellular tower leases, solar power generation, and charges for miscellaneous services.

For FY 2027, the Operating Revenue and Non-Operating Revenue budgets amounted to $25,837,512 and $20,454,209, respectively, for a total revenue budget of $46,371,721 as shown in **Figure 1** below. Significant sources of funding are grants expected for capital improvement projects. These state and federal grants have allowed MSWD to adopt a budget that includes capital improvements with no projected fee or rate increases for its services.

Figure 1: Total Revenue by Type for FY 2027

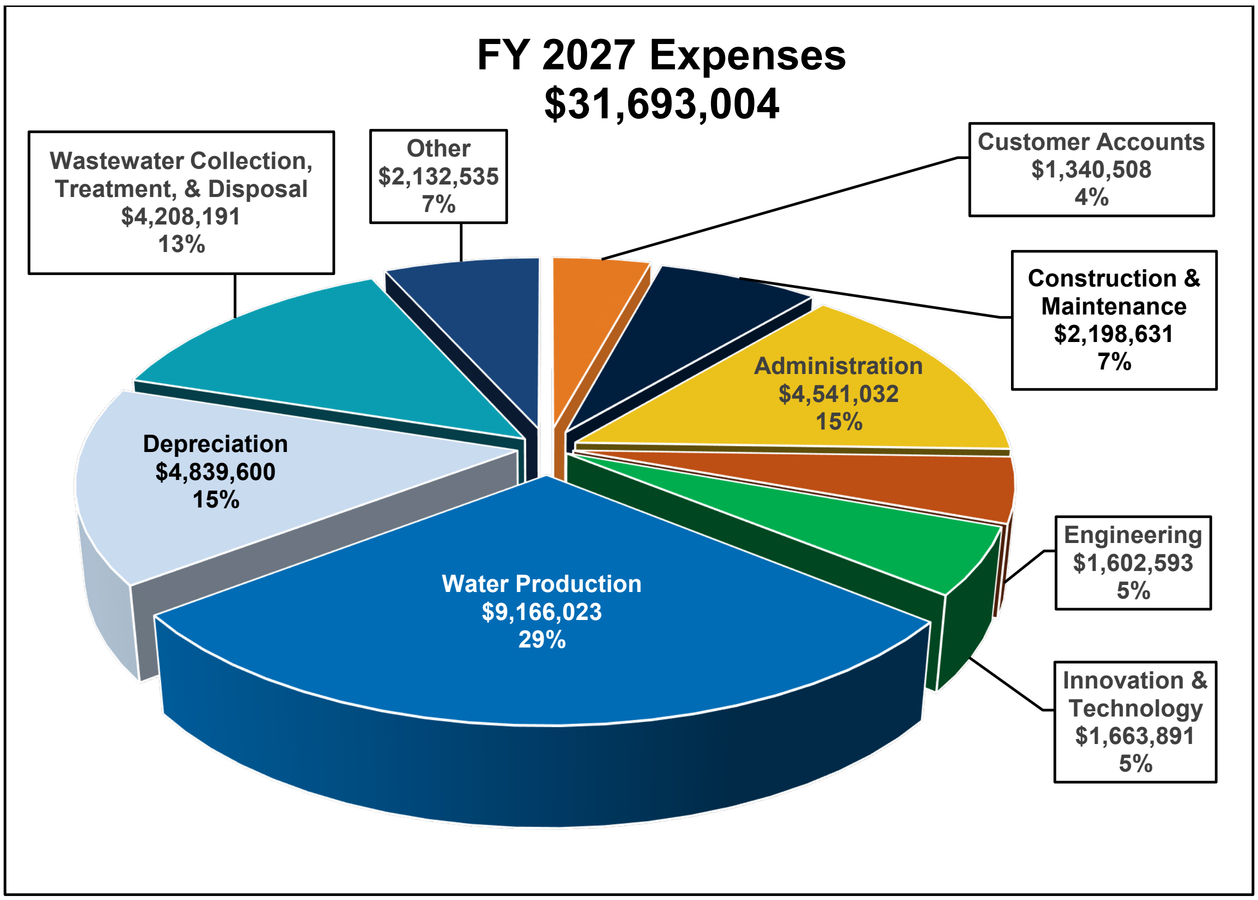


Expenses

Operating expenses for FY 2027 amount to $31,693,004 as shown in **Figure 2** below, representing an increase of $4,064,433 from FY 2026. For FY 2027, two positions were added: Compliance and Safety Officer and Water Production Superintendent. In addition, the increase in operating expenses also reflects an increase of 2.91% Cost of Living Adjustment (COLA) as recommended by the Human Relations Committee and approved by the Board in May 2026.

There is also $43,337,557 in capital improvement expenses made up primarily by the new Administration Building, Well 42, Area M-2 Septic to Sewer Conversion, Well 22 Rehabilitation, and Well 34/35 Intertie. The District continues to prioritize capital improvements that can be covered by grant revenue.

Figure 2: Total Expenses by Type for FY 2027



Financial Stability

MSWD continues to maintain strong reserves through prudent and conservative money management practices, despite a volatile financial market. The District maintains a Capital Reserve Fund of $69,566,962 as of May 31, 2026. While the FY 2027 budget was adopted with no rate increases, future budgets may require rate increases to ensure reserve targets and expenses are met.

Honors and Achievements

MSWD has attained some notable achievements and received significant honors in the past year, including:

California Special District Leadership Foundation
- District of Distinction Award – Platinum
- Certified Special District Manager – Brian Macy
- Essential Leadership Skills Certificate – Brian Macy

Coachella Valley Chapter of the American Public Works Association (APWA)
- Project of Merit – Nancy Wright Regional Water Reclamation Facility

Government Finance Officers Association
- Distinguished Budget Presentation Award

Desert Hot Springs Parade of Lights
- Mayor's Award

California Water Environment Association (CWEA), Colorado River Basin Section (CORBS)
- Small Plant of the Year – Nancy Wright Regional Water Reclamation Facility
- Outreach and Engagement Program of the Year – MSWD's Internship Program with the Desert Hot Springs High School REAL Academy
- Gizmos and Gadgets Award – Nancy Wright Regional Water Reclamation Facility

California Water Environment Association
- 2nd Place Statewide – Small Plant of the Year – Nancy Wright Regional Water Reclamation Facility
- 3rd Place Statewide – Outreach and Engagement Program of the Year – MSWD's Internship Program with the Desert Hot Springs High School REAL Academy

Desert Hot Springs Rotary Big Heart Awards
- Person of the Year – April Scott

35th Annual Berkeley Springs International Water Tasting
- Bronze Medal

The Berkeley Springs award marks our 11th honor for water quality since 1997, solidifying MSWD as the most awarded water agency for taste in the world. This requires us to keep up with new technology and ever-changing state and federal regulations. New state standards for Chromium-6 will require MSWD to treat some of our wells for this naturally occurring substance in the coming years. In preparation, MSWD has already developed a Compliance Plan and has held multiple community meetings in the past year.

In Conclusion

As we keep an eye toward the future, our mission remains the same: to Provide, Protect and Preserve our most precious resource… water. This budget addresses the priorities established for FY 2027 to continue to meet customer needs and provide exceptional water and wastewater services.

I would like to express my appreciation to the management team and staff who worked diligently in developing a budget that reflects the needs of MSWD and its customers. A special note of thanks to the Finance and Accounting Departments for their excellence in gathering, analyzing, and presenting information clearly and accurately. We are confident that this budget reflects the policies and direction of the Board of Directors and provides the financial plan for a successful year.

Respectfully submitted,

Brian E. Macy
General Manager

BUDGET RESOLUTIONS

2027

Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

BUDGET RESOLUTIONS

Operating & Capital Budget

Appropriations Limit

Classification & Compensation Plan

PROFILE OF THE MISSION SPRINGS WATER DISTRICT

2027

MSWD
Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

PROFILE OF THE MISSION SPRINGS WATER DISTRICT

A Brief History

While prospecting for water, early homesteaders in the desert discovered the hot springs that made this area famous. It was not until 1940, however, that the first subdivisions were established and L.W. Coffee started the village he called Desert Hot Springs.

The critical need for freshwater led residents to form a mutual water company, which eventually proved unsatisfactory. Later, a privately-owned utility, called the Desert Hot Springs Mutual Water Company, acquired its assets. But this too failed and widespread dissatisfaction led local citizens to form a publicly-owned water district.

Formation

By 1953, an election swept the new Desert County Water District into existence with a vote of 246 to 9. The new District began with 100,000 feet of pipelines, five water wells, and two reservoirs. It covered one square mile.

The District was later renamed the Mission Springs Water District (MSWD) and expanded rapidly. It absorbed parts of the Coachella Valley County Water District, the West Palm Springs Village, and San Gorgonio Mutual Water Company systems. Today, it boasts more than 1.25 million feet of pipelines, 13 water wells, and 24 reservoirs, serving an area of 135 square miles.

As early as 1954, local citizens petitioned for sewer service. The cost, however, was prohibitive. But growth brought an overload to the septic systems and health hazards to the community. MSWD built the Alan L. Horton Wastewater Treatment Plant in 1972, and it has expanded four times to a treatment capacity of 2.0 million gallons of wastewater per day.

Government

Mission Springs Water District (MSWD) is County Water District under Subsection 30000 et seq. of the California Water Code and was incorporated in 1953. MSWD is governed by a five-member, publicly elected Board of Directors. Directors are elected concurrent with the general elections every even-numbered year in their specific division. Director’s terms are four years. The election of Directors alternates between three seats and two seats, respectively, every two years.

MSWD has statutory authority over water supply and provides water services to residential and commercial customers.

Service Area

Located in Riverside County, California, MSWD initially covered an area of one square mile in 1953. Today, MSWD covers an area of about 135 square miles including the City of Desert Hot Springs, and the unincorporated areas of North Palm Springs, Whitewater, and Bonnie Bell serving a population of over 44,000 residents as shown in **Figure 3**.

Figure 3: Mission Springs Water District Service Area

District Office

The Mission Springs Water District Main Office, as shown in **Figure 4**, is located at 66575 Second Street, Desert Hot Springs, California 92240.

Figure 4: Mission Springs Water District Main Office

Water Production & Distribution

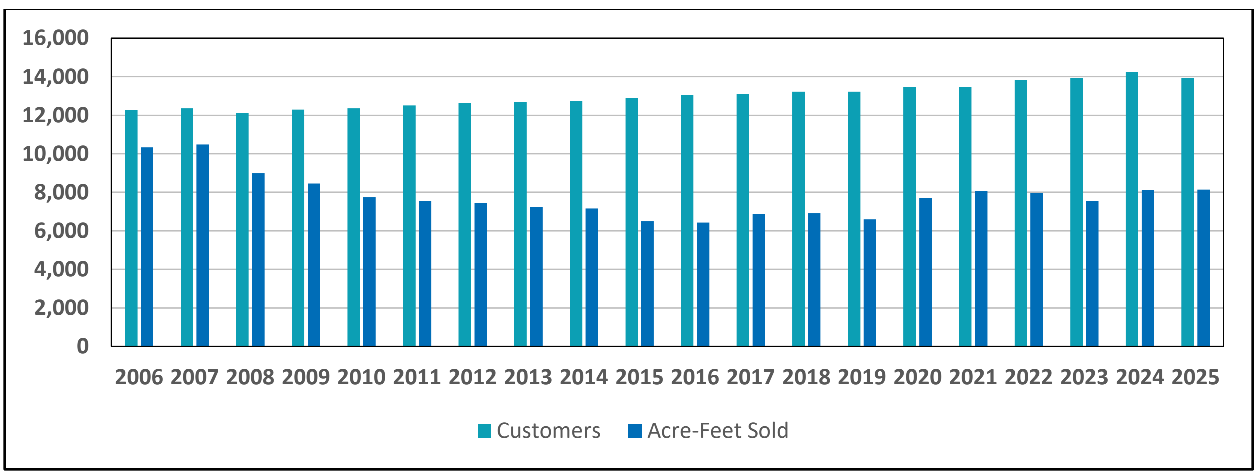
Within the initial one square mile covered by MSWD, it began with about 100,000 feet of pipelines, five water wells, and two reservoirs. MSWD expanded rapidly, and absorbed parts of the Coachella Valley County Water District, the West Palm Springs Village and San Gorgonio Mutual Water Company systems, and the Dos Palmas Mutual Water Company. Today, MSWD includes more than 414 miles of pipelines, 15 water wells, 12 booster stations, and 24 reservoirs.

The distribution system includes three separate and distinct community systems including West Palm Springs Village, Village Crest, and Desert Hot Springs. The largest system is the greater Desert Hot Springs service area.

MSWD's sole source of supply for its 14,231 water accounts is groundwater. MSWD produces groundwater from the Mission Creek Subbasin, San Gorgonio Pass Subbasin, and Garnet Hill Subarea of the Indio Subbasin, in the greater Coachella Valley Groundwater Basin. The quality of the groundwater is remarkably high and has been awarded an unprecedented 11 medals, including best tasting municipal water in the world, at the International Water Tasting Competition in Berkely Springs, West Virginia.

For over 70 years, MSWD has been managing groundwater through conservation, groundwater protection projects, and general stewardship of its multi-award-winning water resource. The District is, and has always been, committed to a sustainable future both in water supply and finance. As the state requires ongoing, and possibly increased regulations, through Conservation and the Sustainable Groundwater Management Act (SGMA), MSWD has responded to ensure compliance both now and in the future. Over the last 20 years, MSWD has already witnessed the beneficial effects of these efforts as total annual water consumption decreased while the total number of customers has increased as shown in **Figure 5** below.

Figure 5: Annual Water Consumption (AF) vs. Total Number of Customers



Wastewater Collection, Treatment, & Disposal

MSWD currently serves 10,021 sewer connections and treats about 2.0 million gallons per day (MGD) prior to discharging effluent in an environmentally sustainable manner. Wastewater is treated at the Horton Wastewater Treatment Plant, the Desert Crest Wastewater Treatment Plant, and the newly constructed Nancy Wright Regional Water Reclamation Facility that became operational in April 2025. This facility will serve as the long-term central wastewater treatment and reclamation facility for the region.

The District's Groundwater Quality Protection Plan (GQPP) began in 1996 and has been highly successful to date. Over $22 million of grant funds have been secured by the District for this program which has made over 4,500 parcels sewer service ready. This includes the abatement of over 2,800 septic tanks and the installation of over 33 miles of sewer lines. The pursuit of these grant funds continues today for the disadvantaged communities served by the District. The GQPP is ongoing and a significant part of the FY 2027 capital improvement program.

Water Conservation

In 2009, the California legislature passed SBx7-7 which required a statewide 20% reduction in urban per capita water use by 2020. It required that urban water retail suppliers determine baseline water use and set reduction targets according to specified requirements and required agricultural water suppliers to prepare plans and implement efficient water management practices. A combination of a population and land-use-based demand forecasting was used to project future demands in the District's service area. Based on the District's evaluation of years 1997 to 2006, the 10-year maximum per capita water use was 289.7 gallons per capita per day. In addition, based on the District's evaluation of years 2004 to 2008, the 5-year maximum per capita water use was 291.2 gallons per capita per day. To achieve a 20% reduction by 2020 as written under SBx7-7, the average per capita demand target was set at 234.9 gallons per capita per day.

From 2012 to 2017, California experienced historic drought conditions. In April 2015 the State Water Board set conservation standards for each water supplier, and based on this reduction, the District was required to set a conservation target of 32% as compared to 2013. On August 18, 2014, the Stage 1A-Drought Contingency Plan was implemented by the District. On April 27, 2015, the Stage 2-Threatened Water Supply Shortage was implemented by the District. During this time, the District also implemented a toilet replacement rebate program, a turf replacement rebate program, a conservation kit program, and multiple conservation educational programs for customers. On April 7, 2017 the Governor issued an Executive Order lifting the emergency drought declaration. By 2020, the District's maximum per capita water use was 189 gallons per capita per day, far exceeding the targeted reduction goal.

On July 19, 2021, the District adopted a Water Shortage Contingency Plan (WSCP) in conjunction with a Regional Urban Water Management Plan. In the Winter months of 2022, drought conditions in Northern California prompted the Governor to issue an Executive Order requiring the State Water Board to design and adopt emergency water conservation regulations. On May 24, 2022, the State Water Board adopted regulations that require urban water supplies to implement Level 2, at a minimum, of their Water Shortage Contingency Plans, as well as other measures. However, the regulations stop short of the one-size-fits-all philosophy by recognizing local water supply conditions, investments and conservation efforts by providers.

Making Conservation a California Way of Life is a new way of managing urban water use. The State Water Board will consider a regulation that establishes unique efficiency goals for each Urban Retail Water Supplier in California and provides those suppliers flexibility to implement locally appropriate solutions. As part of the state's all-of-the-above strategy to expand storage, develop new water supplies, and promote more efficient water use, this regulation seeks to cultivate long-term practices that help communities adapt to California's ongoing water challenges. The proposed regulation will lessen the need for the emergency water use reduction targets that were important in recent droughts. As part of the proposed regulation, urban retail water suppliers, not individual households or businesses, will be held to "urban water use objectives." An urban water use objective is the sum of standard-based budgets for a subset of water uses, such as residential outdoor use.

STATISTICAL SECTION

20
27

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

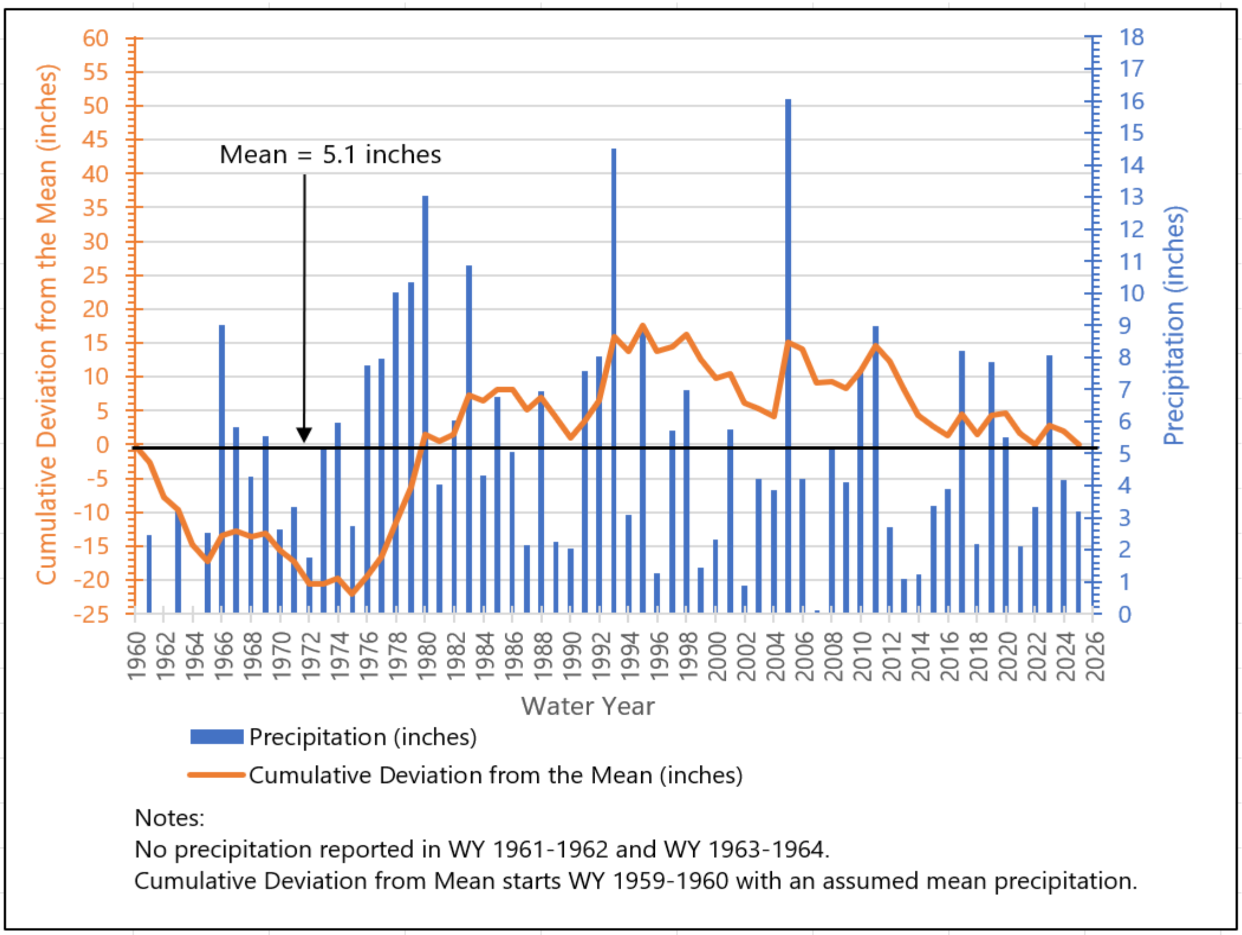
STATISTICAL SECTION

Climate

Average high temperatures exceed 100 degrees Fahrenheit (°F) in the months of June July, August, and September. Based on National Oceanic and Atmospheric Administration (NOAA) records from 1991 to 2020, average high temperatures in May and October are in the low to mid 90s°F and average high temperatures in the months of November through April range from 69°F to 87°F. Average low temperatures range from 46°F in December to 80°F in August.

Annual precipitation from Water Year (WY) 1960-1961 to WY 2024-2025 for the Riverside County Flood Control and Water Conservation District station at Desert Hot Springs is shown in **Figure 6** below. The mean annual precipitation for the water year over the period of record was 5.1 inches, with a standard deviation of 3.4 inches. The maximum precipitation was just over 16 inches in WY 2004-2005.

Figure 6: Annual Precipitation in Desert Hot Springs, CA



Demographics

Table 2 shows key demographics regarding residents of Riverside County, California.

Table 2: Key Demographics by Year for Riverside County, California

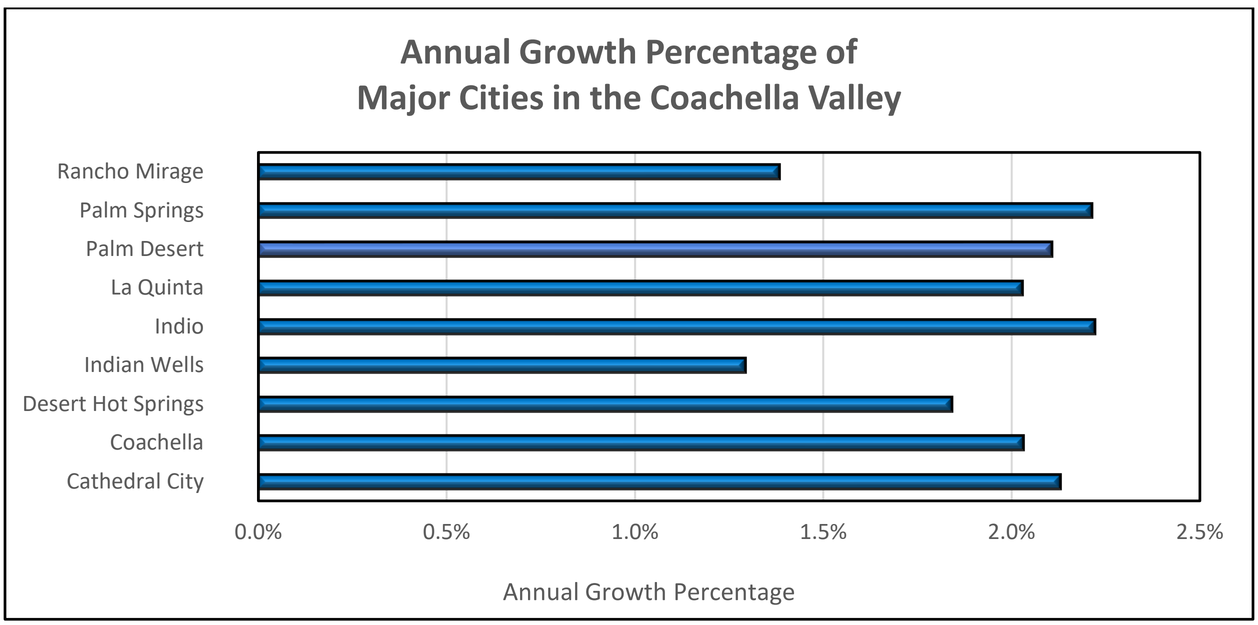
Calendar Year	Population[1]	Personal Income [1]	Per Capita Personal Income[1]	Median House Value[2]	Unemployment Rate[3]
2015	2,347,828	$55,315,000	$21,900	$279,500	6.7%
2016	2,384,783	$59,569,000	$22,924	$312,700	6.1%
2017	2,415,955	$56,801,939	$23,511	$329,600	5.2%
2018	2,440,124	$60,522,468	$24,803	$352,700	4.4%
2019	2,442,304	$64,686,882	$26,486	$364,900	4.2%
2020	2,454,453	$68,958,268	$28,095	$384,400	9.9%
2021	2,435,525	$72,924,895	$29,942	$368,100	7.3%
2022	2,439,234	$77,289,878	$31,686	$366,200	4.2%
2023	2,442,378	$85,897,514	$35,169	$365,000	4.8%
2024	2,495,640	$91,043,251	$36,480	$380,000	5.3%

Source:
1. California State Department of Finance
2. Riverside County Recorder
3. California Employment Development Department

Notes: Data shown represents the entire County of Riverside

Figure 7 shows annual growth rates for cities in the Coachella Valley. Located within the District, the City of Desert Hot Springs has an annual growth rate of approximately 1.8%.

Figure 7: Annual Growth Percentage of Major Cities in the Coachella Valley

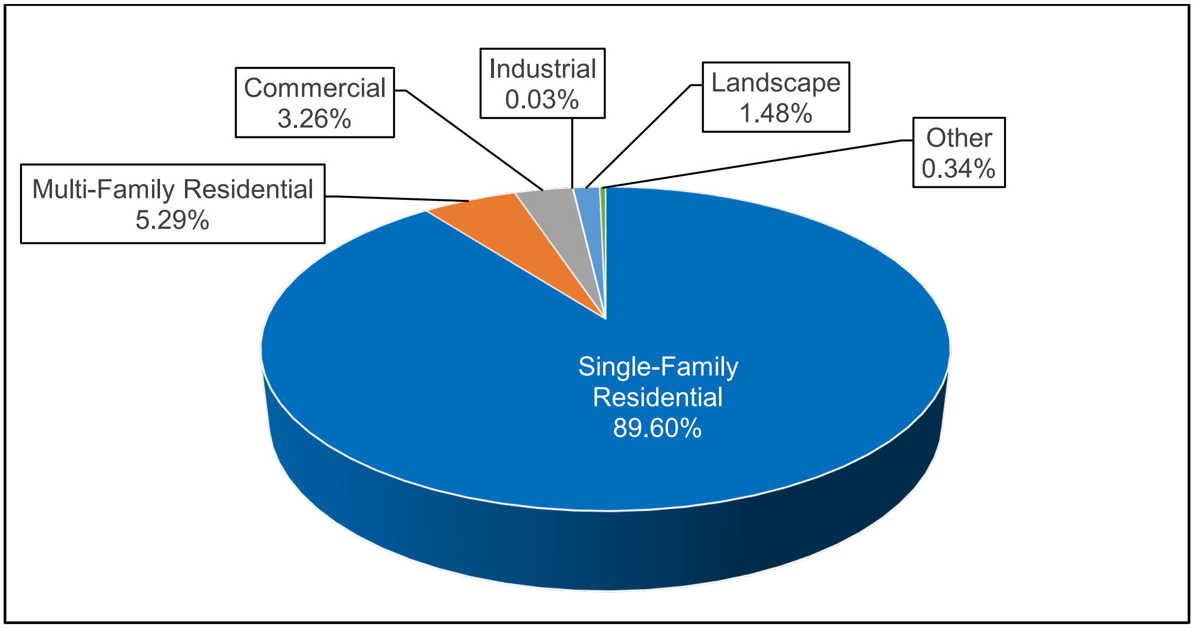


Source: State of California, Department of Finance, Demographic Research Unit & U.S. Census Bureau

Customer Base

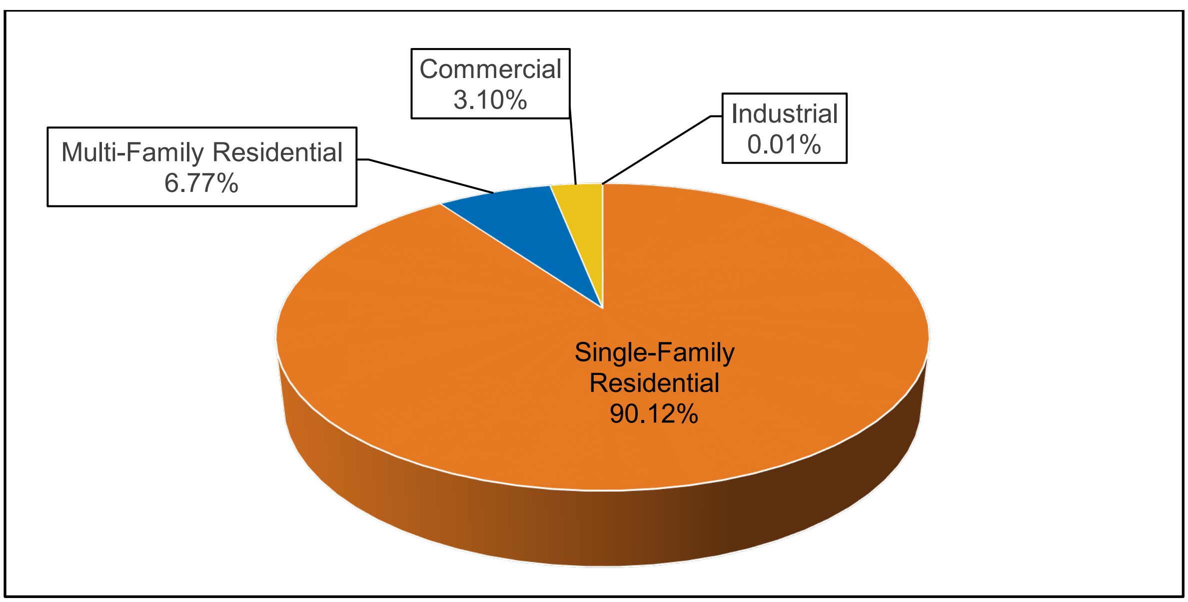
Approximately 90% of the District's water and sewer service customer accounts are single-family residential, as shown in **Figure 8** and **Figure 9** respectively, and most are located within the City of Desert Hot Springs, California.

Figure 8: Water Service Accounts by Type



Source: Mission Springs Water District Billing System

Figure 9: Sewer Service Accounts by Type



Source: Mission Springs Water District Billing System

Ten Largest Water and Sewer Customers

The District has a diverse customer base. The largest ten water service customers by consumption volume represented only 11.06% of the total water sales revenue as shown in **Table 3**, and the largest ten sewer service customers represented 34.4% of the total sewer revenue as shown in **Table 4**, for FY 2025.

Table 3: Ten Largest Water Service Customers

Rank	Water Service Customer	FY 2025 Revenues	Percentage of Total FY 2025 Revenues
1	Palm Springs Unified School District	$300,120.72	3.26%
2	Palm Springs Unified School District	$108,433.38	1.18%
3	Henry Baghdady	$103,929.00	1.13%
4	Blackstar Industrial Properties, LLC	$85,353.60	0.93%
5	Breit Hidden Springs MHC, LLC	$78,626.71	0.85%
6	Palm Springs Unified School District	$76,983.24	0.84%
7	JMI General Engineering Contractor	$73,157.12	0.80%
8	Two Bunch Palms, Bliss, LLC	$67,063.57	0.73%
9	Morongo Industrial Owners Inc	$63,036.00	0.69%
10	Palm Springs Unified School District	$60,521.60	0.66%
	FY 2025 Top Ten Total	**$1,017,224.94**	**11.06%**
	FY 2025 District Total	**$9,198,092.16**	**100.00%**

Table 4: Ten Largest Sewer Service Customers

Rank	Sewer Service Customer	FY 2025 Revenues	Percentage of Total FY 2025 Revenues
1	Sky Haven Homeowners Inc	$74,581.50	6.64%
2	Mission Lakes CC Condos HOA	$64,078,32	5.71%
3	Jennifer Chen	$46,313.13	4.12%
4	Morongo Equity Partners III, LLC	$44,743.00	3.98%
5	Vons Co #2177 V #8539	$33,270.86	2.96%
6	Morongo Equity Partners III, LLC	$28,958.72	2.58%
7	Michael Bickford	$28,413.23	2.53%
8	Desert Inn Hotel/Spa	$23,049.41	2.05%
9	Stater Bros. Mkt #84	$22,521.38	2.01%
10	Quick Quack Car Wash	$20,386.05	1.82%
	FY 2025 Top Ten Total	**$386,315.60**	**34.40%**
	FY 2025 District Total	**$1,123,087.31**	**100.00%**

Source: Mission Springs Water District Billing System

Ten Largest Property Taxpayers

Table 5 below is a listing of the top ten property taxpayers located within the District.

Table 5: Ten Largest Property Taxpayers

Rank	Taxpayer	FY 2025 Total Taxable Assessed Value	Percentage of FY 2025 Total District Taxable Assessed Value
1	Desert Peak Energy Storage	$377,288,044	7.11%
2	Sentinel Energy Center LLC	$293,100,000	5.53%
3	Mesa Wind Power Corporation	$78,201,694	1.47%
4	IIP – California 6	$62,030,769	1.17%
5	AM Wind Repower	$60,718,585	1.14%
6	Windpower Partners 1993 LP	$47,918,024	0.90%
7	Mountain View Power Partners LLC	$41,134,189	0.78%
8	IIP – California 2	$36,600,829	0.69%
9	Dillon Wind LLC	$27,053,237	0.51%
10	Kings Garden Inc	$26,803,497	0.51%
	FY 2025 Top Ten Total	**$1,050,848,868**	**19.82%**
	FY 2025 County Total	**$5,302,949,388**	**100.00%**

Source: County of Riverside Combined Tax Rolls and the SBE Nonunitary Tax Roll

Ten Largest Employers in Riverside County

Table 6 below is a listing of the top ten employers within the County of Riverside, California where the District's service area is located.

Table 6: Ten Largest Employers in Riverside County

Rank	Employer	Number of FY 2025 Employees	Percentage of Total FY 2025 County Employment
1	County of Riverside	25,345	2.35%
2	Amazon	14,317	1.33%
3	State of California	8,398	0.75%
4	Walmart	7,523	0.67%
5	Riverside Unified School District	6,562	0.59%
6	Moreno Valley Unified School District	6,306	0.56%
7	Kaiser Permanente Riverside Medical Center	5,817	0.52%
8	Stater Bros.	5,145	0.46%
9	University of California, Riverside	5,137	0.46%
10	Eisenhower Medical Center	4,971	0.44%
	FY 2025 Top Ten Total	**89,521**	**7.98%**
	FY 2025 County Total	**1,121,600**	**100.00%**

Source: County of Riverside Economic Development Agency

ORGANIZATIONAL STRUCTURE

2027

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

ORGANIZATIONAL STRUCTURE

Divisions and Departments

The Board of Directors set the overall organization-wide goals that support the District's mission and strategic plan. The departments are the link that converts planning into action. Departments are overseen by a manager, and the departments are organized into divisions which are overseen by a director. There are currently 59 funded full-time equivalent (FTE) positions reflected in the current budget as shown in **Table 7**.

Table 7: Organizational Divisions, Departments, and FY 2027 FTEs

Division	Department	FY 2027 FTEs
Executive	Board of Directors	(5)
	Office of the General Manager	2
Administration	Administration	5
	Customer Service	4
	Human Resources	2
	Innovation & Technology	1
Engineering	Engineering & Water Resources	6
Finance	Accounting	5
	Finance	1
Operations & Maintenance	Construction & Maintenance	10
	Field Services	4
	Operations Administration	6
	Water Production	4
	Wastewater Collection	2
	Wastewater Treatment & Disposal	7
	Total FTEs	**59**

Note: Board of Directors are not included in the FTE count for the District.

Summary of Authorized Positions

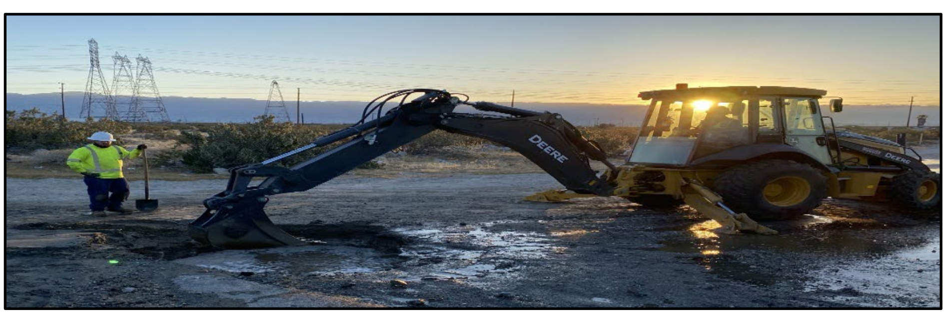
District management is always analyzing, reviewing, and changing the organizational structure to meet current operational and fiscal needs. These ongoing efforts include positional/staffing changes, improving corporate culture, greater integration of its mission, vision, and values of the organization, a customer experience overhaul, and streamlining of policies and procedures.

For FY 2026, three new positions were added: Construction Inspector, Construction & Maintenance Supervisor, and Administrative Assistant I/II. Additionally, three positions were repurposed: the Lead WWTP Operator changed to WWTP Supervisor, the Lead Water Production Operator changed to Water Production Supervisor, and the Field Operation Superintendent changed to the Water Distribution Superintendent.

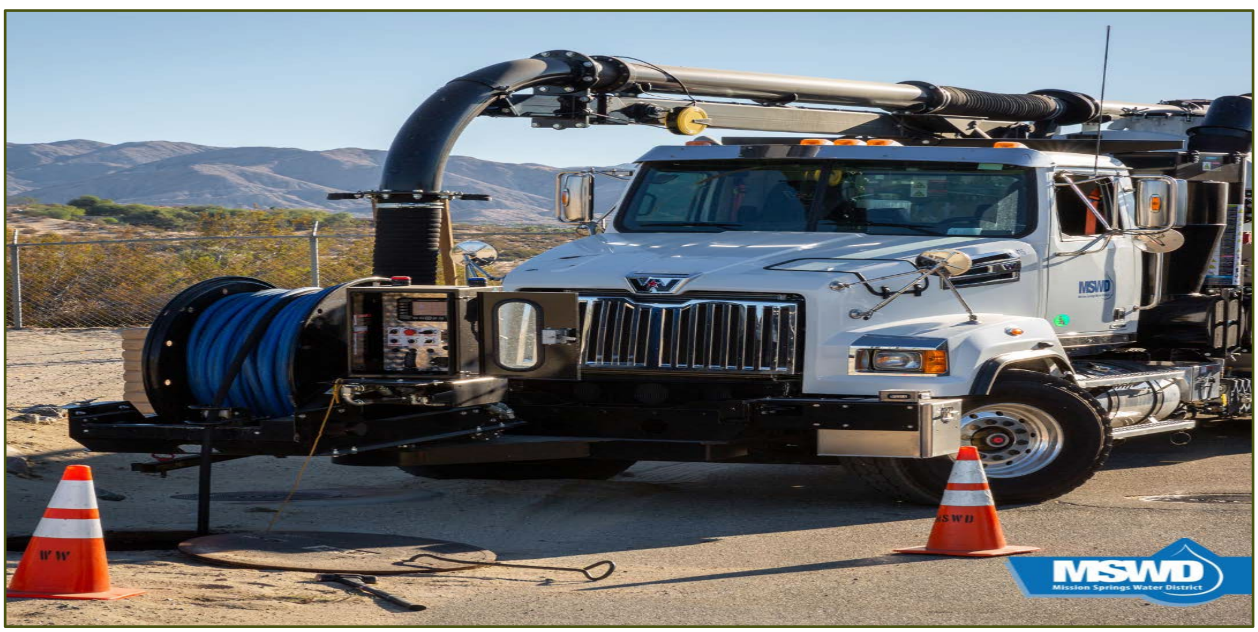
For FY 2027, two new positions were added: Compliance and Safety Officer and Water Distribution Superintendent. The Water Distribution Superintendent position was added for succession planning purposes prior to an impending retirement. Additionally, two positions were repurposed: Water Production Operator I/II to Lead Water Production Operator, and the WWTP Supervisor to the Lead WWTP Operator. These changes resulted in 59 funded full-time equivalent (FTE) positions and are reflected in the current budget as shown in **Table 8**.

Table 8: Summary of Authorized Positions by Fiscal Year

Budgeted Division, Department, & Title	FY 2025 Adopted	FTE Changes	FY 2026 Adopted	FTE Changes	FY 2027 Adopted
EXECUTIVE					
Office of the General Manager:					
General Manager	1	0	1	0	1
Assistant General Manager	1	0	1	0	1
Sub-Total Budgeted FTEs	**2**	**0**	**2**	**0**	**2**
ADMINISTRATION					
Administration:					
Programs & Public Affairs Specialist	1	0	1	0	1
Business Analyst	1	0	1	0	1
Contracts Analyst	1	0	1	0	1
Executive Assistant	1	0	1	0	1
GIS Specialist	0	1	1	0	1
Administrative Assistant	1	-1	0	0	0
Sub-Total Budgeted FTEs	**5**	**0**	**5**	**0**	**5**
Customer Service:					
Customer Service Supervisor	1	0	1	0	1
Senior Customer Service Representative	1	0	1	0	1
Customer Service Representative I/II	2	0	2	0	2
Sub-Total Budgeted FTEs	**4**	**0**	**4**	**0**	**4**
Human Resources:					
Human Resources Manager	1	0	1	0	1
Administrative Assistant I/II	0	1	1	0	1
Sub-Total Budgeted FTEs	**1**	**1**	**2**	**0**	**2**
Innovation & Technology:					
Innovation & Technology Manager	1	0	1	0	1
Sub-Total Budgeted FTEs	**1**	**0**	**1**	**0**	**1**



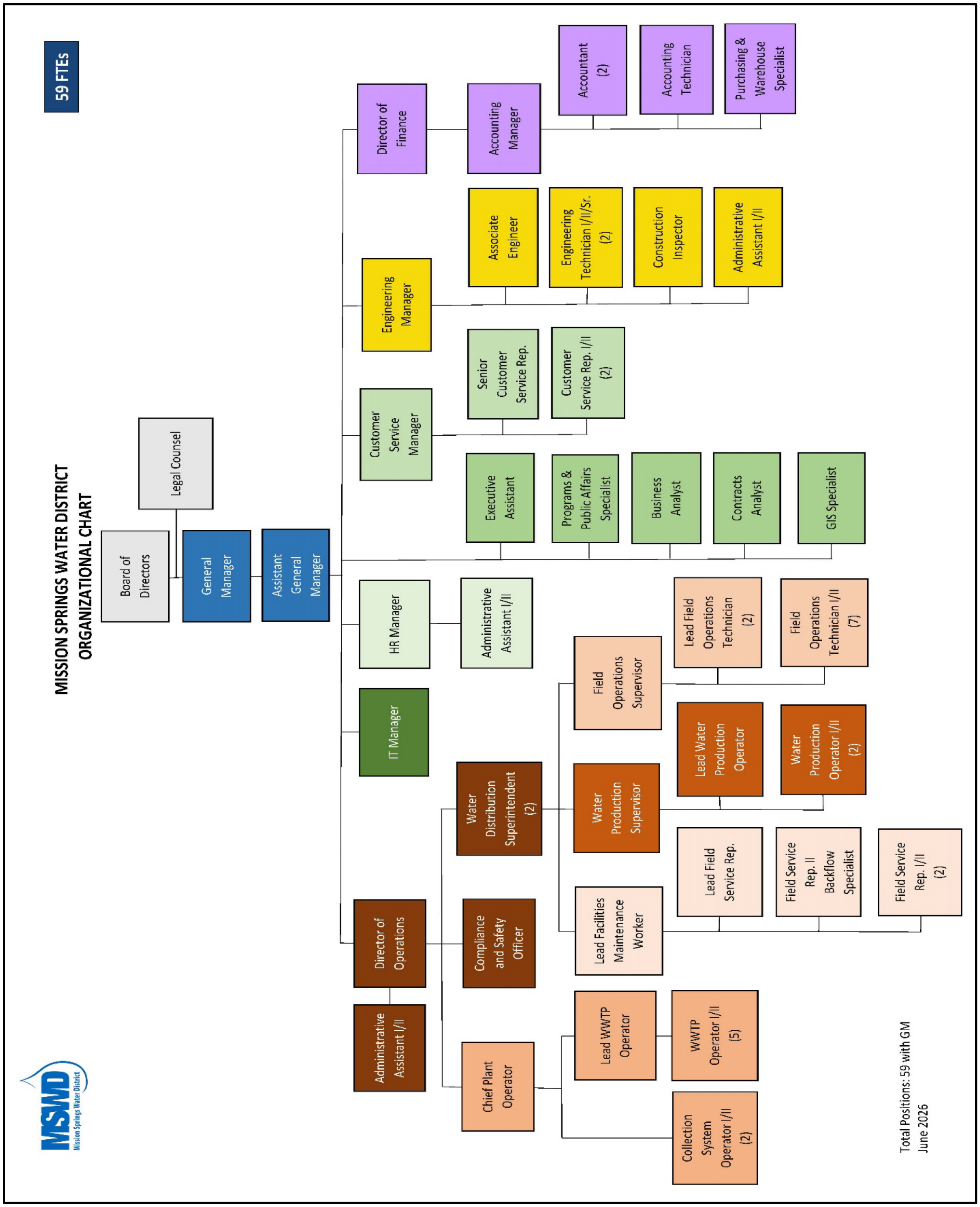
Budgeted Division, Department, & Title		FY 2025 Adopted	FTE Changes	FY 2026 Adopted	FTE Changes	FY 2027 Adopted
ENGINEERING						
	Engineering & Water Resources:					
	Engineering Manager	1	0	1	0	1
	Associate Engineer	1	0	1	0	1
	Engineering Technician I/II/Sr.	2	0	2	0	2
	Construction Inspector	0	1	1	0	1
	Administrative Assistant I/II	0	1	1	0	1
	Office Specialist I/II	1	-1	0	0	0
	GIS Specialist	1	-1	0	0	0
	Sub-Total Budgeted FTEs	**6**	**0**	**6**	**0**	**6**
FINANCE						
	Finance:					
	Director of Finance	1	0	1	0	1
	Sub-Total Budgeted FTEs	**1**	**0**	**1**	**0**	**1**
	Accounting:					
	Accounting Manager	1	0	1	0	1
	Accountant	1	1	2	0	2
	Accounting Technician	2	-1	1	0	1
	Purchasing and Warehouse Specialist	1	0	1	0	1
	Sub-Total Budgeted FTEs	**5**	**0**	**5**	**0**	**5**



Budgeted Division, Department, & Title	FY 2025 Adopted	FTE Changes	FY 2026 Adopted	FTE Changes	FY 2027 Adopted
OPERATIONS & MAINTENANCE					
Operations Administration:					
Director of Operations	1	0	1	0	1
Water Distribution Superintendent	0	1	1	1	2
Lead Facilities Maintenance Worker	1	0	1	0	1
Compliance and Safety Officer	0	0	0	1	1
Administrative Assistant I/II	0	1	1	0	1
Sub-Total Budgeted FTEs	**2**	**2**	**4**	**2**	**6**
Construction & Maintenance:					
Field Operations Superintendent	1	-1	0	0	0
Field Operations Supervisor	0	1	1	0	1
Lead Field Operations Technician	2	0	2	0	2
Field Operations Technician I/II	7	0	7	0	7
Sub-Total Budgeted FTEs	**10**	**0**	**10**	**0**	**10**
Field Services:					
Lead Field Service Representative	1	0	1	0	1
Field Service Representative II/ Backflow Specialist	1	0	1	0	1
Field Service Representative I/II	2	0	2	0	2
Sub-Total Budgeted FTEs	**4**	**0**	**4**	**0**	**4**
Water Production:					
Water Production Supervisor	1	0	1	0	1
Lead Water Production Operator	0	0	0	1	1
Water Production Operator I/II	3	0	3	-1	2
Sub-Total Budgeted FTEs	**4**	**0**	**4**	**0**	**4**
Wastewater Treatment & Disposal:					
Chief Plant Operator	1	0	1	0	1
WWTP Supervisor	0	1	1	-1	0
Lead WWTP Operator	1	-1	0	1	1
WWTP Operator I/II	5	0	5	0	5
Sub-Total Budgeted FTEs	**7**	**0**	**7**	**0**	**7**
Wastewater Collections:					
Lead Collection System Operator	1	-1	0	0	0
Collection System Operator I/II	1	1	2	0	2
Sub-Total Budgeted FTEs	**2**	**0**	**2**	**0**	**2**
Total Budgeted FTEs	**54**	**0**	**57**	**2**	**59**

Organizational Chart

Figure 10: MSWD Organizational Chart



STRATEGIC PLANNING

2027

MSWD
Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

STRATEGIC PLANNING

Strategic Plan

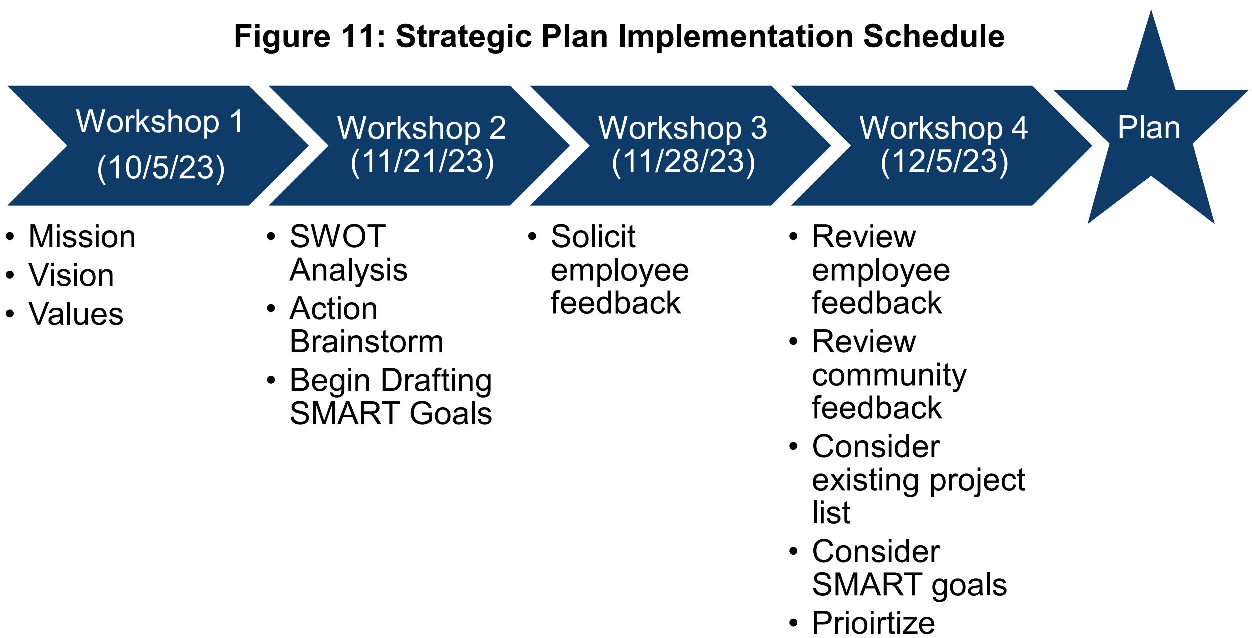
Mission Springs Water District's (MSWD's) 2024 Strategic Plan outlines a focused roadmap for efficient water management and community service. Building on a 70-year legacy, the plan aligns with MSWD's mission to provide, protect, and preserve water resources. In essence, the MSWD Strategic Plan is a forward-looking blueprint that underscores the District's commitment to responsible water management and community service, guided by a clear mission, vision, and set of values.

The MSWD Strategic Plan serves as the overarching guide, ensuring that every action, activity, and decision aligns with our vision and upholds our mission. This framework is designed to enhance the efficiency of leadership, management, and overall District operations. A strategic plan stands as the pinnacle planning document for our organization. It establishes the foundation upon which all other organizational, operational, financial, and resource planning effort are built, emphasizing it paramount significance.

Strategic Plan Implementation

The MSWD Strategic Plan for 2024 builds upon the achievements of the 2017 plan, considering the rich history, current strengths, weaknesses, opportunities, and threats. It is not merely a document but a dynamic action plan that propels MSWD forward, ensuring our continued success in providing, protecting, and preserving water resources. The overall process of the development of our Strategic Plan included four workshops with distinct purposes as described in **Figure 11** below.

Figure 11: Strategic Plan Implementation Schedule



Mission Statement, Vision, & Core Values

In 2023, MSWD initiated a formal strategic planning effort that builds on the achievements of the 2017 plan by developing a Mission Statement, an accompanying Vision Statement, and a set of Core Values for the District.

Mission of Mission Springs Water District

Our Mission at MSWD encapsulates the core function and intrinsic value that defines our existence. It is a simple yet robust statement, articulating our fundamental purpose and the reasons that drive our daily endeavors.

MSWD has one simple mission: We provide, protect, and preserve our most precious resource…Water!

Vision of Mission Springs Water District

Our Vision at MSWD serves as a compass, charting our course toward a future state that reflects our aspirations and commitment to excellence. It encapsulates not just what we aim to become but envisions the success we strive for and the positive transformations we aim to bring to all those we serve.

Trust: Our vision at MSWD is to build a trusting community through open communication, accountability, collaboration, and mutual respect among the Board of Directors, staff, and our customers.

Employees: Our vision for MSWD employees is to cultivate a workplace where each person is empowered as a steward of our community's water, fostering a culture of excellence, innovation, and service in alignment with our shared mission.

Customers: Our vision for MSWD is to deliver reliable, sustainable, and community-focused service to our customers, ensuring you can trust us to meet your water needs while contributing to a healthier, vibrant community.

Environment: Our vision for the natural environment in MSWD is harmonious coexistence through responsible management, aiming to be a model for environmental stewardship and sustainable practices, ensuring the health and vitality of our local ecosystems.

Public Health: Our vision for MSWD is to serve as a cornerstone of community well-being by providing reliable and safe water services that protect and support a healthy and thriving community.

Values of Mission Springs Water District

Our Values at MSWD stand as the bedrock of our organization, shaping how we work and defining who we are. These guiding principles not only clarify our identity, but also serve as a compass for our purpose, culture, and decision-making processes.

Accountability: We are accountable for our actions, committed to transparency, integrity, and rectifying mistakes, ensuring the District's operations are conducted with honesty and responsibility.

Leadership: Leadership is a core value for us, representing a commitment to setting a positive example, inspiring others, and fostering innovation to address water management challenges and drive progress in our community.

Professionalism: We maintain the highest standards of competence, ethics, and integrity in our actions, delivering water services with accountability and respect for the community, ensuring professionalism and expertise in every operation.

Service: We ensure access to clean, reliable water and cultivate a positive, supportive, and respectful environment for our staff, recognizing that community well-being and employee satisfaction are integral to achieving our mission.

SWOT Analysis, Actions, & Employee Feedback

MSWD's Board and staff conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis, assessing internal strengths and weaknesses, along with external opportunities and threats.

Following SWOT analysis, the Strategic Plan Team separated into groups to brainstorm action steps that could be taken. Four groups worked on developing lists of ideas, then each presented their ideas to the full team.

MSWD hosted an "all hands" meeting where employees were invited to learn more about the Strategic Plan and provide feedback. Several changes were made to the vision and values as a result.

Based on the SWOT analysis, the actions, and employee feedback, staff and the MSWD Board identified key themes that are essential for our sustainable growth and effective service delivery. The Board also considered current and ongoing projects identified in the 2017 Strategic Plan. Through this discussion several themes emerged that strategically aligned with our strengths with opportunities, address weaknesses, and mitigate threats. Serving as a compass for decision-making and resource allocation, they guide our operational enhancements, allowing us to fulfill our mission. This prioritization ensures a focused and targeted approach with optimal impact. As SMART goals were developed, they were categorized into themes.

SMART Goals

Specific, Measurable, Achievable, Realistic, and Timely (SMART) goals represent the tangible outcomes and achievements we aspire to accomplish. Serving as beacons of direction and purpose, these goals provide clarity for our activities, shaping a path towards success.

Our SMART goals directly stem from the insights of our SWOT analysis. While a SWOT paints a picture of "what" needs attention within a timeframe, SMART goals become the actionable "how" to address the identified areas of focus.

Each SMART goal is accompanied by specific actions and activities, forming a detailed plan of action. Referred to as key performance measures, these components outline the intricate steps required to achieve the overarching SMART goal.

The beauty of SMART goals lies in their precision. They not only articulate the desired outcome but also outline the specific actions necessary for successful implementation. This approach ensures that our efforts are targeted, measurable, and aligned with our strategic objectives.

In essence, each SMART goal, with its associated initiatives, is a blueprint for success. It guides our teams in translating strategic priorities into actionable steps, driving purposeful action towards the realization of MSWD's mission and vision.

Our commitment to SMART goals reflects our dedication to strategic planning, effective implementation, and continuous improvement for the benefit of the communities we proudly serve.

SMART Goal 1 – Customer Communications

Enhance customer trust, satisfaction, and understanding of water and wastewater services.

A strategic effort to enhance outreach and engagement directly correlates to the District's vision statements, which are focused on trust. Because MSWD has a positive and progressive story to tell the public, this enhanced effort will better inform the customers while creating greater engagement throughout the community.

1.1 Develop and initiate an annual plan to increase customer outreach and engagement through various communication channels, technologies, and community events. The goal is to enhance customer trust, satisfaction, and understanding of water services with ongoing refinement of the communications plan and its goals.

Key Success Measures

1. By the end of the second quarter 2024, identify and design an annual plan outlining deliberate strategies to increase customer outreach and engagement.
2. Leverage a mix of communication channels, technologies, and community events to convey information and engage with the community effectively.
3. Cultivate a vital customer service focus through communicating and engaging with the community on matters important to our region.
4. Survey customer groups involved in water-related events (e.g., construction activities, service interruptions, water quality changes, emergencies, and other vital issues) to hear about the customer experience and determine if MSWD can improve how the event is handled.
5. Refine the communications plan annually based on feedback, evolving customer needs, and emerging communication trends.
6. Incorporate District initiatives, including Chromium-6, conservation and fleet electrification, and other mandated projects so that customers understand District operations and mandates better.
7. Communicate the goals of the strategic plan to both internal and external customers. Improve recognition and familiarity of MSWD and the services we provide. Differentiate the District from its State Water Contractor and City, and clearly explain the nexus between the agencies. Use regular customer polling to document progress made in this area.

1.2 When customers better understand what the District does and how it operates, they will recognize MSWD's work to protect and provide water services. Enhancing customer education will increase trust in the District's services.

Key Success Measures

1. Continue providing Water 101 presentations for schools, service organizations, and elected officials.
2. Hold monthly Water Talks to engage and educate the public on water issues facing our valley and state water systems. Include information on District infrastructure, water quality, financials, and/or future water issues.
3. As the Long-Range Financial Master Plan is completed, ensure customers' understanding of water costs and impacts on rates.
4. Establish a communication plan that empowers our customer service workers to be brand ambassadors and build relationships with the public.
5. Expand tour and lecture opportunities and work with staff to create a speaker's bureau of knowledgeable presenters.
6. Increase school opportunities and expand the Groundwater Guardian activities within the schools.
7. Partner with the DHS High School Real Academy to increase school opportunities for students to learn more about the District.

1.3 Deliberate customer outreach also has a ripple effect of educating employees about the District. Employees can serve as ambassadors for the District, helping create and strengthen customer relationships.

Key Success Measures

1. Create an internal Intranet as a hub for employee communications.
2. Resume employee tours and onboarding programs so new employees can learn about our operations better.
3. Promote water outreach opportunities to employees, like the CV Water Counts Academy.
4. Enhance and strengthen the organizational culture by promoting the District's Strategic Plan, Mission, Vision, and Values. Work with Human Resources to add these to the employee evaluation process.

1.4 Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

Key Success Measures

1. Create a culture of transparency and provide comprehensive information on the MSWD website.
2. Cultivate supportive and positive relationships with federal, state, and local agencies that may impact District operations.
3. Cultivate positive relationships with key industry professionals to stay informed and gather feedback.
4. Pursue grants and projects that would benefit our customers.
5. Develop and enhance media relationships and write and distribute press releases promptly to communicate topics important to the community. Share these stories on social media and to industry publications for greater pickup.
6. Identify and influence legislation that aligns with the District's Legislative Platform and continue to foster positive relationships with city, county, state, and federal legislators.
7. Participate in ACWA, CASA, CSDA, and other industry committees to help shape industry trends and bring back best practices to the organization.
8. Apply for and receive individual and organizational certifications for leadership, transparency, and excellence and publish these accomplishments as an example of MSWD's leadership within the water/wastewater industries

SMART Goal 2 – Water Supply

Comprehensively evaluate and present viable options for implementing a diversified water supply.

Water supply is of the utmost importance to the District. Several types of concerns about water supply were identified throughout the strategic planning process; ensuring and securing long-term water supply is a critical priority for the District. This goal will investigate options for creating recycled water and stormwater capture programs to ensure sustainable and reliable water provision for its customers.

2.1 Ensure excellence in regulatory compliance.

Key Success Measures

1. Actively monitor new regulations and engage in the rulemaking process.
2. Deliver services in accordance with standards set by regulatory agencies.
3. Chromium-6 MCL
    a. Share best practices and collaborate with other water districts in the Coachella Valley through our consultant to develop a cost-effective approach to managing Chromium-6 levels within our water supply.
    b. Increase transparency, create an education and outreach plan to share the District's approach with the community, and increase overall awareness of water quality and supply issues facing the District.
    c. Ensure the District's Chromium–6 plan is incorporated in the Long Range Financial Plan and that any capital projects are incorporated into the Five-Year CIP Program.
4. Lead & Copper Rule
    a. Develop a lead service line inventory and make it publicly available.
    b. Develop a lead service line replacement plan.
    c. Sample schools and childcare facilities for lead and copper.
    d. Strengthen treatment to comply with the new 10 microgram/liter (μg/L) trigger level.
    e. Develop a communications plan to educate the public about the Lead and Copper Rule Revision's requirements and the steps MSWD takes to meet them.
5. Conservation as a Way of Life
    a. Continue to work with regulators to address the feasibility of state-set conservation goals.
    b. Continue to review regulations and apply for variances based on agriculture, evaporative coolers, and seasonal populations while evaluating other areas that may reduce conservation targets.
    c. Solicit grant support to help pay for an MSWD weather station to obtain better precipitation and evaporation rates in our service area.
    d. Enhance customer rebate programs to include water-saving appliances like dishwashers, clothes washers, and high-efficiency toilets.

e. Budget for and incorporate a Conservation as a Way of Life engagement campaign into the annual customer communications plan.
f. Solicit grant funding to develop an Evaporative Cooler Maintenance and Replacement Program.
g. Review the turf rebate program and target outreach efforts to customers with turf.
h. As part of the new Critical Services Center, construct a new demonstration garden to encourage the use of native drought-resilient plants.

2.2 Support / Advocate regional development of local water supply and reduce reliance on imported supply.

Key Performance Measures

1. Explore options and grant funding to create a financially feasible recycled water program (looking at potable and non-potable options) at the Horton and Wright facilities.
2. Work with the City and other water districts to encourage the use of native drought-resilient plants; work with the City to add to developer requirements.
3. Evaluate options for stormwater capture and reuse.
4. Participate in negotiations for the final determination of the Ground Sustainability Agency for basins within the District's service area, which include the San Gorgonio Pass Sub-Basin, the Mission Creek Sub-Basin, the Indio Sub-Basin, and the Desert Hot Springs Sub-Basin.
5. Work with the Salt Nutrient Management Plan stakeholders to continue monitoring Total Dissolved Solids in the Coachella Valley and advocate for project funding to protect our aquifer.
6. Continue to explore opportunities with the Agua Caliente Indian Reservation to access groundwater.
7. Review and explore options with our State Water Project allocation, preparing for contract expiration and the possibility of reduced Colorado River supplies.
8. As part of the Water Master Plan, include projects that connect the MSWD IDE areas to the MSWD "main" system.

2.3 The Mission Springs Water District Groundwater Quality Protection Project is a comprehensive water resource management effort that eliminates known pollution sources; reclaims water to reduce demand on limited groundwater resources; protects underground storage capacity; and leverages multiple funding opportunities.

Key Performance Measures

1. Expand the sewer system and wastewater treatment facilities by reclaiming water and reducing groundwater demand while protecting our groundwater supply.
2. Leverage local, state and federal grant opportunities to ensure program affordability for our residents.

3. Communicate the value of septic to sewer and water quality efforts to stakeholders and the community to ensure continued support.
4. Participate in community events to build trust and ensure transparency.
5. Participate in the Coachella SNMP committee to collect data, monitor and mitigate impacts of septic systems within the MSWD boundaries.
6. Work with the local, state and federal partners to obtain 50 percent match funding for current and future assessment districts.

2.4 Develop and advance a District-wide Recycled Water Program to diversify Mission Springs Water District's water supply portfolio by securing external funding, advancing project design, and positioning the District for construction readiness in support of long-term groundwater sustainability and regulatory compliance.

Key Performance Measures

1. Solicit and Pursue Grant Funding
    a. Submit at least one complete funding application for the Recycled Water Program through State or Federal programs (e.g., Clean Water State Revolving Fund/Water Recycling Funding Program).
    b. Maintain active coordination with grant consultants and funding agencies to advance the application through required technical, environmental, and financial review milestones.
2. Advance Engineering Design to 30% or Greater.
    a. Complete preliminary engineering studies, design criteria, and layout alternatives sufficient to achieve a minimum 30% design level for recycled water treatment, storage, and conveyance facilities.
    b. Ensure design documentation is adequate to support grant eligibility, cost refinement, and CEQA progression.
3. Establish Program Scope and Phasing Strategy.
    a. Define Phase 1 project components, including treatment capacity, delivery areas, and initial non-potable customer demand.
    b. Identify future phases and expansion opportunities to incrementally increase recycled water production and use within the District's service area.
4. Coordinate Regulatory and Environmental Readiness.
    a. Identify applicable regulatory approvals and environmental documentation required to advance the project beyond preliminary design.
    b. Confirm alignment with State Water Board recycled water requirements and regional groundwater sustainability objectives.
5. Integrate Recycled Water into Long-Term Water Supply Planning.
    a. Quantify anticipated reductions in groundwater pumping and imported water reliance resulting from recycled water implementation.
    b. Incorporate recycled water supply assumptions into the District's broader water supply and capital improvement planning efforts.

SMART Goal 3 – Financial Management

Ensure long-term financial stability and resilience by implementing sound financial management practices, optimizing revenue streams, and minimizing financial risks.

Enhancing Mission Springs Water District's financial sustainability and resilience will result in a more stable, flexible, and forward-looking organization. It strengthens the District's ability to navigate challenges, fulfill its mission, and provide reliable water services to the community.

3.1 Conduct Long Range Financial Planning to ensure adequate and reliable revenue streams.

Key Success Measures

1. Update of the Long-Range Financial Master Plan
    a. Review and maintain a robust reserve fund to mitigate the impact of unforeseen financial challenges or emergencies. Ensure the District has a clear policy for allocating and replenishing the reserve fund based on financial risk assessments.
    b. Evaluate existing debt structures and explore opportunities to refinance or restructure debt for better terms. Implement a disciplined approach to debt management, ensuring that new debt is acquired strategically and aligned with long-term financial goals.
    c. Develop a prioritized infrastructure investment plan that aligns with the District's long-term goals and regulatory requirements. Explore financing options for major infrastructure projects, considering short-term and long-term financial implications.
    d. Assess financial risks, including market fluctuations, regulatory changes, and environmental factors. Develop contingency plans and risk mitigation strategies to safeguard financial stability in the face of unforeseen challenges.
2. Update Cost of Service Study – Water & Sewer
    a. Conduct a comprehensive review of current water/sewer rates and fees to ensure they align with operational costs and market trends.
    b. Implement efficiency measures, such as adopting technology solutions and streamlined processes, to reduce operational expenses.
    c. Adopt a flexible rate structure that allows the District to react to external factors and internal demands.
    d. Considers regulatory compliance needs, conservation requirements, and drought restrictions and ensures the model can perform what-if scenarios.
    e. Ensure the rate structure is sound and defensible and that customer groups are charged appropriately.
    f. Increase revenue stability by recovering more fixed costs through fixed charges while maintaining customer group fairness.

3. Update of Water and Wastewater Master Plans
    a. Conduct a financial and operational analysis of the impact of future residential and commercial development based on the Cities of Desert Hot Springs' and Palm Springs' General Plan.
    b. Evaluate options for relocation of existing water infrastructure within inaccessible areas of the District for ease of maintenance.
    c. Pipeline replacement project for aging pipes within the water distribution system. Incorporate the project in the Master Plan updates.

3.2 Control costs and manage debt responsibly.

Key Success Measures

1. Actively manage costs and live within the "approved" budget.
2. Adjust spending in response to revenue fluctuations and restrictions.
3. Look for ways to reduce water loss and increase system efficiencies.
4. Limit the impact of unexpected expenditures.
5. Preserve the District's credit rating, enabling us to qualify for favorable borrowing terms in the future.
6. Stabilize rates and develop a plan to finance essential projects conservatively.

3.3 Enhance transparency in financial reporting by adopting best practices and ensuring timely and accurate financial disclosures.

Key Success Measures

1. Communicate financial performance and challenges effectively to internal and external stakeholders, fostering trust and confidence in the District's financial management.
2. Implement budget best practices to ensure ongoing GFOA certification.
3. Develop and provide financial reporting tools (dashboard) to internal and external stakeholders.
4. Keep customer bills fresh and straightforward while providing sufficient information about charges and water use.
5. Ensure ongoing dissemination of financial information, including performance to budget, water sales and purchases, and wastewater, as part of the District's overall financial health.
6. Provide information to customers about internal versus external cost of services and pass through appropriate Replenishment Assessment Charges and City of Desert Hot Springs Utility Users Tax increases.
7. Foster a culture of financial responsibility and accountability across the organization.

SMART Goal 4 – System Reliability

Ensure each component of the water and wastewater systems contributes to the long-term health and reliability of overall operations.

The District must maintain and improve our current water and wastewater infrastructure in a costeffective manner to ensure the safe-sustainable delivery of water and wastewater services now and in the future. We will protect these valuable assets while preparing for emergencies. This strategic goal emphasizes a holistic and forward-thinking approach to water and wastewater system management and infrastructure, fostering innovation, collaboration, and enduring strategies that align with the District's mission while ensuring the long-term reliability of its overall operation.

4.1 By September 2026, complete the construction of a Critical Service Center, which will foster increased collaboration, communication, and teamwork among employees working at one central location.

Key Success Measures

1. Construct a new administrative and operations building to allow the District to grow and continue to provide service to its customers.
2. With the Two Bunch location no longer feasible, ensure that the District's second choice, the Corporate Yard, is feasible and meets the District's future needs before engaging a contractor.

4.2 Update Existing Water and Wastewater Master Plans.

Key Success Measures

1. Review the District's five-year Capital Improvement Plan and ensure it aligns with the Long Range Financial Master Plan and all long-term financial strategies.
2. Conduct a financial and operational analysis of the impact of future residential and commercial development based on the Cities of Desert Hot Springs' and Palm Springs' General Plans.
3. Work with the City of Desert Hot Springs to develop an infrastructure feasibility study for unserved areas poised for growth.
4. Execute a mutual services agreement with Coachella Valley Water District (CVWD) to serve customers in the CVWD service territory without water/sewer access.
5. Collaborate with the City of Desert Hot Springs, Riverside County, and other stakeholders to repair old infrastructure and bring it up to current standards. Ensure that infrastructure improvements not only meet current demand but are designed to support future water and wastewater requirements, contributing to the overall reliability of the systems.
6. Evaluate options for relocating existing water infrastructure within inaccessible areas (including rear lot easements) of the District for ease of maintenance and risk reduction.

7. Identify and remove problematic tamarisk trees and other vegetation to prevent future root-related system issues.
8. Create a Predictive and Preventative Pipeline Replacement Project for aging piping within the water distribution system.
9. Continue to work with the Army Corp of Engineers to design and construct all defined assessment areas while leveraging grant funding to lower customer costs.
10. Identify additional capital projects and improvements that enhance system resiliency. Focus on increasing water yields from current projects through strategic enhancements and upgrades, aligning with the long-term reliability goals.
11. Conduct an analysis of available capacity within the current water system with future water demand projections to forecast the time of demand need. Incorporate results in Urban Water Management Plan updates and Master Plan updates.

4.3 Maintain and renew assets while facilitating strategic Capital Improvements.

Key Success Measures

1. Create a Predictive and Preventive Maintenance Program to meet established performance benchmarks.
2. Diligently manage and maintain current equipment to provide maximum value to the District.
3. Assess existing pipelines and associated equipment as part of the Predictive and Preventive Maintenance Program.
4. Research and implement a complete Computerized Maintenance Management System.
5. Build a connection to the MSWD IDE areas to the MSWD "main" system.
6. Evaluate system interconnects with neighboring agencies.
7. Evaluate emerging technologies and consider implementation.
8. Provide a comprehensive backup transmission system.

4.4 Invest and look at ways to fortify infrastructure security.

Key Success Measures

1. Optimize security preparedness at all sites.
2. Identify, monitor, and resolve risks of flood, earthquake, or natural disaster.
3. Invest in emergency backup generators and system redundancies for fail-safe operations.
4. Enhance security measures at critical remote sites and standardize systems and software to manage these operations.

4.5 Ensure the District is prepared to react to manmade and natural emergencies.

Key Success Measures

1. Continue to improve and refine the District's emergency response plan.

2. Effectively communicate with outside agencies and emergency preparedness partners, including mutual response like CalWARN or first response personnel at the City and County.
3. Continue to train District personnel in National Incident Management Systems (NIMS) to recommended levels and review the applicability of Web-EOC software programs.
4. Ensure earthquake retrofitting of critical infrastructure is included in long-term planning activities, protecting District assets and those of the customers we serve.
5. Participate in regional tabletop exercises to ensure staff are prepared for emergency situations.

SMART Goal 5 – Environmental Sustainability

Increase district-wide efficiency by adding new renewable energy resources, optimizing processes, implementing green building practices, and reducing overall water consumption.

Taking concrete steps toward being more environmentally sustainable, Mission Springs Water District will, in the next three years, increase District-wide energy efficiency by as much as 20% by adding new renewable energy resources, optimizing water treatment processes, implementing green building practices, and reducing overall water consumption through conservation programs and the encouragement of native and desert friendly landscaping by our customers. Being good stewards of our natural resources is part of MSWD's mission and vision for the future. It reflects our commitment and desire to uphold these values for the good of the community we serve.

5.1 Increase Use of Sustainable Energy Sources and Optimize Efficiencies – "There is no waste; just wasted resources".

Key Success Measures

1. Add solar panels to District facilities and convert low electrical use sites to solar.
2. Evaluate hybrid/electric technology opportunities.
3. Explore biofuel opportunities.
4. Reduce overall energy consumption associated with District facilities by 20% in the next three years.
5. Evaluate opportunities to minimize greenhouse gas emissions in District operations.
6. Leverage the District's solar resources and look into expansion financing opportunities, including grants, leasing, and power purchase agreement opportunities.
7. Enhance sustainability by minimizing waste in resources needed to meet operation and maintenance objectives.
8. Consider the environmental impact on all business practices.
9. Explore additional sludge recycling options for future reuse.
10. Create an internal employee culture that proactively seeks ways to conserve water and energy and be more environmentally sustainable in everything we do.

1.2 Fleet Electrification.

Key Success Measures

1. Continue monitoring changes to fleet electrification mandates and work with regulators to ensure mandates are feasible.
2. Create a strategy that meets upcoming fleet electrification regulations and considers operational requirements. A financial analysis includes ongoing maintenance costs and the cost of electricity versus traditional fuel.
3. Pursue grant opportunities to fund the inclusion of Electric Vehicles in our fleet and provide funding for necessary charging infrastructure.

1.3 Embrace Green Building Standards.

Key Success Measures

1. Reduce overall energy consumption associated with District facilities by 20% and incorporate greater green building standards in all building projects, including the new Critical Services Center.
2. Ensure the new Critical Services Center design incorporates energy/water efficiency best practices, including but not limited to the building's positioning, solar control and shading, material selection, building envelope, efficient lighting (possible solar tubes), HVAC systems, and renewable energy systems.
3. Evaluate building designs and perform a cost-benefit analysis of the impact of incorporating LEED Green Building standards in construction projects.
4. Ensure all District construction projects adhere to California environmental laws and regulations.

SMART Goal 6 – Improved Technology & Processes

Ensure each component of the water and wastewater systems contributes to the long-term health, reliability, and addresses workflow inefficiencies by implementing technology solutions and process improvements.

The imperative for addressing workflow inefficiencies through technological advancements has become critical in response to the evolving demands and challenges facing MSWD. This need was elevated through the SWOT analysis and employee feedback; thus, the Board identified this goal as a priority. By addressing these aspects, the District aims to meet its immediate operational needs and future-proof its processes, ensuring sustainable and effective water management for the community. This comprehensive approach reflects a commitment to excellence, innovation, and delivering high-quality services.

6.1 Embracing technological solutions that align the District with industry best practices and modern standards.

Key Success Measures

1. Ensure information systems planning is aligned with the District's Strategic Plan.
2. Enhance cyber security to ensure the continued safety of our system.
3. Ensure secure data access, remote access, and valid customer data.
4. Finalize the solicitation for a new enterprise resource planning software platform, which will seamlessly integrate Finance, Customer Service, and Human Resources needs.
5. Streamline processes and improve customer service by reducing delays and errors to enhance customer satisfaction and trust in the District's services.
6. Automate employee payroll structure and eliminate manual entry of employee time and project numbers.
7. Develop a work order management system and analyze workload allocations for infrastructure and maintenance operations based on industry key performance indicators and standards.
8. Identify opportunities for the privatization of routine maintenance functions to augment staffing levels.
9. Adopt an asset management system to ensure cradle-to-grave tracking of resources that aligns with the asset management and replacement component of the Long Range Financial Master Plan.
10. Continue to enhance purchasing processes to streamline staff processing times while ensuring appropriate approvals are met.
11. Evaluate options for automating the inventory management system for purchasing, receiving, and warehouse operations. Expand and improve the use of mobile computing and communication technology.
12. Adopt a records retention policy, incorporate retention schedules into processes, and automate them into new computer systems.

13. Review lien processing and streamline and consolidate processing to one department.
14. Look for additional ways to leverage technology and increase staff efficiency and operational savings. Information systems should support effective decision-making, system integration, reliable data, and decreased redundancy.

6.2 Hire a designated GIS employee and integrate asset management within the MSWD work order management system.

Key Success Measures

1. Review the existing Nobel platform and ensure it meets the District's ongoing needs. Integrate data collection and analysis to allow for data-driven decision-making based on real-time data.
2. Boost real-time monitoring and incident response.
3. Enhance network analysis and optimization.

SMART Goal 7 – Workforce Excellence

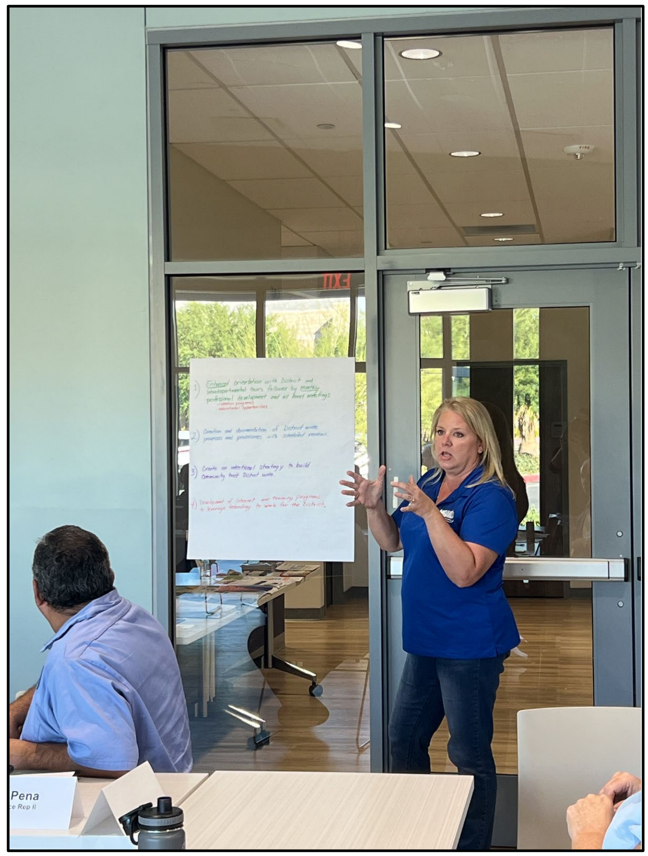
Investment in staff and management to cultivate a high-performing and knowledgeable workforce.

This SMART goal emphasizes the importance of ongoing investment in the District's most valuable assets—its staff and leadership. Through competitive compensation, expanded opportunities, and targeted development initiatives, the goal is to build a workforce that excels in performance, innovation, and leadership, increasing employee satisfaction and ensuring the sustained success of the District.

7.1 Create development opportunities and facilitate staff participation in professional development opportunities.

Key Success Measures

1. Continue to develop individual employee development plans to promote personal and professional growth.
2. Update the organization-wide succession plan, allowing employees the opportunity for professional growth, cross-training, and preparation for succession and temporary assignments to maintain continuity and operational effectiveness.
3. Modify the employee performance evaluation process to align with the District's new Strategic Plan and core values.
4. Hold managers accountable for performing timely performance evaluations that increases job knowledge, documents performance, and supports employees' overall success.



7.2 Expand leadership development programs to enhance the knowledge and skills of employees.

Key Success Measures

1. Leverage our member organizations, including ACWA, AWWA, CSDA, and CWEA to implement training initiatives to support leadership and succession planning to ensure a continuous pipeline of qualified individuals.

2. Create a Board of Directors onboarding program that provides new board members with resources and information to streamline their transition onto the Board.
3. Develop a comprehensive supervisor development and training program for existing managers, supervisors, and employees aspiring to supervisory positions.
4. On an ongoing basis, ensure 100% of employees have clearly defined job-related goals on their performance evaluations.
5. Publish and promote all employees' education/certification accomplishments internally.
6. Continue to hold regular GM/All-Hands meetings to create dialogue and promote organizational culture.

7.3 Recruit and retain employees.

Key Success Measures

1. Update and continue utilizing salary survey insights to inform salary decisions, ensuring that compensation remains competitive. Competitive compensation and expanded internship opportunities attract and retain top talent, contributing to a skilled and motivated workforce.
2. Create an internship program to increase opportunities for students and professionals, supporting industry employment growth and building a robust recruitment pool.
3. Foster collaborations with educational institutions to create pathways for talent to enter and thrive in the organization. Continue to investigate opportunities with local Colleges to create Career Technical Education pathways for some of our hard-to-fill positions.
4. Evaluate and look for ways to keep turnover rates at or below industry standards due to resignations or terminations (related to compensation or working conditions), not including retirements.

7.4 Ensure employee safety and wellness.

Key Success Measures

1. Continue to educate employees on safe working practices.
2. Require supervisors and lead workers to demonstrate their commitment to safe work practices.
3. Work towards a 100% non-litigation rate on Workers' Compensation claims.
4. Encourage Employee Wellness and implement a comprehensive, district-wide Employee Wellness Plan.

7.5 Cultivate a positive culture and teamwork among staff.

Key Success Measures

1. Ensure the lines of communication are open for all employees.
2. Employees experience camaraderie and teamwork through on-site employee events, and the company continues to recruit employees to the events committee to avoid committee burnout.
3. Focus on maintaining high employee morale and a positive organizational culture. Ensure our workforce is ready to embrace Diversity, Equity, and Inclusion differences and continue routine training.

FINANCIAL STRUCTURE, PROCESS, & POLICY

2027

MSWD
Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

FINANCIAL STRUCTURE, PROCESS, & POLICY

Fund Structure

The District is comprised of the following major enterprise funds that are also listed in **Table 9** below.

General Fund – Used to account for activities associated with supporting the administration of the District.

Water Fund – Acquisition, treatment, and distribution of potable water, and the construction, repair, and replacement of related infrastructure. MSWD provides water service to 14,231 water accounts, of which 95% are residential customers.

Sewer Fund – Collection of domestic, commercial, and industrial wastewater, and the construction, repair, and replacement of conveyance facilities. MSWD provides sewage collection, treatment, and disposal services to 10,021 customer accounts, of which 97% are residential customers.

Each enterprise fund is considered a separate budgetary and accounting entity, reported on a full accrual accounting basis with the exceptions listed in the Basis of Budgeting section of this document. Each fund is a separate fiscal entity with its own balancing set of accounts. Rates and budgets are adopted for each fund to support the associated operating and capital costs. Each enterprise fund records cash and financial resources, together with all related liabilities and residual equity balances.

Table 9: District Enterprise Fund Structure

Fund	Fund Type	Description	Included in Budget	Included in ACFR
General	Enterprise	Accounts for activities associated with supporting the administration of the District and long-term administrative capital improvement projects	Yes	Yes
Water	Enterprise	Accounts for potable water operations, debt principle and interest, and long-term water related capital improvement projects	Yes	Yes
Sewer	Enterprise	Accounts for sewer operations and long-term sewer related capital improvement projects	Yes	Yes

Fund-Department Relationship

The cost of operating expenses, including employee wages and benefits, are allocated to each division and department based on actual expenses as tracked by the District's project accounting system, with allocation to the Water or Sewer Funds based on percentages determined by historical trends and service levels. District-wide expenses which are general in nature and not attributable to a particular project or department are allocated to the District's General Fund. **Table 10** shows the relationship between the District's departments and the enterprise funds that are charged for their activities.

Table 10: Fund-Department Relationship Matrix

Division	Department	General Fund	Water Fund	Sewer Fund
Executive	Board of Directors	X	X	X
	Office of the General Manager	X	X	X
Administration	Administration	X	X	X
	Human Resources		X	X
	Innovation & Technology		X	X
	Public Affairs		X	X
Engineering	Engineering & Water Resources		X	X
Finance	Accounting	X	X	X
	Customer Service		X	X
	Finance		X	X
Operations & Maintenance	Construction & Maintenance		X	
	Field Services		X	
	Water Production		X	
	Wastewater Collection			X
	Wastewater Treatment & Disposal			X

Blended Component Unit

In April of 1985, the Mission Springs Water District Improvement Corporation (Corporation) was created by a joint exercise of powers agreement for the purpose of acquiring, constructing, rehabilitating, financing and refinancing, or providing for the sale of leasing of public capital improvements. The Corporation is governed by a board composed of the District's Board of Directors. The corporation has issued debt which is secured solely from installment payments payable under an installment purchase agreement entered into by the District and the Corporation. All accounts and funds created and established pursuant to any instrument or agreement to which the Corporation is a party, and any interest earned and accrued thereon, shall incur to the benefit of the District. Separate financial statements are not prepared for the Corporation. It is reported as a blended component unit.

Property Taxes

The County of Riverside (County) bills and collects property taxes on behalf of the District and numerous assessment districts. The District's current year tax collection is received through periodic apportionments from the County. The County's tax calendar is from July 1 to June 30 each year. Property taxes attach as a lien on the property on January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Basis of Budgeting

The District operates under the authority of the California Water Code. It maintains and prepares its financial statements and budgets using the accrual basis of accounting as prescribed by Generally Accepted Accounting Principles (GAAP) and reporting standards applicable to California governmental agencies. MSWD makes an allocation of all general and administrative costs to the water district, sewer district, and to capital improvements based on a percentage of labor hours. The allocations are made monthly.

The Board of Directors approves an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various departments. Budgets are prepared annually using the zero-base method. The Board of Directors may approve supplemental budget requests. The General Manager (GM) may transfer funds between general ledger accounts within the operating budgets if the total budget is not affected.

Budget Process

MSWD's streamlined 10-step budget process is summarized below as:

1. **Initiate the Budget.** MSWD managerial staff inputs budgetary estimates for the following year with their departmental goals in mind at the beginning of the budgetary process.
2. **Prepare a draft budget.** Based on these inputs, the Finance Department prepares the draft budget.
3. **Finalize Employee Requests.**
4. **Present Employee Requests to Human Relations Committee.**
5. **Present the draft budget to the GM for review and comment.**
6. **Present the draft budget to the Board of Directors at workshop.**
7. **Present the GM recommended budget to the Board of Directors at Study Session.**

8. **Present the amended GM recommended budget to the Board of Directors at Board Meeting for approval.**
9. **Apply for Government Finance Officers Association (GFOA) Award for Excellence in Budget Reporting.**
10. **Propose any budget amendments.** Staff reviews the performance and budget in January, and if any amendments are necessary, a revised budget will be submitted to the Board of Directors in February. The approved budgets are posted on MSWD's website.

Budget Schedule

Table 11 show the budget calendar for the District's preparation and review process timeline for FY 2027.

Table 11: Budget Planning Schedule for FY 2027

MSWD Budget Planning Fiscal Year 2027	Required By Date
Employee Request Meeting	03/03/2026
Budget Kickoff Meeting	03/18/2026
Update actual numbers and prepare for new budget cycle	03/25/2026
Budget worksheet distributed to managers and supervisors	03/30/2026
Report to staff which Employee Request items will be presented to the Board of Directors as part of the budget	04/02/2026
Board Workshop – Present Employee Request staff recommendations to Human Resources Committee/Board of Directors	04/08/2026
Budget worksheet completed by managers and supervisors	04/14/2026
Finance staff budget review meetings with managers, supervisors, and GM	04/15/2026 – 05/18/2026
Board Workshop – Charts Only	05/06/2026
Finalize the draft budget	05/25/2026
Budget Workshop - Present draft budget to Board of Directors for review and comment	06/03/2026
Board Study Session - Present GM Revised Budget to Board of Directors for review and comment	06/11/2026
Board Meeting - Present GM Recommended budget to Board of Directors for adoption	06/15/2026
Apply for GFOA Award for Excellence in Budget Reporting	06/30/2026

Budget Control & Amendment

Throughout the budget period management staff are responsible for monitoring their department's budgets. Finance staff provide tools for managers to review their budgets at any time. In addition to the budget process, staff presents a monthly financial results report to the Board for review and approval. This report updates the Board on the progress of all operating revenues and expense for all funds, comparing budget to actual amounts. Finance staff also undertakes a comprehensive mid-year review of the District's operating and capital budgets, which are then submitted to the full Board for discussion and approval. If during the mid-year budget review or during the budget presentation to the Finance Committee it is determined that a significant adjustment is needed, then finance staff will work with managers to prepare the request for the Board of Directors to approve. Managers may transfer funds between their division accounts in accordance with the District's Reserve and Financial Benchmark Policy.

Financial Policies & Resolutions

Every June, the Board of Directors adopts the three budget resolutions that guide District operations for the following fiscal year. The Operating and Capital Budget establishes controls on changes in appropriations for the various funds. The District adopts its appropriations limit for the fiscal year in compliance with the requirements established by the Constitution of the State of California. Finally, the Board approves and adopts the employee classification and compensation plan indicating the number of positions approved for each classification and assigning titles for those positions. This is done for the efficient and effective operation of the District.

The Board of Directors also approves and implements the policies and resolutions that drive all financial decision making for the District.

Reserve Policies

Resolution No. 95-10

This resolution establishes a Wastewater Capital Reserve Fund.

Resolution No. 95-20

This resolution establishes a Water Capital Reserve Fund.

Resolution No. 95-21

This resolution establishes an Internal Services (General Fund) Capital Reserve Fund.

Bidding and Contract Procedures Policy

Resolution No. 2025-15

This resolution establishes a bidding and contract procedures policy. The purpose of this resolution is to establish guidelines for competitive bidding for any project. It goes on to identify the types of projects and approval amounts for each.

Minor Project
A project or service required by the District which is estimated by the General Manager to cost $100,000 or less, and which may be awarded and negotiated by the General Manager, in contract or purchase order form.

Intermediate Project
A project or service required by the District which is estimated by the General Manager to cost more than $100,000 but less than $150,000 to complete.

Major Project
A project or service required by the District which is estimated by the General Manager to cost $150,000 or more to complete.

Investment Policies

The District's investment policies outline the guidelines required to be used in effectively managing the District's available cash in accordance with the California Government Code. To address interest rate risk, the District's existing policy limits the maturity of investments to five years. To mitigate credit risks associated with its investments, the District's investment policy limits investments to large institutions and requires diversification to ensure that failure of one issuer will not significantly affect the District's cash flow.

Policy No. 2017-1 - Investment Policy

The purpose of this investment policy is to provide guidelines for the prudent investment of the District funds in conformance with California Government Code and other legal requirements governing the investment of public funds.

Resolution No. 2017-10

The purpose of this resolution is to authorize the District to join with other public agencies as a participant of the Investment Trust of California, carrying on business as CalTrust. The District is a voluntary participant in CalTrust, which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. As of May 31, 2026, the District's investment in CalTrust is $35,092,456, of which $3,045,480 was invested in the Liquidity funds pool, $7,613,933 in the Short-term pool, and $24,433,043 in the Medium-term pool.

Procurement and Disbursement Policies

Resolution No. 2025-15

The purpose of this resolution is to establish a policy for procurement and disbursement of district funds. It provides for a procurement system of quality and integrity; provides for the fair and equitable treatment of all persons or firms involved in purchasing by the District; ensures that supplies and services are procured efficiently, effectively, and at the most favorable prices available to the District; promotes competition in contracting; and ensures that MSWD purchasing actions are in full compliance with applicable Federal standards, State, and local laws. All other policies and resolutions involving procurement fall within this resolution.

Policy No. 2025-06

The purpose of this policy is to establish consultant/vendor invoice processing guidelines. Department supervisory staff are authorized to obligate the District for necessary costs and expenses required to fulfill the goals of the adopted budgets authorized by the Board of Directors.

Policy No. 2025-03

The purpose of this policy is to establish petty cash disbursement/replenishment guidelines. It is the purpose of this policy to outline provisions for the disbursement and replenishment of the petty cash fund established at $500.

Policy No. 2025-05

The purpose of this policy is to establish the use of District credit card guidelines. The issuance of credit cards assists the Finance Department in keeping an accurate record of charges incurred by each individual assigned a card. This system provides management with a check and balance method on budgeting items such as seminars, conferences, travel and training plus individual charges of necessary District materials and supplies.

Resolution No. 2018-02

The purpose of this resolution is to establish designated officers for disbursement of District funds and authorize to sign checks, drafts and transfers with all active bank accounts of the District. These officers may act in a fiduciary capacity for the District.

Debt Management Policy

Resolution No. 2017-11

The purpose of this resolution is to establish and adopt a debt management policy of the District. Senate Bill No. 1029 was passed by the California State Legislature in August 2016 and became law on September 12, 2013, requiring local agencies such as MSWD to adopt comprehensive written debt management policies reflecting local, state and federal laws and regulations.

FINANCIAL SUMMARIES

2027

MSWD
Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

FINANCIAL SUMMARIES

Budget Summary

The operating budget for fiscal year (FY) 2027 is approximately $31.7 million as shown in **Table 12** below. There is an additional $43.5 million in capital improvements proposed for a total budget of approximately $75.2 million. This is a significant decrease in total budget expenses when compared to FY 2026. The decrease is primarily in the capital improvements budget due to some projects being delayed or put on-hold until the next fiscal year. Also, MSWD staff continues to monitor the impacts of strict State regulations and drought mandates on District operations and will make any necessary changes to the budget as part of the mid-year budget evaluation.

Table 12: Budget Summary by Fiscal Year

	Budget FY 2027**	Budget Change	Budget FY 2026*	Budget Change	Budget FY 2025*
Operating Budget					
Operating Revenue	$25,837,512	$5,220,492	$20,617,020	$288,092	$20,328,928
Operating Expenses	$31,693,004	$3,845,363	$27,847,641	$517,396	$27,330,245
Operating Income	**($5,855,492)**	**$1,375,129**	**($7,230,621)**	**($229,304)**	**($7,001,317)**
Expenses					
Operating Expenses	$31,693,004	$3,845,363	$27,847,641	$517,396	$27,330,245
Capital Improvement Projects	$43,481,406	($26,956,293)	$70,437,699	$25,627,442	$44,810,257
Total Budget	**$75,174,410**	**($23,110,930)**	**$98,285,340**	**$26,144,838**	**$72,140,502**

* - Revised after mid-year Board approval.
** - Starting in FY 2027, a new chart of accounts was implemented resulting in differences in categories from previous years.

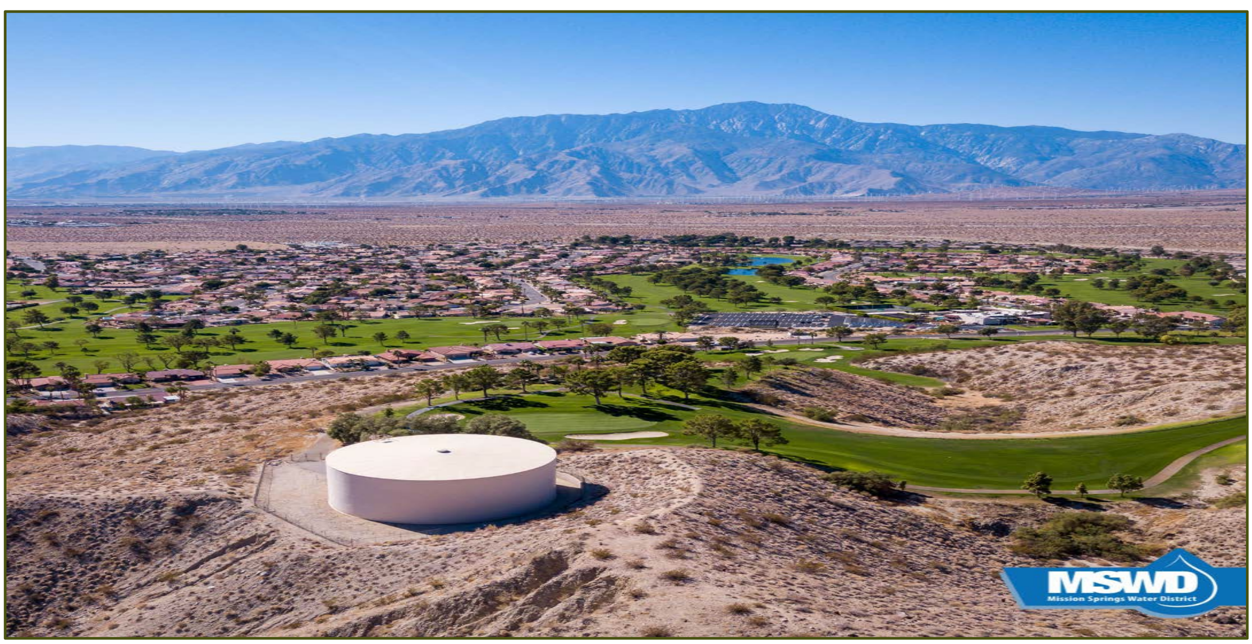
Net Income Summary

The Net Income for FY 2027 is approximately $14.4 million as shown in **Table 13**, which is significantly lower than FY 2026. The decrease can be directly attributed to the increase in operating expenses before depreciation expense and the addition of two full-time employees for FY 2027.

Table 13: Net Income Summary by Fiscal Year

	Budget FY 2027**	Budget Change	Budget FY 2026*	Budget Change	Budget FY 2025*
Operating Revenues	$25,837,512	$5,220,492	$20,617,020	$288,092	$20,328,928
Operating Expenses (Before Depreciation Expense)	$26,853,404	$3,845,363	$23,008,041	$767,092	$22,240,949
Net Operating Income (Loss)	($5,855,492)	$1,375,129	($7,230,621)	($229,304)	($7,001,317)
Depreciation Expense	($4,839,600)	$0	($4,839,600)	$249,696	($5,089,296)
Non-Operating Revenue/(Expense)	$20,234,623	($6,302,713)	$26,537,336	$539,289	$27,076,625
Net Income	**$14,379,131**	**($4,927,584)**	**$19,306,715**	**($768,593)**	**$20,075,308**

* - Revised after mid-year Board approval.
** - Starting in FY 2027, a new chart of accounts was implemented resulting in differences in categories from previous years.



Summary of Revenue by Operating Fund

MSWD receives funding from a variety of sources: domestic water sales, wastewater service charges, connection fees, property taxes, grants, investment income, rental property, cellular tower leases, solar power generation, and charges for miscellaneous services.

For FY 2027, the Operating Revenue budget equals $25,837,512, and the Non-Operating Revenue budget equals $20,534,209, for a Total Revenue budget of $46,371,921 as shown in **Table 14**. A significant source of funding is the use of grants for capital improvement projects, which have been obtained from both state and federal agencies and have allowed MSWD to adopt a budget that includes no fee or rate increases for any of its services.

Table 14: Summary of Revenue by Operating Fund for FY 2027

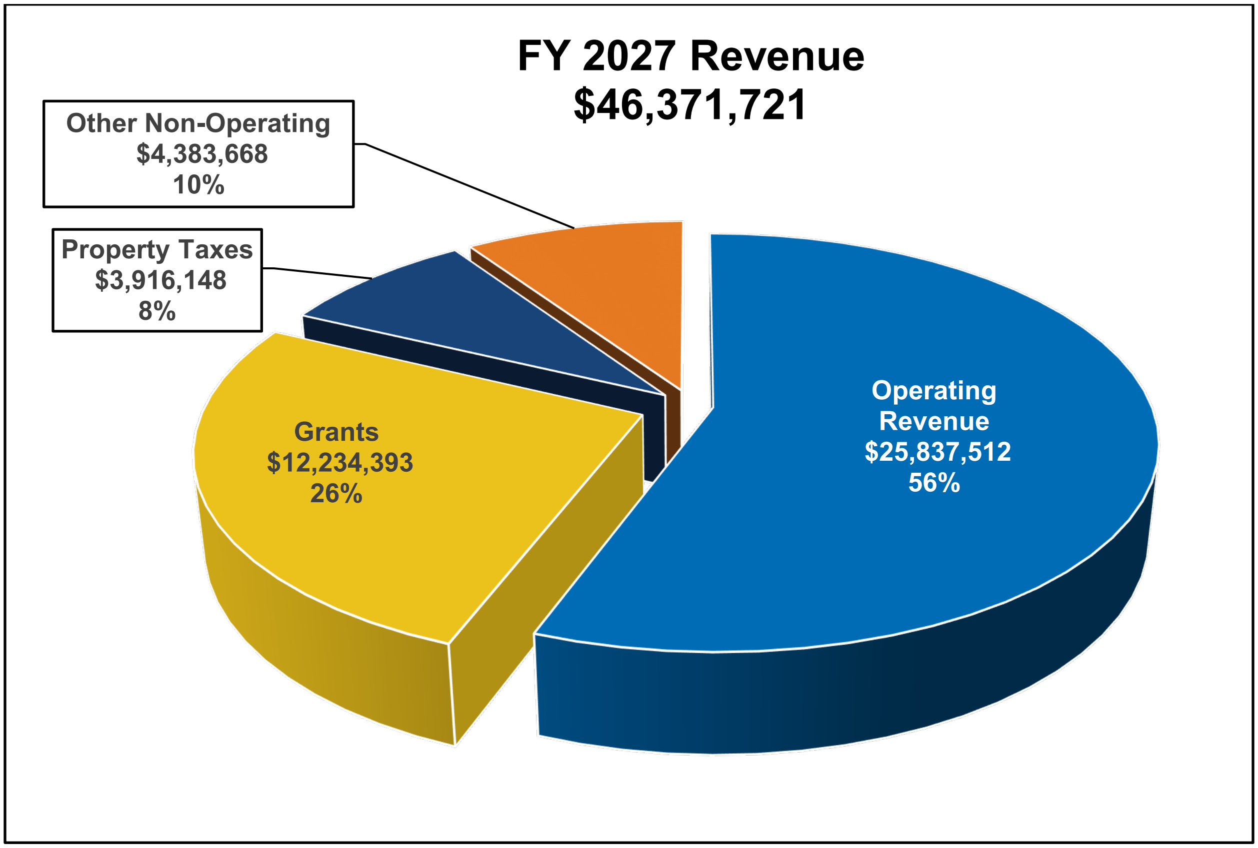
Revenue Source	FY 2027 Total	General District	Water District	Sewer District
Operating Revenue				
Base Service Charge	$3,247,674	$0	$3,247,674	$0
Water Consumption	$10,116,960	$0	$10,116,960	$0
Backup Facilities Charge	$1,300,000	$0	$1,125,000	$175,000
Meter Installations	$193,000	$0	$193,000	$0
Sewer Service	$7,928,700	$0	$0	$7,928,700
DWA Assessment Collected	$1,767,400	$0	$1,767,400	$0
Standby Charges	$238,740	$0	$225,900	$12,840
Fats, Oils, and Grease Fees	$7,000	$0	$0	$7,000
Other Operating Revenue	$1,038,038	$0	$963,038	$75,000
Sub-Total Operating Revenue	**$25,837,512**	**$0**	**$17,638,972**	**$8,198,540**
Non-Operating Revenue				
Property Taxes	$3,916,148	$1,306,138	$1,680,685	$929,325
Solar Credits	$176,300	$168,800	$7,500	$0
Investment Income	$4,207,568	$670,000	$1,509,220	$2,028,348
Grants	$12,234,393	$250,000	$0	$11,984,393
Sub-Total Non-Operating Revenue	**$20,534,209**	**$2,394,938**	**$3,197,405**	**$14,942,066**
Total Revenue	**$46,371,921**	**$2,394,938**	**$20,836,377**	**$23,140,606**

Total Revenue for Fiscal Year 2027

MSWD receives funding from a variety of sources: domestic water sales, wastewater service charges, water and sewer connection fees, property taxes, grants, investment income, rental property, cellular tower leases, solar power generation, and charges for miscellaneous services.

For FY 2027, the Operating Revenue and Non-Operating Revenue budgets amounted to $25,837,512 and $20,534,209, respectively, for a total revenue budget of $46,371,721 as shown in **Figure 12** below. Significant sources of funding are grants expected for capital improvement projects. These state and federal grants have allowed MSWD to adopt a budget that includes capital improvements with no projected fee or rate increases for its services.

Figure 12: Total Revenue by Type for FY 2027



Summary of Revenue by Year

MSWD receives funding from a variety of sources: domestic water sales, wastewater service charges, connection fees, property taxes, grants, investment income, rental property, cellular tower leases, solar power generation, and charges for miscellaneous services. For FY 2027, Operating Revenue and net Non-Operating Revenue amounted to $25,837,512 and $20,534,409, respectively, for a combined total revenue of $46,371,721 as shown in **Table 15**. FY 2027 Operating Revenue increased significantly compared to FY 2026, however, FY 2027 Non-Operating Revenue also decreased significantly in response compared to FY 2026.

Table 15: Summary of Revenue by Fiscal Year

Revenue Source	FY 2027**	FY 2026*	FY 2025*
Operating Revenue			
Base Service Charge	$3,247,674	$2,979,516	$2,924,400
Water Consumption	$10,116,960	$9,144,000	$8,648,376
Backup Facilities Charge	$1,300,000	$0	$0
Meter Installations	$193,000	$189,600	$122,520
Sewer Service	$7,928,700	$7,410,000	$7,380,000
DWA Assessment Collected	$1,767,400	$0	$0
Standby Charges	$238,740	$237,900	$238,500
Fats, Oils, and Grease Fees	$7,000	$3,600	$3,600
Other Operating Revenue	$1,038,038	$652,404	$1,011,532
Sub-Total Operating Revenue	**$25,837,512**	**$20,617,020**	**$20,328,928**
Non-Operating Revenue			
Connection Fees	$0	$1,074,000	$628,500
Property Taxes	$3,916,148	$2,384,508	$2,342,460
Solar Credits	$176,300	$166,800	$350,000
Site Rentals	$0	$124,800	$100,800
Investment Income	$4,207,568	$4,022,236	$2,274,120
Unrealized Gains/(Losses)	$0	$1,556,508	$100,200
Grants	$12,234,393	$18,175,000	$21,750,000
Sub-Total Non-Operating Revenue	**$20,534,409**	**$27,503,852**	**$27,546,080**
Total Revenue	**$46,371,921**	**$48,120,872**	**$47,875,008**

* - Revised after midyear Board approval.

** - Starting in FY2027, a new chart of accounts was implemented resulting in differences in categories from previous years.

Operating Fund Revenue Over Expenditures by Fund

Table 16 provides a breakdown of operating revenue and expenditures by fund for FY 2027. The table shows a Net Operating Loss of $5,855,492 for FY 2027.

Table 16: Operating Fund Revenue Over Expenditures by Fund for FY 2027

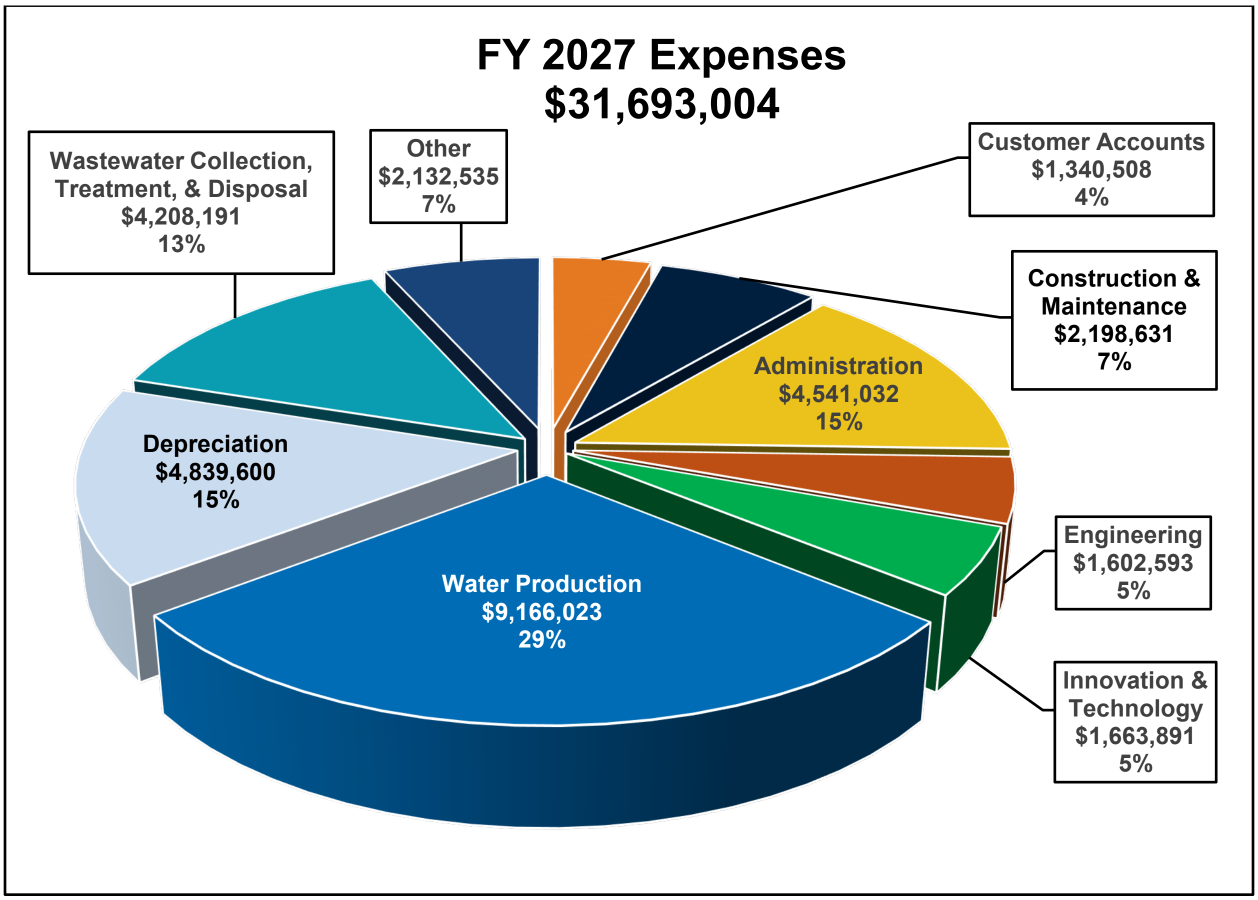
	Combined District's Total Funds	Operating Funds		
		General District	Water District	Sewer District
Operating Revenues	$25,837,512	$0	$17,638,972	$8,198,540
Operating Expenses				
Customer Accounts	$1,340,508	$766,103	$574,405	$0
Buildings and Grounds	$286,693	$286,693	$0	$0
Vehicle Maintenance	$995,539	$995,539	$0	$0
Central Services	$916,399	$901,399	$10,000	$5,000
Administration	$1,684,745	$1,684,745	$0	$0
Information Technology	$1,663,891	$1,663,891	$0	$0
Board of Directors	$438,734	$438,734	$0	$0
Public Affairs	$1,261,684	$1,131,676	$130,008	$0
Human Resources	$569,371	$569,371	$0	$0
Engineering	$1,602,593	$1,415,343	$66,000	$121,250
Accounting	$902,521	$902,521	$0	$0
Pumping	$4,000,057	$0	$4,000,057	$0
Transmission & Distribution	$3,032,924	$0	$3,032,924	$0
Collections	$774,229	$0	$0	$774,229
Treatment & Disposal	$3,433,962	$0	$0	$3,433,962
Depreciation	$4,839,600	$312,000	$2,487,600	$2,040,000
Other Operating Expenses	$3,949,554	$1,693,232	$2,221,322	$35,000
Administrative Costs Allocated	$0	($12,761,247)	$8,294,811	$4,466,436
Total Operating Expense	**$31,693,004**	**$0**	**$20,817,217**	**$10,875,877**
Net Operating Loss	**($5,855,492)**	**$0**	**($3,178,155)**	**($2,677,337)**

Total Expenses for Fiscal Year 2027

Operating expenses for FY 2027, amount to $31,693,004 as shown in **Figure 13** below, representing an increase of $3,845,363 from FY 2026. For FY 2027, two positions were added: Compliance and Safety Officer and Water Distribution Superintendent. In addition, the increase in operating expenses also reflects an increase of 2.91% Cost of Living Adjustment (COLA) as recommended by the Human Relations Committee and approved by the Board in May 2026.

There is also $43,481,406 in capital improvement expenses made up primarily by the new Administration Building, Well 42, Area M-2 Septic to Sewer Conversion, Well 22 Rehabilitation, and Well 34/35 Intertie. The District continues to prioritize capital improvements that can be covered by grant revenue.

Figure 13: Total Expenses by Type for FY 2027



Operating Fund Revenue Over Expenditures by Year

Table 17 provides a breakdown of operating revenue and expenditures by fund for FY 2027. The table shows a Net Operating Loss of $5,855,492 for FY 2027, which is significantly lower compared to FY 2026.

Table 17: Operating Fund Revenue Over Expenditures by Fiscal Year

	FY 2027**	FY 2026*	FY 2025*
Operating Revenues	$25,837,512	$20,617,020	$20,328,928
Operating Expenses			
Customer Accounts	$1,340,508	$2,006,116	$1,947,512
Buildings and Grounds	$286,693	$233,556	$206,408
Vehicle Maintenance	$995,539	$656,940	$669,404
Central Services	$916,399	$1,390,965	$1,120,644
Administration	$2,709,977	$3,010,803	$2,841,644
Information Technology	$1,663,891	$1,159,078	$1,845,084
Board of Directors	$438,734	$522,744	$488,732
Public Affairs	$1,261,684	$1,265,012	$1,130,617
Human Resources	$569,371	$771,720	$586,588
Engineering	$1,602,593	$1,391,979	$1,182,788
Accounting	$902,521	$816,540	$643,440
Water	$2,133,042	$0	$0
Pumping	$4,000,057	$4,802,804	$4,448,895
Transmission & Distribution	$3,032,924	$2,607,780	$2,736,139
Collections	$774,229	$662,956	$635,564
Treatment	$3,433,962	$2,252,576	$2,210,450
Disposal	$0	$1,331,508	$1,262,572
Depreciation	$4,839,600	$4,839,600	$5,089,296
Other Operating Expenses	$791,280	$0	$0
Administrative Costs Allocated	$0	($1,875,036)	($1,715,532)
Total Operating Expense	**$31,693,004**	**$27,847,641**	**$27,330,245**
Net Operating Income (Loss)	**($5,855,492)**	**($7,230,621)**	**($7,001,317)**

* - Revised after midyear Board approval.
** - Starting in FY 2027, a new chart of accounts was implemented resulting in differences in categories from previous years.

Summary of Expenditures by Year

Table 18 provides a breakdown of operating expenses by year. The table shows an increase in operating expenses in FY 2027 compared to FY 2026.

Table 18: Summary of Expenditures by Fiscal Year

Operating Expenses	FY 2027**	FY 2026*	FY 2025*
Salaries and Wages	$6,901,295	$5,970,412	$5,384,371
Benefits	$1,847,165	$4,464,142	$3,889,570
Materials and Supplies	$2,470,800	$2,527,424	$2,568,533
Outside Services	$6,358,093	$5,588,529	$6,126,646
Groundwater Replenishment Fees	($1,974,000)	($196,800)	($164,652)
Utilities	$2,862,589	$3,070,333	$2,848,175
Director's Fees	$165,000	$150,000	$150,000
Engineering	$398,300	$66,000	$66,000
Insurance	$368,600	$360,000	$245,000
Audit	$0	$139,200	$60,000
Long-Range Financial Plan (Rate Study)	$0	$84,000	$96,000
Legal	$490,000	$540,000	$414,000
Fixed Assets	$628,300	$1,664,197	$1,826,664
Depreciation	$4,839,600	$4,839,600	$5,089,296
Interest	$299,586	$600,036	$469,455
Standby Reports	$23,000	$23,000	$16,300
Dues and Subscriptions	$132,796	$83,848	$97,015
Training and Education	$294,102	$298,392	$262,759
Debt Issuance Cost	$0	$120,000	$0
Groundwater Management	$0	$0	$0
Other Expenses	$1,639,778	$296,880	$70,100
General District Allocation	$0	($1,875,036)	($1,715,532)
Total Operating Expenses	**$31,693,004**	**$28,814,157**	**$27,799,700**

* - Revised after midyear Board approval.

** - Starting in FY 2027, a new chart of accounts was implemented resulting in differences in categories from previous years.

Long-Range Financial Plans

To maintain its financial strength, the District uses a Long-Range Financial Rate Study and Model (Model) to forecast operating and capital expenditures over a 5-year period. The District developed the last Model in August 2025, incorporating multiple year revenue and expense assumptions used to address anticipated operating and capital expenditures, resulting in a dynamic financial report. The capital expenditures were based on the Capital Improvement Program and estimated program costs over a 5-year term. In addition, the Model provided the basis for certain criteria to be incorporated into financial policy development, such as debt management, and designated fund levels.

The results of the Model from Raftelis suggested a 9% increase to water rates and a 7% increase to wastewater rates in fiscal years 2026 through 2030 to fund the District's capital project spending and to maintain sufficient cash reserves. The District has followed this recommendation and increased the general sales and service rates as suggested in fiscal year 2026. The District is still working with Raftelis to update capacity and miscellaneous fees, such as new meter and backflow prevention device fees that are tied to specific users. We expect this to be completed in fiscal year 2027.

CAPITAL & DEBT

2027

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

CAPITAL & DEBT

Capital Improvements

For financial reporting purposes, a capital item is defined as an individual item with a cost of at least $10,000 and an estimated useful life of more than one year. Each year as part of the budgetary process, the District's staff contemplates capital needs for the coming fiscal year in conjunction with any capital plans that are in place. These annual analyses are based on facts known at the time of the preparation of the budget. The District's capital items include water and sewer infrastructure, facilities, equipment, and fleet.

The District's ongoing capital program represents improvements and/or replacements of critical infrastructure in both the water and sewer systems. District staff continually monitor system conditions and propose projects annually that will minimize system breakdown and increase system efficiencies. District vehicles and equipment are also part of the capital program. Because capital projects often span more than one fiscal year, appropriations of funds are carried over from one fiscal year to the next until the projects are completed. Funding for capital projects come from a variety of sources including rates, loans, grants, and assessment districts.

Summary of Reserve

Over the past several years, and because of the 2016 rate action, the District's reserves have stabilized. The Board and staff continue to monitor these levels to ensure the financial stability of the District in the future. These reserves enable the District to properly maintain and replace its necessary infrastructure as well as create an emergency reserve against external circumstances.

MSWD continues to maintain financial stability and strong reserves through prudent and conservative money management practices, despite volatile financial markets.

The District converted its treasury holdings to CalTrust. CalTrust has provided significantly better total investment returns for the District since joining in 2017. While complying with California Government Code 53601 and 53605, CalTrust seeks to attain as high a level of current income as is consistent with preservation of principal and aligned with the public agency funds guidepost of Safety, Liquidity, and Yield. The District holds cash reserves for various purposes, the largest of which is a Capital Reserve Fund of approximately $69.6 million as of May 31, 2026 as shown in **Table 19** below.

Table 19: Summary of Reserve for FY 2026

Wells Fargo	Fund Total
Operating Cash Account	$34,474,506
CalTrust	
Liquidity Fund	$3,045,480
Short-Term Fund	$7,613,933
Medium-Term Fund	$24,433,043
Sub-Total CalTrust	**$35,092,456**
Total District Cash	**$69,566,962**

Capital Improvement Program Summary

The District maintains a 5-year Capital Improvement Program. Currently, there are 84 projects in the Capital Improvement Program totaling $181,002,189. Funds expended on capital projects in the current year will be spent on projects approved by the Board of Directors in previous years (continuing appropriations) as well as the current year. Continuing appropriations from FY 2026 total $181,043,636 and additional projects added during FY 2027 total $379,000. However, only 16 projects totaling $43,481,406 will be funded from the FY 2027 Budget as shown in **Table 20** below.

Table 20: Capital Improvement Program Summary for FY 2027

Total Continuing Appropriations from FY 2026 Budget	$181,043,636
Total Capital Projects added for FY 2027 Budget	$379,000
Total Capital Projects completed in FY 2026	($420,447)
Final Capital and Continuing Appropriations for FY 2027 Budget	$181,002,189
Funded Projects for FY 2027 Budget	$43,481,406

Of the $43,481,406 to be funded during FY 2027, it is expected that $12,234,393 will be funds collected from Assessment Districts and Grants, giving a positive cashflow to the District of $31,247,013 from the District's Capital Reserve Fund as shown in **Table 21** below.

Table 21: Capital Improvement Program by Funding Source for FY 2027

Budgeted Cash Outflow Related to Capital Projects	$43,481,406
Expected Proceeds from Assessment Districts and Grants	($12,234,393)
Expected Net Cash Outflow Related to Capital Projects	$31,247,013

Of the 16 projects in the 5-year Capital Improvement Program to be funded from the FY 2027 Budget, there is one project totaling $38,494,847 for the General District, 15 projects totaling $4,986,559 for the Water District, no projects for the Sewer District, and no equipment replacements as shown in **Table 22** below.

Table 22: Capital Improvement Program by Fund for FY 2027

Budgeted Cash Outflow Related to Capital Projects	$31,247,013
1 Capital Projects Benefiting the General District	$38,494,847
15 Capital Projects Benefiting the Water District	$4,986,559
0 Capital Projects Benefiting the Sewer District	$0
0 Equipment Replacements	$0

Capital Improvement Program Projects

The District maintains a 5-year Capital Improvement Program. Currently, there are 84 projects in the Capital Improvement Program totaling $180,949,189. Funds expended on capital projects in the current year will be spent on projects approved by the Board of Directors in previous years (continuing appropriations) as well as the current year. Continuing appropriations from FY 2026 total $181,043,636 and additional projects added during FY 2027 total $326,000. However, only 16 projects totaling $43,481,406 will be funded from the FY 2027 Budget as shown in **Table 23** below.

Table 23: Capital Improvement Program Projects for FY 2027

Description	Continuing Appropriations from FY 2026	Proposed/ Completed for FY 2027	Final for FY 2027	Fund in FY 2027 Budget
Well Site – Worsley Rd North – 27 Acres	$0	$0	$0	$0
1240Z Trans Line Quail/Terrace	$447,995	$0	$447,995	$0
Well #42	$1,549,251	$0	$1,549,251	$1,549,251
1530 Zone Redbud Tank #2 Land & Construction	$9,292	$0	$9,292	$0
I-10 & Indian Sewer Collection System	$57,332	$0	$57,332	$0
Mission Creek – 80 Acres	$2,993	$0	$2,993	$0
Regional Wastewater Reclamation Facility	$609,714	$0	$609,714	$0
Area M-2 (AD #15)	$10,654,243	$0	$10,654,243	$0
Conveyance Line from LS to RWRF	$324,194	$0	$324,194	$0
Chromium-6 Compliance Study	$697,440	$0	$697,440	$0
Area J-2	$120,140	$0	$120,140	$0
Horton WWTP Percolation Pond Rehabilitation	$13,819	($13,819)	$0	$0
Horton WWTP ASU Demolition	$122,198	$0	$122,198	$0
Horton WWTP Percolation Ponds (2)	$29,786	($29,786)	$0	$0
Areas H & I Design & Engineering	$433,446	$0	$433,446	$0
Block Wall & Fence at Terrace Reservoir	$200,340	$0	$200,340	$0

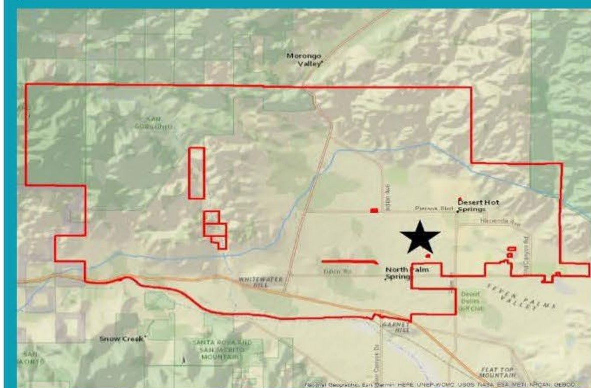
Description	Continuing Appropriations from FY 2026	Proposed/ Completed for FY 2027	Final for FY 2027	Fund in FY 2027 Budget
Booster Pump Rehab Program	$30,624	$0	$30,624	$0
Modular Enclosure-Chlorine Equip/Well Sites	$205,237	$0	$205,237	$205,237
Terrace Reservoir No. 1	$2,723,675	$0	$2,723,675	$0
Terrace Reservoir No. 2	$2,782,086	$0	$2,782,086	$0
Terrace Reservoir No. 3	$2,330,480	$0	$2,330,480	$0
Vista Reservoir Rehabilitation	$848,398	$0	$848,398	$0
Well Rehabilitation Program – Well 22	$941,994	$115,000	$1,056,994	$1,056,994
Horton WWTP Above Ground Piping & Appurtenance Rehab	$149,656	$0	$149,656	$0
Horton WWTP SCADA Upgrades	$88,928	($88,928)	$0	$0
Areas A & G Design & Engineering	$1,487,134	$0	$1,487,134	$0
Administration Building	$38,494,847	$0	$38,494,847	$38,494,847
2020 Water CIP Pipeline Replacement	$1,989,786	$0	$1,989,786	$0
Sewer System Collections	$188,992	$0	$188,992	$0
Well and Reservoir Sites Security Cameras	$222,708	$0	$222,708	$222,708
Emergency Backup Generator Well 27/31	$390,713	$0	$390,713	$0
Emergency Backup Generator Well 32	$280,109	$0	$280,109	$0
Emergency Backup Generator Well 37	$280,079	$0	$280,079	$0
Filtration for Horton WWTP	$1,388,204	$0	$1,388,204	$0
GQPP Area D3-1 Sewer Design	$2,302,953	$0	$2,302,953	$0
Reservoir Rehabilitation Program Design FY 2022	$120,000	$0	$120,000	$120,000
Well Rehabilitation Program Design FY 2022	$51,082	$0	$51,082	$51,082
Pierson Boulevard Slurry Seal Project	$183,000	$0	$183,000	$0

Description	Continuing Appropriations from FY 2026	Proposed/ Completed for FY 2027	Final for FY 2027	Fund in FY 2027 Budget
Riverside Co. Mountain View Resurfacing Project	$33,000	$0	$33,000	$0
Municode Website	$21,978	($21,978)	$0	$0
Municode Agenda	$12,786	($12,786)	$0	$0
Well 35 Rehabilitation	$2,586,772	$0	$2,586,772	$0
Well 34 Rehabilitation	$17,769	$0	$17,769	$0
Well 34/35 Intertie	$1,096,118	$0	$1,096,118	$1,096,118
19th-20th Ave & Little Morongo Roadway Project	$2,036,123	$211,000	$2,247,123	$0
Energy Conservation and Efficiency Services Plan	$532,513	$0	$532,513	$0
ERP System Replacements	$1,566,649	$0	$1,566,649	$0
Hurricane Hilary – 13th Avenue	$5,174	$0	$5,174	$0
Hurricane Hilary – Thomas Avenue	$7,584	$0	$7,584	$0
Hurricane Hilary – Mission Lakes Boulevard	$21,344	$0	$21,344	$0
GIS ESRI – SBITA	$8,097	$0	$8,097	$0
GIS Cityworks – SBITA	$266,743	$0	$266,743	$0
Walk Behind Trencher	$3,840	($3,840)	$0	$0
Axle Weighing System	$15,070	(15,070)	$0	$0
Horton Avigilon Camera System	$71,886	$0	$71,886	$0
Odor Control Grease Filter	$17,000	($17,000)	$0	$0
PSC – WPSV Intertie	$1,291,001	$0	$1,291,001	$0
Water Line Replacement in Easements	$62,000,000	$0	$62,000,000	$0
Gateway PLC Upgrade	$23,150	$0	$23,150	$23,150
Little Morongo Booster Install	$167,605	$0	$167,605	$167,605

Description	Continuing Appropriations from FY 2026	Proposed/ Completed for FY 2027	Final for FY 2027	Fund in FY 2027 Budget
Low Desert View Booster Rehabilitation	$66,326	$0	$66,326	$66,326
SCADA Server Upgrade	$9,471	$0	$9,471	$9,471
Terrace Booster Rehabilitation Project	$113,657	$0	$113,657	$113,657
Well 25A Rehabilitation	$104,211	$0	$104,211	$104,211
Well 26A Fencing & Electrical Pole Project	$56,901	$0	$56,901	$56,901
M-2 Waterline Replacement	$3,569,063	$0	$3,569,063	$0
GQPP AD – 18 Area D3-1 Water Main Replacement	$2,007,251	$0	$2,007,251	$0
GIS Vertical Asset Model	$103,698	$0	$103,698	$0
Replacement of Horton MW-1 / Rehab Well 11	$201,498	($201,498)	$0	$0
OPENGOV – Digital Budget/Procurement S/W	$78,984	$0	$78,984	$0
Well 28 Rehabilitation	$561,406	$0	$561,406	$0
Well Benchmark Survey	$8,644	$0	$8,644	$0
Well 30 Rehabilitation	$738,256	$0	$738,256	$0
CR(VI) Treatment Well Facilities (27/31, 29/37, 22/24, & 32)	$27,304,204	$0	$27,304,204	$0
CIMIS Weather Station	$21,898	$0	$21,898	$0
Dos Palmas Lift Station Motor Control Center Rehab	$246,724	$0	$246,724	$0
John Deere Backhoe (AQMD Grant Program)	$181,000	$0	$181,000	$0
New DHS Monitoring Well	$239,474	$0	$239,474	$0
Well 27 Motor & Equipment Eval and Replacement	$90,849	$53,000	$143,849	$143,849
Well 33/RES-BCT Solar Site Repairs	$298,830	$0	$298,830	$0
Wright RWRF Odor Control Unit Media Replacement	$15,741	($15,741)	$0	$0
Well 26A Repair Work	$50,000	$0	$50,000	$0
Well 26 Rehabilitation and Treatment	$205,700	$0	$205,700	$0
Well 26A Resin Exchange	$215,000	$0	$215,000	$0
Total	**$181,043,636**	**($41,447)**	**$181,002,189**	**$43,481,406**

Capital Improvement Program Project Information

Capital Improvement Project Information
New Administrative Building



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
New Administrative Building

Job Number: 11621

PROJECT TYPE:
Facility Improvements

ESTIMATED SCHEDULE:
DESIGN: To be completed by 05/2027
CONSTRUCTION: 08/2027 – 07/2028

FUNDING SOURCE:
MSWD Funds, State Funds,
Grant Funds

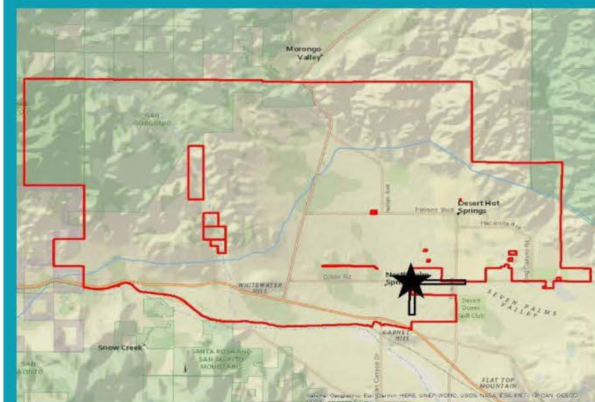
PROJECT MANAGER:
E. Weck

CIP ACCOUNT NO.: 101 General Fund

PROJECT DESCRIPTION: Mission Springs Water District strives to provide the best quality water and wastewater service to its customers. Over the past several decades, Mission Springs Water District has grown and seeks to construct a new Administrative Building to allow the District to grow and continue to provide service to its customers.

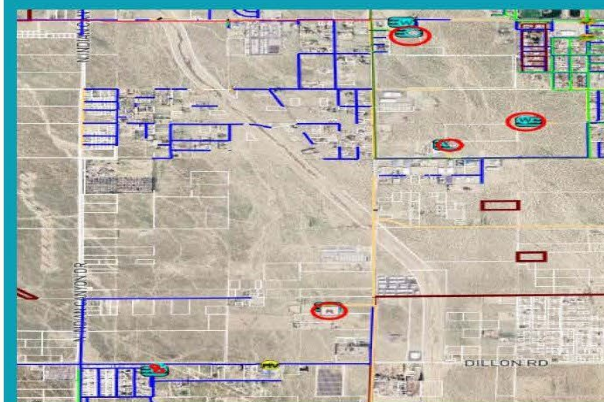
PROJECT BUDGET (FY 26/27):
DESIGN: $1,950,000
CONSTRUCTION: $37,050,000
TOTAL: $40,000,000

Capital Improvement Project Information
Chromium-6 Well Treatment Facilities



LOCATION

VICINITY MAP



LIMITS OF PROJECT

PROJECT TITLE:
Chromium-6 Well Treatment Facilities

Job Number: 11426

PROJECT TYPE:
Water Construction

ESTIMATED SCHEDULE:
DESIGN: 06/2027
CONSTRUCTION: 01/2027 – 12/2030

FUNDING SOURCE:
MSWD Funds
State Funds

PROJECT MANAGER:
E. Weck / S. Ledbetter

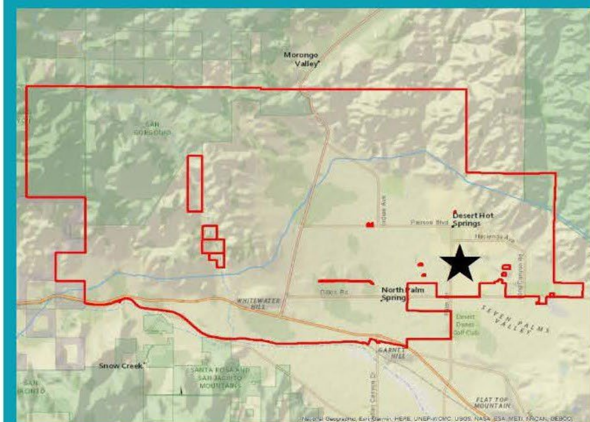
CIP ACCOUNT NO.: 201 Water Fund

PROJECT DESCRIPTION: MSWD's new West Valley Conveyance Line is one of three concurrent projects that will provide wastewater flows to the District's new Regional Water Reclamation Facility. The West Valley Conveyance Line project includes a force main from the existing Dos Palmas Lift Station at Dillon Road and Avenida Manzana to Little Morongo Road and Dillon Road. From there, a gravity line will bring flows down to the new regional plant.

PROJECT BUDGET (FY 26/27):
DESIGN: $910,000
CONSTRUCTION: $27,105,000
TOTAL: $28,015,000

Capital Improvement Project Information

Horton Wastewater Treatment Plant Upgrade – Tertiary Filtration



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
HWWTP Upgrade – Filtration

Job Number: 11689

PROJECT TYPE:
Horton Wastewater Facility Improvements

ESTIMATED SCHEDULE:
DESIGN: 03/2022
CONSTRUCTION: On hold-pending grant funding

FUNDING SOURCE:
MSWD Funds

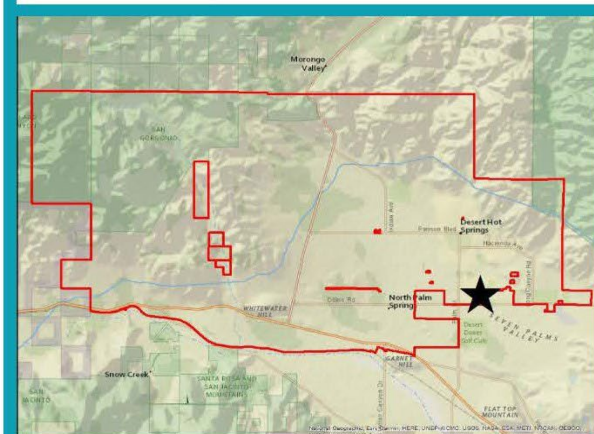
PROJECT MANAGER:
E. Weck/S. Ledbetter

CIP ACCOUNT NO.: 301 Sewer Fund

PROJECT DESCRIPTION: The Horton Wastewater Treatment Plant has experienced problems with poor infiltration rates in the percolation ponds due to the high concentration of suspended solids in the secondary effluent. The new WWTP Tertiary Effluent Filters will increase the pond efficiency as a reduction of the suspended solids concentration in the secondary effluent.

PROJECT BUDGET (FY26/27):
CONSTRUCTION: $1,360,000
INSPECTION/CONSTRUCTION ENGINEERING: $140,000
TOTAL: $1,500,000

Capital Improvement Project Information
M-2, Septic to Sewer Construction



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
M-2 Septic to Sewer Construction

Job Number: 11425

PROJECT TYPE:
Septic tank abatement / Assessment District

ESTIMATED SCHEDULE:
DESIGN: 09/2022
CONSTRUCTION: 07/2026 – 12/2027

FUNDING SOURCE:
Assessment District 15 Proceeds
State Grant Funds

PROJECT MANAGER:
E. Weck/S. Ledbetter

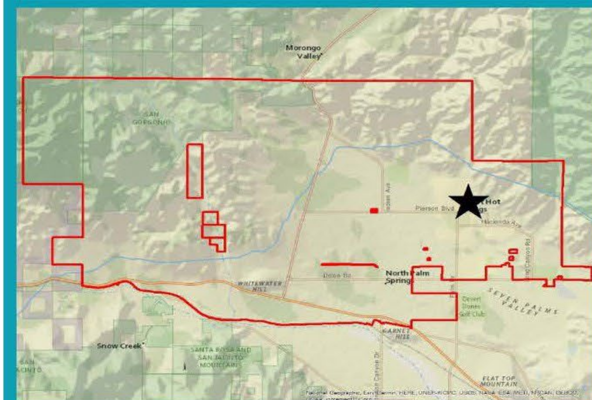
CIP ACCOUNT NO.: 301 Sewer Fund

PROJECT DESCRIPTION: The Area M-2 Sewer Collection System will connect 695 parcels to the MSWD sewer systems and abate 405 on-site septic disposal systems. The Area M-2 Sewer Collection System is one of the three projects that comprise the Regional Water Reclamation Facility Project.

PROJECT BUDGET (FY 26/27):
CONSTRUCTION: $9,950,000
INSPECTION/CONSTRUCTION ENGINEERING: $1,500,000
TOTAL: $11,450,000

MSWD Mission Springs Water District

Capital Improvement Project Information
Terrace Reservoir 1



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
Terrace Reservoir 1

Job Number: 11607

PROJECT TYPE:
Reservoir Tank Rehabilitation

ESTIMATED SCHEDULE:
DESIGN: 03/2021
CONSTRUCTION: On hold-additional funding needed

FUNDING SOURCE:
MSWD Funds

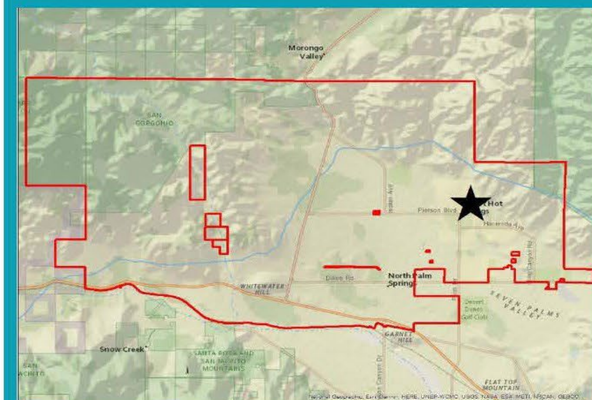
PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO. 201 Water Fund

PROJECT DESCRIPTION: District staff has identified required rehabilitation and maintenance of the Terrace Reservoirs site to enhance safety and operations and maintenance activities of the three existing reservoirs.

PROJECT BUDGET (FY 26/27):
CONSTRUCTION: $2,654,343
INSPECTION/CONSTRUCTION ENGINEERING: $100,000
TOTAL: $2,754,343

Capital Improvement Project Information
Terrace Reservoir 2



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
Terrace Reservoir 2

Job Number: 11608

PROJECT TYPE:
Reservoir Tank Rehabilitation

ESTIMATED SCHEDULE:
DESIGN: 03/2021
CONSTRUCTION: On hold-additional funding needed

FUNDING SOURCE:
MSWD Funds

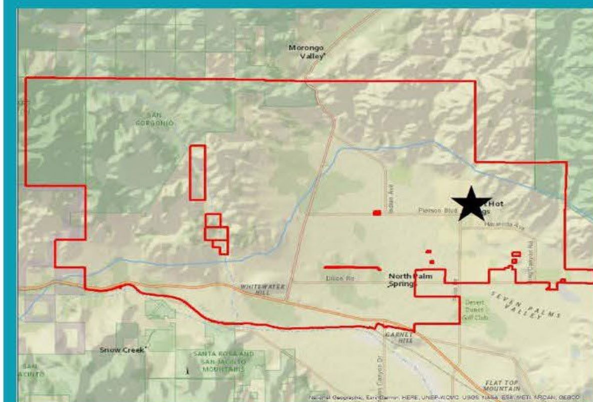
PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO. 201 Water Fund

PROJECT DESCRIPTION: District staff has identified required rehabilitation and maintenance of the Terrace Reservoirs site to enhance safety and operations and maintenance activities of the three existing reservoirs.

PROJECT BUDGET (FY 26/27):
CONSTRUCTION: $2,670,461
INSPECTION/CONSTRUCTION ENGINEERING: $144,000
TOTAL: $2,814,461

Capital Improvement Project Information
Terrace Reservoir 3



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
Terrace Reservoir 3

Job Number: 11609

PROJECT TYPE:
Reservoir Tank Rehabilitation

ESTIMATED SCHEDULE:
DESIGN: 03/2021
CONSTRUCTION: On hold-additional funding needed

FUNDING SOURCE:
MSWD Funds

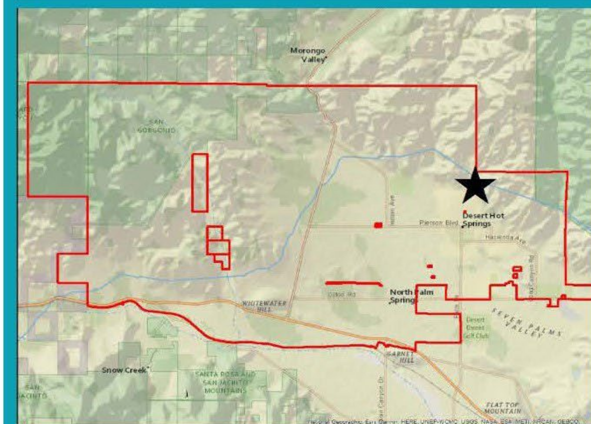
PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO. 201 Water Fund

PROJECT DESCRIPTION: District staff has identified required rehabilitation and maintenance of the Terrace Reservoirs site to enhance safety and operations and maintenance activities of the three existing reservoirs.

PROJECT BUDGET (FY 26/27):
CONSTRUCTION: $2,295,363
INSPECTION/CONSTRUCTION ENGINEERING: $66,000
TOTAL: $2,361,363

Capital Improvement Project Information
Vista Reservoir Rehabilitation



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
Vista Reservoir Rehabilitation

Job Number: 11610

PROJECT TYPE:
Reservoir Rehabilitation/Upgrade

ESTIMATED SCHEDULE:
DESIGN: 05/2021
CONSTRUCTION: 01/2027 – 09/2027

FUNDING SOURCE:
MSWD Funds

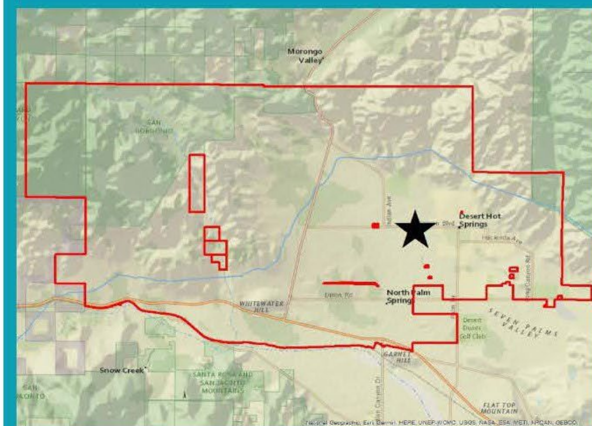
PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO. 201 Water Fund

PROJECT DESCRIPTION: Rehabilitation of existing 300,000 gallon reservoir.

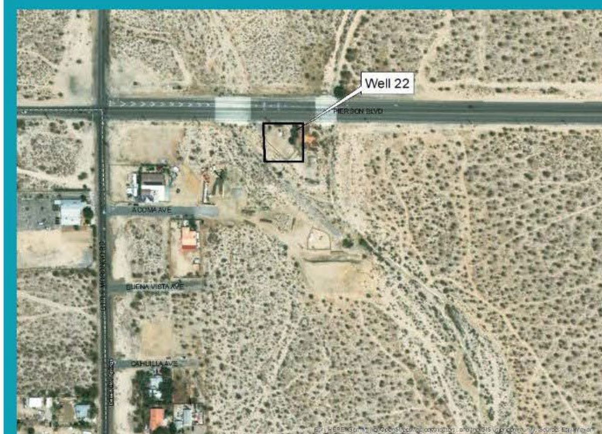
PROJECT BUDGET (FY 26/27):
DESIGN: $170,000
CONSTRUCTION: $805,427
TOTAL: $975,427

Capital Improvement Project Information
Well 22 Rehabilitation



LOCATION

VICINITY MAP



LIMITS OF PROJECT

PROJECT TITLE:
Well 22 Rehabilitation

Job Number: 11611

PROJECT TYPE:
Reservoir Rehabilitation/Upgrade

ESTIMATED SCHEDULE:
DESIGN: 06/2023
CONSTRUCTION: 12/2025 – 07/2027

FUNDING SOURCE:
MSWD Funds

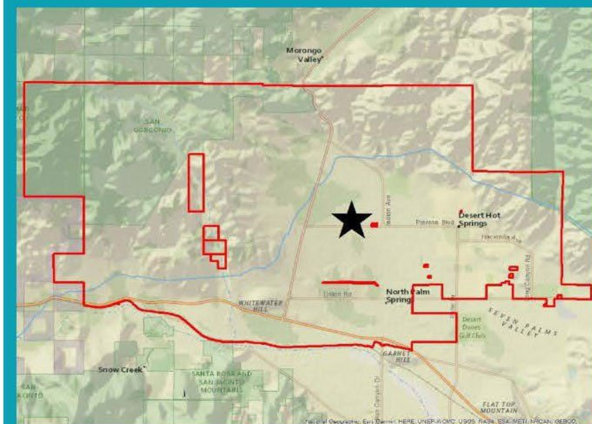
PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO.: 201 Water Fund

PROJECT DESCRIPTION: Well 22 needs maintenance and rehabilitation. Well improvements include downhole rehabilitation and chemical treatment, new discharge piping and outlet systems, electrical panels, and new pump improvements.

PROJECT BUDGET (FY 26/27):
CONSTRUCTION: $1,460,000
INSPECTION/CONSTRUCTION ENGINEERING: $100,000
TOTAL: $1,560,000

Capital Improvement Project Information
Well 34/35 Intertie



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
Well 34/35 Intertie

Job Number: 11743

PROJECT TYPE:
Well Rehabilitation/Upgrade

ESTIMATED SCHEDULE:
DESIGN: 01/2026
CONSTRUCTION: 05/2026 – 02/2027

FUNDING SOURCE:
Developer Funded

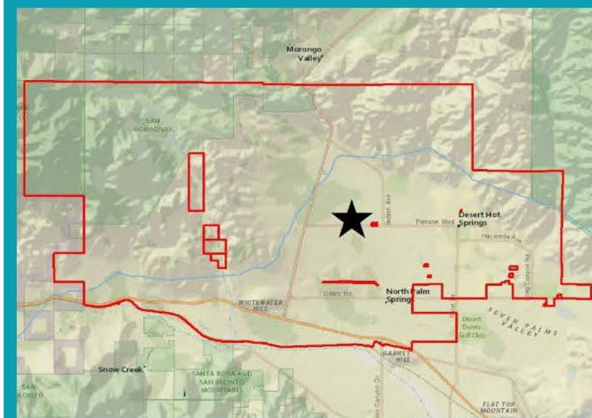
PROJECT MANAGER:
E. Weck

CIP ACCOUNT NO.: 201 Water Fund

PROJECT DESCRIPTION: 18-inch water main along Karen Avenue connecting Well 34 and Well 35.

PROJECT BUDGET (FY 26/27):
DESIGN: $100,000
CONSTRUCTION: $1,000,000
TOTAL: $1,100,000

Capital Improvement Project Information
Well 35 Equipment Installation



LOCATION

VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
Well 35 Equipment Installation

Job Number: 11741

PROJECT TYPE:
Well Rehabilitation/Upgrade

ESTIMATED SCHEDULE:
DESIGN: 09/2022 – 07/2023
CONSTRUCTION: 01/2024 – 12/2026

FUNDING SOURCE:
Developer provided deposit

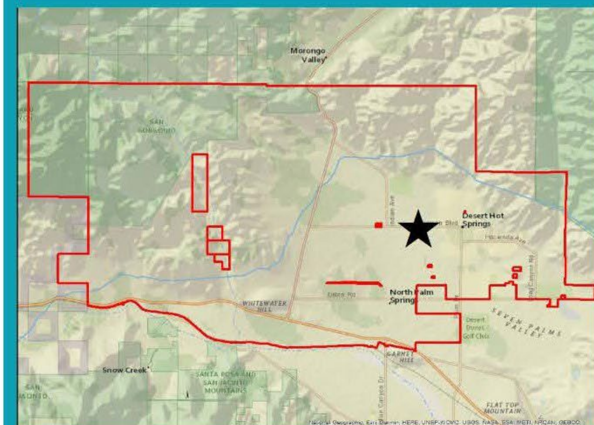
PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO.: 201 Water Fund

PROJECT DESCRIPTION: Well 35 was drilled as part of the original development of Skyborne. This project will provide the pump, motor, shelter, and all necessary electrical equipment to bring Well 35 into operation.

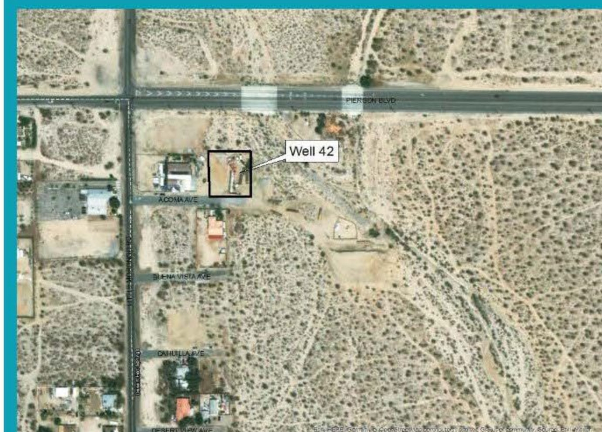
PROJECT BUDGET (FY 26/27):
DESIGN: $100,000
CONSTRUCTION: $2,955,990
TOTAL: $3,055,990

Capital Improvement Project Information
Well 42 Construction



LOCATION

VICINITY MAP



LIMITS OF PROJECT

PROJECT TITLE:
Well 42 Construction

Job Number: **11147**

PROJECT TYPE:
Well Construction

ESTIMATED SCHEDULE:
DESIGN: 09/2020
CONSTRUCTION: 01/2021 – 12/2026

FUNDING SOURCE:
MSWD Funds

PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO.: 201 Water Fund

PROJECT DESCRIPTION: Currently, under construction, the well will provide an additional water source for MSWD's 1240 and 1400 pressure zones.

PROJECT BUDGET (FY 26/27):
CONSTRUCTION: $4,857,000
INSPECTION/CONSTRUCTION ENGINEERING: $350,000
TOTAL: $5,207,000

Debt Service Fund Detail

At the beginning of FY 2026 the District had approximately $3.9 million in outstanding long-term debt. This debt is related to the Groundwater Quality Protection Program which has been expanding the District's sewer collection system and converting septic systems in the area for over 20 years. It is secured by assessment districts (not sanitary sewer rates) passed by local voters and the District uses collections from those assessments to service the debt payments. **Table 24** is a summary of the long-term debt and the amounts expected to be paid in FY 2027.

Table 24: Long-Term Debt Service Fund Detail for FY 2027

Long-Term Debt	Beginning Balance	(Paid)/Added in FY 2026	Ending Balance	Due in FY 2027
COP – U.S. Department of Agriculture – 2001	$212,301	($9,401)	$202,900	$9,800
Installment Sale Agreement – City National Bank – 2017	$433,924	($279,426)	$154,498	$102,256
Installment Sale Agreement – Hollman Capital Corporation	$163,902	($17,297)	$146,605	$18,430
SWRCB – Assessment District #12, Phase IV	$2,445,755	($248,703)	$2,197,052	$254,175
Installment Sale Agreement – City National Bank – 2013	$685,138	($97,266)	$587,872	$68,437
Total Long-Term Debt	**$3,941,020**	**($652,093)**	**$3,288,927**	**$453,098**

Certificates of Participation – United States Department of Agriculture

On July 3, 2001, the District entered into a loan agreement with the U.S.D.A. and a Certificate of Participation (COP) was issued for $348,000 to improve waterlines in Improvement District "E". The interest rate on the COP is 4.50% per annum. Interest on the COP is payable semi-annually on February 1 and August 1. Principal matures February 1 of each year through 2041.

Assessment District #12, Phase I and Phase II – Refinance

On June 26, 2006, the District entered into an installment sale agreement with La Salle National Bank in the amount of $2,200,000. The proceeds from this contract were used to purchase Assessment Districts #12 bonds totaling $1,630,024. The bond proceeds were used for Assessment District #12, Phase I costs.

On September 21, 2007, the District entered into an installment sale agreement with La Salle National Bank in the amount of $1,600,000. The proceeds from this contract were used to purchase Assessment Districts #12 bonds totaling $1,329,530. The bond proceeds were used for Assessment District #12, Phase II costs.

On December 22, 2017, the District entered into a loan agreement with City National Bank in the amount of $2,395,013. The proceeds from this contract were used to pay off the Phase I and II La Salle National Bank loans in the amount of $1,309,488 and $1,019,315, respectively. The interest rate on the loan agreement is 2.90% per annum. Principal and interest on the bonds is payable semi-annually on March 21 and September 21. Principal matures through September 21, 2027.

Mission Creek – 80 Acres

On June 21, 2013, the District entered into an installment sales agreement with Holman Capital Corporation in the amount of $328,000. The proceeds were used to purchase 80 acres of land for future water system improvements. The interest rate on the installment sales agreement is 4.19% per annum. Interest on the bonds is payable semi-annually on June 7 and December 7. Principal matures on June 7 and December 7 of each year through June 7, 2033.

State Water Resources Control Board – State Revolving Fund Assessment District #12, Phase IV

In August 2012 (and later amended in January 2013), the District entered into a financing agreement with the State Water Resources Control Board (SWRCB) for a total amount of $9,957,921 for the purpose of financing Assessment District #12, Phase III costs. This program is a loan from the Clean State Revolving Fund (SRF) of which 50% of the principal amount was forgiven. This was made possible through Federal Environmental Protection Agency funds granted to SRF. The interest rate on the loan is 2.2% with principal and interest payments due annually on January 31 beginning in 2015, final payment is due January 31, 2034.

Assessment District #12, Phase V

On December 19, 2013, the District entered into an installment sales agreement with City National Bank in the amount of $1,215,000. The proceeds were used to purchase Assessment District #12 bonds totaling $1,096,329 for Phase V costs. The interest rate on the installment sales agreement is 4.10% per annum. Interest on the bonds is payable semi-annually on March 2 and September 2. Principal matures on March 2 and September 2 of each year through 2029.

DEPARTMENT INFORMATION

2027

MSWD
Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

DEPARTMENT INFORMATION

Department Descriptions

The Board of Directors set the overall organization-wide goals that support the District's mission and strategic plan. The departments are the link that converts planning into action. Departments are overseen by a manager, and the departments are organized into divisions which are overseen by a director. There are currently 59 funded full-time equivalent (FTE) positions reflected in the current budget as shown in **Table 25** below.

Table 25: Organizational Divisions, Departments, and FTEs for FY 2027

Division	Department	FY 2027 FTEs
Executive	Board of Directors	(5)
	Office of the General Manager	2
Administration	Administration	5
	Customer Service	4
	Human Resources	2
	Innovation & Technology	1
Engineering	Engineering & Water Resources	6
Finance	Accounting	5
	Finance	1
Operations & Maintenance	Construction & Maintenance	10
	Field Services	4
	Operations Administration	6
	Water Production	4
	Wastewater Collection	2
	Wastewater Treatment & Disposal	7
	Total FTEs	**59**

Note: Board of Directors are not included in the FTE count for the District.

Each department summary that follows will be formatted as follows, if applicable:

- Description of Services Provided – A short overview and explanation of the services provided by the department.
- Staffing – Full-time and part-time positions budgeted for the department.
- 2025-2026 Accomplishments – Notable achievements accomplished by the department.
- 2026-2027 Goals and Objectives – The planned tasks of the department that support the overall District goals as outlined in the Strategic Plan.
- Performance Measures – Specific quantitative measures of work performed by the department that help the District to assess the effectiveness and efficiency of the department.
- Operating Expenses – A summary of budget data by expense type of the current budget year.

Executive Division

Board of Directors & Office of the General Manager

Description of Services Provided

Mission Springs Water District is governed by a Board of Directors consisting of five publicly elected members. The Board meets the third Monday of every month at the District's Administration Building located at 66575 Second Street in the City of Desert Hot Springs, California. The Board's activities relate to the governing of the District, establishing policy through approval of the budget, resolutions and ordinances, and participating in community affairs, intergovernmental relations, and participation at selected water organization activities. Salaries and benefits included in this division represent the staff needs to manage and support the Board of Directors.

The General Manager is the liaison to the Board of Directors and oversees the day-to-day operations of the District. The General Manager provides leadership and initiates strategic planning to implement the goals and vision of the Board of Directors. The Strategic Plan provides guidance in establishing long-term organizational goals and the General Manager utilizes the talent and skills of the entire staff to fulfill the organizational objectives.

Staffing

The Board of Directors consists of five publicly elected members. The Office of the General Manager consists of two FTE positions as shown in **Table 26** below.

Table 26: Office of the General Manager FTE Positions for FY 2027

Office of the General Manager	FY 2027 FTEs
Board of Directors	(5)
General Manager	1
Assistant General Manager	1
Total	**2**

Note: Board of Directors are not included in the FTE count for the District.

2025-2026 Accomplishments

SMART Goal 1.2 - When customers better understand what the District does and how it operates, they will recognize MSWD's work to protect and provide water services. Enhancing customer education will increase trust in the District's services.

- Staff met with the public safety commissioner to discuss fire hydrant pressures.

SMART Goal 1.4 - Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

- Riverside LAFCO Election discussed at Board meeting.
- The MSWD Board and staff participate in State and Federal CSDA and ACWA Committees. We have also participated in ACWA and CSDA State and Federal Lobby days/efforts and have participated in individual meetings with our legislators.
- CSDA Committee and Expert Team Participation
- ACWA Region 9 Board Meeting and Tour of Wright Regional Water Reclamation Facility.

SMART Goal 2.1 - Ensure excellence in regulatory compliance.

- Share best practices and collaborate with other water districts in the Coachella Valley through our consultant to develop a cost-effective approach to managing Chromium-6 levels within our water supply.
- Ensure the District's Chromium-6 plan is incorporated in the Long-Range Financial Plan and that any capital projects are incorporated into the Five-Year CIP Program.

SMART Goal 3.3 - Enhance transparency in financial reporting by adopting best practices and ensuring timely and accurate financial disclosures.

- Update of Board Affiliation List, June 2025.
- Annual Update of Board Affiliation List, January 2026.

SMART Goal 4.2 - Update Existing Water and Wastewater Master Plans.

- The District has drafted a mutual services agreement and is awaiting feedback from all parties.

SMART Goal 7.2 - Expand leadership development programs to enhance the knowledge and skills of employees.

- The District continues to actively participate in these organizations to enhance professional development opportunities for staff, leverage industry resources/networking, and develop training programs.
- The Board of Directors Onboarding Program is in development.
- MSWD is continuing to hold all-hands meetings at least once each quarter.
- Election of MSWD Board Officers for 2026.

SMART 7.5 - Cultivate a positive culture and teamwork among staff.
- Appointments to Board Standing Committees.

2026-2027 Goals and Objectives

SMART Goal 1.2 - When customers better understand what the District does and how it operates, they will recognize MSWD's work to protect and provide water services. Enhancing customer education will increase trust in the District's services.
- Continue providing Water 101 presentations for schools, service organizations, and elected officials.

SMART Goal 1.4 – Cultivate positive community relations and partnerships with industry, media, and legislative contacts.
- Cultivate supportive and positive relationships with federal, state, and local agencies that may impact District operations.
- Participate in ACWA, CASA, CSDA, and other industry committees to help shape industry trends and bring back best practices to the organization.

SMART Goal 2.1 – Ensure excellence in regulatory compliance.
- Chromium-6 MCL, share best practices and collaborate with other water districts in the Coachella Valley through our consultants to develop a cost-effective approach to managing Chromium-6 levels within our water supply.

SMART Goal 3.3 - Enhance transparency in financial reporting by adopting best practices and ensuring timely and accurate financial disclosures.
- Foster a culture of financial responsibility and accountability across the organization.

SMART Goal 4.2 - Update Existing Water and Wastewater Master Plans.
- Execute a mutual services agreement with Coachella Valley Water District (CVWD) to serve customers in the CVWD service territory without water/sewers access.

SMART Goal 7.2 – Expand leadership development programs to enhance the knowledge and skills of employees.
- Leverage our member organizations, including ACWA, AWWA, CSDA, and CWEA to implement training initiatives to support leadership and succession planning to ensure a continuous pipeline of qualified individuals.
- Create a Board of Directors onboarding program that provides new board members with resources and information to streamline their transition onto the Board.
- Continue to hold regular GM/All-Hands meetings to create dialogue and promote organizational culture.

SMART Goal 7.5 – Cultivate a positive culture and teamwork among staff.

- Other key success measures.

Operating Expenses

The FY 2027 operating expenses for the Board of Directors are $438,734 as shown in **Table 27** below.

Table 27: Board of Directors Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$104,248	$97,416	$88,404
Benefits	$76,306	$74,148	$64,488
Materials and Supplies	$1,200	$1,200	$1,200
Outside Services	$28,500	$136,500	$130,200
Director's Fees	$165,000	$150,000	$150,000
Training and Education	$63,480	$63,480	$52,000
Total Operating Expenses	**$438,734**	**$522,744**	**$486,092**

Administration Division

Administration Department

Description of Services Provided

The Administration Department is responsible for the overall day-to-day management of the District. Daily management includes the planning, control, direction, and evaluation of the District's programs and resources. Administration staff researches and prepares recommendations for consideration by the Board of Directors on issues facing the District. Vested in the Administration Department is the primary responsibility for assuring that Board policies are properly administered. The operating cost of the Administration Department goes toward conservation, legal services, water resource activities, training, professional memberships, policies, procedures, and analysis and reporting of goals and outcomes of the District.

Public Affairs is responsible for government and legislative affairs, community outreach, conservation and water-use efficiency, and educational programs. In addition, the department is responsible for coordinating special events, and conducts outreach with customers, stakeholders, and legislative staff members. Public Affairs also develops a variety of multi-media materials and campaigns to provide information to our community through a variety of methods to help our customers learn about and understand our local water supply, infrastructure, and related issues.

Staffing

The Administration Department consists of five FTEs as shown in **Table 28** below.

Table 28: Administrative FTEs for FY 2027

Administration Department	FY 2027 FTEs
Programs & Public Affairs Specialist	1
Business Analyst	1
Contract Analyst	1
Executive Assistant	1
GIS Specialist	1
Total	**5**

2025-2026 Accomplishments

SMART Goals 1.1 - Develop and initiate an annual plan to increase customer outreach and engagement through various communication channels, technologies, and community events. The goal is to enhance customer trust, satisfaction, and understanding of water services with ongoing refinement of the communications plan and its goals.

- MSWD Public Affairs created a monthly plan highlighting essential topics that should be shared, promoted, and advertised.
- MSWD has employed a variety of communication mediums including monthly customer newsletters, social media engagement, monthly informational bill inserts, and more.
- MSWD participates in a wide variety of community activities to communicate with and engage the community.
- Increased outreach and now provide newsletter updated to MLCC and Skyborne residents in their monthly newsletters. Also started sharing updates with carious community organizations, including Friends of the Library and DHS Women's Club.
- The first draft of the refined Communications Plan was created in April 2024 for FY 2025.
- Communicated through monthly customer newsletters, bill inserts, and social media channels.
- Created a water quality section on our website, including information on Chromium-6, PFAS, and other water quality issues.
- Held multiple public workshops directly related to Chromium-6. Advertised these on traditional and social media platforms and provided video recordings that are available on our website.
- The MSWD Strategic Plan was published on mswd.org.
- Provided digital copies of the Strategic Plan to employees , changed the performance evaluation, and changed the MVV posters around the MSWD offices.
- Released a news release, customer newsletter story, Desert Sun editorial, and advertorials in El Informador and Uken report announcing the adoption of the Strategic Plan. We also posted paid and unpaid social media on local sites.
- Continued Water 101 workshops and educated customers about the agency and its role.

SMART Goal 1.2 - When Customers better understand what the District does and how it operates, they will recognize MSWD's work to protect and provide water services. Enhancing customer education will increase trust in the District's services.

- Participated in multiple school presentations and CV Water Counts Academy.
- MSWD has offered Water 101 to all Safety, Planning, and newly elected City Council after the elections, pending confirmation/calendaring.

- Monthly Water Talks were held during 2025
- Building on the Water 101 and Water Talk success, we are offering infrastructure tours in 2025.
- Customer service has been provided with water quality / Chromium-6 talking points and information.
- REAL Academy, Mission Creek Tours, Career Days, Calendar Contest, LivingWise Program, Summer Camp, Project WET Teach Training.
- The District has developed intern program that allows students from the DHS High School REAL Academy the opportunity to participate in 2-3 week internships at MSWD giving them real world experience in the water industry.
- The District has created a 3D modeling project with he REAL Academy that focuses on the aquifer and replenishment. The model was unveiled April 2024 in honor of Earth Day and is being displayed at the Cabot Museum. Students are working on a 2025 version that will be unveiled in April 2026.
- Staff met with the public safety commissioner to discuss fire hydrant pressures.

SMART Goal 1.3 - Deliberate customer outreach also has a ripple effect of educating employees about the District. Employees can serve as ambassadors for the District, helping create and strenghten customer relationships.

- The Hub (internal intranet) was developed and rolled out to employees on June 27th, 2024.
- Employees are offered the opportunity to join the CV Water Counts Academy Annually.
- New employees are taken on tours of the District that include visiting various facilities such as the Horton and Wright plants, well sites, and reservoir sites.

SMART Goal 1.4 - Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

- The District has implemented and upholds an Administrative Code, and has made governing resolutions and ordinances available on the MSWD website, ensuring transparency for the public and other stakeholders.
- Cal OES Hazard Mitigation Grant – Would provide seismic retrofitting to one of the main reservoir sites in the District, in turn, protecting the water supply available to our customers.
- ID-E Intertie Design Project – Would allow the District to take the first steps in developing the design for an intertie between the WPSV and PSC water systems. This intertie would provide resiliency to the water systems, ensuring customers have reliable supply.
- CIMIS Weather Station Project –Funding inquiry form to be completed and submitted to CFCC. Project location will be Mission Springs CC golf course.
- Community Project Request submitted to Congressman Ruiz and Senator Padilla’s offices. Staff are continuing to follow-up with the Army Corps.

- CWEA CORBS Awards: Community Engagement & Outreach Project of the Year, Operator of the Year, Collections System Person of the Year, and Outstanding Young Professional Award.
- Berley Springs Water Tasting Competition – MSWD continues to supply award-winning water to its customers as proven again in 2025 with a bronze medal award.
- The District continues to attend events and maintain relationships with various industry professionals from other water agencies and trade groups.
- Various media outlets are used for regular press releases.
- Federal Advocacy Services – Capri & Clay, Government Relations
- Acknowledge MSWD Legislative Platform
- California Advocacy Services – CA Lobby

SMART Goal 2.1 - Ensure excellence in regulatory compliance.

- The District actively monitors federal, state, and local regulations.
- GIS application published to MSWD website for public viewing.
- The District continues to communicate with regulators, review changes to regulation, and participate in regional efforts around regulation.
- Submitted state required Conservation as a Way of Life Reporting
- A funding inquiry form is submitted to CFCC for the project to be located at Mission Springs golf course.
- The District continues to administer a turf rebate program that will contribute to achieving state-set conservation targets.
- Approval of Contract with Corona Environmental Consulting for Preliminary Design of Chromium-6 Treatment Facilities.

SMART Goal 2.2 - Support/Advocate regional development of local water supply and reduce reliance on imported supply.

- The District has had feasibility studied performed for recycled water and is currently looking into grant funding for the design of a NPW project for local school irrigation.
- The West Palm Springs Village-Pal Springs Crest Intertie Project is part of this plan. Ultimately, the two ID-E systems will be connected via interconnection, then ultimately, the ID-E area connected to the “main” MSWD system via interconnection.
- The District is reviewing recent MWELO changes and will update requirements to include native plantings SPRING/SUMMER 2025.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Adoption of Ordinance 2025-01 Establishing a Procedure for Property Owner Objections to Proposed Water/Sewer Fees or Special Assessments.

SMART Goal 4.3 - Maintain and renew assets while facilitating strategic Capital Improvements.

- Grant Application for Planning of West Palm Springs Village – Palm Springs Crest Water Systems Backup Intertie Project. This will tie the two ID-E systems together building resiliency and ultimately working toward getting the ID-E system connected to the MSWD "main" system.

SMART Goal 4.5 - Ensure the District is prepared to react to manmade and natural emergencies.

- The District is pursuing funding through CalOES subrecipient grant (funded by FEMA) for the Terrace Reservoir site which is the heartbeat of the entire water system. CalOES has completed their review of projects and is in the selection phase.

SMART Goal 5.2 - Fleet electrification.

- Staff continue to monitor California's ACF regulations and have developed a timeline for when electric vehicles will need to be introduced into the fleet.
- MSWD has provided the state with its Advanced Clean Fleet Reporting data and continues to update as necessary.
- Staff continue to monitor funding opportunities for fleet EVs through HVIP and other funding sources.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- The District has implemented and upholds an Administrative Code and has made governing resolutions and ordinances available on the MSWD website, ensuring transparency for the public and other stakeholders.
- MSWD has adopted a new OpenGov procurement system, which will help with solicitations and require appropriate sign-off.
- The District is reviewing its procurement guidelines and will bring the Board updated policies in Spring 2025.
- MSWD is currently updating its record retention policy. Legal has reviewed it, and a new policy will be brought to the board later this spring.
- Adoption of MSWD Artificial Intelligence Tools Policy 2025-01
- The district has implemented and upholds an Administrative Code, and has made governing resolutions and ordinances available on the MSWD website, ensuring transparency for the public and other stakeholders.

SMART Goal 6.2 - Hire a designated GIS employee and integrate asset management within the MSWD work order management system.

- The District GIS Specialist has begun the process of transitioning the District from Nobel to City works.
- Utilizing ArcGIS programs to enhance data collection of Engineering and Customer Service requests (e.g. Fire Flow, Water/Sewer FRIs, Will Serve Letters, Report Water Waste to MSWD).

SMART Goal 7.3 - Recruit and retain employees.

- MSWD has partnered with the DHS High School REAL Academy for various intern positions throughout the District.
- MSWD participates with all three Coachella Valley School Districts to provide CTE specific teaching request.

SMART Goal 7.5 - Cultivate a positive culture and teamwork among staff.

- The creation of the MSWD Intranet in June 2024 – The Hub, a place for employees to find resources and information.
- The District actively participates in multiple on-site and community activities (e.g. LifeStream Blood Drives, DHS Holiday Parade, and various other community events).

2026-2027 Goals and Objectives

SMART Goals 1.1 - Develop and initiate an annual plan to increase customer outreach and engagement through various communication channels, technologies, and community events. The goal is to enhance customer trust, satisfaction, and understanding of water services with ongoing refinement of the communications plan and its goals.

- By the end of the second quarter 2024, identify and design an annual plan outlining deliberate strategies to increase customer outreach and engagement.
- Leverage a mix of communication channels, technologies, and community events to convey information and engage with the community effectively.
- Cultivate a vital customer service focus through communicating and engaging with the community on matters important to our region.
- Survey customer groups involved in water-related events (e.g., construction activities, service interruptions, water quality changes, emergencies, and other vital issues) to hear about the customer experience and determine if MSWD can improve how the event is handled.
- Refine the communications plan annually based on feedback, evolving customer needs, and emerging communication trends.
- Incorporate District initiatives, including Chromium-6, conservation and fleet electrification, and other mandated projects so that customers udnerstand DIstrict operations and mandates better.
- Communicate the goals of the strategic plan to both internal and external customers. Improve recognition and familiarity of MSWD and the services we provide. Differentiate the District from its State Water Contractor and City, and clearly explain the nexus between the agencies. Use regular customer polling to document progress made in this area.
- Improve recognition and familiarity of MSWD and the services we provide. Differentiate the District from its State Water Contractor and City, and clearly

explain the nexus between the agencies. Use regular customer polling to document progress made in this area.

SMART Goal 1.2 - When Customers better understand what the District does and how it operates, they will recognize MSWD's work to protect and provide water services. Enhancing customer education will increase trust in the District's services.

- Continue providing Water 101 presentations for schools, service organizations, and elected officials.
- Hold monthly Water Talks to engage and educate the public on water issues facing our valley and state water systems. Include information on District infrastructure, water quality, financials, and/or future water issues.
- Establish a communication plan that empowers our customer service workers to be brand ambassadors and build relationships with the public.
- Increase school opportunities and expand the Groundwater Guardian activities within the schools.
- Partner with the DHS High School Real Academy to increase school opportunities for students to learn more about the District.

SMART Goal 1.3 - Deliberate customer outreach also has a ripple effect of educating employees about the District. Employees can serve as ambassadors for the District, helping create and strenghten customer relationships.

- Create an internal Intranet as a hub for employee communications.
- Promote water outreach opportunities to employees, like the CV Water Counts Academy.
- Enhance and strengthen the organizational culture by promoting the District's Strategic Plan, Mission, Vision, and Values. Work with Human Resources to add these to the employee evaluation process.
- Resume employee tours and onboarding programs so new employees can learn about our operations better.

SMART Goal 1.4 - Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

- Create a culture of transparency and provide comprehensive information on the MSWD website.
- Pursue grants and projects that would benefit our customers.
- Apply for and receive individual and organizational certifications for leadership, transparency, and excellence and publish these accomplishments as an example of MSWD's leadership within the water/wastewater industries.
- Cultivate positive relationships with key industry professionals to stay informed and gather feedback.

- Develop and enhance media relationships and write and distribute press releases promptly to communicate topics important to the community. Share these stories on social media and to industry publications for greater pickup.
- Identify and influence legislation that aligns with the District's Legislative Platform and continue to foster positive relationships with city, county, state, and federal legislators.

SMART Goal 2.1 - Ensure excellence in regulatory compliance.

- Actively monitor new regulations and engage in the rulemaking process.
- Lead & Copper Rule, develop a lead service line inventory and make it publicly available.
- Conservation as a Way of Life, continue to work with regulators to address the feasibility of state-set conservation goals. Solicit grant support to help pay for an MSWD weather station to obtain better precipitation and evaporation rates in our service area.
- Chromium-6 MCL, Increase transparency, create an education outreach plan to share the District's approach with the community, and increase overall awareness of water quality and supply issues.
- Conservation as a Way of Life, enhance customer rebate programs to include water-saving appliances like dishwashers, clothes washers, and high-efficiency toilets.
- Budget for and incorporate a Conservation as a Way of Life engagement campaign into the annual customer communications plan.
- Solicit grant funding to develop an Evaporative Cooler Maintenace and Replacement Program.
- Review the turf rebate program and target outreach effort to customers with turf.
- As part of the new Critical Services Center, construct a new demonstration garden to encourage the use of native drought-resilient plants.

SMART Goal 2.2 - Support/Advocate regional development of local water supply and reduce reliance on imported supply.

- Explore options and grant funding to create a financially feasible recylced water program (looking at potable and non-potable options) at the Horton and Wright facilities.
- As part of the Water Master Plan, include projects that connect the MSWD IDE areas to the MSWD "main" system.

- Work with the City and other water districts to encourage the use of native drought-resilient plants; work with the City to add to developer requirements.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Limit the impact of unexpected expenditures.

SMART Goal 3.3 - Enhance transparency in financial reporting by adopting best practices and ensuring timely and accurate financial disclosures.

- Keep customer bills fresh and straightforward while providing sufficient information about charges and water use.
- Provide information to customers about internal versus external cost of services and pass through appropriate Replenishment Assessment Charges and City of Desert Hot Springs Utility Users Tax increases.
- Other Key Success Measures.

SMART Goal 4.3 - Maintain and renew assets while facilitating strategic Capital Improvements.

- Build a connection to the MSWD IDE areas to the MSWD “main” system.

SMART Goal 4.5 - Ensure the District is prepared to react to manmade and natural emergencies.

- Ensure earthquake retrofitting of critical infrastructure is included in long-term planning activities, protecting District assets and those of the customers we serve.

SMART Goal 5.2 - Fleet electrification.

- Continue monitoring changes to fleet electrification mandates and work with regulators to ensure mandates are feasible.
- Create a strategy that meets upcoming fleet electrification regulations and considers operational requirements. A financial analysis includes ongoing maintenance costs and the cost of electricity versus traditional fuel.
- Pursue grant opportunities to fund the inclusion of Electric Vehicles in our fleet and provide funding for necessary charging infrastructure.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Ensure information systems planning is aligned with the District’s Strategic Plan.
- Continue to enhance purchasing processes to streamline staff processing times while ensuring appropriate approvals are met.
- Adopt a records retention policy, incorporate retention schedules into processes, and automate them into a new computer system.
- Look for additional ways to leverage technology and increase staff efficiency and operational savings. Information systems should support effective decision-making, system integration, reliable data, and decreased redundancy.
- Other Key Success Measures.

SMART Goal 6.2 - Hire a designated GIS employee and integrate asset management within the MSWD work order management system.

- Review the existing Nobel platform and ensure it meets the District’s ongoing needs. Integrate data collection and analysis to allow for data-driven decision-making based on real-time data.

- Integrate data collection and analysis to allow for data-driven decision-making based on real-time data.

SMART Goal 7.3 - Recruit and retain employees.

- Create an internship program to increase opportunities for students and professionals, supporting industry employment growth and building a robust recruitment pool.
- Foster collaborations with educational institutions to create pathways for talent to enter and thrive in the organization. Continue to investigate opportunities with local Colleges to create Career Technical Education pathways for some of our hard-to-fill positions.

SMART Goal 7.5 - Cultivate a positive culture and teamwork among staff.

- Ensure the lines of communication are open for all employees.
- Employees experience camaraderie and teamwork through on-site employee events, and the company continues to recruit employees to the events committee to avoid committee burnout.

Performance Measures

Table 29 shows the specific quantitative performance measures of work performed by Public Affairs that help the District assess the effectiveness and efficiency of the department.

Table 29: Performance Measures for Public Affairs

Activity	2023	2024	2025
Toilet Rebates	15	24	27
Toilet Rebates ($)	$2,400	$3,830	$3,132
Turf Rebates	13	3	1
Turf Rebates	$104,426	$4,449	$34,920
Clothes Washer Rebates	-	12	8
Clothes Washer Rebates	-	$1,650	$1,200
Smart Controller Rebates	-	10	9
Smart Controller Rebates	-	$7,054	$1,194
Conservation Kits	35	65	63
Bottled Water Tracking (cases)	891	553	588

Operating Expenses

The FY 2027 operating expenses for the Administration Department are $5,759,418 as shown in **Table 30** below.

Table 30: Administration Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$2,485,700	$583,564	$484,585
Benefits	($1,206,035)	$425,076	$324,765
Materials and Supplies	$120,360	$9,204	$9,200
Outside Services	$536,252	$1,048,693	$1,056,672
Utilities	$84,469	$0	$0
Insurance	$368,600	$360,000	$245,000
Legal	$490,000	$540,000	$504,000
Dues and Subscriptions	$75,152	$65,152	$86,365
Training and Education	$67,504	$79,104	$76,300
Total Operating Expenses	**$5,759,418**	**$3,110,803**	**$2,786,887**

The FY 2027 operating expenses for Public Affairs are $1,261,684 as shown in **Table 31** below.

Table 31: Public Affairs Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$200,000	$269,928	$246,444
Benefits	$120,000	$195,396	$172,680
Materials and Supplies	$211,500	$196,500	$179,000
Outside Services	$696,488	$555,488	$409,500
Dues and Subscriptions	$1,704	$1,704	$97,700
Training and Education	$15,996	$15,996	$16,000
Groundwater Management	$15,996	$0	$16,000
Other Expenses	$0	$30,000	$50,000
Total Operating Expenses	**$1,261,684**	**$1,265,012**	**$1,187,324**

Customer Service Department

Description of Services Provided

Customer Service is the first point of contact for approximately 44,000 customers. The department provides call center support, walk-up counter payment service, interactive voice response/internet payment services, new account processing, and work order generation.

Staffing

The Customer Service Department consists of four FTE positions as shown in **Table 32** below.

Table 32: Customer Service FTEs for FY 2027

Customer Service Department	FY 2027 FTEs
Customer Service Supervisor	1
Senior Customer Service Representative	1
Customer Service Representative I/II	2
Total	**4**

2025-2026 Accomplishments

SMART Goal 1.1 - Develop and initiate an annual plan to increase customer outreach and engagement through various communication channels, technologies, and community events. The goal is to enhance customer trust, satisfaction, and understanding of water services with ongoing refinement of the communications plan and its goals.

- Customer Experience Enhancement Program
- MSWD conducted a bill redesign survey.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Migrate to a new electronic check deposit service, saving staff time, increasing timeliness of deposits, and improving security.

2026-2027 Goals and Objectives

SMART Goal 1.1 – Develop and initiate an annual plan to increase customer outreach and engagement through various communication channels, technologies, and community events. The goal is to enhance customer trust, satisfaction, and understanding of water services with ongoing refinement of the communications plan and its goals.

- Survey customer groups involved in water-related events (e.g., construction activities, service interruptions, water quality changes, emergencies, and other vital issues) to hear about the customer experience and determine if MSWD can improve how the event is handled.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Streamline processes and improve customer service by reducing delays and errors to enhance customer satisfaction and trust in the District's services.

Performance Measures

Table 33 shows the specific quantitative performance measures of work performed by the Customer Service Department that help the District assess the effectiveness and efficiency of the department.

Table 33: Performance Measures for Customer Service

Activity	2023	2024	2025
Customer Service Calls	23,040	20,045	21,514
Water Waste	-	17	8
High Bill/Service Line Leak	-	79	47
No Water	-	80	76
Illegal Disconnect	-	25	74
Disconnections	-	1,261	1,348
Reconnections	-	892	1,061
Service Transfers	-	1.225	1.325
High/Low Pressure	-	61	66
Water Quality	-	26	43
Other Misc	-	1,114	1,.037
Customer Portal Registration	2,074	1,696	1,712
Auto-Dialer Calls to Customers	5,107	4,077	4,674
Door Hangers to Property	759	652	639
United Way Customer Bill Assistance Program ($)	$13,000	$4,900	$4,500
Payment Plans	147	137	119
Payment Plans ($)	$54,158	$71,307	$87,128

Operating Expenses

The FY 2027 operating expenses for the Customer Service Department are $1,340,508 as shown in **Table 34** below.

Table 34: Customer Service Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$596,908	$722,076	$689,472
Benefits	$500,000	$660,936	$606,672
Materials and Supplies	$5,000	$5,000	$5,000
Outside Services	$211,000	$575,704	$617,300
Dues and Subscriptions	$0	$0	$100
Training and Education	$15,000	$15,000	$15,000
Other Expenses	$12,600	$17,400	$16,800
Total Operating Expenses	**$1,340,508**	**$1,996,116**	**$1,950,344**

Human Resources Department

Description of Services Provided

Human Resources is responsible for ensuring that the District initiates and facilitates strategies for building a workforce which supports and enhances the organizational objectives and values. In addition to workforce development, the department is responsible for overseeing employee benefits, classification and compensation, policies and procedures, employee relations, administrative support, and employee development. The department also promotes and provides a safe and secure work environment for employees, including employee safety and training programs, workers compensation, emergency management, and disaster preparedness for the District.

Staffing

The Human Resources Department consists of two FTE positions as shown in **Table 35** below.

Table 35: Human Resources FTE Positions for FY 2027

Human Resources Department	FY 2027 FTEs
Human Resources Manager	1
Administrative Assistant I/II	1
Total	**2**

2025-2026 Accomplishments

SMART Goal 6.2 - Hire a designated GIS employee and integrate asset management within the MSWD work order management system.

- GIS Specialist was hired on June 8th, 2024.

SMART Goal 7.1 - Create development opportunities and facilitate staff participation in professional development opportunities.

- Employee performance evaluation process aligned with District's new Strategic Plan and core values was completed and rolled out to employees in July 2024.

SMART Goal 7.2 - Expand leadership development programs to enhance the knowledge and skills of employees.

- HR is working with managers as they submit new evaluations to refine individual goals.
- Employee's education/certification accomplishments are listed on the Human Resources Report and employees are recognized during the monthly Board meetings. Accomplishments are also posted to the Hub.

SMART Goal 7.3 - Recruit and retain employees.

- District established annual "Employee Ask" meetings to provide employees with a platform to voice their requests and suggestions. These meetings allow employees to propose changes, from workplace perks to significant adjustments such as pay increases and expanded benefits.

SMART Goal 7.4 - Ensure employee safety and wellness.

- Employees continue to complete required monthly job-related trainings.
- District established and maintains a Safety Resources Center on the Hub for employees.
- In addition to regular training, MSWD supervisors are required to take management safety training courses that teach advanced safety skills, such as documenting and recognizing safety issues before they occur.
- Wellness newsletters via email, paystub buck slips including health tips and wellness advice, and the establishment of a "Health and Wellness at MSWD" page on the hub to provide a variety of wellness resources.
- The District applied for and received a Health and Wellness Grant through ACWA/JPIA, underscoring the commitment to promoting employee well-being.
- In February 2025, MSWD rolled out a new Health and Wellness Challenge, encouraging employees to track their steps and aim for an average of 8,000 steps daily.
- Resolution 2025-17 Amending the Codified MSWD Personnel Rules and Regulations Title 3 – Personnel.

SMART Goal 7.5 - Cultivate a positive culture and teamwork among staff.

- Human resources manager has an open door/email/phone policy for all employees. Anonymous reporting forms have also been put in place for employees to report any concerns confidentially.
- With input from employees, the District adopted a Workplace Violence Prevention program.
- The District encourages supervisors to recognize employees for achievements in both personal and professional lives through internal email recognition/shout0outs, Board meeting recognition, and announcements posted on the Hub.

2026-2027 Goals and Objectives

SMART Goal 6.2 - Hire a designated GIS employee and integrate asset management within the MSWD work order management system.

- Other Key Success Measures

SMART Goal 7.1 - Create development opportunities and facilitate staff participation in professional development opportunities.

- Continue to develop individual employee development plans to promote personal and professional growth.
- Update the organization-wide succession plan, allowing employees the opportunity for professional growth, cross-training, and preparation for succession and temporary assignments to maintain continuity and operational effectiveness.
- Modify the employee performance evaluation process to align with the District's new Strategic Plan and core values.

SMART Goal 7.2 - Expand leadership development programs to enhance the knowledge and skills of employees.

- On an ongoing basis, ensure 100% of employees have clearly defined job-related goals on their performance evaluations.
- Publish and promote all employees' education/certification accomplishments internally.

SMART Goal 7.3 - Recruit and retain employees.

- Update and continue utilizing salary survey insights to inform salary decisions, ensuring that compensation remains competitive. Competitive compensation and expanded internship opportunities attract and retain top talent, contributing to a skilled and motivated workforce.
- Evaluate and look for ways to keep turnover rates at or below industry standards due to resignations or terminations (related to compensation or working conditions), not including retirements.

SMART Goal 7.4 - Ensure employee safety and wellness.

- Continue to educate employees on safe working practices.
- Require supervisors and lead workers to demonstrate their commitment to safe work practices.
- Encourage Employee Wellness and implement a comprehensive, district-wide Employee Wellness Plan.
- Other Key Success Measures.

SMART Goal 7.5 - Cultivate a positive culture and teamwork among staff.

- Ensure the lines of communication are open for all employees.
- Focus on maintaining high employee morale and a positive organizational culture.
- Ensure our workforce is ready to embrace Diversity, Equity, and Inclusion differences and continue routine training.

Operating Expenses

The FY 2027 operating expenses for the Human Resources Department are $569,371 as shown in **Table 36** below.

Table 36: Human Resources Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$249,372	$339,492	$210,168
Benefits	$137,045	$278,928	$161,760
Recruitment & Retention	$17,004	$0	$0
Materials and Supplies	$18,000	$2,496	$2,000
Outside Services	$116,250	$119,112	$119,700
Dues and Subscriptions	$9,500	$9,492	$2,500
Training and Education	$22,200	$22,200	$25,000
Total Operating Expenses	**$569,371**	**$771,720**	**$521,128**

Innovation & Technology Department

Description of Services Provided

The Innovation and Technology (IT) department was formally established in FY 2021-22 and is responsible for the administration and coordination of the District's computer systems, including the Geographic Information System (GIS), and Supervisory Control and Data Acquisition (SCADA). The IT department provides ongoing support for future planning, employee technical training, and coordinates related services with contract consultants. Information systems supported by IT include: telephones, cell phones, radio communication systems, voice-mail, routers, switches, VPN, and firewalls. IT also maintains internet and intranet connections including the monitoring and security of the District's computer network data traffic.

Staffing

The Innovation & Technology Department consists of one FTE position as shown in **Table 37** below.

Table 37: Innovation & Technology FTEs for FY 2027

Innovation & Technology Department	FY 2027 FTEs
Innovation & Technology Manager	1
Total	**1**

2025-2026 Accomplishments

SMART Goal 1.4 - Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

- Secure funding through the SLCGP to be used to improve District cybersecurity to better protect customer data and resiliency of our operational systems.

SMART Goal 4.4 - Invest and look at ways to fortify infrastructure security.

- Advanced site security measures were added to the Wright Facility.
- Obtained a $245,250 cyber security grant to fortify MSWD online systems.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Contract agreement renewal with Intelesys Communications Services for Information Technology Professional Services.
- Implement the cybersecurity projects outlines in SLCGP cybersecurity grant, awarded by CAL OES, that will improve network infrastructure, security controls, training/education, and the overall cybersecurity posture of the District.
- Service Agreement with Tyler Technologies for Enterprise Resource Planning Pro 10 Financial Management Suite.

- MSWD posted a Request for Proposal on February 24th, 2025 for the new ERP system and implementation services on OpenGov website.
- Implemented new electronic forms using ArcGIS and Power Automate software that allow for a more streamlined customer experience in reporting water waste, applying for fire flow tests, requesting sewer/water information
- Fully implemented the ArcGIS and CityWorks GIS system work order management components.
- The District has created/revised forms on Laserfiche Forms to streamline workflows behind the scenes, eliminate paper waste, and speed up processing times.
- Enterprise Agreement for the ESRI Advantage Program.

2026-2027 Goals and Objectives

SMART Goal 1.4 - Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

- Pursue grants and projects that would benefit our customers.

SMART Goal 4.4 - Invest and look at ways to fortify infrastructure security.

- Optimize security preparedness at all sites.
- Other Key Success Measures.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Ensure information systems planning is aligned with the District's Strategic Plan.
- Enhance cyber security to ensure the continued safety of our system.
- Ensure secure data access, remote access, and valid customer data.
- Finalize the solicitation for a new enterprise resource planning software platform, which will seamlessly integrate Finance, Customer Service, and Human Resources needs.
- Streamline processes and improve customer service by reducing delays and errors to enhance customer satisfaction and trust in the District's services.
- Develop a work order management system and analyze workload allocations for infrastructure and maintenance operations based on industry key performance indicators and standards.
- Adopt an asset management system to ensure cradle-to-grave tracking of resources that aligns with the asset management and replaced component of the Long-Range Financial Master Plan.
- Look for additional ways to leverage technology and increase staff efficiency and operational savings. Information systems should support effective decision-making, system integration, reliable data, and decreased redundancy.

Operating Expenses

The FY 2027 operating expenses for the Innovation & Technology Department are $1,663,891 as shown in **Table 38** below.

Table 38: Innovation & Technology Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$100,000	$81,216	$108,648
Benefits	$60,956	$59,232	$78,672
Materials and Supplies	$35,660	$45,360	$15,000
Outside Services	$1,450,657	$776,516	$1,635,016
Training and Education	$16,618	$6,000	$8,000
Total Operating Expenses	**$1,663,891**	**$1,065,328**	**$1,845,336**

Engineering Division

Engineering & Water Resources Department

Description of Services Provided

Engineering & Water Resources is responsible for oversight of the Capital Improvement Program, water resources management, the District's Master Plans for Water and Sewer, and all engineering and planning work.

Engineering prioritizes and establishes schedules and methods for the design and construction of the District's Capital Improvement Projects. This department monitors and oversees engineering design activities, including those prepared by consultants; prepares and reviews engineering plans, cost estimates, labor proposals, agreements, public works contracts, and project specifications. This department implements construction management methods to manage contractors that are building the District's capital improvement projects in the field.

Water Resources uses planning and management tools to leverage the District's water supply portfolio to ensure access to reliable and resilient water supplies to meet future projected demands. This department ensures compliance with federal, state, and local regulations such as Integrated Regional Water Management, Urban Water Management Planning, Sustainable Groundwater Management Planning, and Salt and Nutrient Management Planning.

Staffing

The Engineering & Water Resources Department consists of six FTE positions as shown in **Table 39** below.

Table 39: Engineering & Water Resources FTE Positions for FY 2027

Engineering & Water Resources Department	FY 2027 FTEs
Engineering Manager	1
Associate Engineer	1
Engineering Technician I/II/Sr.	2
Construction Inspector	1
Administrative Assistant I/II	1
Total	**6**

2025-2026 Accomplishments

SMART Goal 2.1 - Ensure excellence in regulatory compliance.

- Acceptance of the WSA/WSV for the 20th Avenue Logistics Center Project.
- Receive and File the Mission Creek Subbasin Annual Report for Water Year 2024-2025
- Award of Contract for the Horton WWTP Monitoring Well 1A.

SMART Goal 2.2 - Support / Advocate regional development of local water supply and reduce reliance on imported supply.

- Completion of the Well rehab of Well 34 to help with water production.
- Contract Amendments for Construction and Construction Support and Inspection Services for the Well 42 Project.
- Contract Amendment 1 with Layne Christensen and Capital Budget Augmentation for Site Work and Well Fitting for New Well 42.
- Completion of the conveyance line, contributes to the system reliability by directing wastewater flows to the regional plant, and shifting the burden from the Horton plant to allow for needed maintenance.
- Completion of the Regional Plant.

SMART Goal 2.3 - The Mission Springs Water District Groundwater Quality Protection Project is a comprehensive water resource management effort that eliminates known pollution sources; reclaims water to reduce demand on limited groundwater resources; protects underground storage capacity; and leverages multiple funding opportunities.

- Completion of the Supplemental Environmental Project contributes to the District's goal to remove legacy septic tanks, and connect properties to the sewer collection system. Supporting the District's efforts to protect the groundwater supply.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Award of Contract to TKE Engineering for Temporary Staff Augmentation.
- Entered into the PPA rather than a purchase for the solar project in the fall of 2024.
- Rejection of Construction Bids for the Area M2 Sewer Construction and Water Line Replacement Project. Rebid project and awarded to WEKA Inc.

SMART Goal 4.1 - By September 2026, complete the construction of a Critical Service Center, which will foster increased collaboration, communication, and teamwork among employees working at one central location.

- Third Amendment to Contract with Ruhnau Clarke Architects for the design of the Critical Services Center/Administration Building.
- Execution of Lot Line Adjustment Application for the Critical Services Center.
- Park Lane improvements negotiation/review with the City in-progress. In addition, review of fire flow plan alternative options.

- Project location selected (Corp Yard) and design is almost completed. Meetings continue with City of DHS and Ruhnau Clarke Architects for finalization of plans.

SMART Goal 4.2 - Update Existing Water and Wastewater Master Plans.
- Acceptance of the 2025 Water and Wastewater Master Plans.
- MSWD has hired a new GIS employee and is transitioning to CityWorks, which will allow for a detailed system study.

SMART Goal 4.3 - Maintain and renew assets while facilitating strategic Capital improvements.
- Approve Change Order No. 2 with South West Pump and Drilling for the On-Call Well and Booster Maintenance and Repair Services Contract.
- Award of Contract to Kyle Groundwater Inc for Professional Hydrogeological Support Services.
- Acceptance of Grant of Easement Deed for Public Utilities Easement Azure Palm Hot Springs Resort & Day Spa Oasis.
- Contract Amendment 1 with Legend Pump and Well Service and Capital Budget Augmentation for Well 34 Rehabilitation.
- Developer/Contractor Handbook & Guidelines for Design and Construction of Water and Sewer Facilities Revisions.
- Acceptance of Final Tract Map for Tract 38816 – Aventura Palms.
- Acceptance of Bill of Sale for Skyborne Village III Phase II Water and Sewer Infrastructure.
- Water line replacement from Hurricane Hilary: removed affected water lines and installed them deeper in the Mission Creek Channel to mitigate them from being impacted by future heavy rain events.

SMART Goal 4.4 - Invest and look at ways to fortify infrastructure security.
- Advanced site security measures added to the Wright Facility.

SMART Goal 4.5 - Ensure the District is prepared to react to manmade and natural emergencies.
- Contract agreements with TKE Engineering for On-Call Professional General Engineering Services.

SMART Goal 5.1 - Increase Use of Sustainable Energy Sources and Optimize Efficiencies - "There is no waste; just wasted resources".
- Contract Amendment 1 with Tom Dodson & Associated for On-Call Environmental Consulting for the MSWD Solar Project.
- Resolution 2025-20 Approving the Initial Study and Adopting the Mitigated Negative Declaration for the MSWD Street Improvements for the RWRF.

SMART Goal 5.3 - Embrace Green Building Standards

- Approval of the Update of the Develop/Contractor Handbook & Guidelines for the Design and Construction of Water and Sewer Facilities.
- Developer/Contractor Handbook & Guidelines for Design and Construction of Water and Sewer Facilities Revisions.

2026-2027 Goals and Objectives

SMART Goal 2.1 - Ensure excellence in regulatory compliance.

- Deliver services in accordance with standards set by regulatory agencies.
- Chromium-6 MCL. Share best practices and collaborate with other water districts in the Coachella Valley through our consultant to develop a cost-effective approach to managing Chromium-6 levels within our water supply.
- Ensure the District's Chromium-6 plan is incorporated in the Long-Range Financial Plan and that any capital projects are incorporated in the Five-Year CIP Program.
- Other Key Success Measures.

SMART Goal 2.2 - Support / Advocate regional development of local water supply and reduce reliance on imported supply.

- Participate in negotiations for the final determination of the Ground Sustainability Agency for basins within the District's service area, which include the San Gorgonio Pass Sub-Basin, the Mission Creek Sub-Basin, the Indio Sub-Basin, and the Desert Hot Springs Sub-Basin.
- Work with the Salt Nutrient Management Plan stakeholders to continue monitoring Total Dissolved Solids in the Coachella Valley and advocate for project funding to protect our aquifer.
- Other Key Success Measures.

SMART Goal 2.3 - The Mission Springs Water District Groundwater Quality Protection Project is a comprehensive water resource management effort that eliminates known pollution sources; reclaims water to reduce demand on limited groundwater resources; protects underground storage capacity; and leverages multiple funding opportunities.

- Communicate the value of septic to sewer and water quality efforts to stakeholders and the community to ensure continued support.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Actively manage costs and live within the "approved" budget.
- Preserve the District's credit rating, enabling us to qualify for favorable borrowing terms in the future.

SMART Goal 4.1 - By September 2026, complete the construction of a Critical Service Center, which will foster increased collaboration, communication, and teamwork among employees working at one central location.

- Construct a new administrative and operations building to allow the District to grow and continue to provide service to its customers.
- Within the Two Bunch location no longer feasible, ensure that the District's second choice, the Corporate Yard, is feasible and meets the District's future needs before engaging a contractor.

SMART Goal 4.2 - Update Existing Water and Wastewater Master Plans.

- Create a Predictive and Preventative Pipeline Replacement Project for aging piping within the water distribution system.
- Continue to work with the Army Corp of Engineers to design and construct all defined assessment areas while leveraging grant funding to lower customer costs.
- Conduct an analysis of available capacity within the current water system with future water demand projections to forecast the time of demand need. Incorporate results in Urban Water Management Plan updates and Master Plan updates.
- Other Key Success Measures.

SMART Goal 4.3 - Maintain and renew assets while facilitating strategic Capital improvements.

- Diligently manage and maintain current equipment to provide maximum value to the District.
- Other Key Success Measures.

SMART Goal 4.4 - Invest and look at ways to fortify infrastructure security.

- Optimize security preparedness at all sites.
- Identify, monitor, and resolve risks of flood, earthquake, or natural disaster.

SMART Goal 4.5 - Ensure the District is prepared to react to manmade and natural emergencies.

- Participate in regional tabletop exercises to ensure staff are prepared for emergency situations.

SMART Goal 5.1 - Increase Use of Sustainable Energy Sources and Optimize Efficiencies - "There is no waste; just wasted resources".

- Add solar panels to District facilities and convert low electrical use sites to solar.
- Leverage the District's solar resources and look into expansion financing opportunities, including grants, leasing, and power purchase agreement opportunities.
- Other Key Success Measures.

SMART Goal 5.3 - Embrace Green Building Standards
- Other Key Success Measures.

Operating Expenses

The FY 2027 operating expenses for the Engineering & Water Resources Department are $1,602,593 as shown in **Table 40** below.

Table 40: Engineering & Water Resources Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$353,603	$337,992	$308,184
Benefits	$200,000	$273,132	$241,344
Materials and Supplies	$8,400	$10,900	$6,900
Outside Services	$646,290	$624,455	$534,320
Engineering	$379,800	$66,000	$66,000
Dues and Subscriptions	$4,500	$4,500	$3,500
Training and Education	$10,000	$10,000	$8,500
Other Expenses	$0	$15,000	$15,000
Total Operating Expenses	**$1,602,593**	**$1,341,979**	**$1,183,748**

Finance Division

Finance Department

Description of Services Provided

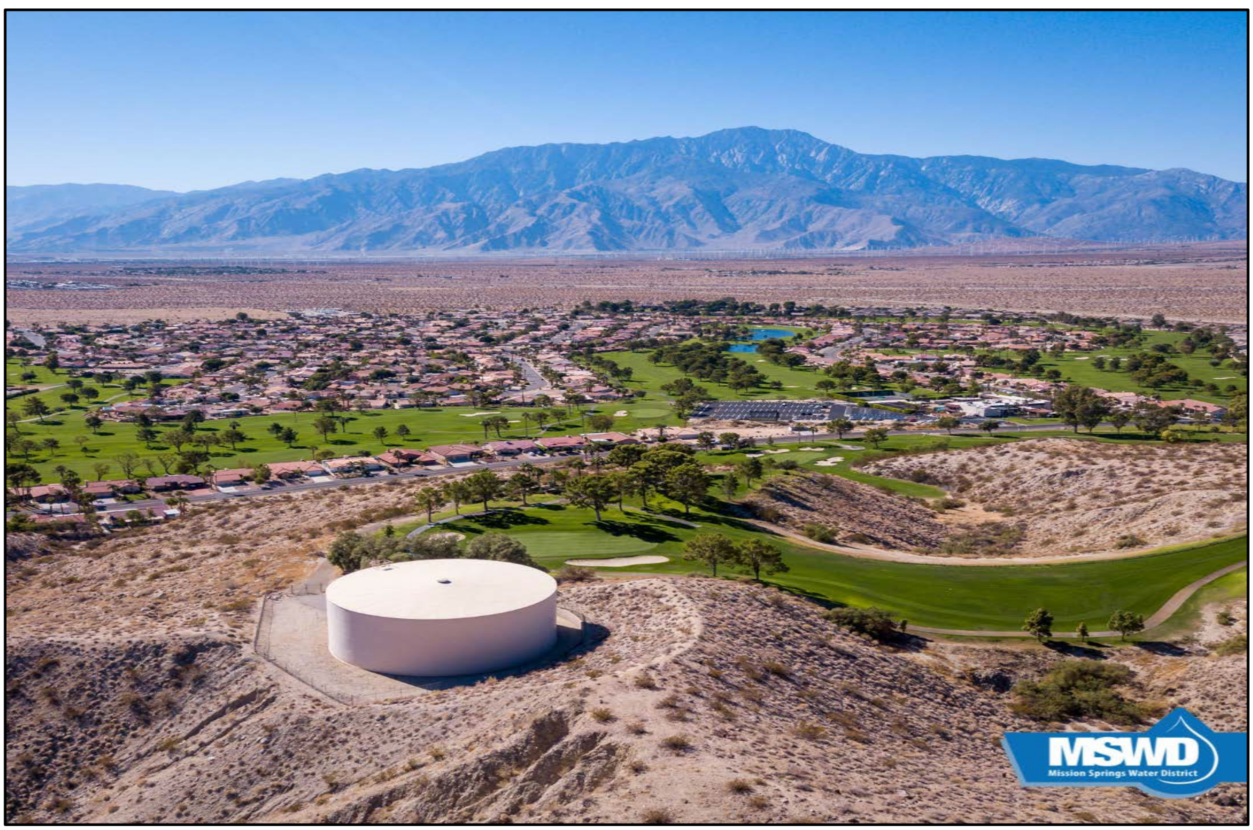
Finance coordinates the activities for the department. The Director of Finance oversees investment activities, debt administration, rate setting, as well as overall financial and budgetary oversight of the District. Other administrative duties include employee relations and performance, strategic planning, and goal setting.

Staffing

The Finance Department consists of one FTE position as shown in **Table 41** below.

Table 41: Finance FTE Positions for FY 2027

Finance Department	FY 2027 FTEs
Director of Finance	1
Total	**1**



Accounting Department

Description of Services Provided

Accounting performs all financial related services for the District, which includes general ledger functions, investment tracking, debt management, payroll and benefit processing, accounts payable, accounts receivable, customer billing, collection processing/referral, customer payment remittance processing, bank account reconciliation, monthly financial reporting, budget preparation, rate analysis/update, ACFR preparations, State Controller's report preparation, and Capital Improvement Program reporting.

Purchasing and Warehouse administers the decentralized purchasing system for the District, including the operation of a full-service warehouse. The department is responsible for oversight of the procurement and purchase order process for all departments. This department provides enhanced supply management, a high level of accountability and value-added services. The department also works to achieve cost savings and to stock adequate supplies in case of emergencies.

Staffing

The Accounting Department consists of five FTE positions as shown in **Table 42** below.

Table 42: Accounting FTE Positions for FY 2027

Accounting Department	FY 2027 FTEs
Accounting Manager	1
Accountant	2
Accounting Technician	1
Purchasing & Warehouse Specialist	1
Total	**5**

2025-2026 Accomplishments

SMART Goal 1.2 - When customers better understand what the District does and how it operates, they will recognize MSWD's work to protect and provide water services. Enhancing customer education will increase trust in the District's services.

- Annual Report of Capacity Fees and Related Capital Expenditures.

SMART Goal 1.4 - Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

- Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Resolutions 2025-02, 2025-03, and 2025-04 ~ Revised FY 2024/25 Operating and Capital Budget Appropriations Limit and Classification Plan.
- Resolution 2025-05 – Collection of sewer fees on tax roll.
- Resolution 2025-10 - Collection of water standby charges on tax roll.
- Resolution 2025-09 – Placing sewer standby fees on tax roll.
- Resolution 2025-11 – Addition of delinquent accounts on tax roll.
- Resolutions 2025-12, 2025-13, and 2025-14 – Adoption of Operating and Capital Budgets FY 2025-26, Appropriations Limit for FYE 6/30/26, and Employee Classification Plan.
- Resolution 2025-01 MSWD RWRF Installment Purchase Agreement Extension.
- Adoption of Ordinance No. 2025-04 and 2025-05 Establishing New Water and Sewer Rates

SMART Goal 3.3 - Enhance transparency in financial reporting by adopting best practices and ensuring timely and accurate financial disclosures.

- Awarded contract agreement to OpenGov for Budgeting, Planning, and Procurement software to increase transparency by allowing internal and external stakeholders visibility into the processes.
- Annual Report for Capacity Fees and Related Capital Expenditures.
- MSWD recipient of GFOA Distinguished Budget Award for FY 2026.
- Resolution 2025-15 Adoption of Updated Procurement, Purchasing, and Disbursement Policy.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Customer Service and Finance are reviewing the lien process and looking for ways to combine processing.

2026-2027 Goals and Objectives

SMART Goal 1.2 - When customers better understand what the District does and how it operates, they will recognize MSWD's work to protect and provide water services. Enhancing customer education will increase trust in the District's services.

- Other Key Success Measures.

SMART Goal 1.4 - Cultivate positive community relations and partnerships with industry, media, and legislative contacts.

- Apply for and receive individual and organizational certifications for leadership, transparency, and excellence and publish these accomplishments as an example of MSWD's leadership within the water/wastewater industries.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Actively manage costs and live within the “approved” budget.
- Limit the impact of unexpected expenditures.
- Preserve the District’s credit rating, enabling us to qualify for favorable borrowing terms in the future.
- Stabilize rates and develop a plan to finance essential projects conservatively.

SMART Goal 3.3 - Enhance transparency in financial reporting by adopting best practices and ensuring timely and accurate financial disclosures.

- Communicate financial performance and challenges effectively to internal and external stakeholders, fostering trust and confidence in the District’s financial management.
- Implement budget best practices to ensure ongoing GFOA certification.
- Develop and provide financial reporting tools (dashboard) to internal and external stakeholders.
- Keep customer bills fresh and straightforward while providing sufficient information about charges and water use.
- Ensure ongoing dissemination of financial information, including performance to budget, water sales and purchases, and wastewater, as part of the District’s overall financial health.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Review lien processing and streamline and consolidate processing to one department.

Operating Expenses

The FY 2027 operating expenses for the Accounting Department are $902,521 as shown in **Table 43** below.

Table 43: Accounting Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$399,799	$388,972	$249,876
Benefits	$245,922	$238,968	$206,964
Materials and Supplies	$20,400	$0	$0
Outside Services	$207,600	$286,200	$60,000
Training and Education	$28,800	$14,400	$5,000
Other Expenses	$0	($12,000)	($12,000)
Total Operating Expenses	**$902,521**	**$816,540**	**$651,840**

Operations & Maintenance Division

Operations Administration Department

Description of Services Provided

Operations Administration provides leadership and coordination for the activities of the Operations & Maintenance Division. The department is under the leadership of the Director of Operations who oversees the management of the Construction & Maintenance, Field Services, Water Production, Wastewater Collections, and Wastewater Treatment & Disposal Departments.

Staffing

The Operations Administration Department consists of six FTE positions as shown in **Table 44** below.

Table 44: Operations Administration FTE Positions for FY 2027

Operations Administration Department	FY 2027 FTEs
Director of Operations	1
Water Production Superintendent	2
Lead Facilities Maintenance Worker	1
Compliance and Safety Officer	1
Administrative Assistant I/II	1
Total	**6**

Construction & Maintenance Department

Description of Services Provided

Construction & Maintenance is responsible for the operation of building mechanical equipment, general building maintenance and repair, landscape, event setup, and the maintenance and repair of the District's vehicles and heavy equipment.

Staffing

The Construction & Maintenance Department consists of ten FTE positions as shown in **Table 45** below.

Table 45: Construction & Maintenance FTE Positions for FY 2027

Construction & Maintenance Department	FY 2027 FTEs
Field Operations Supervisor	1
Lead Field Operations Technician	2
Field Operations Technician I/II	7
Total	**10**

2025-2026 Accomplishments

SMART Goal 2.2 - Support / Advocate regional development of local water supply and reduce reliance on imported supply.

- Completion of the Regional Plant.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Replacement of production meters at well sites.
- Enter into the PPA rather than the purchase for the solar project.
- Contract Agreement with Executive Facilities for Annual Janitorial Services for FY 2025-2026

SMART Goal 4.2 - Update Existing Water and Wastewater Master Plans.

- MSWD has hired a new GIS employee and is transitioning to CityWorks, which will allow for a detailed system study.

SMART Goal 4.3 - Maintain and renew assets while facilitating strategic Capital Improvements

- Contract Amendment 2 with Kyle Groundwater to develop a Well Rehabilitation Prioritization Program.
- Authorization for Purchase of Booster Pump Control Valves for the Terrace Booster Station.

- Approve Change Order 1 with L.O. Lynch Quality Wells & Pumps for On-Call Well and Booster Maintenance and Repair Services.
- First Amendment to Contract Agreement with B-81 Paving for Pavement Repairs for Water and Sewer Projects for 2025-2026.

SMART Goal 4.4 - Invest and look at ways to fortify infrastructure security.

- Advanced site security measures were added to the Wright Facility.
- Upgraded network infrastructure between remote sites for more reliable, secure, and high-bandwidth data transmission, thereby allowing improved video surveillance and monitoring.

SMART Goal 5.1 - Increase Use of Sustainable Energy Sources and Optimize Efficiencies - "There is no waste; just wasted resources."

- Resolution 2024-23 Power Purchase Agreement with Staten Solar.
- Amendment 2 to Solar Power Purchase and Lease Agreements with Trident Mission Springs.
- Resolution 2025-19 Initial Study and Mitigated Negative Declaration for RES-BCT and RWRF solar development project.
- Award if Contract to Kenwood Energy for Professional Services to Provide CM Services for the Power Purchase Agreement.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Fully implemented the ArcGIS and CityWorks GIS system work order management components.
- Award of Professional Services Agreement for GeoViewer Software and Support Services for the MSWD to Nobel Systems.

2026-2027 Goals and Objectives

SMART Goal 2.2 - Support / Advocate regional development of local water supply and reduce reliance on imported supply.

- Other Key Success Measures.

SMART Goal 3.2 - Control costs and manage debt responsibly.

- Look for ways to reduce water loss and increase system efficiencies.
- Limit the impact of unexpected expenditures.
- Preserve the District's credit rating, enabling us to qualify for favorable borrowing terms in the future.
- Other Key Success Measures.

SMART Goal 4.2 - Update Existing Water and Wastewater Master Plans.

- Create a Predictive and Preventative Pipeline Replacement Project for aging piping within the water distribution system.

SMART Goal 4.3 - Maintain and renew assets while facilitating strategic Capital Improvements

- Create a Predictive and Preventive Maintenance Program to meet established performance benchmarks.
- Diligently manage and maintain current equipment to provide maximum value to the District.
- Other Key Success Measures.

SMART Goal 4.4 - Invest and look at ways to fortify infrastructure security.

- Optimize security preparedness at all sites.
- Enhance security measures at critical remote sites and standardize systems and software to manage these operations.

SMART Goal 4.5 - Ensure the District is prepared to react to manmade and natural emergencies.

- Continue to improve and refine the District's emergency response plan.
- Effectively communicate with outside agencies and emergency preparedness partners, including mutual response like CalWARN or first response personnel at the City and County.

SMART Goal 5.1 - Increase Use of Sustainable Energy Sources and Optimize Efficiencies - "There is no waste; just wasted resources."

- Add solar panels to District facilities and convert low electrical use sites to solar.
- Leverage the District's solar resources and look into expansion financing opportunities, including grants, leasing, and power purchase agreement opportunities.

SMART Goal 6.1 - Embracing technological solutions that align the District with industry best practices and modern standards.

- Develop a work order management system and analyze workload allocations for infrastructure and maintenance operations based on industry key performance indicators and standards.
- Other Key Success Measures.

Performance Measures

Table 46 shows the specific quantitative performance measures of work performed by the Construction & Maintenance Department that help the District assess the effectiveness and efficiency of the department.

Table 46: Performance Measures for Construction & Maintenance

Activity	2023	2024	2025
Water Line Location Requests	5,812	4,532	4.312
Service Lines Replaced	191	123	165
Service Line Leaks Repaired	173	127	112
Main Line Leaks Repaired	76	56	48
Fire Hydrants Repaired/Replaced	16	23	23
Water System Valves Exercised	2,436	1,756	2,132
Fire Hydrants Flushed, Maintained, & Painted	966	891	871
Air/Vacuum Valves Inspected/Rebuilt	194	214	199
Cla-Val Inspected	12	2	0
Blow-Offs Flushed	294	355	410
CMMS Work Orders Processed	616	362	344
New Water Meter & Service Line Installation	146	111	300
Fire Flow Testing	126	108	95

Operating Expenses

The FY 2027 operating expenses for the Construction & Maintenance Department are $3,032,924 as shown in **Table 47** below.

Table 47: Construction & Maintenance Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$832,448	$40,032	$37,176
Benefits	$675,000	$30,156	$27,120
Materials and Supplies	$834,216	$376,500	$398,500
Outside Services	$691,260	$443,808	$413,100
Total Operating Expenses	**$3,032,924**	**$890,496**	**$875,896**

Field Services Department

Description of Services Provided

Field Services is responsible for all field requests that include turn on/off accounts, meter repairs, water consumption investigations and consultations, new meter installations, meter calibrations, and AMI reading. Field Services also provides customers with assistance via their Customer Portal, which notifies customers of leaks and water waste before their next bill, and by helping customers with the programming of their sprinkler time to further promote water efficiency.

Staffing

The Field Services Department consists of four FTE positions as shown in **Table 48** below.

Table 48: Field Services FTE Positions for FY 2027

Field Services Department	FY 2027 FTEs
Lead Field Service Representative	1
Field Service Representative II - Backflow Specialist	1
Field Service Representative I/II	2
Total	**4**

2025-2026 Accomplishments

SMART Goal 1.3 – Deliberate customer outreach also has a ripple effect of educating employees about the District. Employees can service as ambassadors for the District, helping create and strengthen customer relations.

- Leveraged the AMI infrastructure and Neptune 360 to investigate high consumption, identify water wasters, and detect leaks.

SMART Goal 4.3 – Maintain and renew assets while facilitating strategic Capital improvements.

- Completed the annual maintenance and network audit for the AMI gateway antennas at eight locations.
- Completed Backflow and Cross Connection annual testing as required by the SWRCV Cross Connection Control Policy Handbook.

2026-2027 Goals and Objectives

SMART Goal 1.3 – Deliberate customer outreach also has a ripple effect of educating employees about the District. Employees can service as ambassadors for the District, helping create and strengthen customer relations.

- Other Key Success Measures

SMART Goal 4.3 – Maintain and renew assets while facilitating strategic Capital improvements.

- Diligently manage and maintain current equipment to provide maximum value to the District.

SMART Goal 5.3 – Embrace Green Building Standards.

- Other Key Success Measures.

Performance Measures

Table 49 shows the specific quantitative performance measures of work performed by the Field Services Department that help the District assess the effectiveness and efficiency of the department.

Table 49: Performance Measures for Field Services

Activity	2023	2024	2025
Continuous Usage	-	610	1,054
High Usage (> Normal)	-	113	181
Reverse Flow	-	0	0
BPAs Tested	-	934	1,475
Hazard Assessment	-	0	26

Operating Expenses

The FY 2027 operating expenses for the Field Services Department are $1,282,232 as shown in **Table 50** below.

Table 50: Field Services Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$108,264	$297,468	$278,700
Benefits	$65,000	$254,964	$230,592
Materials and Supplies	$629,664	$150,468	$80,240
Outside Services	$479,304	$526,896	$444,336
Utilities	$0	$70,469	$0
Training and Education	$0	$15,700	$11,300
Total Operating Expenses	**$1,282,232**	**$1,315,965**	**$1,110,539**

Water Production Department

Description of Services Provided

Water Production is responsible for water treatment, storage, production, pumping, and distribution systems. Responsibilities include maintenance of the water production system including: 13 wells, 24 storage tanks, and 12 booster stations. Water Production also provides customers with high quality potable water. The distribution system requires a team effort of daily operation and regular maintenance to ensure a reliable and consistent water supply. Water Operations maintains and replaces: service lines, valves, and fire hydrants. This also includes meter readers which read approximately 14,231 meters per month using manual and automated meter reading technology.

Staffing

The Water Production Department consists of four FTE positions as shown in **Table 51** below.

Table 51: Water Production FTE Positions for FY 2027

Water Production Department	FY 2027 FTEs
Water Production Supervisor	1
Lead Water Production Operator	1
Water Production Operator I/II	2
Total	**4**

2025-2026 Accomplishments

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Collected 780 monthly routine bacteriological samples, 216 general physical samples, and 12 uranium samples for the wells and water distribution systems.
- Continued to submit the Monthly Coliform Monitoring Report to the SWRCB in a timely manner.
- Continued to conduct routine chlorine pump maintenance and inspections at 13 well sites, making necessary adjustments to all chlorine pumps and/or their related equipment, ensuring proper operation, and repairing/rebuilding as needed.
- Continued checking and documenting 2,229 chlorine residuals at all well sites and 1,114 chlorine residuals throughout the water distribution systems.
- Continued to collect monthly groundwater levels for 13 production wells and nine monitoring wells.
- Continued to conduct monthly overflow maintenance and roof inspections for 24 reservoirs.

SMART Goal 4.3 – Maintain and renew assets while facilitating strategic Capital improvements.

- Staff initiated an upgrade of the SCADA server equipment and relocated it to the main server room to enhance security.
- Staff corrected items that were brought to our attention during the last Sanitary Survey Inspection.
- Staff completed Gateway Fire Pump Monthly testing throughout the year.
- Staff completed an upgrade to the generator connections at Well 25 to the cam lock style connections to improve efficiency and maintain uniformity throughout the system.
- Staff continued to conduct weekly bacteriological source and compliance point sampling at Well 26 in accordance with the 4-log removal agreement with the State Water Resources Control Board Department of Drinking Water.
- Staff contracted with PVCA to complete minor maintenance and assess major repair needs for the Well 33 Solar Site.
- Staff continued to sound the groundwater levels for 13 production wells and nine monitoring wells by the 15th of each month.

2026-2027 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Deliver services in accordance with standards set by regulatory agencies.
- Share best practices and collaborate with other water districts in the Coachella Valley through our consultant to develop a cost-effective approach to managing Chromium-6 levels within our water supply.
- Ensure the District's Chromium-6 plan is incorporated in the Long-Range Financial Plan and that any capital projects are incorporated into the Five-Year CIP Program.

SMART Goal 4.3 – Maintain and renew assets while facilitating strategic Capital improvements.

- Diligently manage and maintain current equipment to provide maximum value to the District.
- Assess existing pipelines and associated equipment as part of the Predictive and Preventive Maintenance Program.
- Other Key Success Measures.

Performance Measures

Table 52 shows the specific quantitative performance measures of work performed by the Water Production Department that help the District assess the effectiveness and efficiency of the department.

Table 52: Performance Measures for Water Production

Activity	2023	2024	2025
Bacteriological Samples Collected	774	780	780
General Physical Samples Collected	177	216	216
Sodium Hypochlorite Usage (gallons)	18,602	20,516	19,890
Chlorine Residuals at Well Sites	2,442	2,721	2,229
Chlorine Residuals at Distribution System	1,188	1,083	1,114
Well Soundings	264	264	264
New Service Connections	170	98	304
Water Production (AF)	7,253	8,104	7,897

Operating Expenses

The FY 2027 operating expenses for the Water Production Department are $4,000,057 as shown in **Table 53** below.

Table 53: Water Production Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$411,405	$1,641,972	$1,454,148
Benefits	$315,000	$1,171,020	$1,001,220
Materials and Supplies	$441,200	$1,397,124	$1,545,200
Outside Services	$697,000	$970,064	$1,108,255
Groundwater Replenishment Fees	$0	($196,800)	($164,652)
Utilities	$2,125,452	$2,362,196	$2,191,275
Standby Reports	$0	$18,000	$13,300
Training and Education	$10,000	$37,008	$37,000
Total Operating Expenses	**$4,000,057**	**$7,400,584**	**$7,185,746**

Wastewater Collections Department

Description of Service Provided

Wastewater Collections is responsible for the maintenance and repair of the District's wastewater collection system infrastructure which includes 125.1 miles of sanitary sewer pipelines and 2,384 manholes. The department implements preventative maintenance programs to monitor wastewater flows and clean the system. The department provides 24-hour emergency response to sewer emergency calls.

Staffing

The Wastewater Collections Department consists of two FTE positions as shown in **Table 54** below.

Table 54: Wastewater Collections FTE Positions for FY 2027

Wastewater Collections Department	FY 2027 FTEs
Collections System Operator I/II	2
Total	**2**

2025-2026 Accomplishments

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Completed 12 inspections of sewer line using CCTV equipment.
- Completed cleaning 22.09 miles feet of the sewer mainline.
- Completed 4,532 sewer line location requests using iPads and the GeoViewer Mobile application.

SMART Goal 2.3 – Continue to implement the MSWD Groundwater Quality Protection Program, which is a comprehensive water resource management effort that eliminates known pollution sources; reclaims water to reduce demand on limited groundwater resources; protects underground storage capacity; and leverages multiple funding opportunities.

- Consistently operated the system with minimal Sanitary Sewer Overflows.
- Conducted daily site visits at the Dos Palmas Lift Station checking for proper pump operation, ensuring SCADA is working properly, and checking site security.
- Staff continue to go through the sewer system to identify the possible contributing source of high Total Dissolved Solids (TDS) in the sewer system that is being received at Horton WWTP.

2026-2027 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Deliver services in accordance with standards set by regulatory agencies.

SMART Goal 2.3 – Continue to implement the MSWD Groundwater Quality Protection Program, which is a comprehensive water resource management effort that eliminates known pollution sources; reclaims water to reduce demand on limited groundwater resources; protects underground storage capacity; and leverages multiple funding opportunities.

- Expand the sewer systems and wastewater treatment facilities by reclaiming water and reducing groundwater demand while protecting our groundwater supply.

Performance Measures

Table 55 shows the specific quantitative performance measures of work performed by the Wastewater Collections Department that help the District assess the effectiveness and efficiency of the department.

Table 55: Performance Measures for Wastewater Collections

Activity	2023	2024	2025
Sanitary Sewer Overflows	0	2	5
Sewer Line Location Requests	5,669	4,491	4,532
Sanitary Sewer CCTV Inspections	79	229	12
Sanitary Sewer Cleaned (miles)	82.04	0.01	22.09

Operating Expenses

The FY 2027 operating expenses for the Wastewater Collections Department are $774,229 as shown in **Table 55** below.

Table 56: Wastewater Collections Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$295,758	$181,644	$181,224
Benefits	$157,971	$147,504	$143,712
Materials and Supplies	$126,000	$49,800	$48,800
Outside Services	$168,500	$184,008	$212,500
Dues and Subscriptions	$20,500	$0	$0
Training and Education	$5,500	$0	$0
Total Operating Expenses	**$774,229**	**$562,956**	**$586,236**

Wastewater Treatment & Disposal Department

Description of Service Provided

Wastewater Treatment & Disposal is responsible for performing routine plant maintenance, equipment maintenance, and plant operations for two wastewater treatment plants. The department also operates the sludge belt filter press and is responsible for the removal of sludge from the wastewater treatment plants.

Staffing

The Wastewater Treatment & Disposal Department consists of seven FTE positions as shown in **Table 57** below.

Table 57: Wastewater Treatment & Disposal FTE Positions for FY 2027

Wastewater Treatment & Disposal Department	FY 2027 FTEs
Chief Plant Operator	1
Lead WWTP Operator	1
WWTP Operator I/II	5
Total	**7**

2025-2026 Accomplishments

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Performed 11,159 hours of routine plant maintenance, equipment maintenance, and plant operations at the Horton and Desert Crest WWTPs.
- Performed 1,351 hours of operation for the sludge belt filter press and removed 196 trailers of sludge from the Horton WWTP, Desert Crest WWTP, and Wright RWRF.
- Collected 834 samples and performed 1,668 hours of laboratory duties and analysis for process control and regulatory reporting purposes.

SMART Goal 2.3 – Continue to implement the MSWD Groundwater Quality Protection Program, which is a comprehensive water resource management effort that eliminates known pollution sources; reclaims water to reduce demand on limited groundwater resources; protects underground storage capacity; and leverages multiple funding opportunities.

- Continued removal of rags and debris from the headworks and RAS pumps.
- Staff replaced the auger and the stainless-steel screen for the auger monster located in the headworks which is used to capture rags and other debris from entering the plant.
- The original Horton WWTP Influent Pump 1 VFD and RAS Pump 5 VFD that were installed in 2002 failed, causing staff to update the VFDs.

- Staff pulled out the auger located in the headworks to replace the brush used to help clean the auger screen that collects larger materials.
- Staff transferred wastewater from SBR 1 to SBR 4. With SBR 4 operational, staff completed a 30-day test with JF Shea Construction to ensure proper operation.
- Continued to perform monthly groundwater sampling and well sounding at the monitoring wells.
- Cleaned and rehabilitated 73 ponds.
- Continued to implement the Weekly Wastewater Training Program to provide all operators with consistent knowledge and a better understanding of processes, including operating equipment in a more proficient manner.
- Continued training on various equipment throughout the Nancy Wright RWRF.

2026-2027 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Deliver services in accordance with standards set by regulatory agencies.

SMART Goal 2.3 – Continue to implement the MSWD Groundwater Quality Protection Program, which is a comprehensive water resource management effort that eliminates known pollution sources; reclaims water to reduce demand on limited groundwater resources; protects underground storage capacity; and leverages multiple funding opportunities.

- Expand the sewer systems and wastewater treatment facilities by reclaiming water and reducing groundwater demand while protecting our groundwater supply.

Performance Measures

Table 58 shows the specific quantitative performance measures of work performed by the Wastewater Treatment & Disposal Department that help the District assess the effectiveness and efficiency of the department.

Table 58: Performance Measures for Wastewater Treatment & Disposal

Activity	2023	2024	2025
Plant & Equipment Maintenance (hours)	5,422	7,031	11,159
Sludge Belt Filter Press (hours)	1,910	1,541	1,351
Trailer of Sludge Removed	192	194	201
Samples Collected	552	499	834
Laboratory Duties (hours)	849	1,090	1,668
Ponds Cleaned & Rehabilitated	83	75	73
New Sanitary Service Connections	156	66	255
Horton Flow (MGD)	23.86	24.60	22.72
Desert Crest Flow (MGD)	0.53	0.52	0.46
Wright RWRF Flow (MGD)	-	-	2.18

Operating Expenses

The FY 2027 operating expenses for the Wastewater Treatment & Disposal Department are $3,433,962 as shown in **Table 59** below.

Table 59: Wastewater Treatment & Disposal Operating Expenses by Fiscal Year

Operating Expenses	FY 2027	FY 2026	FY 2025
Salaries and Wages	$702,790	$1,088,640	$1,011,540
Benefits	$500,000	$654,672	$597,312
Materials and Supplies	$339,404	$259,092	$258,600
Outside Services	$1,219,500	$926,508	$848,963
Utilities	$637,668	$637,668	$591,529
Standby Reports	$0	$5,000	$3,000
Dues and Subscriptions	$25,600	$3,000	$2,850
Training and Education	$9,000	$9,504	$9,500
Total Operating Expenses	**$3,433,962**	**$3,584,084**	**$3,323,294**

APPENDICES

2027

MSWD
Mission Springs Water District

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448

APPENDICES

Appendix A – List of Acronyms

ACWA – Association of California Water Agencies

AF – Acre-Foot (1 AF = 325,851 gallons)

AMI – Advanced Metering Infrastructure

CCTV – Closed Circuit Television

CIP – Capital Improvement Program

COP – Certificate of Participation

CMMS – Computerized Maintenance Management System

CSDA – California Special Districts Association

CVRWMG – Coachella Valley Regional Water Management Group

CVWD – Coachella Valley Water District

DAC – Disadvantaged Community

DWA – Desert Water Agency

DWR – Department of Water Resources

EIR – Environmental Impact Report

EOC – Emergency Operations Center

FEMA – Federal Emergency Management Agency

FOG – Fats, Oils, Grease

FTE – Full-Time Equivalent (number of employees)

FY – Fiscal Year

GAAP – Generally Accepted Accounting Principles

GASB – Government Accounting Standards Board

GFOA – Government Finance Officers Association

GIS – Geographic Information System

GM – General Manager

GPM – Gallons Per Minute

GPS – Global Positioning System

GQPP – Groundwater Quality Protection Program

GSA – Groundwater Sustainability Agency

HMP – Hazard Mitigation Plan

IRWM – Integrated Regional Water Management

IT – Innovation and Technology

MCL – Maximum Contaminant Level

MGD – Million Gallons Per Day

MSWD – Mission Springs Water District

SCADA – Supervisory Control and Data Acquisition

SCE – Southern California Edison

SGMA – Sustainable Groundwater Management Act

SNMP – Salt and Nutrient Management Plan

SRF – State Revolving Fund

SWOT – Strength, Weakness, Opportunity, Threat

SWRCB – State Water Resources Control Board

TDS – Total Dissolved Solids

USGS – United State Geological Survey

UWMP – Urban Water Management Plan

WDR – Waste Discharge Requirements

WWTP – Wastewater Treatment Plant

Appendix B – Glossary

Accrual Basis of Accounting – The basis of accounting under which transactions are recognized when they occur, regardless of timing of cash receipts and disbursements.

Adopted Budget – The official budget as approved by the Board of Directors at the start of each fiscal year.

Amended Budget – The adopted budget as amended by the Board of Directors through the course of the fiscal year.

Assets – Resources owned or held by the District that have monetary value.

Balanced Budget – A budget in which planned expenditures do not exceed planned funds available.

Board – Comprised of the District's five elected Directors with a rotating president, collectively acting as the legislative and policy-making body of the District.

Bond – A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

Budget – A financial plan, for a specified period, of operations that matches all planned revenues and expenditures with the services provided to the residents of the Mission Springs Water District service area.

Capital Budget – A budget which focuses on capital project to implement the Capital Improvement Program.

Capital Expense – An acquisition or an improvement (as distinguished from a repair) that will have a life of more than one year and costs more than $10,000.

Capital Improvement Program – A plan for the capital improvements to be implemented each year over a number of years to meet capital needs arising from the assessment of long-term needs. Is sets forth the estimated cost for each project and specifies the resources required to finance the projected expenditures.

Capital Improvement Project – The budget unit to group activities and costs necessary to implement specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Project often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

Charges for Services – Revenue from charges for all activities of the District.

Contract Services – The costs related to services performed for the District by individuals, businesses, or utilities.

Debt Service Fund – A fund established to account for the accumulation of resources for, and the payment of, long-term debt principle and interest.

Department – A major organization group of the District with overall management responsibility for an operation or a group of related operations within a functional area.

Division – A major administrative organizational unit of the District with overall management responsibility for one or more activities.

Encumbrance – The commitment of appropriated funds to purchase an item or service.

Expenditures/Expenses – Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which an entity determines it financial position, the results of its operations, and adopts a budget for the coming year. The District's fiscal year is from July 1 to June 30.

Fixed Assets – Equipment costing $10,000 or more, including tax, with a useful life longer than one year, and not qualifying as a capital improvement project. Includes automotive equipment, office equipment, office furniture, acquisitions, landscaping improvement, etc.

Fund – An independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance – The equity (assets minus liabilities) of governmental fund and fiduciary fund types.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards of, and guidelines for, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures.

Goals – Broad, general statements of each division's desired community of organizational outcomes.

Government Accounting Standards Board – The independent organization that establishes and improves standards of accounting and financial reporting for U.S., state, and local governments.

Infrastructure – The accumulated pipelines and storage facilities of the District, including meters, valves, pumps, and other appurtenances.

Interest Earnings – The earnings from available funds invested during the year in U.S. Treasury Bonds, government agencies, and Certificates of Deposit.

Liabilities – Present obligations of the District arising from past events.

Materials and Supplies – Expendable materials and operating supplies necessary to conduct department activity.

Operating Transfer – A transfer of revenues from one fund to another fund.

Operating Budget – The annual budget and process that provides a financial plan for the operation of government and the provision of services for the year; excluded from the operating budget are capital projects, which are determined by a separate, but interrelated process.

Payroll Expenses – Compensation paid to, or on behalf of, District employees for salaries and wages, overtime, and benefits.

Program – An activity or set of activities that provides a particular service to the citizens.

Public Hearing – The portions of open meetings held to present evidence and provide information on both sides of an issue.

Reserve Fund – Prudent fiscal management tools with flexibility to continually adapt to change, ensure continued operational solvency, and preserve adequate levels of services.

Resolution – An order of a legislative body requiring less formality than an ordinance or statute.

Revenue – Moneys that the District receives as income such as payments for water consumption, shared revenues, and interest income.

2027

Mission Springs Water District

66575 Second Street
Desert Hot Springs, CA 92240
www.mswd.org
760-329-6448