



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Tuesday, January 20, 2026 at 3:00 PM

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

CALL TO ORDER

President Duff called the meeting to order at 3:00 PM.

ROLL CALL

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

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Kurt Kettenacker, Danny Friend, Skyler Aubrey, Amanda Lucas, Eric Weck, Jeff Nutter, Will Whitten, Selene Rodriguez, Dori Petee

PLEDGE OF ALLEGIANCE

Led by Director Martin

RULES OF PROCEDURE

Rules of Procedure were read by General Counsel.

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

PUBLIC INPUT

No public input

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT

The Board acknowledged this item at the Thursday Study Session, nothing further to add.

ACTION ITEMS

FEDERAL ADVOCACY SERVICES – CARPI & CLAY, INC.

The Board authorized the General Manager to execute an Agreement for Services with Carpi & Clay

Government Relations in the amount of \$5000/month for the term February 1, 2026, to January 31, 2027.

Assistant General Manager Marion Champion presented the item, highlighting Principal Laura Morgan Kesler's more than 20 years of federal advocacy experience and her long-standing work supporting the district's federal priorities, including significant groundwater protection funding and multiple federal authorizations. Kesler, joining via Zoom, provided a recap of federal developments over the past year, including President Trump's second-term actions, including executive orders; the creation and evolving role of the Department of Government Efficiency; and budgetary dynamics involving OMB's impoundment and rescission efforts. She also addressed congressional activity, including delays in appropriations, the passage of a year-long continuing resolution, and a forty-three-day federal government shutdown. Kesler noted several federal bills relevant to the district that have been reintroduced and are progressing. Looking ahead, she reported increased congressional momentum in the federal election year and emphasized the district's strong federal engagement and successful advocacy record.

Motion made by Vice President Griffith, Seconded by Director Martin.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

RESOLUTIONS 2026-01 ~ REVISED FY 2025/26 OPERATING AND CAPITAL BUDGET

The Board adopted Resolution 2026-01 related to the fiscal year ending June 30, 2026, and the revised Operating and Capital Budget.

Staff gave presentations at the Workshop and Study Session; there was nothing further to add.

Motion made by Director Sewell, Seconded by Vice President Griffith.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

ADMINISTRATIVE AND WATER MANAGEMENT SERVICES ~ MDN WATER MANAGEMENT SERVICES, INC.

The Board authorized the General Manager to renew a contract agreement with MDN Water Management Services, Inc. for Administrative and Water Management Services for one year, starting February 1, 2026, and ending January 31, 2027 with a not-to-exceed cost of \$140,000.

Staff made presentations at the Thursday Study Session; there was nothing further to add.

Motion made by Vice President Griffith, Seconded by Director Martin.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

PUBLIC WATER SYSTEM CONSTRUCTION AGREEMENT AND WATER BONDING AGREEMENT FOR THE DESERT GROW DEVELOPMENT

The Board approved the Public Water System Construction Agreement and the Water Bonding Agreement for the Desert Grow development project and authorized the General Manager to do all things necessary to complete and execute the agreements.

Staff made presentations at the Thursday Study Session; there was nothing further to add.

Motion made by Director Martin, Seconded by Vice President Griffith.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

FIRST AMENDMENT TO CONTRACT AGREEMENT WITH B-81 PAVING, INC. FOR PAVEMENT REPAIRS FOR WATER AND SEWER PROJECTS FOR 2025-2026

The Board authorized the General Manager to amend the contract agreement with B-81 Paving, Inc., titled Pavement Repairs for Water and Sewer Projects for 2025-2026. The amendment will add \$180,000 to the contract amount, increasing the total from \$250,000 to a not-to-exceed amount of \$430,000, and authorize the General Manager to take all necessary actions to complete the project.

Staff made presentations at the Thursday Study Session; there was nothing further to add.

Motion made by Vice President Griffith, Seconded by Director Martin.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

SECOND AMENDMENT TO CONTRACT AGREEMENT WITH LEED ELECTRIC INC., FOR ON-CALL ELECTRICAL MAINTENANCE AND REPAIR SERVICES

The Board authorized the General Manager to amend the contract agreement with Leed Electric Inc., titled On-Call Electrical Maintenance and Repair Services. The amendment will add \$155,000 to the contract amount, increasing the total from \$100,000 to a not-to-exceed amount of \$255,000, and authorize the General Manager to take all necessary actions to complete the project.

Staff made presentations at the Thursday Study Session; there was nothing further to add.

Motion made by Director Sewell, Seconded by Vice President Griffith.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

CONTRACT AMENDMENT FOR PLATINUM STRATEGIES, INC. FOR ON-CALL ACCOUNTING SERVICES AND NEW ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM PROJECT MANAGEMENT

The Board authorized the General Manager to execute an amendment for Platinum Strategies, Inc. in the amount of \$100,000 for a not-to-exceed total contract amount of \$200,000 to provide on-call accounting services and to provide project management services for the implementation of the Tyler ERP Pro system.

Staff made presentations at the Thursday Study Session; there was nothing further to add.

Motion made by Vice President Griffith, Seconded by Director Sewell.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

APPOINTMENTS TO BOARD STANDING COMMITTEES

President Duff appointed the following members to the District's standing committees.

	2026 Committees	
	Chairperson	Member
Executive	Duff	Griffith
Engineering	Mayrhofen	Martin
Finance	Sewell	Mayrhofen
Human Relations	Martin	Duff
Public Affairs	Griffith	Sewell

Motion made by Director Martin, Seconded by Director Mayrhofen.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

AFFILIATION LISTING

The current Board Affiliation Listing was reviewed, updated, and approved as necessary.

Directors expressed concern about the limited availability of DVBA & BIA events, as the Board has mandated that out-of-town events are not attended. President Duff noted that she made no changes to those events on the current listing; they were a carryover from last year.

Motion made by Vice President Griffith, Seconded by Director Sewell.

Voting Yea: President Duff, Vice President Griffith, Director Sewell

Voting Nay: Director Martin, Director Mayrhofen

DISCUSSION ITEMS

ADMINISTRATION BUILDING UPDATE

Staff made presentations at the Thursday Study Session; there was nothing further to add.

GROUNDWATER PROTECTION PROGRAM UPDATE

Staff made presentations at the Thursday Study Session; there was nothing further to add.

CONSENT AGENDA

Motion made by President Duff, Seconded by Director Sewell.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

1. December 11, 2025 ~ Study Session Minutes
2. December 15, 2025 ~ Board Meeting Minutes

REGISTER OF DEMANDS

The register of demands totaling \$2,142,481.08

ACCEPTANCE OF BILL OF SALE FOR DHS FIRE STATION NO. 98 WATER INFRASTRUCTURE

It is recommended to authorize the General Manager to execute the Bill of Sale for the water infrastructure of the DHS Fire Station No. 98 project located at 69111 Hacienda Avenue, in the City of Desert Hot Springs, as contributed assets.

QUITCLAIM DEED FOR EXISTING PUBLIC UTILITY EASEMENT ON APN 639-322-015

It is recommended to authorize the General Manager to take the necessary actions to record a permanent quitclaim of the portion of a utility easement not in use by Mission Springs Water District for residential construction on real property in the City of Desert Hot Springs, APN 639-322-015.

REPORTS**DIRECTOR'S REPORTS**

Director Martin reported attendance at the following meetings and events: 12/2-12/4 ACWA Fall Conference, 12/6 Women's Club Fundraiser, 12/10 Tribal Water Authority Meeting, 12/13 DHS Holiday Parade, 12/14 Cabot's Board Meeting

Director Mayrhofen reported attendance at the following meetings and events: 12/2-12/4 ACWA Fall Conference

Director Sewell reported attendance at the following meetings and events: 12/2-12/4 ACWA Fall Conference, 12/9 CVWD Board Meeting

Vice President Griffith reported attendance at the following meetings and events: 12/2-12/4 ACWA Fall Conference, 12/9 DWA Board Meeting

President Duff reported attendance at the following meetings and events: 12/2-12/4 ACWA Fall Conference, 12/17 CVCAN End of Year Meeting

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

1. Finance Report

Accounting Manager Skyler Aubrey presented the district's financial summary for July 1 – November 30, 2025. Operating revenues increased to \$12.3 million, up from \$9.8 million the previous year, driven largely by retreatment non-compliance fees, though these may decline in the future. Operating expenses remained stable at \$9.4 million, slightly below the prior year, due to reductions in contracted services, regulatory fees, fuel, materials, legal fees, and depreciation. Operating income rose substantially to \$2.9 million, compared to \$311,000 the year before. Non-operating revenue totaled \$1.3 million, lower than the prior year due to reduced grant funding and investment income. The district remains below budget while awaiting \$16 million in grant revenue that has not yet been received. Non-operating expenses decreased to \$290,000 from \$427,000, resulting in a total net position increase of \$4 million, compared to \$2.4 million previously. The district's debt service ratio improved to 4.71, exceeding covenant requirements for net revenues of 115%–125% (1.25 minimum coverage). Investment return decreased slightly to 1.69% from 1.9%, and total cash increased to \$83 million from \$63 million, though cash levels are expected to decline as the district pays off its \$15

million Wells Fargo line of credit this month. In response to a board question, Skyler explained that paying off the line of credit now will avoid potential impediments to future debt issuance for the administrative building and M2 project.

2. Public Affairs Report

Assistant General Manager, Marian Champion, delivered the Public Affairs Report, highlighting key community engagement and communications activities over the past month. She noted that MSWD concluded 2025 with participation in the DHS Holiday Parade and a successful livestreamed blood drive on December 17th. January began with several outreach events, including the Desert Hot Springs Women's Club business meeting and luncheon with City Manager Doria Wilms, as well as the DVBA Legislative Breakfast and Women in Building Council meetings featuring Supervisor Manny Perez. She also highlighted MSWD's award-winning "Club Grinch" parade float, recognizing numerous staff and volunteers—including Dori Petee, April Scott, Amanda Lucas, William Whitten, and others—for their contributions.

Upcoming commitments include the regional CSDA luncheon, DHS Spa Tour, DVBA Board Installation Dinner, and multiple conferences hosted by CSDA, ACWA, CASA, and the Urban Water Institute. She reminded board members to submit RSVPs to Dory for the February 7 events—the Palm Springs Air Museum event and the CWEA CORBS Annual Dinner—where MSWD is expected to receive multiple awards. Dori's regularly distributed events calendar was acknowledged as an important tool for tracking attendance.

Champion also reported that a new cohort of REAL Academy interns began winter placements across wastewater production, field services, engineering, and the General Manager's office, with introductions planned for an upcoming board meeting. MSWD facility tours will resume March 10–11, with registration opening mid-February. She highlighted the launch of the "Water Conservation Kit" campaign, which has received strong community engagement and encourages customers to make their homes "water-fit" for the new year.

The Help-to-Others program remains a communications focus during the financially challenging holiday and post-holiday months, especially ahead of February rate adjustments. Recent newsletters featured topics such as water-fit initiatives, contest winners, watering schedules, leak prevention, and customer portal tools. The CV Water Counts Academy also saw high interest, with more than 70 applicants for 55 openings; MSWD staff will present on backflow/cross-connection and water rate structures on February 3 and 17, respectively, with the Nancy Wright Facility included in the end-of-program tour.

Media outreach included coverage of the district's calendar contest and strong industry-wide feedback on MSWD's feature in *Municipal Water Leader* magazine, which was also displayed at the CRWUA conference. The report concluded with recognition of a special educational tour for approximately 30 children from the DHS Recreation Center's Winter Kids Camp, featuring hands-on learning about laboratory operations, SCADA, facilities infrastructure, and wastewater treatment processes, led by staff members including Ron Ishikawa, Joey McElrone, Isaac Lopez, and Fernando Ruelas.

General Manager Macy reported ongoing collaboration with Coachella Valley agencies regarding the Western Burrowing Owl as part of the Coachella Valley MSHCP, noting the District's continued commitment to ensuring its concerns are heard. Director of Operations Danny Friend then provided updates, beginning with a follow-up to a prior budget inquiry from Director Mayrhofen about the return on investment for a solar site upgrade request of \$225,681. He explained that the system typically generates an annual average of approximately \$186,000 when fully operational and is currently yielding about \$90,000 in credits, resulting in an estimated 2.3-year payback period for the requested capital expenditure. He also briefed the Board on the recent earthquake, stating that despite significant shaking—especially in the high desert—the district's reservoirs and infrastructure sustained no damage. Earthquake-activated valves functioned as designed, no leaks or spills occurred, and SCADA alerts confirmed system stability within seconds of the event. Mr. Friend added that staff are revisiting post-event call-out protocols, particularly in anticipation of retirements and to capture institutional knowledge. During Board questions, a director raised a concern regarding the engineering report, specifically for Project Vento. She emphasized the need for the contractor and Amazon to restore a dirt corner at 20th and Palm to its pre-damage condition following a blowout and to ensure full use of the roadway configuration for local residents.

The Board received a presentation from President Duff, summarizing recent cleanup efforts conducted on 1,284 acres of Coachella Valley Conservation Commission land in Desert Hot Springs, completed through a Cal Recycle Illegal Disposal Site Abatement grant. The project addressed nine encampments and 17 dump sites, removing more than 130 tons of debris, over 30 abandoned vehicles and trailers, and 11 tons of tires—with UC-CC assisting at no cost. Additional hazardous materials removed included propane, fire extinguishers, automotive fluids, and approximately 80 pounds of nitrous oxide. The cleanup resulted in no arrests or forceful removals, and community members were relocated cooperatively. Before-and-after photos illustrated significant environmental restoration, including the recovery of local dune habitats. The presenter acknowledged regional partners and elected officials for supporting the grant funding that enabled this effort, noting that although substantial progress was made, additional areas still require attention. Board members discussed remaining debris on lands owned by CVWD and private property owners, some of whom had initially declined access for cleanup, and emphasized the importance of continued collaboration to address outstanding sites. The cleanup teams were commended for their environmentally sensitive approach, including hand-removal methods to protect burrowing owl nests and other wildlife.

COMMENTS

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

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

ADJOURN

With no further business, President Duff adjourned the meeting at 4:10 PM

Respectfully Submitted,

Dori Petee
Executive Assistant