



FISCAL YEAR 2024-2025 OPERATING & CAPITAL BUDGET



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



Robert Griffith
Vice President



Ivan Sewell
President



Amber Duff
Member



Russ Martin
Member



Ted Mayrhofen
Member

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General Manager's Message



GENERAL MANAGER'S MESSAGE

June 17, 2024

To the Board of Directors:

Mission Springs Water District has proudly served residents in the greater Desert Hot Springs Area for more than 71 years, and we remain well-positioned to continue to provide water and wastewater services for our current and future customers.

Ensuring we can continue to meet demand in the future requires a calculated approach. With this in mind, the District has focused on responsible planning to meet our long-term goals. These efforts include creating and adopting new Strategic, Water/Wastewater Master, and Long-Range Financial plans.

Developed and adopted by our Board of Directors, the Strategic Plan provides the management team with an overall vision for the District's future. Our plan focuses on the District's key functions, including customer communications, water supply, system reliability, financial management, technology and processes, environmental sustainability, and workforce excellence. Focusing on these critical initiatives will allow us to deliver enhanced services, improve efficiency, and promote environmental stewardship.

Aligning with that vision, the District recently started work revising its Water and Wastewater Master Plans, which include an examination and analysis of Capital Improvement Projects. These plans will help identify and prioritize infrastructure improvements needed to keep up with demand and maintain the high standards placed on the District's water and wastewater treatment systems.

Prioritization of the capital improvement projects and their subsequent costs will be vital for the completion of our new Long-Range Financial Plan, which is currently under development. This plan takes a closer look at projected revenue and anticipated expenses in the years to come, allowing the District to make informed decisions on projects and timelines while minimizing the impact on customer bills.

These strategic initiatives come amid new leadership here at MSWD. Following the retirement of our previous general manager, I was honored to be chosen to lead this incredible organization, and I am committed to responsible stewardship of the vital services the District provides to the community.

Budget Highlights

The operating budget for fiscal year (FY) 2025 is \$27,077,762 as shown in **Table 1** below. There is an additional \$44,810,257 in capital improvements proposed for a total budget of \$71,888,019. This is a significant decrease in total budget expenses when compared to FY 2024. The decrease is primarily in the capital improvements budget due to the final construction of the Regional Water Reclamation Facility (RWRF) expected to be completed in early FY 2025. 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 2025	Budget Change	Budget FY 2024*	Budget Change	Budget FY 2023*
Operating Budget					
Operating Revenue	\$20,328,928	(\$862,860)	\$21,191,788	\$5,364	\$21,186,424
Operating Expenses	\$27,077,762	\$2,166,336	\$24,911,426	\$1,784,433	\$23,126,993
Operating Income	(\$6,748,834)	(\$3,029,196)	(\$3,719,638)	(\$1,779,069)	(\$1,940,569)
Expenses					
Operating Expenses	\$27,077,762	\$2,166,336	\$24,911,426	\$1,784,433	\$23,126,993
Capital Improvement Projects	\$44,810,257	(\$31,870,431)	\$76,680,688	\$13,011,655	\$63,669,033
Total Budget	\$71,888,019	(\$29,704,095)	\$101,592,114	\$14,796,088	\$86,796,026

* - Revised after midyear Board approval.

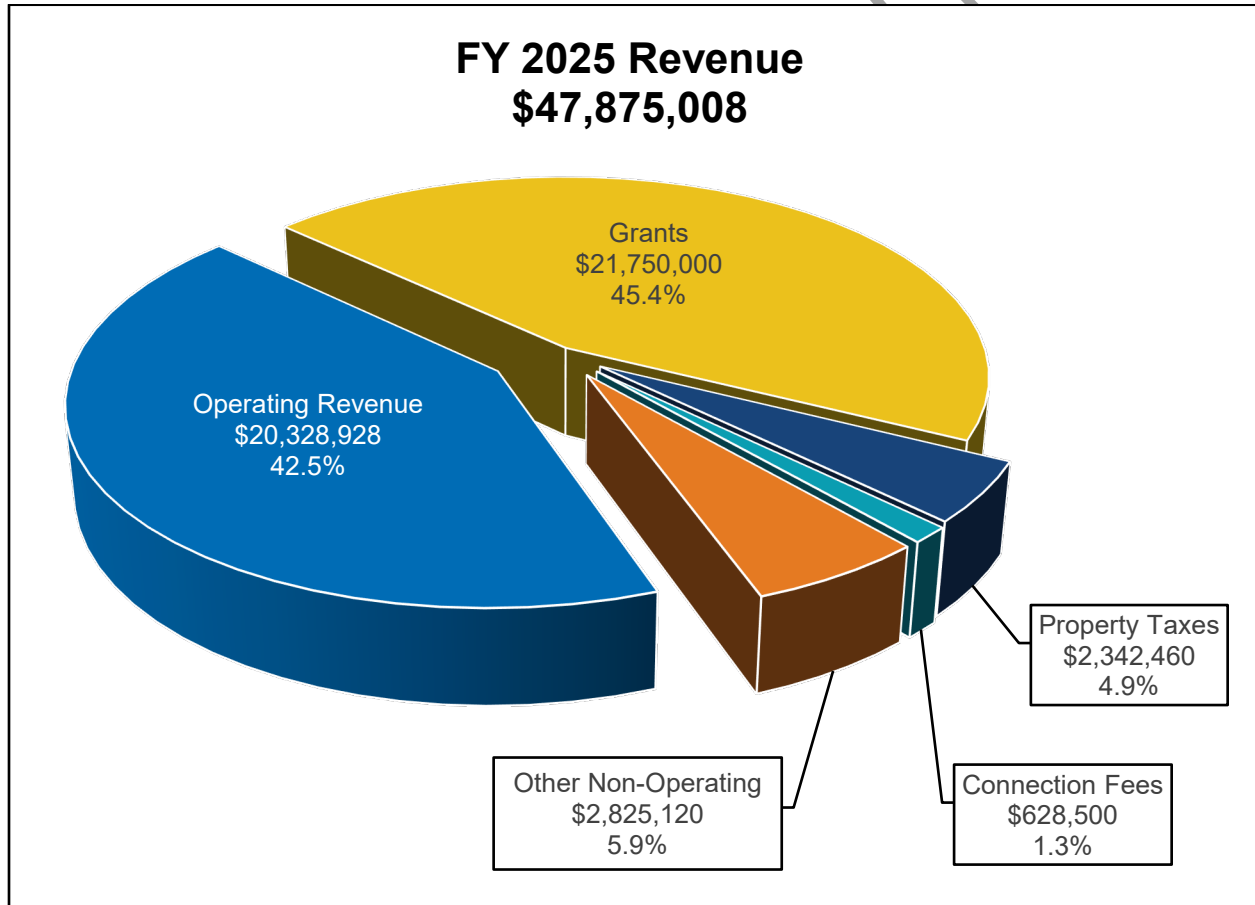


Revenues

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 2025, the Operating Revenue and Non-Operating Revenue budgets amounted to \$20,328,928 and \$27,546,080, respectively, for a total revenue budget of \$47,875,008 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 2025

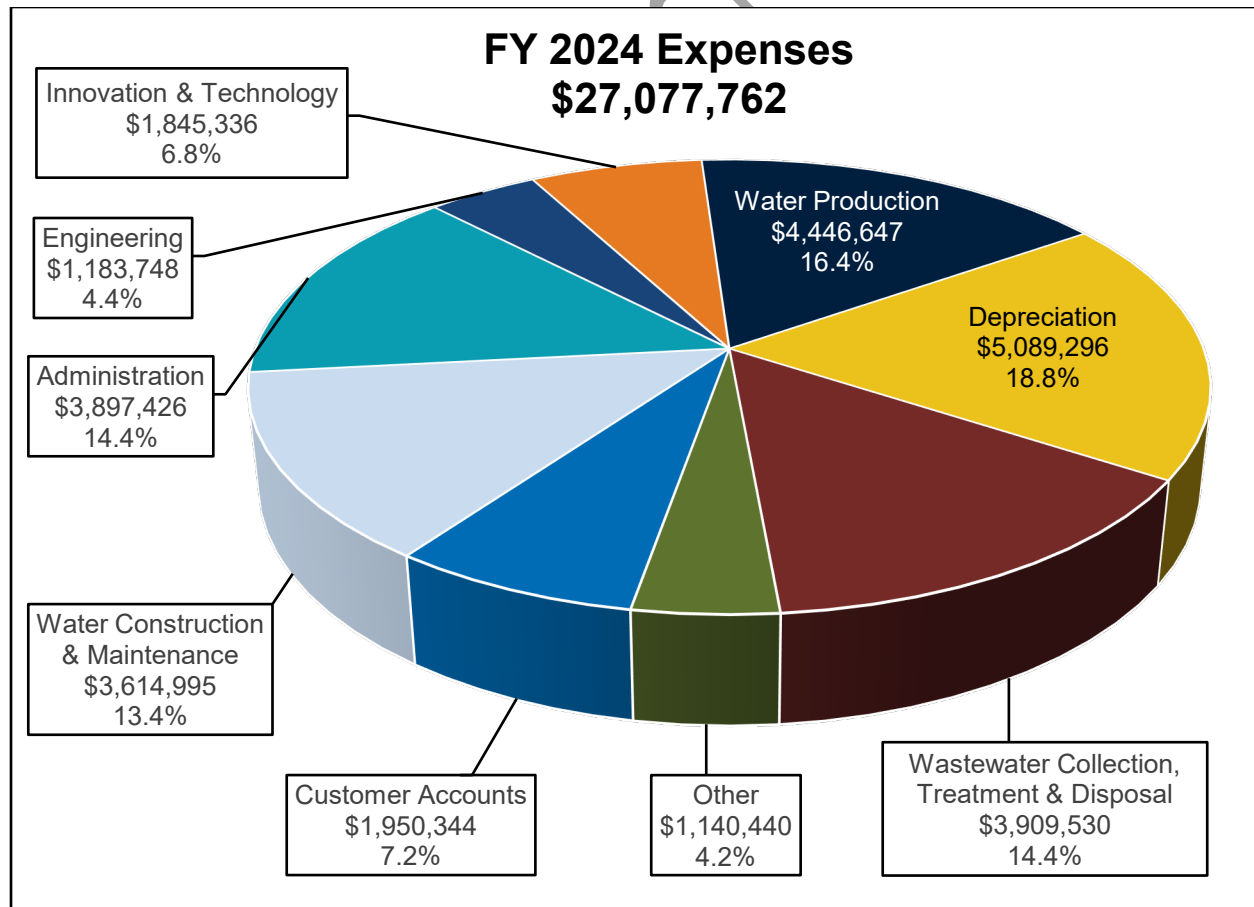


Expenses

Operating expenses for FY 2025, amount to \$27,077,762 as shown in **Figure 2** below, representing an increase of \$2,166,336 from FY 2024. To keep up with an increase in contract work, the District added a new Contracts Analyst position. There is also an expected increase in Electric expense of at least 20% over FY 2024. The RWRF is coming online increasing operating costs. Finally, the increase in operating expenses also reflects an increase in deferred maintenance cost on District pipeline and equipment that is being addressed in FY 2025. For FY 2025, the Board approved a 4.78% Cost of Living Adjustment (COLA) as recommended by the Human Relations Committee.

There is also \$44,810,257 in capital improvement expenses made up primarily by the final construction of the RWRF Conveyance and septic to sewer conversion projects. There are several developer driven projects for Wells 34 and 35, and the beginning of construction for the new administrative building, of approximately \$3.9 million and \$5 million, respectively. The District continues to prioritize capital improvements that can be covered by grant revenue.

Figure 2: Total Expenses by Type for FY 2025



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 \$45,707,208 as of May 31, 2024. While the FY 2025 budget was adopted with no rate increases, future budgets may require rate increases to ensure reserve targets and expenses are met.

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 2025 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 Department 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



BUDGET RESOLUTIONS

Operating & Capital Budget

DRAFT AND SUBJECT TO CHANGE

Appropriations Limit

DRAFT AND SUBJECT TO CHANGE

Classification & Compensation Plan

DRAFT AND SUBJECT TO CHANGE



Profile of the Mission Springs Water District



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 Geronio 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.

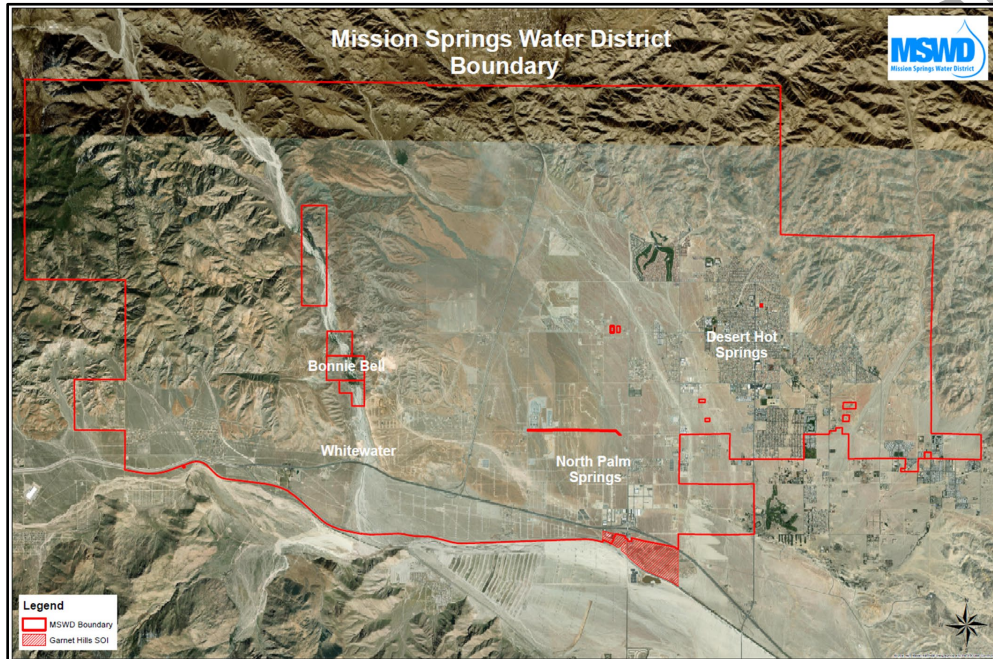


MSWD has statutory authority over water supply and provides water services to residential and commercial customers.

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

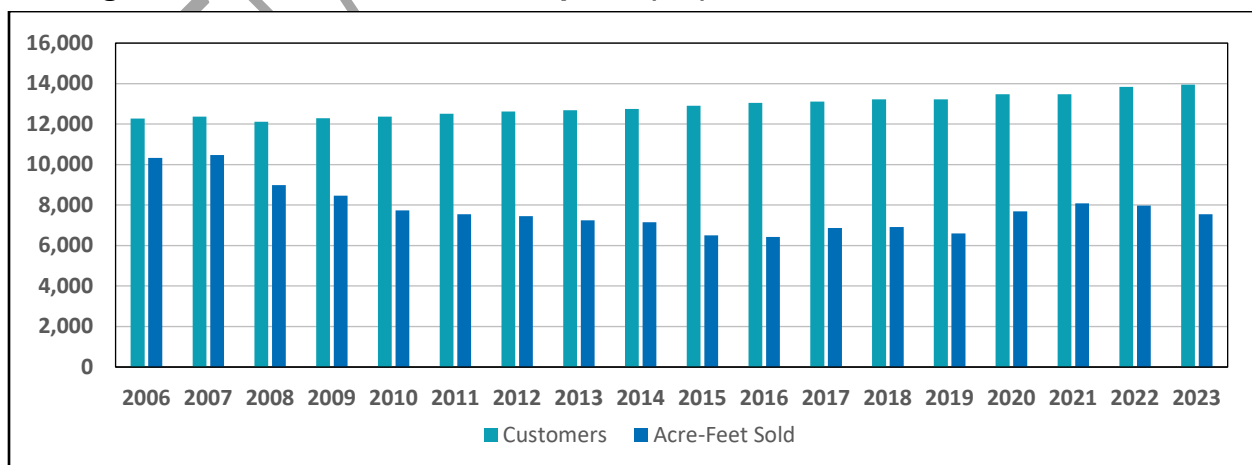
Within the initial one square mile covered by MSWD, it began with about 100,000 feet of pipelines, five water wells, and two reservoirs. MSWD expanded rapidly, and absorbed parts of the Coachella Valley County Water District, the West Palm Springs Village and San Geronio Mutual Water Company systems, and the Dos Palmas Mutual Water Company. Today, MSWD includes more than 1.25 million feet of pipelines, 13 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 13,957 water accounts is groundwater. MSWD produces groundwater from the Mission Creek Subbasin, San Geronio 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 10 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 18 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.

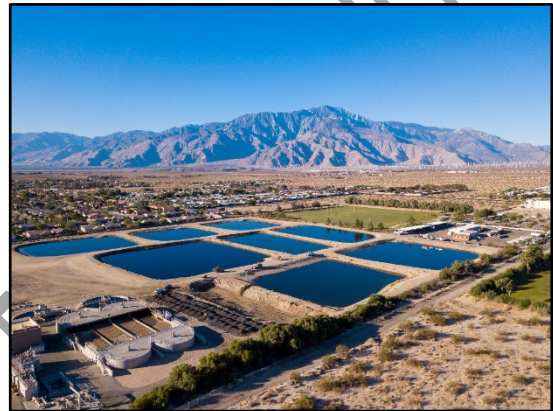
Figure 5: Annual Water Consumption (AF) vs. Total Number of Customers



Wastewater Collection, Treatment, & Disposal

MSWD currently serves 9,719 sewer connections. Wastewater is treated at the Horton Wastewater Treatment Plant and the Desert Crest Wastewater Treatment Plant. MSWD treats about 2 million gallons per day (MGD) prior to discharging effluent in an environmentally sustainable manner. MSWD is also constructing a new Regional Water Reclamation Facility that is expected to be operational in 2024. This facility continues to be the largest capital project and 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 2025 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



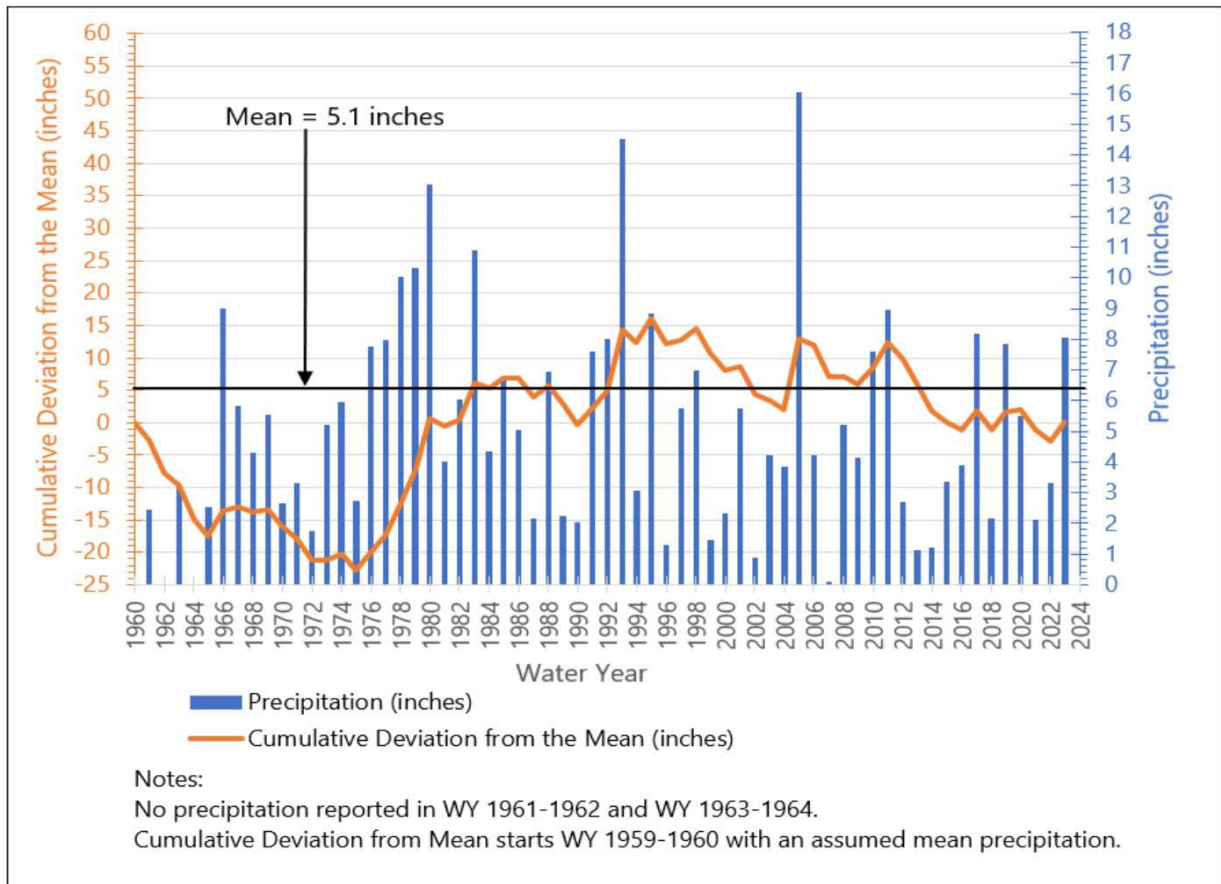
STATISTICAL SECTION

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 2022-2023 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 3.5 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, CA.

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

Calendar Year	Population ¹	Personal Income ² (In Thousands)	Per Capita Personal Income ²	Unemployment Rate ³
2013	2,279,967			8.3%
2014	2,280,191			8.2%
2015	2,347,828			6.7%
2016	2,384,783			6.1%
2017	2,415,955	\$56,801,939	\$23,511	5.2%
2018	2,440,124	\$60,522,468	\$24,803	4.4%
2019	2,442,304	\$64,686,882	\$26,486	4.2%
2020	2,454,453	\$68,958,268	\$28,095	9.9%
2021	2,435,525	\$72,924,895	\$29,942	7.3%
2022	2,439,234	\$77,289,878	\$31,686	4.2%

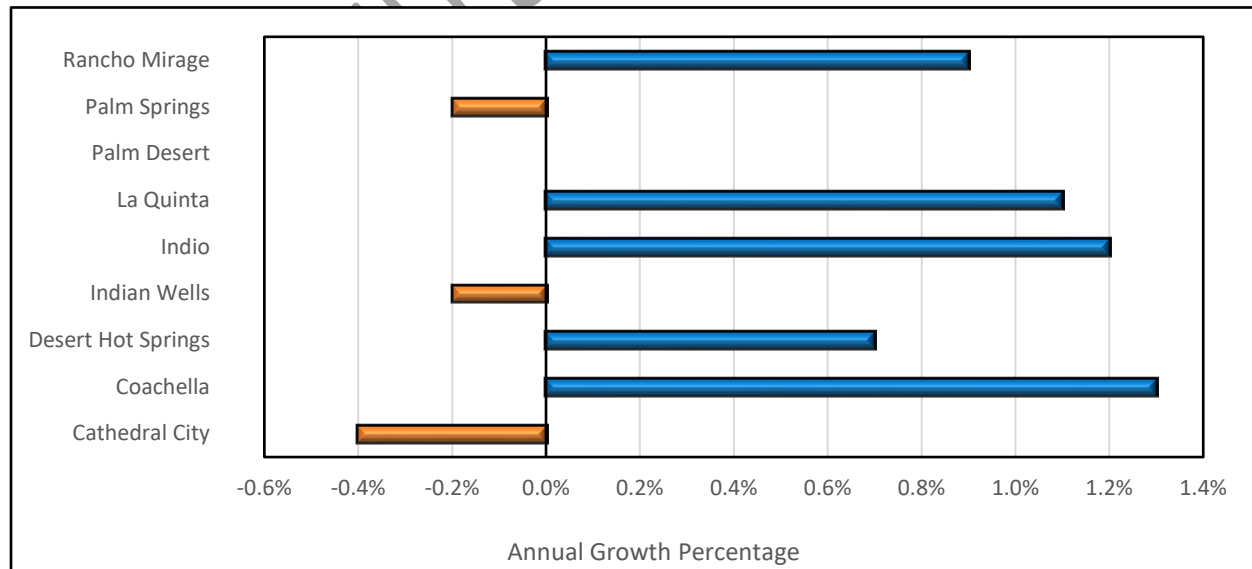
Source:

1. State of California, Department of Finance, Demographic Research Unit
2. U.S. Census Bureau, most recent American Community Survey
3. State of 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 0.7%.

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

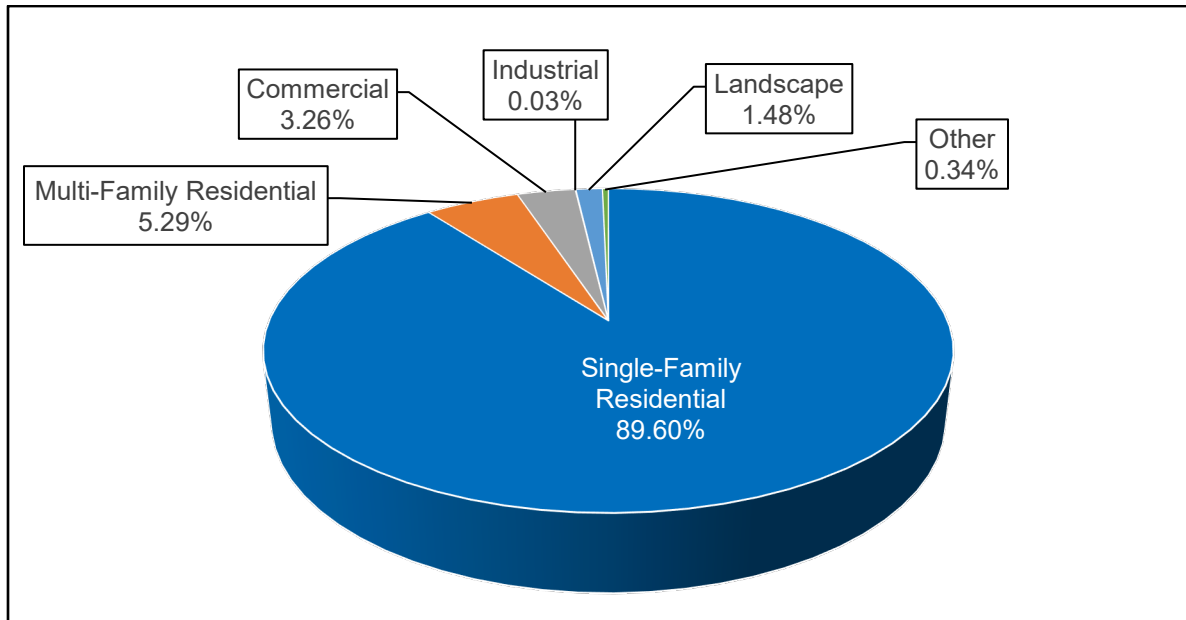
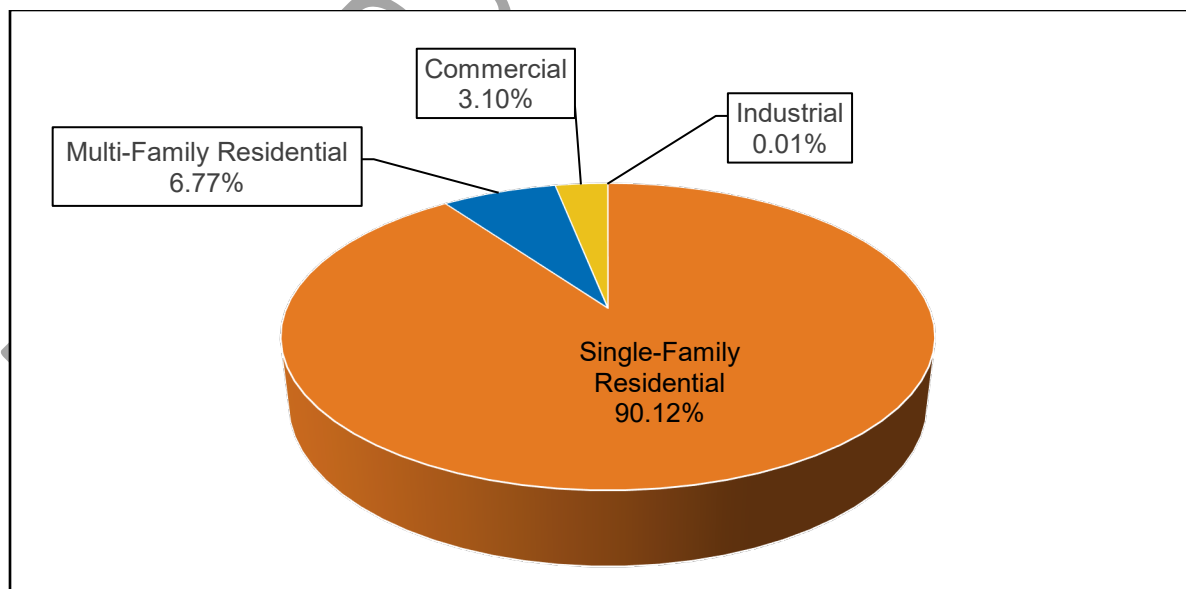


Figure 9: Sewer Service Accounts by Type



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 10.85% of the total water sales revenue as shown in **Table 3**, and the largest ten sewer service customers represented only 4.34% of the total sewer revenue as shown in **Table 4**, for FY 2022.

Table 3: Ten Largest Water Service Customers

Rank	Water Service Customer	2022 Revenues	Percentage of Total 2022 Revenues
1	Palm Springs Unified School District	\$359,590.80	3.92%
2	Palm Springs Unified School District	\$102,828.24	1.12%
3	Two Bunch Palms, Bliss	\$96,589.92	1.05%
4	Henry Baghdady	\$78,604.44	0.86%
5	Palm Springs Unified School District	\$68,735.76	0.75%
6	Palm Springs Unified School District	\$67,923.84	0.74%
7	Breit Hidden Springs MHC	\$64,333.39	0.70%
8	City of DHS	\$55,300.32	0.60%
9	Vista Montana HOA	\$51,338.64	0.56%
10	Mission Lakes Country Club HOA	\$51,047.41	0.56%
2022 Top Ten Total		\$996,292.76	10.85%
2022 District Total		\$9,179,862.00	100.00%

Table 4: Ten Largest Sewer Service Customers

Rank	Sewer Service Customer	2022 Revenues	Percentage of Total 2022 Revenues
1	Sky Haven HOA	\$75,810.85	0.76%
2	Snider Interests	\$74,602.64	0.75%
3	Mission Lakes Country Club HOA	\$64,078.32	0.64%
4	Snider Interests	\$51,005.00	0.51%
5	Jennifer Chen	\$38,331.93	0.38%
6	Vons	\$30,972.76	0.31%
7	Quick Quack Car Wash	\$30,073.65	0.30%
8	Stater Bros.	\$25,991.98	0.26%
9	Desert Inn Hotel/Spa	\$22,694.69	0.23%
10	Ranch Recovery Centers	\$19,974.78	0.20%
2022 Top Ten Total		\$433,536.60	4.34%
2022 District Total		\$9,983,371.00	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 2023 Total Taxable Assessed Value	Percentage of FY 2023 Total District Taxable Assessed Value
1	Sentinel Energy LLC	\$400,000,000	9.79%
2	IIP – California 6	\$51,000,000	1.25%
3	Windpower Partners 1993 LP	\$42,001,071	1.03%
4	IIP California 2	\$35,179,590	0.86%
5	Kings Garden Inc	\$26,651,631	0.65%
6	Dillon Wind LLC	\$26,165,993	0.64%
7	CCL Realty V	\$23,679,499	0.58%
8	Walton California LLC	\$22,849,849	0.56%
9	DHS Facilities	\$21,301,633	0.52%
10	San Gorgonio Westwinds II LLC	\$18,871,116	0.46%
2023 Top Ten Total		\$667,700,379	16.35%
2023 County Total		\$4,083,765,198	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 2022 Employees	Percentage of Total 2022 County Employment
1	County of Riverside	23,772	2.13%
2	Amazon	14,500	1.30%
3	March Air Reserve Base	9,600	0.86%
4	University of California, Riverside	8,593	0.77%
5	Moreno Valley Unified School District	6,020	0.54%
6	Kaiser Permanente Riverside Medical Clinic	5,817	0.52%
7	Corona-Norco Unified School District	5,478	0.49%
8	Riverside Unified School District	5,431	0.49%
9	Stater Brothers	4,699	0.42%
10	Mount San Jacinto Community College District	4,638	0.42%
2022 Top Ten Total		88,548	7.94%
2022 County Total		1,115,214	100.00%

Source: County of Riverside Economic Development Agency



Organizational Structure



ORGANIZATIONAL STRUCTURE

Divisions and Departments

The District sets 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 54 funded full-time equivalent (FTE) positions reflected in the current budget as shown in **Table 7**.

Table 7: Organizational Divisions, Departments, and FY 2025 FTEs

Division	Department	FY 2025 FTEs
Executive	Board of Directors	(5)
	Office of the General Manager	2
Administration	Administration	4
	Human Resources	1
	Public Affairs	1
Engineering	Engineering & Water Resources	6
Finance	Accounting	5
	Customer Service	4
	Finance	1
	Innovation & Technology	1
Operations & Maintenance	Construction & Maintenance	11
	Field Services	4
	Operations Administration	1
	Water Production	4
	Wastewater Collection	2
	Wastewater Treatment & Disposal	7
Total FTEs		54

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

Summary of Authorized Positions

On July 1, 2016, MSWD began a reorganization process. The organizational structure was adjusted to meet current operational and fiscal needs. This effort is ongoing and includes positional/staffing changes, changes in corporate culture, greater integration of its mission, vision, and values of the organization, a customer experience overhaul, and streamlining of policies and procedures. In FY 2024, MSWD repurposed the Regulatory Compliance & Safety Officer position to a GIS Specialist position, as well as a Customer Service Representative I/II position to an Office Specialist I/II position. There was also a downgrade of the Field Service Supervisor to a Lead Field Service Representative position. For FY 2025, MSWD repurposed two Office Specialist I/II positions to a Business Analyst position and an Accounting Technician position. There was also a downgrade of the Government & Public Affairs Manager to a Programs & Public Affairs Specialist position. To keep up with an increase in contract work, the District added a new Contracts Analyst position. These adjustments and 54 funded full-time equivalent (FTE) positions are reflected in the current budget as shown in **Table 8**.

Table 8: Summary of Authorized Positions by Fiscal Year

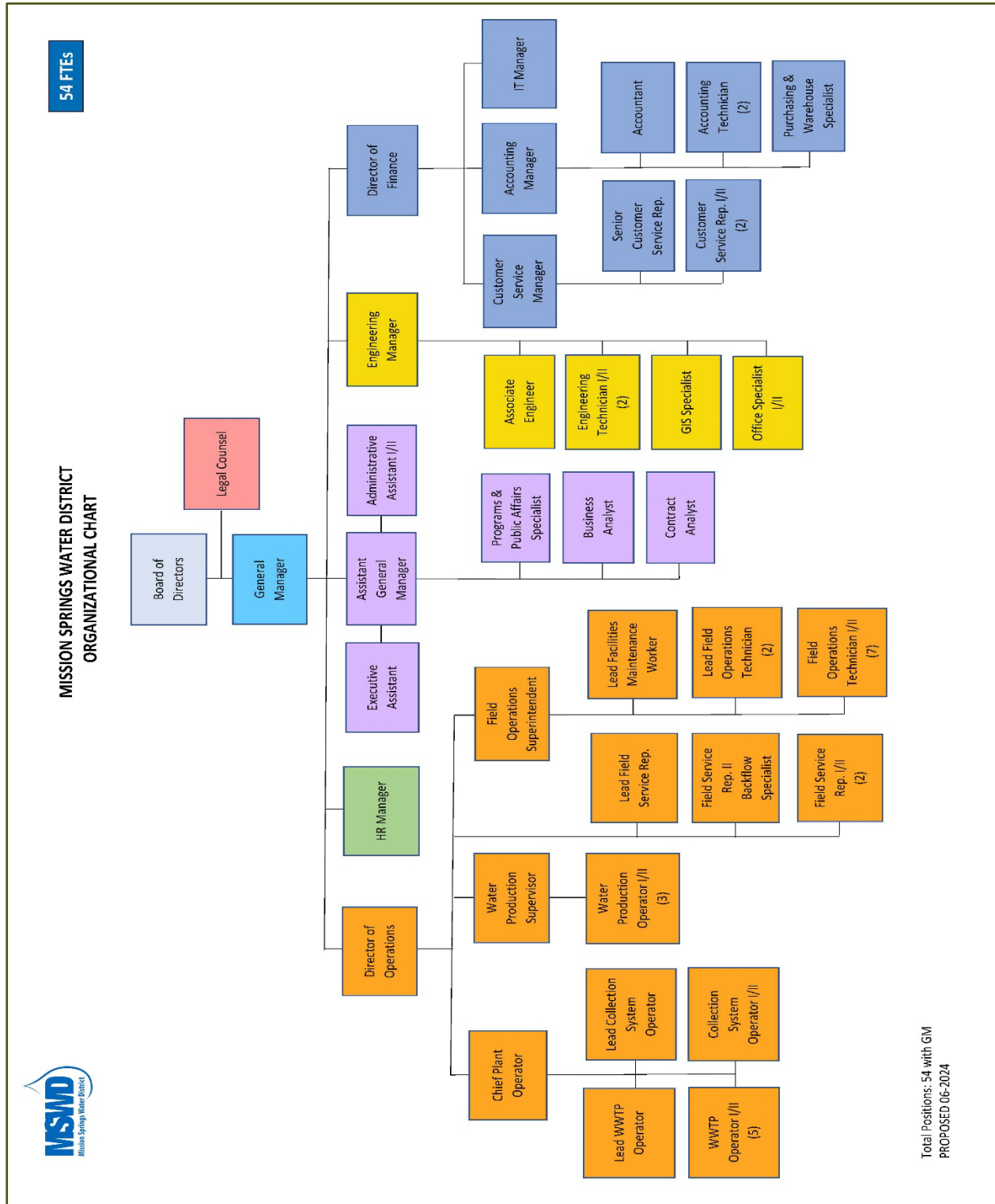
Budgeted Division, Department, & Title	FY 2023 Adopted	FTE Changes	FY 2024 Adopted	FTE Changes	FY 2025 Adopted
EXECUTIVE					
<u>Office of the General Manager:</u>					
General Manager	1	0	1	0	1
Assistant General Manager	1	0	1	0	1
Sub-Total Budgeted FTEs	2	0	2	0	2
ADMINISTRATION					
<u>Administration:</u>					
Business Analyst	0	0	0	1	1
Contracts Analyst	0	0	0	1	1
Executive Assistant	1	0	1	0	1
Administrative Assistant	1	0	1	0	1
Sub-Total Budgeted FTEs	2	0	2	2	4
<u>Human Resources:</u>					
Human Resources Manager	1	0	1	0	1
Sub-Total Budgeted FTEs	1	0	1	0	1
<u>Public Affairs:</u>					
Government & Public Affairs Manager	1	0	1	-1	0
Programs and Public Affairs Specialist	0	0	0	1	1
Office Specialist I/II	1	0	1	-1	0
Sub-Total Budgeted FTEs	2	0	2	-1	1

Budgeted Division, Department, & Title	FY 2023 Adopted	FTE Changes	FY 2024 Adopted	FTE Changes	FY 2025 Adopted
ENGINEERING					
<u>Engineering & Water Resources:</u>					
Engineering Manager	1	0	1	0	1
Associate Engineer	1	0	1	0	1
Engineering Technician I/II	2	0	2	0	2
Administrative Assistant I/II	1	-1	0	0	0
Office Specialist I/II	0	1	1	0	1
GIS Specialist	0	1	1	0	1
Sub-Total Budgeted FTEs	5	1	6	0	6
FINANCE					
<u>Finance:</u>					
Director of Finance	1	0	1	0	1
Office Specialist I/II	0	1	1	-1	0
Sub-Total Budgeted FTEs	1	1	2	-1	1
<u>Accounting:</u>					
Accounting Manager	1	0	1	0	1
Accountant	1	0	1	0	1
Accounting Technician	1	0	1	1	2
Purchasing and Warehouse Specialist	1	0	1	0	1
Sub-Total Budgeted FTEs	4	0	4	1	5
<u>Customer Service:</u>					
Customer Service Manager	1	0	1	0	1
Senior Customer Service Representative	1	0	1	0	1
Customer Service Representative I/II	3	-1	2	0	2
Sub-Total Budgeted FTEs	5	-1	4	0	4
<u>Innovation & Technology:</u>					
Innovation & Technology Manager	1	0	1	0	1
Sub-Total Budgeted FTEs	1	0	1	0	1

Budgeted Division, Department, & Title	FY 2023 Adopted	FTE Changes	FY 2024 Adopted	FTE Changes	FY 2025 Adopted
OPERATIONS & MAINTENANCE					
<u>Operations Administration:</u>					
Director of Operations	1	0	1	0	1
Sub-Total Budgeted FTEs	1	0	1	0	1
<u>Construction & Maintenance:</u>					
Field Operations Superintendent	1	0	1	0	1
Lead Facilities Maintenance Worker	1	0	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	11	0	11	0	11
<u>Field Services:</u>					
Field Service Supervisor	1	-1	0	0	0
Lead Field Service Representative	0	1	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
<u>Water Production:</u>					
Water Production Supervisor	1	0	1	0	1
Water Production Operator I/II	3	0	3	0	3
Sub-Total Budgeted FTEs	4	0	4	0	4
<u>Wastewater Treatment & Disposal:</u>					
Chief Plant Operator	1	0	1	0	1
Lead WWTP Operator	1	0	1	0	1
WWTP Operator I/II	5	0	5	0	5
Sub-Total Budgeted FTEs	7	0	7	0	7
<u>Wastewater Collections:</u>					
Lead Collection System Operator	1	0	1	0	1
Collection System Operator I/II	1	0	1	0	1
Sub-Total Budgeted FTEs	2	0	2	0	2
Total Budgeted FTEs	53	0	53	1	54

Organizational Chart

Figure 10: MSWD Organizational Chart





Strategic Planning



STRATEGIC PLANNING

Strategic Plan

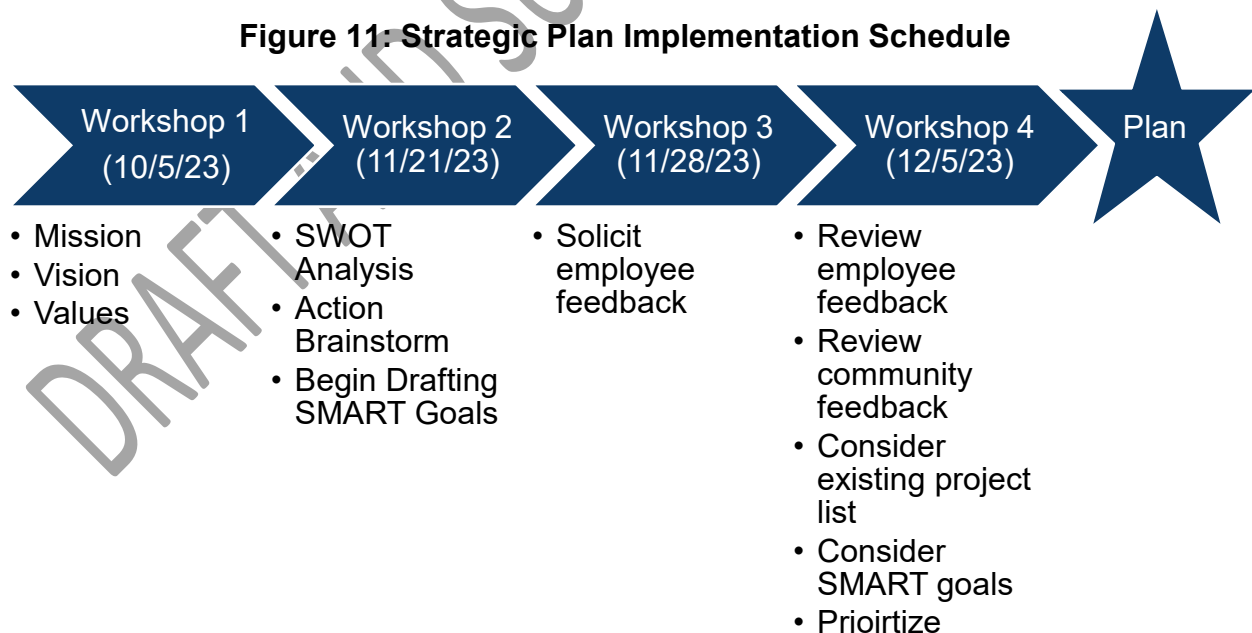
Mission Springs Water District's (MSWD's) 2024 Strategic Plan outlines a focused roadmap for efficient water management and community service. Building on a 70-year legacy, the plan aligns with MSWD's mission to provide, protect, and preserve water resources. In essence, the MSWD Strategic Plan is a 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 its 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 Geronio 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.

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 cost-effective 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.

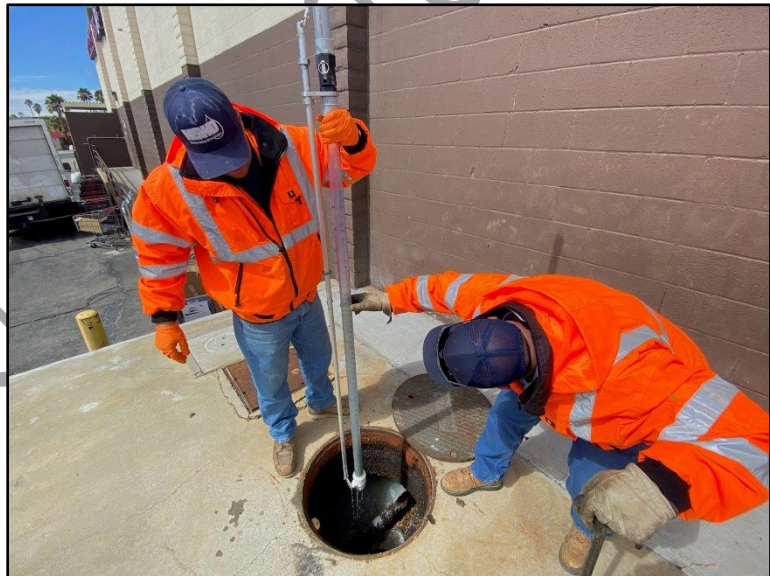
Key Success Measures

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

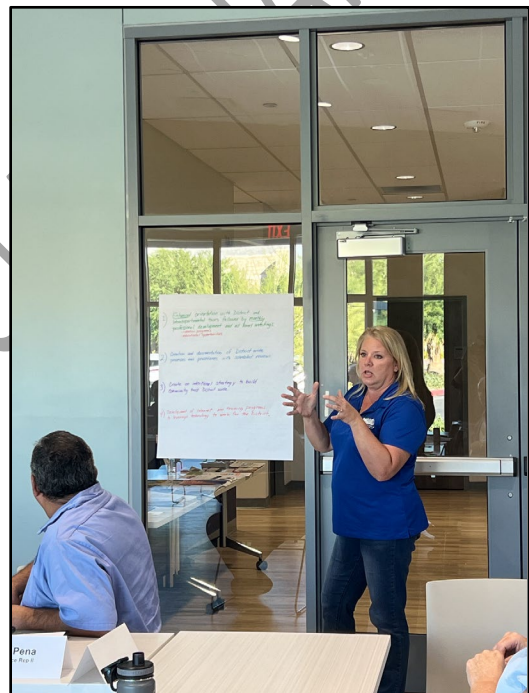
Investment in staff and management to cultivate a high-performing and knowledgeable workforce.

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.
4. Ensure our workforce is ready to embrace Diversity, Equity, and Inclusion differences and continue routine training.



Financial Structure, Process, & Policy



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 13,957 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 9,719 customer accounts, of which 94% are residential customers.

Each enterprise fund is considered a separate budgetary and accounting entity, reported on a full accrual accounting basis with the exceptions not 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
	Public Affairs		X	X
Engineering	Engineering & Water Resources		X	X
Finance	Accounting	X	X	X
	Customer Service		X	X
	Finance		X	X
	Innovation & Technology		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 2025.

Table 11: Budget Planning Schedule for FY 2025

MSWD Budget Planning Fiscal Year 2025	Required By Date
Employee Request Meeting	03/07/2024
Budget Kickoff Meeting	04/01/2024
Update actual numbers and prepare for new budget cycle	04/10/2024
Budget worksheet distributed to managers and supervisors	04/12/2024
Report to staff which Employee Request items will be presented to the Board of Directors as part of the budget	04/18/2024
Special Meeting – Present Employee Request staff recommendations to Human Relations Committee/Board of Directors	04/24/2024
Budget worksheet completed by managers and supervisors	05/03/2024
Finance staff budget review meetings with managers, supervisors, and GM	05/06/2024 – 05/31/2024
Finalize the draft budget	06/04/2024
Budget Workshop - Present draft budget to Board of Directors for review and comment	06/05/2024
Board Study Session - Present GM Revised Budget to Board of Directors for review and comment	06/13/2024
Board Meeting - Present GM Recommended budget to Board of Directors for adoption	06/17/2024
Apply for GFOA Award for Excellence in Budget Reporting	06/30/2024

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. 2013-01

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 \$75,000 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 \$75,000 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, 2024, the District's investment in CalTrust is \$31,742,931, of which \$2,725,391 was invested in the Liquidity funds pool, \$6,854,342 in the Short-term pool, and \$22,163,198 in the Medium-term pool.

Procurement and Disbursement Policies

Resolution No. 2018-05

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. 2009-1

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. 2010-3

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 \$200.

Policy No. 2011-1

The purpose of this policy is to establish the use of District credit card guidelines. This policy supersedes Policy 95-2. 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



FINANCIAL SUMMARIES

Budget Summary

The operating budget for fiscal year (FY) 2025 is approximately \$27.0 million as shown in **Table 12** below. There is an additional \$44.8 million in capital improvements proposed for a total budget of approximately \$71.9 million. This is a significant decrease in total budget expenses when compared to FY 2024. The decrease is primarily in the capital improvements budget due to the final construction of the Regional Water Reclamation Facility (RWRF) expected to be completed in early FY 2025. 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 2025	Budget Change	Budget FY 2024*	Budget Change	Budget FY 2023*
Operating Budget					
Operating Revenue	\$20,328,928	(\$862,860)	\$21,191,788	\$5,364	\$21,186,424
Operating Expenses	\$27,077,762	\$2,166,336	\$24,911,426	\$1,784,433	\$23,126,993
Operating Income	(\$6,748,834)	(\$3,029,196)	(\$3,719,638)	(\$1,779,069)	(\$1,940,569)
Expenses					
Operating Expenses	\$27,077,762	\$2,166,336	\$24,911,426	\$1,784,433	\$23,126,993
Capital Improvement Projects	\$44,810,257	(\$31,870,431)	\$76,680,688	\$13,011,655	\$63,669,033
Total Budget	\$71,888,019	(\$29,704,095)	\$101,592,114	\$14,796,088	\$86,796,026

* - Revised after midyear Board approval.



Net Income Summary

The Net Income for FY 2025 is approximately \$20.3 million as shown in **Table 13**, which is significantly lower than FY 2024. The decrease can be directly attributed to the use of state and federal grants primarily in the capital improvements budget due to the final construction of the Regional Water Reclamation Facility (RWRF) expected to be completed in early FY 2025.

Table 13: Net Income Summary by Fiscal Year

	Budget FY 2025	Budget Change	Budget FY 2024*	Budget Change	Budget FY 2023*
Operating Revenues	\$20,328,928	(\$862,860)	\$21,191,788	\$5,364	\$21,186,424
Operating Expenses (Before Depreciation Expense)	\$21,988,466	\$2,697,701	\$19,290,765	\$189,323	\$19,101,442
Net Operating Income (Loss)	(\$1,659,538)	(\$3,560,561)	\$1,901,023	(\$183,959)	\$2,084,982
Depreciation Expense	(\$5,089,296)	(\$639,696)	(\$4,449,600)	(\$424,049)	(\$4,025,551)
Non-Operating Revenue/(Expense)	\$27,076,625	(\$46,758,077)	\$73,834,702	\$27,885,981	\$45,948,721
Net Income	\$20,327,791	(\$50,958,334)	\$71,286,125	\$27,277,973	\$44,008,152

* - Revised after midyear Board approval.



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 2025, the Operating Revenue budget equals \$20,328,928, and the Non-Operating Revenue budget equals \$27,546,080, for a Total Revenue budget of \$47,875,008 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 2025

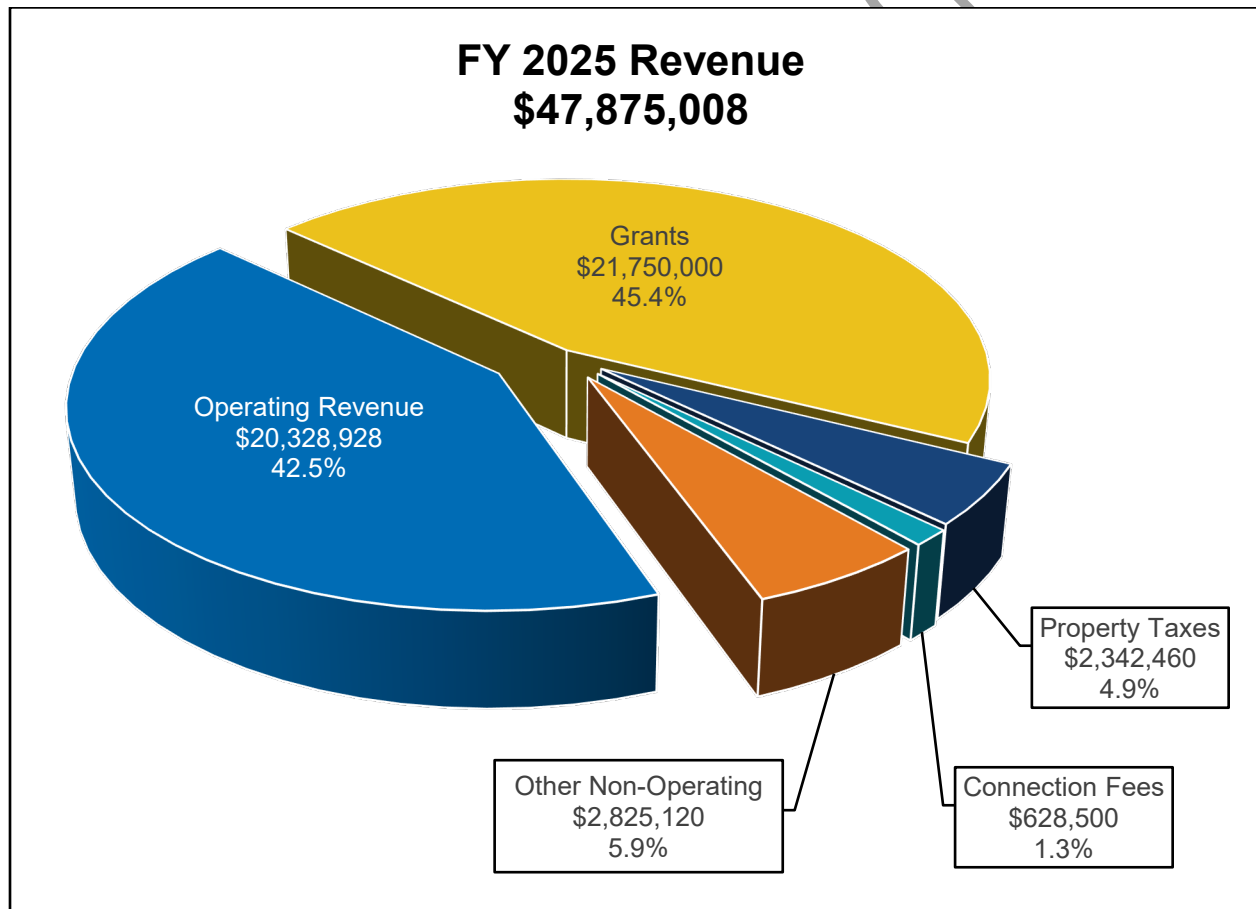
Revenue Source	FY 2025 Total	General District	Water District	Sewer District
Operating Revenue				
Base Service Charge	\$2,924,400	\$0	\$2,924,400	\$0
Water Consumption	\$8,648,376	\$0	\$8,648,376	\$0
Meter Installations	\$122,520	\$0	\$122,520	\$0
Sewer Service	\$7,380,000	\$0	\$0	\$7,380,000
Other Operating Revenue	\$1,011,532	\$0	\$1,011,532	\$0
Standby Charges	\$238,500	\$0	\$225,732	\$12,768
Fats, Oils, and Grease Fees	\$3,600	\$0	\$0	\$3,600
Sub-Total Operating Revenue	\$20,328,928	\$0	\$12,932,560	\$7,396,368
Non-Operating Revenue				
Connection Fees	\$628,500	\$0	\$370,500	\$258,000
Property Taxes	\$2,342,460	\$823,428	\$946,464	\$572,568
Solar Credits	\$350,000	\$350,000	\$0	\$0
Site Rentals	\$100,800	\$0	\$100,800	\$0
Investment Income	\$2,274,120	\$790,300	\$878,800	\$396,200
Unrealized Gains	\$100,200	\$24,700	\$58,400	\$17,100
Grants	\$21,750,000	\$0	\$2,000,000	\$19,750,000
Sub-Total Non-Operating Revenue	\$27,546,080	\$1,988,428	\$4,354,964	\$20,993,868
Total Revenue	\$47,875,008	\$1,988,428	\$17,287,524	\$28,390,236

Total Revenue for Fiscal Year 2025

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 2025, the Operating Revenue and Non-Operating Revenue budgets amounted to \$20,328,928 and \$27,546,080, respectively, for a total revenue budget of \$47,875,008 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 2025



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 2025, Operating Revenue and net Non-Operating Revenue amounted to \$20,328,928 and \$27,546,080, respectively, for a combined total revenue of \$47,875,008 as shown in **Table 15**. FY 2025 Operating Revenue decreased minimally compared to FY 2024. However, FY 2025 Non-Operating Revenue decreased significantly compared to FY 2024 mainly due to the decrease in the use of grants for capital improvement projects, in particular the final construction of the Regional Water Reclamation Facility expected to be completed in early FY 2025.

Table 15: Summary of Revenue by Fiscal Year

Revenue Source	FY 2025	FY 2024*	FY 2023*
Operating Revenue			
Base Service Charge	\$2,924,400	\$2,924,400	\$2,886,840
Water Consumption	\$8,648,376	\$9,200,400	\$9,171,804
Meter Installations	\$122,520	\$122,520	\$73,800
Sewer Service	\$7,380,000	\$7,388,400	\$7,570,000
Other Operating Revenue	\$1,011,532	\$1,306,132	\$1,231,716
Standby Charges	\$238,500	\$245,916	\$248,244
Fats, Oils, and Grease Fees	\$3,600	\$4,020	\$4,020
Sub-Total Operating Revenue	\$20,328,928	\$21,191,788	\$21,186,424
Non-Operating Revenue			
Connection Fees	\$628,500	\$922,659	\$844,440
Property Taxes	\$2,342,460	\$2,263,200	\$2,099,989
Solar Credits	\$350,000	\$250,000	\$225,000
Site Rentals	\$100,800	\$100,800	\$77,352
Investment Income	\$2,274,120	\$1,187,472	\$1,212,459
Unrealized Gains/(Losses)	\$100,200	\$101,700	(\$311,964)
Grants	\$21,750,000	\$69,850,000	\$42,849,311
Sub-Total Non-Operating Revenue	\$27,546,080	\$74,675,831	\$46,996,587
Total Revenue	\$47,875,008	\$95,867,619	\$68,183,011

* - Revised after midyear Board approval.

Operating Fund Revenue Over Expenditures by Fund

Table 16 provides a breakdown of operating revenue and expenditures by fund for FY 2025. The table shows a Net Operating Loss of \$6,748,934 for FY 2025.

Table 16: Operating Fund Revenue Over Expenditures by Fund for FY 2025

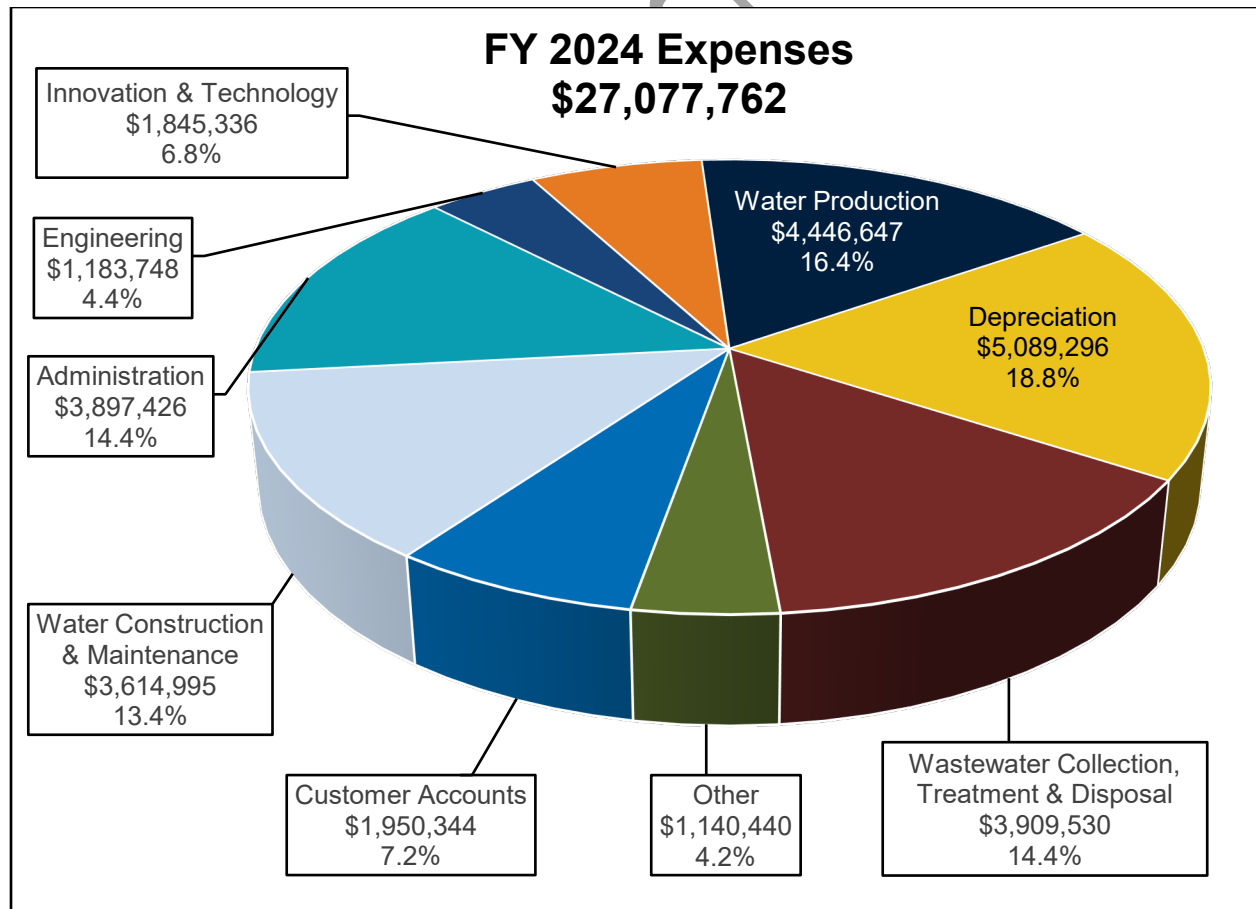
	Combined District's Total Funds	Operating Funds		
		General District	Water District	Sewer District
Operating Revenues	\$20,328,928	\$0	\$12,902,728	\$7,426,200
Operating Expenses				
Customer Accounts	\$1,950,344	\$954,948	\$995,396	\$0
Buildings and Grounds	\$210,444	\$210,444	\$0	\$0
Vehicle Maintenance	\$665,452	\$665,452	\$0	\$0
Central Services	\$1,110,539	\$1,110,539	\$0	\$0
Administration	\$2,786,887	\$2,786,887	\$0	\$0
Information Technology	\$1,845,336	\$1,845,336	\$0	\$0
Board of Directors	\$486,092	\$486,092	\$0	\$0
Public Affairs	\$1,187,324	\$981,740	\$205,584	\$0
Human Resources	\$521,128	\$521,128	\$0	\$0
Engineering	\$1,183,748	\$1,067,748	\$81,000	\$35,000
Accounting	\$651,840	\$651,840	\$0	\$0
Pumping	\$4,446,647	\$0	\$4,446,647	\$0
Transmission & Distribution	\$2,739,099	\$0	\$2,739,099	\$0
Collections	\$586,236	\$0	\$0	\$586,236
Treatment	\$2,060,278	\$0	\$0	\$2,060,278
Disposal	\$1,263,016	\$0	\$0	\$1,263,016
Depreciation	\$5,089,296	\$343,080	\$2,762,016	\$1,984,200
Administrative Costs Allocated	(\$1,705,944)	(\$11,625,234)	\$6,443,646	\$3,475,644
Total Operating Expense	\$27,077,762	\$0	\$17,673,388	\$9,404,374
Net Operating Loss	(\$6,748,934)	\$0	(\$4,770,660)	(\$1,978,174)

Total Expenses for Fiscal Year 2025

Operating expenses for FY 2025, amount to \$27,077,762 as shown in **Figure 13** below, representing an increase of \$2,166,336 from FY 2024. To keep up with an increase in contract work, the District added a new Contracts Analyst position. There is also an expected increase in Electric expense of at least 20% over FY 2024. The RWRF is coming online increasing operating costs. Finally, the increase in operating expenses also reflects an increase in deferred maintenance cost on District pipeline and equipment that is being addressed in FY 2025. For FY 2025, the Board approved a 4.78% Cost of Living Adjustment (COLA) as recommended by the Human Relations Committee.

There is also \$44,810,257 in capital improvement expenses made up primarily by the final construction of the RWRF Conveyance and septic to sewer conversion projects. There are several developer driven projects for Wells 34 and 35, and the beginning of construction for the new administrative building, of approximately \$3.9 million and \$5 million, respectively. The District continues to prioritize capital improvements that can be covered by grant revenue.

Figure 13: Total Expenses by Type for FY 2025



Operating Fund Revenue Over Expenditures by Year

Table 17 provides a breakdown of operating revenue and expenditures by fund for FY 2025. The table shows a Net Operating Loss of \$6,748,834 for FY 2025, which is higher compared to FY 2024.

Table 17: Operating Fund Revenue Over Expenditures by Fiscal Year

	FY 2025	FY 2024*	FY 2023*
Operating Revenues	\$20,328,928	\$21,191,788	\$21,186,424
Operating Expenses			
Customer Accounts	\$1,950,344	\$1,554,165	\$2,096,048
Buildings and Grounds	\$210,444	\$180,441	\$155,360
Vehicle Maintenance	\$665,452	\$655,244	\$488,084
Central Services	\$1,110,539	\$865,210	\$780,891
Administration	\$2,786,887	\$2,121,964	\$3,250,786
Information Technology	\$1,845,336	\$1,060,397	\$1,096,512
Board of Directors	\$486,092	\$538,746	\$399,776
Public Affairs	\$1,187,324	\$748,817	\$770,665
Human Resources	\$521,128	\$434,304	\$382,500
Engineering	\$1,183,748	\$1,042,829	\$1,023,476
Accounting	\$651,840	\$615,316	\$536,796
Pumping	\$4,446,647	\$4,372,282	\$3,507,755
Transmission & Distribution	\$2,739,099	\$2,470,251	\$2,327,279
Collections	\$586,236	\$720,040	\$512,448
Treatment	\$2,060,278	\$1,825,696	\$2,159,312
Disposal	\$1,263,016	\$1,212,991	\$850,198
Depreciation	\$5,089,296	\$4,449,600	\$4,025,551
Administrative Costs Allocated	(\$1,705,944)	(\$1,127,928)	(\$1,236,444)
Total Operating Expense	\$27,077,762	\$23,740,365	\$23,126,993
Net Operating Income (Loss)	(\$6,748,834)	(\$2,548,577)	(\$1,940,569)

* - Revised after midyear Board approval.

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 2025 compared to FY 2024.

Table 18: Summary of Expenditures by Fiscal Year

Operating Expenses	FY 2025	FY 2024*	FY 2023*
Salaries and Wages	\$5,348,569	\$5,034,711	\$4,795,173
Employee Benefits	\$1,082,658	\$990,364	\$928,302
Fringe Benefits	\$2,774,643	\$2,668,262	\$2,686,731
Materials and Supplies	\$2,549,640	\$2,403,810	\$1,926,622
Outside Services	\$5,748,998	\$4,937,125	\$4,305,731
Groundwater Replenishment Fees	(\$164,652)	(\$145,944)	(\$130,668)
Utilities	\$2,848,175	\$2,363,631	\$2,039,999
Director's Fees	\$150,000	\$60,000	\$60,000
Engineering	\$66,000	\$66,000	\$42,000
Insurance	\$245,000	\$210,100	\$191,040
Audit	\$60,000	\$60,000	\$66,000
Long-Range Financial Plan (Rate Study)	\$96,000	\$96,000	\$72,000
Legal	\$504,000	\$504,000	\$865,000
Fixed Assets	\$1,826,664	\$771,014	\$2,051,157
Depreciation	\$5,089,296	\$4,449,600	\$4,025,551
Standby Reports	\$16,300	\$16,300	\$19,380
Dues and Subscriptions	\$193,015	\$78,402	\$68,907
Training and Conferences	\$263,600	\$259,558	\$254,152
Debt Issuance Cost	\$0	\$0	\$184,008
Groundwater Management	\$16,000	\$20,000	\$20,000
Other Expenses	\$69,800	\$55,360	\$76,360
General District Allocation	(\$1,705,944)	(\$1,127,928)	(\$1,236,444)
Total Operating Expenses	\$27,077,762	\$23,740,365	\$23,126,993

* - Revised after midyear Board approval.

Long-Range Financial Plans

To maintain its financial strength, in 2016 the District developed a Long-Range Financial Rate Study and Model. The model utilized the current fiscal year budget, incorporating multiple year revenue and expense assumptions used to address anticipated operating and capital expenditures, resulting in a dynamic financial report. The capital expenditures are based on the Capital Improvement Program and estimates 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 2016 Long-Range Financial Rate Study and Model is now outdated and in need of an update. While the District continues to monitor its long-term finances, it is necessary to perform an updated Rate Study and Model. In June of 2023, the District hired Raftelis Financial Consultants, Inc. to perform an updated Rate Study and Model. It is expected to be completed in December of 2024.





Capital & Debt



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 \$45.7 million as of May 31, 2024 as shown in **Table 19** below.

Table 19: Summary of Reserve for FY 2025

Wells Fargo	Fund Total
Operating Cash Account	\$13,661,006
CalTrust	
Liquidity Fund	\$2,787,385
Short-Term Fund	\$6,972,735
Medium-Term Fund	\$22,286,082
Sub-Total CalTrust	\$32,046,202
Total District Cash	\$45,707,208



Capital Improvement Program Summary

The District maintains a 5-year Capital Improvement Program. Currently, there are 96 projects in the Capital Improvement Program totaling \$227,474,319. 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 2024 total \$152,935,888 and additional projects added during FY 2025 total \$76,083,806. However, only 75 projects totaling \$44,820,257 will be funded from the FY 2025 Budget as shown in **Table 20** below.

Table 20: Capital Improvement Program Summary for FY 2025

Total Continuing Appropriations from FY 2024 Budget	\$152,935,888
Total Capital Projects added for FY 2025 Budget	\$76,083,806
Total Capital Projects completed in FY 2024	(\$1,545,375)
Final Capital and Continuing Appropriations for FY 2025 Budget	\$227,474,319
Funded Projects for FY 2025 Budget	\$44,820,257

Of the \$44,820,257 to be funded during FY 2025, it is expected that \$19,750,000 will be funds collected from Assessment Districts and Grants, giving a positive cashflow to the District of \$25,070,257 from the District's Capital Reserve Fund as shown in **Table 21** below.

Table 21: Capital Improvement Program by Funding Source for FY 2025

Budgeted Cash Outflow Related to Capital Projects	\$38,820,257
Expected Proceeds from Assessment Districts and Grants	(\$19,750,000)
Expected Net Cash Outflow Related to Capital Projects	(\$25,070,257)

Of the 75 projects in the 5-year Capital Improvement Program to be funded from the FY 2025 Budget, there are 3 projects totaling \$6,049,661 for the General District, 43 projects totaling \$22,895,900 for the Water District, 21 projects totaling \$15,172,979 for the Sewer District, four equipment replacements totaling \$357,400 for the Water District, and four equipment replacements for the Sewer District as shown in **Table 22** below.

Table 22: Capital Improvement Program by Fund for FY 2025

Budgeted Cash Outflow Related to Capital Projects	\$38,820,257
3 Capital Projects Benefiting the General District	\$6,049,661
43 Capital Projects Benefiting the Water District	\$22,895,900
21 Capital Projects Benefiting the Sewer District	\$15,172,979
4 Equipment Replacements Benefiting the Water District	\$357,400
4 Equipment Replacements Benefiting the Sewer District	\$334,317

Capital Improvement Program Projects

The District maintains a 5-year Capital Improvement Program. Currently, there are 96 projects in the Capital Improvement Program totaling \$227,474,319. 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 2024 total \$152,935,888 and additional projects added during FY 2025 total \$76,083,806. However, only 75 projects totaling \$44,820,257 will be funded from the FY 2025 Budget as shown in **Table 23** below.

Table 23: Capital Improvement Program Projects for FY 2025

Description	Continuing Appropriations from FY 2024	Proposed/ Completed for FY 2025	Final for FY 2025	Fund in FY 2025 Budget
Sewer Line Encasement I-10 Crossing at Indian	\$251,972	\$0	\$251,972	\$0
Well Site – Worsley Rd North – 27 Acres	\$39,326	\$0	\$39,326	\$0
Well Site – Worsley – Env/Eng	\$2,405	\$0	\$2,405	\$0
Prelim Des/Eng Horton WWTP Expansion #5	\$171,703	\$0	\$171,703	\$0
Final Design Horton WWTP Expansion #5	\$940,340	\$0	\$940,340	\$0
Well #38 Design & Environmental	\$375,000	\$0	\$375,000	\$0
Horton WWTP Expansion #5	\$13,404,000	\$0	\$13,404,000	\$0
EIR Horton WWTP Expansion #5	\$71,416	\$0	\$71,416	\$0
Well #42	\$4,739,000	\$0	\$4,739,000	\$1,475,000
1530 Zone Redbud Tank #2 Land & Construction	\$80,000	\$0	\$80,000	\$0
I-10 & Indian Sewer Collection System	\$652,000	\$0	\$652,000	\$0
Mission Creek – 80 Acres Land	\$328,000	(\$328,000)	\$0	\$0
Regional Wastewater Reclamation Facility	\$53,049,300	\$0	\$53,049,300	\$3,127,725
Area M-2 (AD #15)	\$11,450,000	\$0	\$11,450,000	\$8,000,000
Conveyance Line from LS to RWRF	\$8,300,000	\$0	\$8,300,000	\$2,120,528
Chromium-6 Compliance Study	\$200,000	\$0	\$200,000	\$181,360

Description	Continuing Appropriations from FY 2024	Proposed/ Completed for FY 2025	Final for FY 2025	Fund in FY 2025 Budget
Horton WWTP Influent Pump Station Odor Control	\$730,000	\$0	\$730,000	\$82,030
Well 29 Chromium-6 Treatment Design	\$200,000	\$0	\$200,000	\$0
Area J-2	\$300,000	\$0	\$300,000	\$6,146
Horton WWTP ASU Demolition	\$167,275	\$0	\$167,275	\$0
Horton WWTP Percolation Ponds (2)	\$380,000	\$0	\$380,000	\$29,786
Areas H & I Design & Engineering	\$460,000	\$0	\$460,000	\$123,679
Block Wall at Corp Yard & Wastewater Facility	\$155,000	\$0	\$155,000	\$0
Block Wall & Fence at Terrace Reservoir	\$226,288	\$0	\$226,288	\$0
Booster Pump Rehabilitation Program	\$150,000	(\$150,000)	\$0	\$0
Modular Enclosure-Chlorine Equip/Well Sites	\$124,180	\$0	\$124,180	\$35,763
Pavement Repairs – Corporate Yard	\$345,575	\$0	\$345,575	\$50,000
Terrace Reservoir No. 1	\$754,343	\$2,000,000	\$2,754,343	\$2,723,675
Terrace Reservoir No. 2	\$814,461	\$2,000,000	\$2,814,461	\$2,782,086
Terrace Reservoir No. 3	\$361,363	\$2,000,000	\$2,361,363	\$2,330,480
Vista Reservoir Rehabilitation	\$975,427	\$0	\$975,427	\$848,399
Well Rehabilitation Program – Well 22	\$1,560,000	\$0	\$1,560,000	\$955,492
Horton WWTP Above Ground Piping & Appurtenance Rehab	\$150,000	\$0	\$150,000	\$25,000
Horton WWTP SCADA Upgrades	\$129,008	\$0	\$129,008	\$25,000
Areas A & G Design & Engineering	\$1,600,000	\$0	\$1,600,000	\$1,028,499
Administration Building	\$33,300,000	\$0	\$33,300,000	\$5,000,000
2020 Water CIP Pipeline Replacement	\$2,264,975	\$0	\$2,264,975	\$250,000


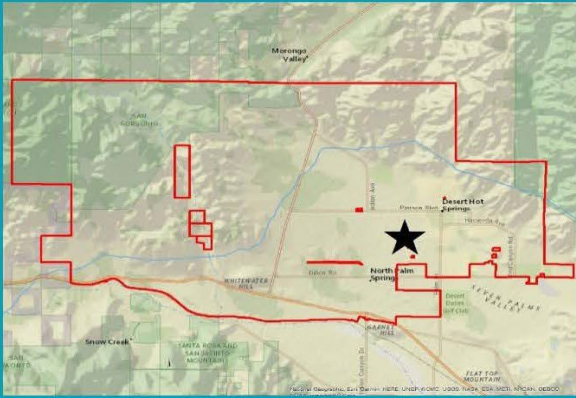

Description	Continuing Appropriations from FY 2024	Proposed/ Completed for FY 2025	Final for FY 2025	Fund in FY 2025 Budget
Sewer System Collections	\$750,000	\$0	\$750,000	\$188,992
Well and Reservoir Sites Security Cameras	\$225,075	\$0	\$225,075	\$50,000
Emergency Backup Generator Well 27/31	\$411,002	\$0	\$411,002	\$389,142
Emergency Backup Generator Well 32	\$300,331	\$0	\$300,331	\$278,564
Emergency Backup Generator Well 37	\$300,331	\$0	\$300,331	\$278,527
Filtration for Horton WWTP	\$1,500,000	\$0	\$1,500,000	\$0
GQPP Area D3-1 Sewer Design	\$156,000	\$0	\$156,000	\$146,789
Portable Booster/Transfer Pump	\$180,000	(\$180,000)	\$0	\$0
Trailer Mounted Portable Generators	\$537,375	(\$537,375)	\$0	\$0
Reservoir Rehabilitation Program Design FY 2022	\$120,000	\$0	\$120,000	\$120,000
Well Rehabilitation Program Design FY 2022	\$120,000	\$0	\$120,000	\$64,424
Supplemental Environmental Project	\$550,000	\$0	\$550,000	\$10,000
Administration Office Repairs (Drywall & Paint)	\$135,000	\$0	\$135,000	\$99,661
Pierson Boulevard Slurry Seal Project	\$183,000	\$0	\$183,000	\$183,000
Riverside Co. Mountain View Resurfacing Project	\$33,000	\$0	\$33,000	\$33,000
Well 35 Equipment Installation	\$2,700,000	\$0	\$2,700,000	\$2,680,679
Well 34 Rehabilitation	\$475,000	\$0	\$475,000	\$123,062
Well 34/35 Intertie	\$1,100,000	\$0	\$1,100,000	\$1,096,825
19 th -20 th Ave & Little Morongo Roadway Project	\$309,000	\$0	\$309,000	\$207,862
John Deere 3032E Compact Utility Tractor	\$32,000	\$0	\$32,000	\$0
Muffin Monster 6-inch Inline Grinder	\$17,100	\$0	\$17,100	\$17,100
Wachs ERV-750 Valve Machine	\$42,000	\$0	\$42,000	\$42,000

Description	Continuing Appropriations from FY 2024	Proposed/ Completed for FY 2025	Final for FY 2025	Fund in FY 2025 Budget
2024 – New Meters 3/4-inch to 2-inch	\$350,000	(\$350,000)	\$0	\$0
ERP System Replacements	\$1,710,000	\$0	\$1,710,000	\$900,000
Energy Conservation and Efficiency Plan	\$50,000	\$100,000	\$150,000	\$71,865
Hurricane Hilary – 13 th Avenue	\$100,000	\$100,000	\$200,000	\$186,666
Hurricane Hilary – Thomas Avenue	\$105,000	\$145,000	\$250,000	\$237,128
Hurricane Hilary – Indian Canyon	\$230,000	\$0	\$230,000	\$212,272
Hurricane Hilary – Little Morongo Road	\$30,000	\$0	\$30,000	\$30,000
Hurricane Hilary – Mission Lakes Boulevard	\$650,000	(\$125,000)	\$525,000	\$508,247
GEHL TH842 Telehandler	\$177,317	\$500	\$177,817	\$177,817
Case 570N EP Skip Loader	\$124,000	\$500	\$124,500	\$124,500
John Deere Gator TE Model (1 of 2)	\$15,500	\$500	\$16,000	\$16,000
John Deere Gator TE Model (2 of 2)	\$15,500	\$500	\$16,000	\$16,000
John Deere JD210P Skip Loader	\$0	\$157,300	\$157,300	\$157,300
Vacuum Excavator	\$0	\$143,000	\$143,000	\$143,000
Wachs ERV-750 Valve Machine	\$0	\$45,000	\$45,000	\$45,000
Axle Weighing System	\$0	\$15,070	\$15,070	\$15,070
Belt Press Horizontal Screw Replacement	\$0	\$22,775	\$22,775	\$22,775
Headworks Grit Classifier Screw Replacement	\$0	\$96,076	\$96,076	\$96,076
Horton Aviligon Camera System	\$0	\$71,886	\$71,886	\$71,886
JWC Auger Replacement	\$0	\$28,898	\$28,898	\$28,898
Odor Control Grease Filter	\$0	\$17,000	\$17,000	\$17,000
PSC – WPSV Intertie	\$0	\$358,010	\$358,010	\$0

Description	Continuing Appropriations from FY 2024	Proposed/ Completed for FY 2025	Final for FY 2025	Fund in FY 2025 Budget
Water Line Replacement in Easements	\$0	\$64,000,000	\$64,000,000	\$300,000
Chlorine Enclosures	\$0	\$169,474	\$169,474	\$169,474
Gateway PLC Upgrade	\$0	\$23,150	\$23,150	\$23,150
Highland Solar & Communications Upgrade	\$0	\$23,442	\$23,442	\$23,442
Little Morongo Booster Install	\$0	\$167,605	\$167,605	\$167,605
Low Desert View Booster Rehabilitation	\$0	\$69,304	\$69,304	\$69,304
Qual Altitude Valve Upgrade	\$0	\$40,033	\$40,033	\$40,033
SCADA Server Upgrade	\$0	\$24,341	\$24,341	\$24,341
Terrace Booster Rehabilitation Project	\$0	\$119,304	\$119,304	\$119,304
Terrace Cla-Val Replacement	\$0	\$112,617	\$112,617	\$112,617
Well 25A Rehabilitation	\$0	\$104,211	\$104,211	\$104,211
Well 26A Fencing & Electrical Pole Project	\$0	\$56,901	\$56,901	\$56,901
GIS ESRI - SBITA	\$0	\$140,000	\$140,000	\$140,000
GIS Cityworks - SBITA	\$0	\$270,000	\$270,000	\$270,000
M-2 Waterline Replacement	\$0	\$3,574,309	\$3,574,309	\$2,900,000
Total	\$152,935,888	\$74,538,431	\$227,474,319	\$44,820,257



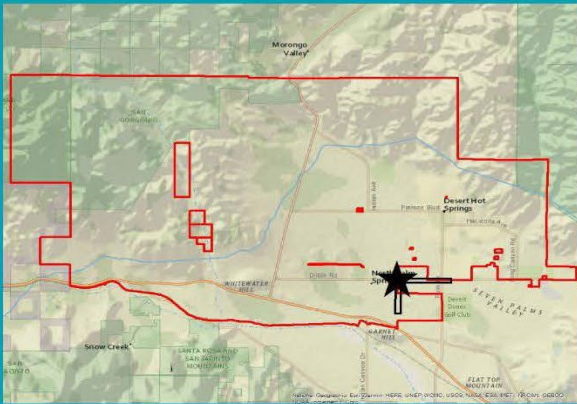
Capital Improvement Program Project Information

 <div> Capital Improvement Project Information New Administrative Building </div>	
	VICINITY MAP 
LOCATION	LIMITS OF PROJECT
PROJECT TITLE: New Administrative Building	ESTIMATED SCHEDULE: DESIGN: To be completed by 12/2024 CONSTRUCTION: 03/2025 – 02/2026 FUNDING SOURCE: MSWD Funds, State Funds, Grant Funds PROJECT MANAGER: E. Weck CIP ACCOUNT NO.: 101 General Fund
Job Number: 11621	
PROJECT TYPE: Facility Improvements	
<p>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.</p> <p>PROJECT BUDGET (FY 24/25): DESIGN: \$1,950,000 CONSTRUCTION: \$31,350,000 TOTAL: \$33,300,000</p>	



Capital Improvement Project Information

Conveyance Line Construction



LOCATION

PROJECT TITLE:
Conveyance Line Construction

Job Number: 11426

PROJECT TYPE:
Wastewater Construction

VICINITY MAP



LIMITS OF PROJECT

ESTIMATED SCHEDULE:
DESIGN: 06/2022
CONSTRUCTION: 02/2023 – 12/2024

FUNDING SOURCE:
MSWD Funds
State Funds

PROJECT MANAGER:
E. Weck / S. Ledbetter
CIP ACCOUNT NO.: 301 Sewer Fund

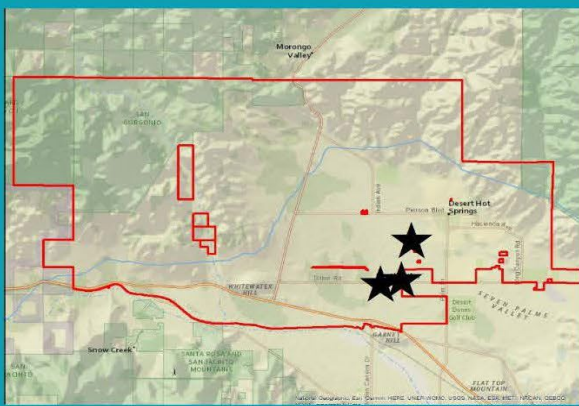
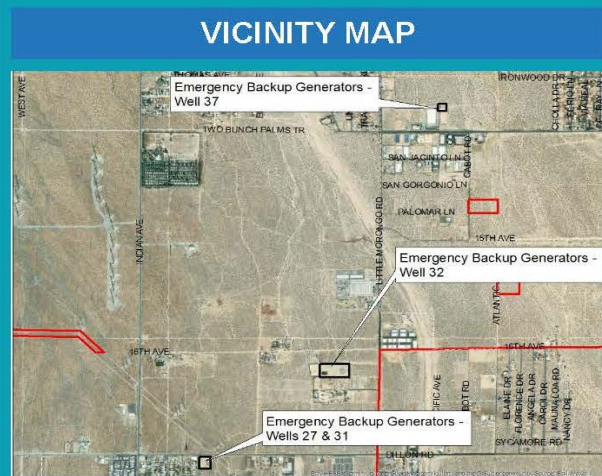
PROJECT DESCRIPTION: MSWD's new West Valley Conveyance Line is one of three concurrent projects that will provide wastewater flows to the District's new Regional Water Reclamation Facility. The West Valley Conveyance Line project includes a force main from the existing Dos Palmas Lift Station at Dillon 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 24/25):
CONSTRUCTION: \$7,450,000
INSPECTION/CONSTRUCTION ENGINEERING: \$850,000
TOTAL: \$8,300,000



Capital Improvement Project Information

Emergency Generator Backup – Various Well Locations


LOCATION

VICINITY MAP

PROJECT TITLE:
Emergency Generator Backup – Wells

Job Numbers: 11666, 11667, 11668

PROJECT TYPE:
Emergency Preparedness

LIMITS OF PROJECT
ESTIMATED SCHEDULE:

DESIGN: 7/2023

CONSTRUCTION: 01/2024 – 12/2024

FUNDING SOURCE:

MSWD Funds

State Funds

PROJECT MANAGER:

E. Weck / S. Ledbetter

CIP ACCOUNT NO.: 201 Water Fund

PROJECT DESCRIPTION: As part of MSWD's emergency response plan, this project will add fixed base generators with automatic transfer switches at four well sites. Currently, in the design process, the generators will minimize water delivery impacts to our customers in the event of a power outage or Public Safety Power Shutoff by Southern California Edison. Wells 27, 31, 32 and 37 will benefit from this project.

PROJECT BUDGET (FY 24/25):

DESIGN: \$96,000

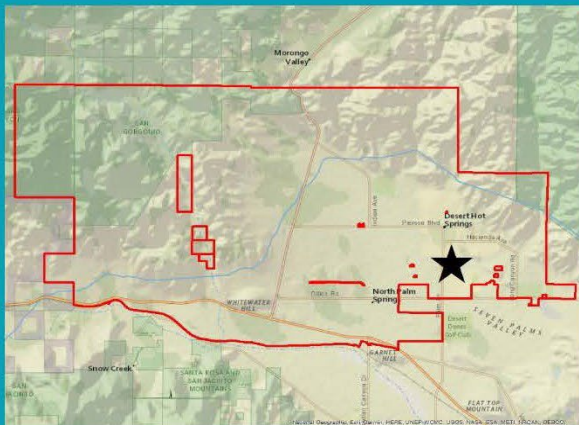
CONSTRUCTION: \$915,664

TOTAL: \$1,011,664



Capital Improvement Project Information

Horton Wastewater Treatment Plant Upgrade – Tertiary Filtration



LOCATION

PROJECT TITLE:
HWWTP Upgrade – Filtration

Job Number: 11689

PROJECT TYPE:
Horton Wastewater Facility Improvements

VICINITY MAP



LIMITS OF PROJECT

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

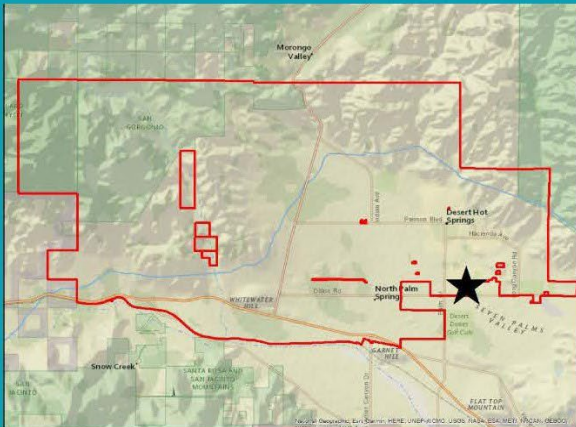
PROJECT DESCRIPTION: The Horton Wastewater Treatment Plant has experienced problems with poor infiltration rates in the percolation ponds due to the high concentration of suspended solids in the secondary effluent. The new WWTP Tertiary Effluent Filters will increase the pond efficiency as a reduction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

PROJECT BUDGET (FY24/25):
CONSTRUCTION: \$1,360,000
INSPECTION/CONSTRUCTION ENGINEERING: \$140,000
TOTAL: \$1,500,000



Capital Improvement Project Information

M-2, Septic to Sewer Construction



LOCATION

PROJECT TITLE:
M-2 Septic to Sewer Construction

Job Number: 11425

PROJECT TYPE:
Septic tank abatement / Assessment District

VICINITY MAP



LIMITS OF PROJECT

ESTIMATED SCHEDULE:

DESIGN: 09/2022

CONSTRUCTION: 12/2024 – 12/2025

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 24/25):

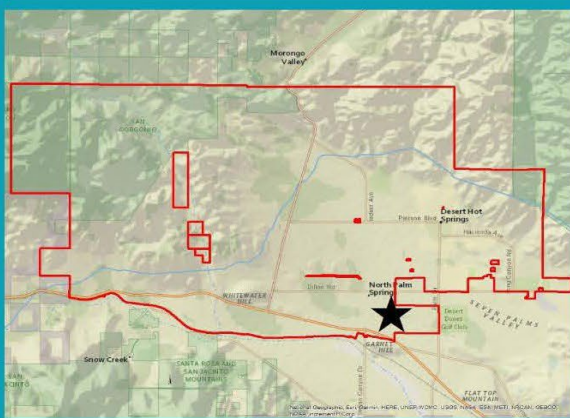
CONSTRUCTION: \$8,950,000

INSPECTION/CONSTRUCTION ENGINEERING: \$1,500,000

TOTAL: \$10,450,000



Capital Improvement Project Information Regional Wastewater Treatment Facility



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
Regional Wastewater Treatment Facility

Job Number: 11424

Project Type:
Wastewater Treatment Facility

ESTIMATED SCHEDULE:
DESIGN: 07/2021
CONSTRUCTION: 04/2022 – 07/2024

FUNDING SOURCES:
MSWD Funds
State Water Board Funds

PROJECT MANAGER:
S. Ledbetter/E. Weck

CIP ACCOUNT NO.: 301 Sewer Fund

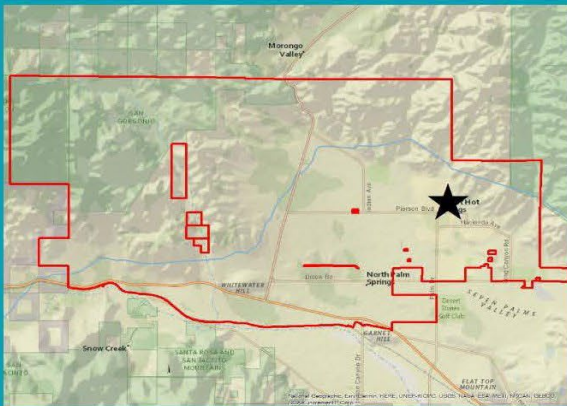
PROJECT DESCRIPTION: The project will construct a new 1.5 million gallon per day sequence batch reactor wastewater treatment plant. Project includes new operations and administration building that will house a solids processing area, chemical storage area, maintenance, electrical room, and blower room.

PROJECT BUDGET (FY 24/25):
CONSTRUCTION: \$50,049,300
INSPECTION/CONSTRUCTION ENGINEERING: \$3,000,000
TOTAL: \$53,049,300

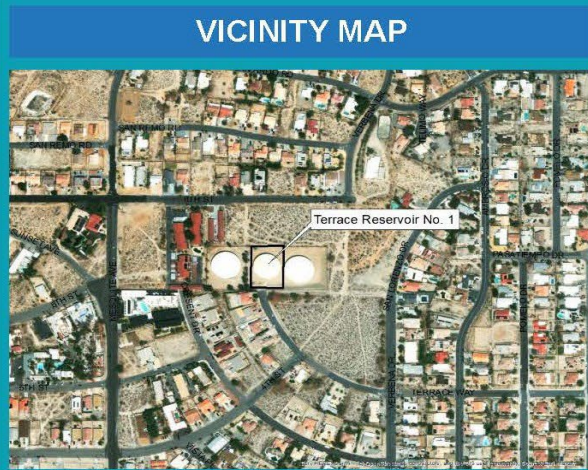


Capital Improvement Project Information

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 24/25):

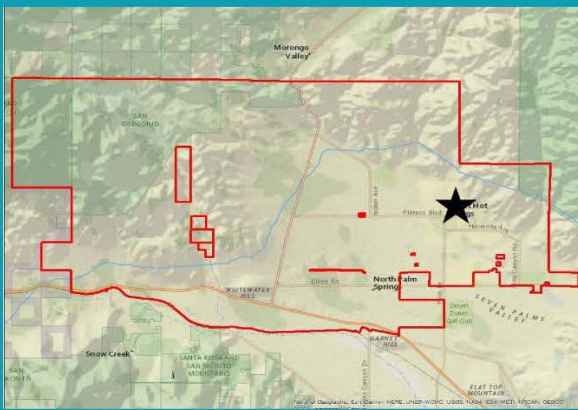
CONSTRUCTION: \$2,654,343

INSPECTION/CONSTRUCTION ENGINEERING: \$100,000

TOTAL: \$2,754,343



Capital Improvement Project Information Terrace Reservoir 2



LOCATION



VICINITY MAP

PROJECT TITLE:
Terrace Reservoir 2

Job Number: 11608

PROJECT TYPE:
Reservoir Tank Rehabilitation

LIMITS OF PROJECT

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 24/25):

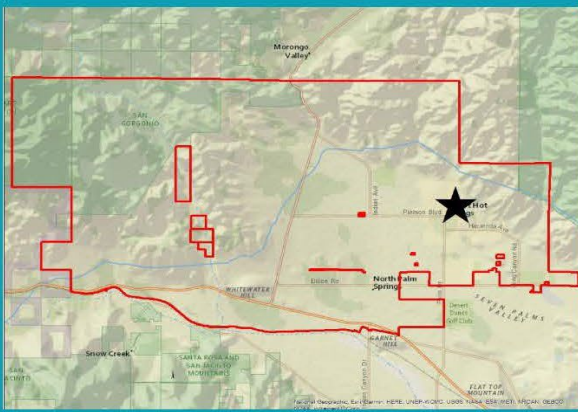
CONSTRUCTION: \$2,670,461

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 24/25):

CONSTRUCTION: \$2,295,363

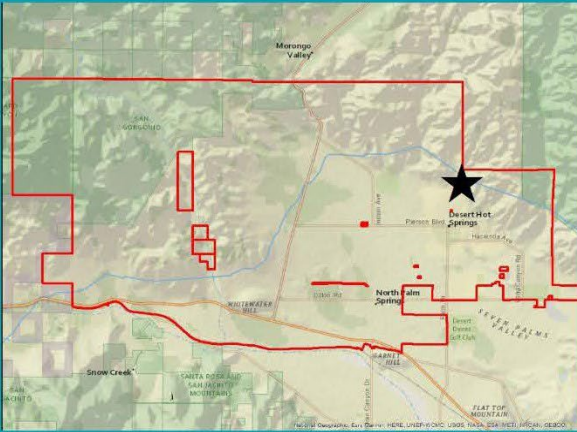
INSPECTION/CONSTRUCTION ENGINEERING: \$66,000

TOTAL: \$2,361,363



Capital Improvement Project Information

Vista Reservoir Rehabilitation



LOCATION

PROJECT TITLE:
Vista Reservoir Rehabilitation

Job Number: 11610

PROJECT TYPE:
Reservoir Rehabilitation/Upgrade

VICINITY MAP



LIMITS OF PROJECT

ESTIMATED SCHEDULE:
DESIGN: 05/2021
CONSTRUCTION: 01/2024 – 09/2024

FUNDING SOURCE:
MSWD Funds


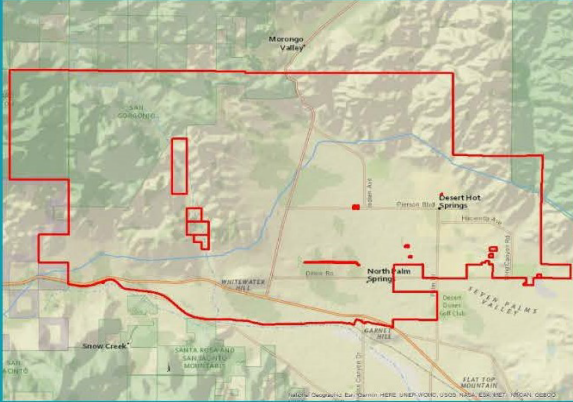
PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO. 201 Water Fund

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

PROJECT BUDGET (FY 24/25):

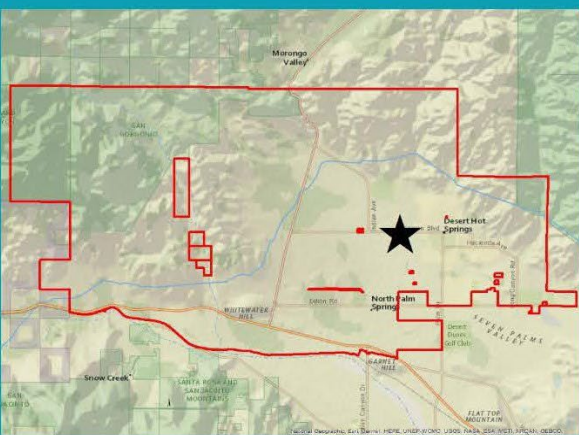
DESIGN: \$170,000
CONSTRUCTION: \$805,427
TOTAL: \$975,427

		<p>Capital Improvement Project Information Water Master Plan and Sewer Master Plan</p>	
		<p>VICINITY MAP</p> <p>DISTRICT WIDE</p>	
<p>LOCATION</p>		<p>LIMITS OF PROJECT</p>	
<p>PROJECT TITLE: Water Master Plan and Sewer Master Plan</p>		<p>ESTIMATED SCHEDULE: PLAN PREPARATION: 07/2024</p>	
<p>Job Number: 11347 (Water Master Plan), 11348 (Sewer Master Plan)</p>		<p>FUNDING SOURCE: MSWD Funds</p>	
<p>PROJECT TYPE: District Planning</p>		<p>PROJECT MANAGER: E. Weck / S. Ledbetter</p>	
		<p>CIP ACCOUNT NO.: 201 Water Fund, 301 Sewer Fund</p>	
<p>PROJECT DESCRIPTION: MSWD's Water and Wastewater Master Plans are essential tools in identifying current and future system improvements. They allow the District to plan for and meet the ever-changing/growing water and wastewater needs within our service area. The current plans were completed 2005 and 2007, and since that time several projects identified in them have been implemented. This combined with regulatory changes and new District produces that govern how we store, manage, and treat water, dictate that a comprehensive update is necessary.</p>			
<p>PROJECT BUDGET (FY 24/25): Cost: \$635,300</p>			



Capital Improvement Project Information

Well 22 Rehabilitation



LOCATION

PROJECT TITLE:
Well 22 Rehabilitation

Job Number: 11611

PROJECT TYPE:
Reservoir Rehabilitation/Upgrade

VICINITY MAP



LIMITS OF PROJECT

ESTIMATED SCHEDULE:

DESIGN: 06/2023

CONSTRUCTION: 12/2023 – 07/2024

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 24/25):

CONSTRUCTION: \$1,460,000

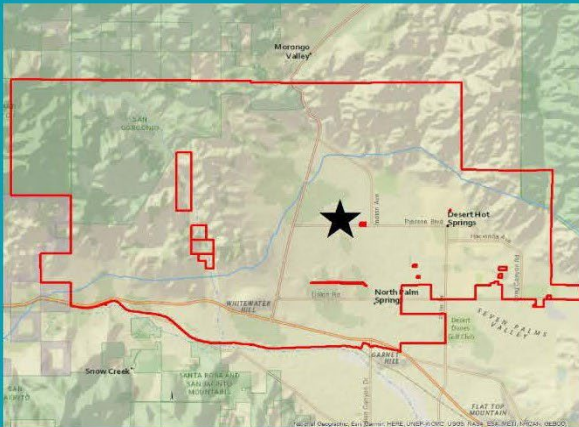
INSPECTION/CONSTRUCTION ENGINEERING: \$100,000

TOTAL: \$1,560,000



Capital Improvement Project Information

Well 34/35 Intertie



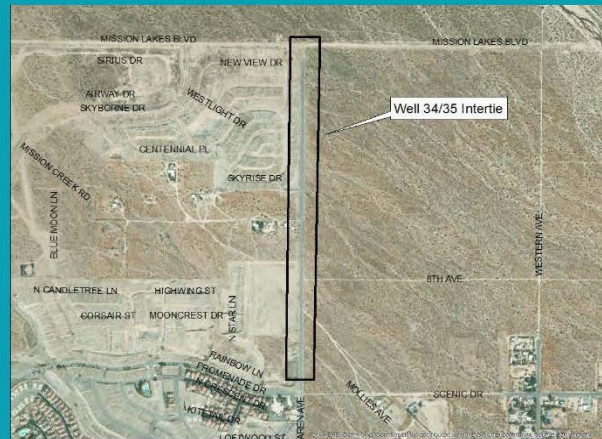
LOCATION

PROJECT TITLE:
Well 34/35 Intertie

Job Number: 11743

PROJECT TYPE:
Well Rehabilitation/Upgrade

VICINITY MAP



LIMITS OF PROJECT

ESTIMATED SCHEDULE:

DESIGN: 07/2023

CONSTRUCTION: 05/2024 – 02/2025

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 24/25):

DESIGN: \$100,000

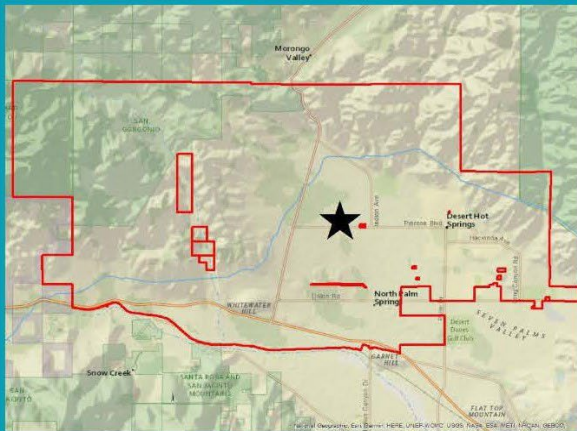
CONSTRUCTION: \$1,000,000

TOTAL: \$1,100,000



Capital Improvement Project Information

Well 34 Rehabilitation



LOCATION

PROJECT TITLE:
Well 34 Rehabilitation

Job Number: 11742

PROJECT TYPE:
Well Rehabilitation/Upgrade

VICINITY MAP



LIMITS OF PROJECT

ESTIMATED SCHEDULE:

DESIGN: 06/2023

CONSTRUCTION: 09/2023-12/2024

FUNDING SOURCE:

Developer Funded

PROJECT MANAGER:

E. Weck

CIP ACCOUNT NO.: 201 Water Funds

PROJECT DESCRIPTION: Rehabilitation of Well 34 will include chemical treatment, brushing, and bailing of casing pipe; and other necessary enhancements.

PROJECT BUDGET (FY 24/25):

DESIGN: \$25,000

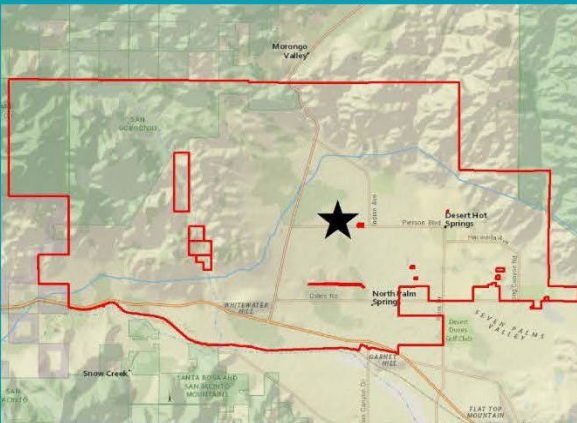
CONSTRUCTION: \$450,000

TOTAL: \$475,000



Capital Improvement Project Information

Well 35 Equipment Installation



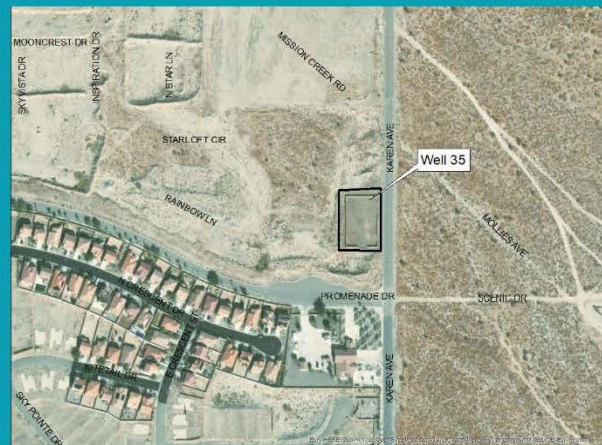
LOCATION

PROJECT TITLE:
Well 35 Equipment Installation

Job Number: 11741

PROJECT TYPE:
Well Rehabilitation/Upgrade

VICINITY MAP



LIMITS OF PROJECT

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

FUNDING SOURCE:
Developer provided deposit

PROJECT MANAGER:
E. Weck / S. Ledbetter

CIP ACCOUNT NO.: 201 Water Fund

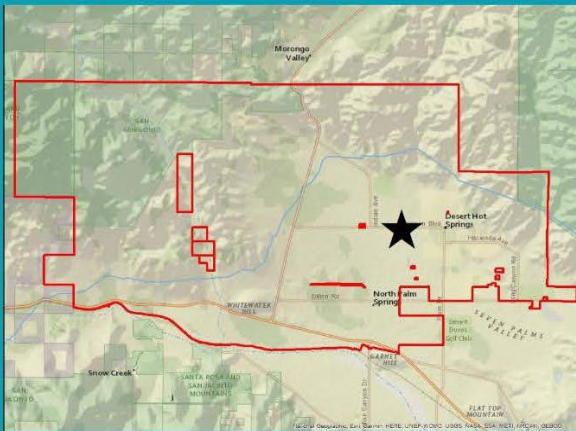
PROJECT DESCRIPTION: Well 35 was drilled as part of the original development of Skyborne. This project will provide the pump, motor, shelter, and all necessary electrical equipment to bring Well 35 into operation.

PROJECT BUDGET (FY 24/25):
DESIGN: \$100,000
CONSTRUCTION: \$2,600,000
TOTAL: \$2,700,000



Capital Improvement Project Information

Well 42 Construction



LOCATION

PROJECT TITLE:
Well 42 Construction

Job Number: 11147

PROJECT TYPE:
Well Construction

VICINITY MAP



LIMITS OF PROJECT

ESTIMATED SCHEDULE:

DESIGN: 09/2020

CONSTRUCTION: 01/2021 – 12/2024

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 24/25):

CONSTRUCTION: \$4,389,000

INSPECTION/CONSTRUCTION ENGINEERING: \$350,000

TOTAL: \$4,739,000

Debt Service Fund Detail

At the beginning of FY 2024 the District had approximately \$22 million in outstanding long-term debt. \$7 million of 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 19 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. Included in the \$22 million is \$15 million in debt for cashflow support through the construction of the RWRF. **Table 24** is a summary of the long-term debt and the amounts expected to be paid in FY 2025.

Table 24: Long-Term Debt Service Fund Detail for FY 2025

Long-Term Debt	Beginning Balance	(Paid)/Added in FY 2024	Ending Balance	Due in FY 2025
Special Assessment Bonds – Assessment District #7	\$31,000	(\$15,000)	\$16,000	\$16,000
COP – U.S. Department of Agriculture – 2001	\$229,801	(\$8,600)	\$221,201	\$8,900
Installment Sale Agreement – City National Bank – 2017	\$969,213	(\$263,792)	\$705,421	\$271,497
Installment Sale Agreement – Hollman Capital Corporation	\$197,140	(\$16,274)	\$180,866	\$16,963
SWRCB – Assessment District #12, Phase IV	\$2,927,216	(\$238,111)	\$2,689,105	\$243,350
Installment Sale Agreement – City National Bank – 2013	\$777,281	(\$60,592)	\$716,689	\$63,102
Installment Sale Agreement – BBVA Compass Bank – 2014	\$1,790,434	(\$1,790,434)	\$0	\$0
Installment Sale Agreement – Wells Fargo Bank - 2023	\$15,000,000	(\$0)	\$15,000,000	\$15,000,000
Total Long-Term Debt	\$21,922,085	(\$2,392,803)	\$19,529,282	\$15,619,812

Assessment District #7 Special Assessment Bonds

On February 28, 1985, the District issued special assessment bonds for \$222,200 to aid in financing a sewage collection system for Assessment District #7. The interest rate on the bonds is 7.25% per annum. Interest on the bonds is payable semi-annually on January 2 and July 2. Principal matures July 2 of each year through 2024.

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.

Assessment District #12, Phase VI

On November 1, 2014, the District entered into an installment sales agreement with BBVA Compass Bank in the amount of \$2,700,000. The proceeds were used to purchase Assessment District #12 bonds totaling \$2,582,000 for Phase VI costs. The interest rate on the installment sales agreement is 3.95% 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. On October 25, 2023 the District received a payoff demand from PNC Bank (formerly BBVA Compass) for the balance of the loan. The District paid the balance on this loan on November 30, 2023 via wire transfer.

Installment Sales Agreement – Nancy Wright Regional Water Reclamation Facility

On January 26, 2023, the District entered into an installment sales agreement with Wells Fargo Bank in the amount of \$15,000,000. The proceeds were used for cashflow resources while the District waits to submit a grant reimbursement for the Nancy Wright Regional Water Reclamation Facility. The final grant submittal approval was received on June 1, 2023, and the first grant disbursement is expected in August 2023. The interest rate on the installment sales agreement is 3.99% per annum. Interest only payments are due every month and the principal matures on January 25, 2025.





Department Information



DEPARTMENT INFORMATION

Department Descriptions

The Board sets the overall organization-wide goals that support the District's mission and strategic plan. The divisions and departments are the link that converts planning into action. Divisions, departments, and full-time equivalent (FTE) positions are shown in **Table 25** below.

Table 25: Organizational Divisions, Departments, and FTEs for FY 2025

Division	Department	FY 2025 FTEs
Executive	Board of Directors	(5)
	Office of the General Manager	2
Administration	Administration	4
	Human Resources	1
	Public Affairs	1
Engineering	Engineering & Water Resources	6
Finance	Accounting	5
	Customer Service	4
	Finance	1
	Innovation & Technology	1
Operations & Maintenance	Construction & Maintenance	11
	Field Services	4
	Operations Administration	1
	Water Production	4
	Wastewater Collection	2
	Wastewater Treatment & Disposal	7
Total FTEs		54

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.
- 2023-2024 Accomplishments – Notable achievements accomplished by the department.
- 2024-2025 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 2025

Office of the General Manager	FY 2025 FTEs
General Manager	1
Assistant General Manager	1
Total	2

2023-2024 Accomplishments

- Adopted a balanced FY 2023-2024 Budget Document in June 2023.
- Successfully negotiated the contract for new General Manager, Brian Macy, in August 2024.
- Developed a strategic plan culminating in the adoption of a new 2024 Strategic Plan from September 2023 to March 2024.
- Successfully reviewed and adopted a revised Board Compensation Resolution, encompassing board compensation, reimbursement, and travel policy in March 2024.
- Updated the Board of Directors Handbook to align with the new strategic plan and encouraged increased participation in leadership training in May 2024.

- Vice President Griffith and Director Duff were honored with Special District Governance Certificates through the California Special District Leadership Foundation in September 2023. President Sewell and Director Martin completed the CSDA Leadership Academy in February 2024, while Director Mayrhofen has engaged in two of the five modules during Spring 2024.
- Director Duff was appointed to the ACWA Local Government and Groundwater and SGMA Implementation Subcommittee Committees in January 2024.
- Director Russ Martin was elected to the Riverside Countywide Oversight Board of Directors in September 2023.
- Members of the Board's Legislative Committee participated in lobbying efforts that secured more than \$2.7 million in Community Projects grants to support the Groundwater Quality Protection Project (septic to sewer).
- Adopted an amended Article VI of the MSWD Wastewater Discharge Ordinance which sets new rules for commercial wastewater discharge and allows for new business growth in the region, March 2024.
- Throughout the year, members of the Board attended multiple industry conferences, representing the District:
 - ACWA Fall 2023 Conference, December 2023
 - ACWA Spring Conference, May 2024
 - ACWA Legislative Conference, February 2024 (Washington, DC)
 - ACWA Legislative Conference, April 2024 (Sacramento)
 - ACWA – Region 9 board meetings and tours, throughout the year
 - CSDA Annual Conference, September 2023
 - CSDA Leg Days, April 2024
 - Urban Water Institute Conference, February 2024

2024-2025 Goals and Objectives

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

- Participate in ACWA, CASA, CSDA, and other industry committees to help shape industry trends and bring back best practices to the organization.
- 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 2.1 – Ensure excellence in regulatory compliance.

- Actively monitor new regulations and engage in the rulemaking process.

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 Groundwater Sustainability Agency for basin within the District's service area, which include the San Geronio Pass Sub-Basin, the Mission Creek Sub-Basin, the Indio Sub-Basin, and the Desert Hot Springs Sub-Basin.

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.
- Invest in emergency backup generators and system redundancies for fail-safe operations.
- 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.
- Continue to train District personnel in National Incident Management Systems (NIMS) to recommended levels and review the applicability of Web-EOC software programs.
- Ensure earthquake retrofitting of critical infrastructure is included in long-term planning activities, protecting District assets and those of the customers we serve.
- Participate in regional tabletop exercises to ensure staff are prepared for emergency situations.

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.
- 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.

- 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 event committee to avoid committee burnout.
- 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 2025 operating expenses for the Board of Directors are \$486,092 as shown in **Table 27** below.

Table 27: Board of Directors Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$88,404
Employee Benefits	\$15,408
Fringe Benefits	\$49,080
Materials and Supplies	\$1,200
Outside Services	\$130,200
Director's Fees	\$150,000
Training and Conferences	\$52,000
Total Operating Expenses	\$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.

Staffing

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

Table 28: Administrative FTEs for FY 2025

Administration Department	FY 2025 FTEs
Business Analyst	1
Contract Analyst	1
Executive Assistant	1
Administrative Assistant I/II	1
Total	4

2023-2024 Accomplishments

- Successfully secured grant funding from the AQMD Carl Moyer Program for replacement of a backhoe/loader.
- Updated the Mission Springs Water District Personnel Rules and Regulations.
- Hired Timmons to oversee the implementation of a work order and asset management software.
- Continued to work with and support the City of Desert Hot Springs, Riverside County Flood Control & Water Conservation District, Federal Emergency Response Agency, et. al. to response to the impacts of Tropical Storm Hilary.
- Continued to work with Consultants, State, and Local agencies to educate customers of the impacts of the implemented hexavalent chromium (Chromium-6) maximum contaminant level (MCL).
- Entered into an agreement for Information Technology (IT) Professional Services
- Hired three new employees.
- Promoted six employees.

2024-2025 Goals and Objectives

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 strengthen customer relationships.

- Create an internal Intranet as a hub for employee communications.

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

- Participate in ACWA, CASA, CSDA, and other industry committees to help shape industry trends and bring back best practices to the organization.
- 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.
- Pursue grants and projects that would benefit our customers.

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Actively monitor new regulations and engage in the rulemaking process.
- Solicit grant support to help pay for an MSWD weather station to obtain better precipitation and evaporation rates in our service area.
- Solicit grant funding to develop an Evaporative Cooler Maintenance and Replacement Program.

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 recycled water program (looking at potable and non-potable options) at the Horton and Wright facilities.

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.
- Invest in emergency backup generators and system redundancies for fail-safe operations.
- 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.
- Continue to train District personnel in National Incident Management Systems (NIMS) to recommended levels and review the applicability of Web-EOC software programs.
- Ensure earthquake retrofitting of critical infrastructure is included in long-term planning activities, protecting District assets and those of the customers we serve.
- Participate in regional tabletop exercises to ensure staff are prepared for emergency situations.

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 event committee to avoid committee burnout.
- 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 2025 operating expenses for the Administration Department are \$2,786,887 as shown in **Table 29** below.

Table 29: Administration Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$484,585
Employee Benefits	\$68,826
Fringe Benefits	\$255,939
Materials and Supplies	\$9,200
Outside Services	\$158,652
Insurance	\$245,000
Legal	\$504,000
Fixed Assets	\$898,020
Dues and Subscriptions	\$86,365
Training and Conferences	\$76,300
Total Operating Expenses	\$2,786,887

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 one FTE position as shown in **Table 30** below.

Table 30: Human Resources FTE Positions for FY 2025

Human Resources Department	FY 2025 FTEs
Human Resources Manager	1
Total	1

2023-2024 Accomplishments

- Successfully worked with payroll and CalPERS to update the following:
 - General Manager's Salary to be documented on the employee's salary schedule.
 - Update to the employee special compensation policy for Commercial Driver's Licenses, education, and certification degrees.
- Completed a successful open enrollment period for employee's medical insurance changes.
- Updated several handbook policies to meet State and Procedural requirements.
- Hired a consultant to prepare the Workplace Violence Prevention Program required by the State to be in place by July 1, 2024.
- Completed another successful employee request meeting in March of 2024.
- Converted several paper forms to digital format for ease of use and routing.
- Processed thousands of vacation and sick requests throughout the year.
- Implemented a new bilingual pay benefit as approved by the Board that started in FY 2024.
- Maintained a working relationship with several other water and sewer agencies in order to compare benefits when requested by employees and the Board.
- Successfully worked through several employee events, recognitions, retirements and employee developments through the employee recognition committee.

2024-2025 Goals and Objectives

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.
- Hold managers accountable for performing timely performance evaluations that increases job knowledge, documents performance, and supports employees' overall success.

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.
- Develop a comprehensive supervisor development and training program for existing managers, supervisors, and employees aspiring to supervisory positions.
- 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.
- Continue to hold regular GM/All-Hands meetings to create dialogue and promote organizational culture.

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 leadership opportunities attract and retain top talent, contributing to a skilled and motivated workforce.
- 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 colleagues to create Career Technical Education pathways for some of our hard-to-fill positions.

- Evaluate and look for ways to keep turnover rate 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.
- Work towards a 100% non-litigation rate on Workers' Compensation claims.
- Encourage Employee Wellness and implement a comprehensive, district-wide Employee Wellness Plan.

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 event committee to avoid committee burnout.
- 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 2025 operating expenses for the Human Resources Department are \$521,128 as shown in **Table 31** below.

Table 31: Human Resources Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$210,168
Employee Benefits	\$42,360
Fringe Benefits	\$119,400
Materials and Supplies	\$2,000
Outside Services	\$119,700
Dues and Subscriptions	\$2,500
Training and Conferences	\$25,000
Total Operating Expenses	\$521,128

Public Affairs Department

Description of Services Provided

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 Public Affairs Department consists of one FTE position as shown in **Table 32** below.

Table 32: Public Affairs FTE Positions for FY 2025

Public Affairs Department	FY 2025 FTEs
Programs & Public Affairs Specialist	1
Total	1

2023-2024 Accomplishments

- Developed and adopted a new Social Media governance policy in August 2023 to protect the District and guide staff in managing our pages.
- MSWD was featured in a City of Desert Hot Springs and Palm Springs Visitor's Bureau video series on KMIR/NBC in November 2023.
- Initiated a Strategic Plan kick-off in November 2023 and adopted a new Strategic Plan with revised Mission, Vision, and Values in March 2024.
- Held successful canned food and toy drives benefiting the residents of Desert Hot Springs throughout November 2023. Employees donated toys and non-perishable food items, which were distributed to community members in need.
- MSWD's Holiday Float brought joy to the hearts and minds of residents, winning the Best Decorations category with its Grinch-themed float.
- Throughout the year, MSWD provided comment letters and testimony to the State Water Resources Control Board, addressing impacts to the proposed Chromium-6 MCL and the Conservation as a Way of Life regulatory framework.
- Twelve students had their conservation and groundwater quality artwork featured in the District's 2024 community calendar. Participants were honored at the December 2023 Board of Director's meeting, and calendars were provided to community members throughout the year for free.
- Successfully hosted four quarterly LifeStream Community Blood Drives throughout the year.

- Successfully hosted a series of Fall Water 101 classes, educating customers and community members about the MSWD system. The classes, held monthly between August and December 2023 at the Desert Hot Springs Library, detailed how the District works to provide water and wastewater services both now and into the future.
- Started hosting monthly Water Talks featuring presenters from various organizations covering topics important to the water future of the valley, beginning in January 2024. These successful events have drawn as many as 35 participants and are some of our most-viewed social media posts.
- Took home three awards in January 2024, including Small Plant of the Year, Collection System Person of the Year, and Community Engagement & Outreach Project of the Year, during a special awards ceremony hosted by the California Water Environment Association and its Colorado River Basin Section. At the State level, the Public Affairs team placed second for Community Engagement & Outreach Project of the Year and the Horton WWTP took third in the Small Plant of the Year category.
- Amended Article VI of the wastewater discharge ordinance to better serve industrial users. The Public Affairs office solicited community support and input to guide the final changes.
- Public Affairs staff successfully participated in lobbying efforts that helped the District receive more than \$2.7 million in community project grants to support the Groundwater Quality Protection Project.
- Partnered with the Desert Hot Springs High School REAL Academy to sponsor a modeling project where students learned about the Mission Creek Subbasin and MSWD's water sources. The project was unveiled during a special ceremony on Earth Day at the Cabbot Yerxa Museum and remains on display in the MSWD Water Room.
- Hosted two Desert Hot Springs High School students in May 2024 as part of a new student internship program started with the REAL Academy. The spring interns spent time in the Engineering and Public Affairs departments learning about the District and its duties. A Summer internship is starting in June 2024, with MSWD hosting four students who will spend their time in Engineering, Wastewater, Production, and Public Affairs Departments.
- Continued to promote rebates and conservation throughout the District including toilet rebates, turf rebates, conservation kits, and bottled water tracking.

2024-2025 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.

- 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 needs.
- Incorporate District initiatives, including Chromium-6, conservation and fleet electrification, and other mandated projects so that customers understand the 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.

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.
- As the Long-Range Financial Master Plan is completed, ensure customers’ understanding of water costs and impacts on rates.
- Establish a communication plan that empowers our customer service workers to be brand ambassadors and build relationships with the public.
- Expand tour and lecture opportunities and work with staff to create a speaker’s bureau of knowledgeable presenters.
- Increase school opportunities and expand the Groundwater Guardian activities within the schools.
- Partner with Desert Hot Springs 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 strengthen customer relationships.

- Create an internal Intranet as a hub for employee communications.
- Resume employee tours and onboarding programs so new employees can learn about our operations better.
- 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, and Values. Work with Human Resources to add these to the employee evaluation process.

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.
- Cultivate supportive and positive relationships with federal, state, and local agencies that may impact District operations.
- Cultivate positive relationships with key industry professionals to stay informed and gather feedback.
- Pursue grants and projects that would benefit our customers.
- 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 great 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.
- Participate in ACWA, CASA, CSDA, and other industry committees to help shape industry trends and bring back best practices to the organization.
- 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 2.1 – Ensure excellence in regulatory compliance.

- Actively monitor new regulations and engage in the rulemaking process.
- Chromium-6 MCL
 - 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.
- Lead & Copper Rule
 - Develop a communication plan to educate the public about the Lead & Copper Rule Revision's requirements and the steps MSWD takes to meet them.
- Conservation as a Way of Life

- Continue to work with regulators to address the feasibility of state-set conservation goals.
- 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.
- 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.
- Review the turf rebate program and target outreach efforts 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.

- 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.
- Participate in negotiations for the final determination of the Groundwater Sustainability Agency for basin within the District's service area, which include the San Geronio Pass Sub-Basin, the Mission Creek Sub-Basin, the Indio Sub-Basin, and the Desert Hot Springs Sub-Basin.
- Review and explore options with our State Water Project allocation, preparing for contract expiration and the possibility of reduced Colorado River supplies.

Performance Measures

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

Table 33: Performance Measures for Public Affairs

Activity	2021	2022	2023
Toilet Rebates	27	23	15
Toilet Rebates (\$)	\$6,954	\$5,549	\$2,400
Turf Rebates	3	4	13
Turf Rebates	\$5,620	\$6,812	\$104,426
Conservation Kits	58	126	35
Bottled Water Tracking (cases)	372	75	891

Operating Expenses

The FY 2025 operating expenses for the Public Affairs Department are \$1,187,324 as shown in **Table 34** below.

Table 34: Public Affairs Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$246,444
Employee Benefits	\$38,136
Fringe Benefits	\$134,544
Materials and Supplies	\$179,000
Outside Services	\$409,500
Dues and Subscriptions	\$97,700
Training and Conferences	\$16,000
Groundwater Management	\$16,000
Other Expenses	\$50,000
Total Operating Expenses	\$1,187,324

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 35** below.

Table 35: Engineering & Water Resources FTE Positions for FY 2025

Engineering & Water Resources Department	FY 2025 FTEs
Engineering Manager	1
Associate Engineer	1
Engineering Technician I/II	2
GIS Specialist	1
Office Specialist I/II	1
Total	6

2023-2024 Accomplishments

- Well 42 Construction – The contractor has procured the well motor, pump assembly, and the MCC equipment from the manufacturer. The hydrogeologist completed a downhole video log and has recommended downhole rehabilitation to remove the biofilm and encrustation found along the well casing.
- AD-18 – GQPP Sewer Project Areas H & I – Staff has been unable to reach an agreement with the property at the south end of Hildago Street for an easement

needed to complete the proposed sewer alignment. Staff is evaluating other options.

- AD-18 – GQPP Sewer Project Area D3-1 – DWR approved repurposing the grant funding for this project and approved an amendment. Staff received a proposal from AECOM to complete the design and CEQA updates to the existing documents. Following Board approval, staff issued a notice to proceed.
- Well 22 Rehabilitation – Staff received the final project plans and specifications for the well site improvements. The project was bid and awarded to Canyon Springs Enterprises. Staff is working with contractor to schedule the work.
- Backup Generators for Well Sites 27-32 and 37 – Staff executed a contract extension with the consultant, and they submitted a revised plan. Once the solar panel layout is finalized for the sites, staff will solicit bids through Planet Bids.
- Supplemental Environmental Project – Completed the connection of the 21 properties to the existing sewer laterals and abatement of the 21 septic tanks.
- Well 34 Rehabilitation – The project was awarded to Legend Pump and Well Service. The contractor completed bailing, EMDS survey, brushing the well, focused intake pumping, chemical injection and pumping, and swabbing air lifting. The contractor completed final well development, aquifer pump tests, downhole video survey, and disinfection.
- Regional Water Reclamation Facility
- CVRWMG
- Water and Wastewater System Comprehensive Master Plan Updates
- Completed SGMA Annual Reports for the Mission Creek, San Geronio Pass, and Indio Subbasins.
- Continued to attend monthly Technical Advisory Committee meetings and monthly Steering Committee meetings for the Coachella Valley Salt and Nutrient Management Plan (SNMP) Updates.

2024-2025 Goals and Objectives

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

- Evaluate options for stormwater capture and reuse.
- Participate in negotiations for the final determination of the Groundwater Sustainability Agency for basin within the District's service area, which include the San Geronio Pass Sub-Basin, the Mission Creek Sub-Basin, the Indio Sub-Basin, and the Desert Hot Springs Sub-Basin.
- Work with the Salt and Nutrient Management Plan stakeholders to continue monitoring Total Dissolved Solids in the Coachella Valley and advocate for project funding to protect our aquifer.
- Continue to explore opportunities with the Agua Caliente Indian Reservation to access groundwater.
- Review and explore options with our State Water Project allocation, preparing for contract expiration and the possibility of reduced Colorado River supplies.

- As part of the Water Master Plan, include projects that connect the MSWD IDE areas to the MSWD “main” system.

SMART Goal 3.1 – Conduct Long-Range Financial Planning to ensure adequate and reliable revenue streams.

- Update of Water and Wastewater Master Plans
 - 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.
 - Evaluate options for relocation of existing water infrastructure within inaccessible areas of the District for ease of maintenance.
 - Pipeline replacement project for aging pipes within the water distribution system. Incorporate the project in the Master Plan updates.

SMART Goal 4.1 – By September 2026, complete the construction of a Critical Services 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.
- 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.

SMART Goal 4.2 – Update Existing Water and Wastewater Master Plans

- 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.
- 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.
- Work with the City of Desert Hot Springs to develop an infrastructure feasibility study for unserved areas poised for growth.
- Execute a mutual services agreement with Coachella Valley Water District (CVWD) to serve customers in the CVWD service territory without water/sewer access.
- 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.
- Evaluate options for relocating existing water infrastructure within inaccessible areas (including rear lot easements) of the District for ease of maintenance and risk reduction.

- Identify and remove problematic tamarisk trees and other vegetation to prevent future root-related system issues.
- Create a Predictive and Preventative 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.
- 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.
- 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.

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

- Create a Predictive and Preventative Maintenance Program to meet established performance benchmarks.
- 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 Preventative Maintenance Program.
- Research and implement a complete Computerized Maintenance Management System.
- Build a connection to the MSWD IDE areas to the MSWD “main” system.
- Evaluate system interconnects with neighboring agencies.
- Evaluate emerging technologies and consider implementation.
- Provide a comprehensive backup transmission system.

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.
- Invest in emergency backup generators and system redundancies for fail-safe operations.
- 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.

- Continue to train District personnel in National Incident Management Systems (NIMS) to recommended levels and review the applicability of Web-EOC software programs.
- Ensure earthquake retrofitting of critical infrastructure is included in long-term planning activities, protecting District assets and those of the customers we serve.
- 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.
- Evaluate hybrid/electric technology opportunities.
- Explore biofuel opportunities.
- Reduce overall energy consumption associated with District facilities by 20% in the next three years.
- Evaluate opportunities to minimize greenhouse gas emissions in District operations.
- Leverage the District’s solar resources and look into expansion financing opportunities, including grants, leasing, and power purchase agreement opportunities.
- Enhance sustainability by minimizing waste in resources needed to meet operation and maintenance objectives.
- Consider the environmental impact on all business practices.
- Explore additional sludge recycling options for future reuse.
- Create an internal employee culture that proactively seeks ways to conserve water and energy and be more environmentally sustainable in everything we do.

SMART Goal 5.3 – Embrace Green Building Standards.

- 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.
- 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.
- Evaluate building designs and perform a cost-benefit analysis of the impact of incorporating LEED Green Building standards in construction projects.
- Ensure all District construction projects adhere to California environmental laws and regulations.

Operating Expenses

The FY 2025 operating expenses for the Engineering & Water Resources Department are \$1,183,748 as shown in **Table 36** below.

Table 36: Engineering & Water Resources Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$308,184
Employee Benefits	\$64,932
Fringe Benefits	\$176,412
Materials and Supplies	\$6,900
Outside Services	\$534,320
Engineering	\$66,000
Dues and Subscriptions	\$3,500
Training and Conferences	\$8,500
Other Expenses	\$15,000
Total Operating Expenses	\$1,183,748

Finance Division

Finance & Accounting 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.

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 Finance & Accounting Department consists of five FTE positions as shown in **Table 37** below.

Table 37: Finance & Accounting FTE Positions for FY 2025

Finance & Accounting Department	FY 2025 FTEs
Director of Finance	1
Accounting Manager	1
Accountant	1
Accounting Technician	1
Purchasing & Warehouse Specialist	1
Total	5

2023-2024 Accomplishments

- Completed the Fiscal Year 2023-2024 Operating & Capital Budget and received the District's first ever Distinguished Budget Award from the GFOA.

- Completed the Fiscal Year 2022-2023 Annual Comprehensive Financial Report and applied for the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- Completed the Fiscal Year 2022-2023 Interim Audit.
- Continued work with Raftelis on the Long-Range Financial Master Plan.
- The Director of Finance joined the GFOA's Uncertainty and Risk Advisory Group to collaborate with other government agencies throughout the entire U.S. on issues and uncertainties affecting the District.
- The Director of Finance signed up for and started the CSDA Certified Special District Manager that awards a certificate after completing an exam that covers various special district management, operations and governance.
- The Director of Finance signed up the CSDA's mentorship program and was paired with the General Manager of Monte Vista Water District.
- Updated the Procurement Policy to meet District standards while ensuring it meets State and Federal laws.
- Updated the payroll software module with new features.
- Updated the accounting system with the 2024 Federal Tax Rates, State Tax Rates, Employee 457 Max Contribution, and Group Term Life insurance benefit tax rates.
- Staff attended training for the following:
 - CalPERS – Education Forum
 - CSMFO – Cultivating HR/Finance Relationships
 - CSMFO – Introduction to Governmental Accounting
 - GFOA – GASB Statement No. 101 Compensated Absences
 - Government Tax Seminars – Government Tax and Employee Benefit Annual Update
- Continued to assist and support other departments as needed.

2024-2025 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Chromium-6 MCL
 - Ensure the District 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 3.1 – Conduct Long-Range Financial Planning to ensure adequate and reliable revenue streams.

- Update of the Long-Range Financial Master Plan
 - 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 assessment.

- 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.
- 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.
- 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.
- Update Cost of Service Study – Water & Sewer
 - Conduct a comprehensive review of current water/sewer rates and fees to ensure they align with operational costs and market trends.
 - Implement efficiency measures, such as adopting technology solutions and streamlined processes, to reduce operational expenses.
 - Adopt a flexible rate structure that allows the District to react to external factors and internal demands.
 - Considers regulatory compliance needs, conservation requirements, and drought restrictions and ensures the model can perform what-if scenarios.
 - Ensure the rate structure is sound and defensible and that customer groups are charged appropriately.
 - Increase revenue stability by recovering more fixed costs through fixed charges while maintaining customer group fairness.
- Update of Water and Wastewater Master Plans
 - 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.
 - Evaluate options for relocation of existing water infrastructure within inaccessible areas of the District for ease of maintenance.
 - Pipeline replacement project for aging pipes within the water distribution system. Incorporate the project in the Master Plan updates.

SMART Goal 3.2 – Control costs and manage debt responsibly.

- Actively manage costs and live within the “approved” budget.
- Adjust spending in response to revenue fluctuations and restrictions.
- 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.
- 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.
- 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 Tax increases.
- Foster a culture of financial responsibility and accountability across the organization.

Operating Expenses

The FY 2025 operating expenses for the Finance & Accounting Department are \$651,840 as shown in **Table 38** below.

Table 38: Finance & Accounting Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$249,876
Employee Benefits	\$60,312
Fringe Benefits	\$146,652
Audit	\$60,000
Training and Conferences	\$5,000
Other Expenses	(\$12,000)
Total Operating Expenses	\$651,840

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 39** below.

Table 39: Customer Service FTEs for FY 2025

Customer Service Department	FY 2025 FTEs
Customer Service Manager	1
Senior Customer Service Representative	1
Customer Service Representative I/II	2
Total	4

2023-2024 Accomplishments

- Implemented the Customer Experience Enhancement Program providing phone screening and on-the-spot feedback/coaching with a Customer Service Representative.
- Implemented an AML infrastructure and Neptune 360 customer portal to provide customer access to bills and leak alerts.
- Leveraged the AML infrastructure and Neptune 360 to investigate high consumption, identify water wasters, and detect leaks.
- Successfully facilitated bill assistance programs for the benefit of customers including United Way Customer Bill Assistance Program and Riverside County's Low Income Household Water Assistance Program.
- Successfully reached out to customers with delinquent bills to provide assistance and repayment options to avoid disconnection.
- Implemented Pay Near Me to provide customers with multiple options for bill payment.
- Completed monthly review of regular bills, delinquent bills, and closing bills.
- Completed monthly refunds to customers resulting from closed accounts.
- Completed monthly filing of liens for delinquent account and release of lien after securing payment for outstanding balances.

2024-2025 Goals and Objectives

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.
- Keep customer bills fresh and straightforward while providing sufficient information about charges and water use.

Performance Measures

Table 40 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 40: Performance Measures for Customer Service

Activity	2021	2022	2023
Customer Service Calls	16,968	25,234	23,040
Customer Portal Registration	-	4,808	2,074
High Consumption Service Orders	144	124	75
Early Leak Identification through Neptune 360 Customer Portal	-	-	484
Auto-Dialer Calls to Customers	0	1,937	5,107
Door Hangers to Property	0	494	759
Calls to Make Payment Plans	0	378	1,171
Service Disconnections	0	286	656
LIHWAP Care Program (\$)	-	\$43,707	\$90,326
United Way Customer Bill Assistance Program	-	125	130
United Way Customer Bill Assistance Program (\$)	-	\$12,500	\$13,000
Payment Plans	-	286	147
Payment Plans (\$)	-	\$106,830	\$54,158

Operating Expenses

The FY 2025 operating expenses for the Customer Service Department are \$1,950,344 as shown in **Table 41** below.

Table 41: Customer Service Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$689,472
Employee Benefits	\$190,584
Fringe Benefits	\$416,088
Materials and Supplies	\$5,000
Outside Services	\$267,300
Audit	\$
Rate Study	\$
Fixed Assets	\$350,000
Dues and Subscriptions	\$100
Training and Conferences	\$15,000
Other Expenses	\$16,800
Total Operating Expenses	\$1,950,344

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 42** below.

Table 42: Innovation & Technology FTEs for FY 2025

Innovation & Technology Department	FY 2025 FTEs
Innovation & Technology Manager	1
Total	1

2023-2024 Accomplishments

- Completed office moves for Field Services and Construction & Maintenance Leads and new computers were purchased and configured.
- Continued push toward paperless operation with the expansion of Laserfiche forms which staff are using for managing budgets and submitting overtime.
- Upgraded the District's endpoint malware protection.
- Continued cybersecurity improvements to improve District security.
- Continued preparation for the onboarding of new staff through the order/setup of new computers and office space.
- Attended the annual Municipal Information Systems Association of California conference.
- Purchased and setup a new web server as part of routine hardware replacement for aging equipment. The new server will improve data transmission with billing services.
- Awarded the IT Services contract to Intelysis, and they created a list of technology and security improvement projects including changes in security policies, environmental monitoring in the server room, and backup management.
- Awarded contract with Timmons Group for the District's GIS Implementation and integration with an asset management and computerized maintenance and management system.

- Purchase and setup of network equipment and computers required for networking the Wright RWRF with the rest of the District's systems.
- Continued monthly anti-phishing training scenarios with staff and Board members.
- Continued upgrade of desktop computers and laptop computers.

2024-2025 Goals and Objectives

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

- Create a Predictive and Preventative Maintenance Program to meet established performance benchmarks.
- 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 Preventative Maintenance Program.
- Research and implement a complete Computerized Maintenance Management System.
- Build a connection to the MSWD IDE areas to the MSWD "main" system.
- Evaluate system interconnects with neighboring agencies.
- Evaluate emerging technologies and consider implementation.
- Provide a comprehensive backup transmission system.

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.
- Invest in emergency backup generators and system redundancies for fail-safe operations.
- Enhance security measures at critical remote sites and standardize systems and software to manage these operations.

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 resources 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.
- Automate employee payroll structure and eliminate manual entry of employee time and project numbers.

- Develop a work order management system and analyze workload allocations for infrastructure and maintenance operations based on industry key performance indicators and standards.
- Identify opportunities for the privatization of routine maintenance functions to augment staffing levels.
- 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.
- Continue to enhance purchasing processes to streamline staff processing times while ensuring appropriate approvals are met.
- 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.
- Adopt a records retention policy, incorporate retention schedules into processes, and automate them into new computer systems.
- Review lien processing and streamline and consolidate processing to one department.
- 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.

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.
- Boost real-time monitoring and incident response.
- Enhance network analysis and optimization.

Operating Expenses

The FY 2025 operating expenses for the Innovation & Technology Department are \$1,845,336 as shown in **Table 43** below.

Table 43: Innovation & Technology Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$108,648
Employee Benefits	\$18,540
Fringe Benefits	\$60,132
Materials and Supplies	\$15,000
Outside Services	\$1,240,372
Fixed Assets	\$394,644
Training and Conferences	\$8,000
Total Operating Expenses	\$1,845,336

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 one FTE positions as shown in **Table 44** below.

Table 44: Operations Administration FTE Positions for FY 2025

Operations Administration Department	FY 2025 FTEs
Director of Operations	1
Total	1

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 11 FTE positions as shown in **Table 45** below.

Table 45: Construction & Maintenance FTE Positions for FY 2025

Construction & Maintenance Department	FY 2025 FTEs
Field Operations Superintendent	1
Lead Facilities Maintenance Worker	1
Lead Field Operations Technician	2
Field Operations Technician I/II	7
Total	11

2023-2024 Accomplishments

- Continued water line location requests using iPads and the GeoViewer Mobile application.
- Continued repair and replacement for components of the water distribution system keeping it in optimum working order and properly functioning without any interruption.
- Continued to implement preventative maintenance and inspection programs keeping the water distribution system keeping it in optimum working order and properly functioning without any interruption.
- Completed asphalt repairs from leaks and scheduled work throughout the District.
- Continued to process work orders using the CMMS program.
- Completed monthly fire flow testing.
- Completed monthly building maintenance throughout the District.
- Continued to implement the Standby Generator Monthly Maintenance Program.
- Completed maintenance and repairs for all Fleet vehicles.
- XXXXXXX

2024-2025 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Lead & Copper Rule
 - Develop a lead service line inventory and make it publicly available.
 - Develop a lead service line replacement plan.
 - Sample schools and childcare facilities for lead and copper.
 - Strengthen treatment to comply with the new 10 microgram per liter (ug/L) trigger level.

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

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 5.3 – Embrace Green Building Standards.

- 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.
- 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.
- Evaluate building designs and perform a cost-benefit analysis of the impact of incorporating LEED Green Building standards in construction projects.
- Ensure all District construction projects adhere to California environmental laws and regulations.

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	2021	2022	2023
Water Line Location Requests	1,973	4,234	5,812
Service Lines Replaced	88	160	191
Service Line Leaks Repaired	149	202	173
Main Line Leaks Repaired	39	55	76
Fire Hydrants Repaired/Replaced	4	0	16
Water System Valves Exercised	1,681	1,818	2,436
Fire Hydrants Flushed, Maintained, & Painted	417	792	966
Air/Vacuum Valves Inspected/Rebuilt	189	4	194
Cla-Val Inspected	16	0	12
Blow-Offs Flushed	290	284	294
CMMS Work Orders Processed	325	425	616
New Water Meter & Service Line Installation	85	155	146
Fire Flow Testing	18	129	126

Operating Expenses

The FY 2025 operating expenses for the Construction & Maintenance Department are \$875,896 as shown in **Table 47** below.

Table 47: Construction & Maintenance Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$37,176
Employee Benefits	\$6,480
Fringe Benefits	\$20,640
Materials and Supplies	\$398,500
Outside Services	\$413,100
Total Operating Expenses	\$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 2025

Field Services Department	FY 2025 FTEs
Lead Field Services Technician	1
Field Service Representative II - Backflow Specialist	1
Field Services Representative I/II	2
Total	4

2023-2024 Accomplishments

XXXXXX

2024-2025 Goals and Objectives

XXXXXXXXXXXX

Operating Expenses

The FY 2025 operating expenses for the Field Services Department are \$1,110,539 as shown in **Table 49** below.

Table 49: Field Services Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$278,700
Employee Benefits	\$67,092
Fringe Benefits	\$163,500
Materials and Supplies	\$80,240
Outside Services	\$444,336
Training and Conferences	\$11,300
Total Operating Expenses	\$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 13,957 meters per month using manual and automated meter reading technology.

Staffing

The Water Production Department consists of four FTE positions as shown in **Table 50** below.

Table 50: Water Production FTE Positions for FY 2025

Water Production Department	FY 2025 FTEs
Water Production Supervisor	1
Water Production Operator I/II	3
Total	4

2023-2024 Accomplishments

- Continued to collect monthly routine bacteriological samples, general physical samples, uranium samples for the wells and water 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 all 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 chlorine residuals at all well sites and throughout the distribution system.
- Continued to collect monthly groundwater levels for 15 production wells and nine monitoring wells.
- Continued to conduct monthly overflow maintenance and roof inspections for all reservoirs.
- XXXXXX

2024-2025 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Actively monitor new regulations and engage in the rulemaking process.
- 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.
 - 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.
 - Ensure the District Chromium-6 plan is incorporated in the Long-Range Financial Plan and that any capital projects are incorporated into the Five-Year CIP Program.
- Lead & Copper Rule
 - Develop a lead service line inventory and make it publicly available.
 - Develop a lead service line replacement plan.
 - Sample schools and childcare facilities for lead and copper.
 - Strengthen treatment to comply with the new 10 microgram per liter (ug/L) trigger level.
 - Develop a communication plan to educate the public about the Lead & Copper Rule Revision's requirements and the steps MSWD takes to meet them.
- Conservation as a Way of Life
 - Continue to work with regulators to address the feasibility of state-set conservation goals.
 - 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.
 - Solicit grant support to help pay for an MSWD weather station to obtain better precipitation and evaporation rates in our service area.
 - 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 Maintenance and Replacement Program.
 - Review the turf rebate program and target outreach efforts 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 recycled water program (looking at potable and non-potable options) at the Horton and Wright facilities.
- 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.
- Evaluate options for stormwater capture and reuse.
- Participate in negotiations for the final determination of the Groundwater Sustainability Agency for basin 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 and Nutrient Management Plan stakeholders to continue monitoring Total Dissolved Solids in the Coachella Valley and advocate for project funding to protect our aquifer.
- Continue to explore opportunities with the Agua Caliente Indian Reservation to access groundwater.
- Review and explore options with our State Water Project allocation, preparing for contract expiration and the possibility of reduced Colorado River supplies.
- As part of the Water Master Plan, include projects that connect the MSWD IDE areas to the MSWD "main" system.

SMART Goal 3.1 – Conduct Long-Range Financial Planning to ensure adequate and reliable revenue streams.

- Update of Water and Wastewater Master Plans
 - Evaluate options for relocation of existing water infrastructure within inaccessible areas of the District for ease of maintenance.
 - Pipeline replacement project for aging pipes within the water distribution system. Incorporate the project in the Master Plan updates.

SMART Goal 3.2 – Control costs and manage debt responsibly.

- Look for ways to reduce water loss and increase system efficiencies.

Performance Measures

Table 51 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 51: Performance Measures for Water Production

Activity	2021	2022	2023
Bacteriological Samples Collected	328	639	774
General Physical Samples Collected	40	71	177
Sodium Hypochlorite Usage (gallons)	-	-	18,602
Chlorine Residuals at Well Sites	-	-	2,442
Chlorine Residuals at Distribution System	-	-	1,188
Well Soundings	264	264	264
New Service Connections	129	158	170
Water Production (AF)	4,286	7,972	7,253

Operating Expenses

The FY 2025 operating expenses for the Water Production Department are \$7,185,746 as shown in **Table 52** below.

Table 52: Water Production Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$1,454,148
Employee Benefits	\$297,924
Fringe Benefits	\$703,296
Materials and Supplies	\$1,545,200
Outside Services	\$956,255
Groundwater Replenishment Fees	(\$164,652)
Utilities	\$2,191,275
Fixed Assets	\$152,000
Standby Reports	\$13,300
Training and Conferences	\$37,000
Total Operating Expenses	\$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 53** below.

Table 53: Wastewater Collections FTE Positions for FY 2025

Wastewater Collections Department	FY 2025 FTEs
Lead Collections System Operator	1
Collections System Operator I/II	1
Total	2

2023-2024 Accomplishments

- Consistently operated the system without any 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. Replaced a damaged check valve for Pump 2 at the lift station.
- Completed sewer line location requests using iPads and the GeoViewer Mobile application.
- Completed inspections using CCTV equipment.
- Completed cleaning of the sewer mainline.
- XXXXXX

2024-2025 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Actively monitor new regulations and engage in the rulemaking process.
- Deliver services in accordance with standards set by regulatory agencies.

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.
- Evaluate hybrid/electric technology opportunities.
- Explore biofuel opportunities.

- Reduce overall energy consumption associated with District facilities by 20% in the next three years.
- Evaluate opportunities to minimize greenhouse gas emissions in District operations.
- Leverage the District's solar resources and look into expansion financing opportunities, including grants, leasing, and power purchase agreement opportunities.
- Enhance sustainability by minimizing waste in resources needed to meet operation and maintenance objectives.
- Consider the environmental impact on all business practices.
- Explore additional sludge recycling options for future reuse.
- Create an internal employee culture that proactively seeks ways to conserve water and energy and be more environmentally sustainable in everything we do.

Performance Measures

Table 54 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 54: Performance Measures for Wastewater Collections

Activity	2021	2022	2023
Sanitary Sewer Overflows	0	0	0
Sewer Line Location Requests	903	4,205	5,669
Sanitary Sewer CCTV Inspections	-	-	79
Sanitary Sewer CCTV Inspections (feet)	33,729	22,279	88,704
Sanitary Sewer Cleaned (feet)	169,582	357,174	433,176

Operating Expenses

The FY 2025 operating expenses for the Wastewater Collections Department are \$586,236 as shown in **Table 55** below.

Table 55: Wastewater Collections Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$181,224
Employee Benefits	\$43,980
Fringe Benefits	\$99,732
Materials and Supplies	\$48,800
Outside Services	\$212,500
Total Operating Expenses	\$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 56** below.

Table 56: Wastewater Treatment & Disposal FTE Positions for FY 2025

Wastewater Treatment & Disposal Department	FY 2025 FTEs
Chief Plant Operator	1
Lead WWTP Operator	1
WWTP Operator I/II	5
Total	7

2023-2024 Accomplishments

- Continued routine plant maintenance, equipment maintenance, and plant operations at the Horton and Desert Crest WWTPs.
- Continued operation of the sludge belt filter press and removal of sludge trailers from the Horton and Desert Crest WWTPs.
- Replaced a failed gearbox speed reducer on Clarifier 3.
- Installed two new baffles on the center well of Clarifier 3.
- Continued removal of rags and debris from the headworks and RAS pumps.
- Continued performing laboratory duties and analysis for process control and regulatory reporting purposes.
- Continued to perform monthly groundwater sampling and well sounding at the monitoring wells.
- Continued to clean and rehabilitate the ponds as needed.
- 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.

2024-2025 Goals and Objectives

SMART Goal 2.1 – Ensure excellence in regulatory compliance.

- Actively monitor new regulations and engage in the rulemaking process.
- Deliver services in accordance with standards set by regulatory agencies.

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

Performance Measures

Table 57 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 57: Performance Measures for Wastewater Treatment & Disposal

Activity	2021	2022	2023
Plant & Equipment Maintenance (hours)	2,885	5,082	5,422
Sludge Belt Filter Press (hours)	969	2,138	1,910
Trailer of Sludge Removed	70	192	192
Samples Collected	149	485	552
Laboratory Duties (hours)	234	728	849
Ponds Cleaned & Rehabilitated	25	77	83
New Sanitary Service Connections	135	142	156
Horton Flow (MGD)	12.30	23.93	23.86
Desert Crest Flow (MGD)	0.29	0.52	0.53

Operating Expenses

The FY 2025 operating expenses for the Wastewater Treatment & Disposal Department are \$3,323,294 as shown in **Table 58** below.

Table 58: Wastewater Treatment & Disposal Operating Expenses for FY 2025

Operating Expenses	FY 2025
Salaries and Wages	\$1,011,540
Employee Benefits	\$168,084
Fringe Benefits	\$429,228
Materials and Supplies	\$258,600
Outside Services	\$816,963
Utilities	\$591,529
Fixed Assets	\$32,000
Standby Reports	\$3,000
Dues and Subscriptions	\$2,850
Training and Conferences	\$9,500
Total Operating Expenses	\$3,323,294



Appendices



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. It 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 its 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.

