



SMART Goal 3 - Financial Management

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

OWNER: Arturo Ceja - Director of Finance

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

Key Success Measure	Location/Meeting Date	Responsible Department	Completion Date
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.	The District has contracted with Raftelis to perform a long-range financial master plan.	Finance	Spring 2025
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.	In progress	Finance	Spring 2025
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.	In progress	Finance	Spring 2025
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.	In progress	Finance	Spring 2025
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.	Following the Long Range Financial Plan Raftelis will provide the District with a rate assessment.	Finance	Summer/Fall 2025
b) Implement efficiency measures, such as adopting technology solutions and streamlined processes, to reduce operational expenses.		Finance	Summer/Fall 2025
c) Adopt a flexible rate structure that allows the District to react to external factors and internal demands.		Finance	Summer/Fall 2025
d) Considers regulatory compliance needs, conservation requirements, and drought restrictions and ensures the model can perform what-if scenarios.		Finance	Summer/Fall 2025
e) Ensure the rate structure is sound and defensible and that customer groups are charged appropriately.		Finance	Summer/Fall 2025
f) Increase revenue stability by recovering more fixed costs through fixed charges while maintaining customer group fairness.		Finance	Summer/Fall 2025
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.	Board Review in March 2025	Engineering / Finance	March 2025
b) Evaluate options for relocation of existing water infrastructure within inaccessible areas of the District for ease of maintenance.	In progress		
c) Pipeline replacement project for aging pipes within the water distribution system. Incorporate the project in the Master Plan updates.	In progress		
Other Actions Related to this Section			

3.2 Control costs and manage debt responsibly.			
Key Success Measure	Location/Meeting Date	Responsible Department	Completion Date
1) Actively manage costs and live within the "approved" budget.			
Resolutions 2024-01, 2024-04 and 2024-05 ~ Revised FY 2023/24 Operating and Capital Budget Appropriations Limit and Classification Plan	January 2024 Item 10	Finance	01/16/2024
Resolution 2024-06 - Collection of sewer fees on tax roll.	April 2024 Item 12	Finance	04/15/2024
Resolution 2024-11 - Collection of water standby charges on tax roll.	June 2024 Item 11	Finance	06/17/2024
Resolution 2024-12 - Placing sewer standby fees on tax roll.	June 2024 Item 12	Finance	06/17/2024
06/17/2024 Resolution 2024-13 - Addition of delinquent accounts to tax roll.	June 2024 Item 13	Finance	06/17/2024
Resolutions 2024-14, 2024-15, 2024-16 - Adoption of Operating and Capital Budgets FY 2024-25, Appropriations Limit for FYE 6/20/25, and Employee Classification Plan.	June 2024 Item 14	Finance	06/17/2024
Award of Contract to TKE Engineering for Temporary Staff Augmentation	September 2024 Item 15	Engineering	09/16/2024
Resolutions 2025-02, 2024-04, and 2024-25 Revised 24/25 Operating and Capital Budget Appropriation Limit and Classification Plan	January 2025 Item 10	Finance	01/21/2025
2) Adjust spending in response to revenue fluctuations and restrictions.			
3) Look for ways to reduce water loss and increase system efficiencies.			
Replacement of production meters at well sites	N/A	Operations	Ongoing
4) Limit the impact of unexpected expenditures.			
Resolution 2024-25: Authorization of Designated District Positions to Apply for Federal Disaster Aid on Behalf of District	September 2024 Item 10	Operations	09/16/2024
Resolution 2025-01 MSWD RWRf Installment Purchase Agreement Extension	January 2025 Item 8	Finance	01/21/2025
Adoption of Ordinance 2025-01 Establishing a Procedure for Property Owner Objections to Proposed Water/Sewer Fees or Special Assessments	February 2025 Item 8	Administration	02/18/2025
5) Preserve the District's credit rating, enabling us to qualify for favorable borrowing terms in the future.			
An example of this is the decision to enter into a PPA rather than a lease for the solar project in the fall of 2024.		Finance / Operations / Engineering	Ongoing
6) Stabilize rates and develop a plan to finance essential projects conservatively.			
Part of the financial master plan and rate study currently being performed.	NA	Finance	Ongoing
Other Actions Related to this Section			
Contract Agreement with Premier Property Preservation for Annual Janitorial Services for FY 2024-2025	June 2024 Item 16	Operations	06/17/2024
3.3 Enhance transparency in financial reporting by adopting best practices and ensuring timely and accurate financial disclosures.			

Key Success Measure	Location/Meeting Date	Responsible Department	Completion Date
1) Communicate financial performance and challenges effectively to internal and external stakeholders, fostering trust and confidence in the District's financial management.			
The District has awarded a contract agreement to OpenGov for Budgeting, Planning, and Procurement software. This will increase transparency by allowing internal and external stakeholders visibility into these processes.	October 2024 Item 14	Finance	10/21/2024
Annual Report for Capacity Fees and Related Capital Expenditures	December 2024 Item 15	Finance	12/16/2024
2) Implement budget best practices to ensure ongoing GFOA certification.			
MSWD recipient of GFOA Distinguished Budget Award for FY 2024 and FY 2025.	Link to Award	Finance	11/20/2024
MSWD recipient of GFOA Certificate for Excellence in Financial Reporting FY 2023.	Link to Award	Finance	09/15/2023
3) Develop and provide financial reporting tools (dashboard) to internal and external stakeholders.			
The District has awarded a contract agreement to OpenGov for Budgeting, Planning, and Procurement software. This will increase transparency by allowing internal and external stakeholders visibility into these processes.	October 2024 Item 14	Finance	10/21/2024
4) Keep customer bills fresh and straightforward while providing sufficient information about charges and water use.			
The District has an ongoing bill refresh campaign. A customer survey was sent out in the summer of 2024 and a new bill is being designed.	Monthly Customer Bills	Public Affairs / Finance	Ongoing
In 2024, MSWD started providing a monthly customer newsletter; previously, we provided quarterly newsletters.	Monthly Customer Bills	Public Affairs	Ongoing
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.			
The District has awarded a contract agreement to OpenGov for Budgeting, Planning, and Procurement software. This will increase transparency by allowing internal and external stakeholders visibility into these processes.	October 2024 Item 14	Finance	Ongoing
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.			
MSWD published an article in its newsletter in July 2024 highlighting pass-through fees.	Customer Newsletter	Public Affairs	July 2024
7) Foster a culture of financial responsibility and accountability across the organization.			
Update of Board Affiliation List	June 2024 Item 21	Executive	06/17/2024
Resolution 2024-20: Conflict of Interest Code Update	July 2024 Item 8	Administration	07/15/2024
Annual Update of Board Affiliation List	January 2025 Item 12	Executive	01/21/2025
Other Actions Related to this Section			
Resolution 2024-03 Rescinding and Replacing Resolution 2009-02 Expense Reimbursement Policy	January 2024 Item 12	Administration	01/16/2024

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