



CLAIMS VS FACTS

FINANCIAL ACCOUNTABILITY & TRANSPARENCY

CLAIM: MSWD pays the Desert Sun to publish opinion editorials and news articles.

CLAIM: MSWD spent \$300,000 on a marijuana information campaign.

CLAIM: MSWD rates are too high for the service provided.

CLAIM: The 2015-2020 Cost of Service Study conducted to evaluate rates was developed using internal data and was not objectively obtained or analyzed.

CLAIM: MSWD raised rates by \$20 million to remove chromium-6 from its water when it was unnecessary to remove.

CLAIM: MSWD keeps its financial records secret.

CLAIM: Mission Springs Water District is secretly aligned with Cadiz Water Project and is selling local water to enhance Cadiz water.

FACT: MSWD began contracting with Gannett Media Company to put together conservation social media posts and other digital conservation ads in about 2016. As required by the state, MSWD began to increase public awareness primarily about conservation. The contract ended June 30, 2019. Opinion editorials and news articles are not for sale by the Desert Sun.

FACT: City of Desert Hot Springs helped fund a program through Palm Springs Unified School District to educate students about marijuana drug use. MSWD has not funded any cannabis/marijuana facility.

FACT: State law requires that rates match the actual cost of service. As a public agency, MSWD cannot make a profit. Independent rate studies are regularly conducted to ensure MSWD is meeting this requirement. The most recent rate study and subsequent update are available for review through MSWD's website.

FACT: The 2015-2020 Cost of Service Study was conducted by an independent financial expert, Willdan Financial Services. A citizen's advisory committee was also formed and was supportive of the evaluation. The rate study is available for review at [MSWD.org/rates](https://mswd.org/rates). The district's financials are audited annually and provided to the Board and open to public review on a monthly basis.

FACT: The State of California revised its standards for chromium-6 in 2014 and water agencies were required to address the new regulations. The cost to meet these standards was considered as part of the MSWD 2015-2020 Cost of Service Study. Chromium-6 compliance costs accounted for about 50% of the increase while reductions in water revenue due to conservation accounted for about half. The state standard is currently suspended and under review, but new treatment facilities to comply with the pending regulations for chromium-6 are inevitable. Customers have consistently been informed during this regulatory decision-making process through digital media, website updates, handouts, mailers and public hearing notices on a monthly basis.

FACT: Financial records are reported during monthly Board meetings and always available on the MSWD website at <https://mswd.org/financialstatements.aspx>.

FACT: Mission Springs Water District is dedicated to protecting ratepayer groundwater rights and has responsibly managed local water since 1953. As water from the Cadiz Water Project is not currently available and is still in the study process, Mission Springs Water District is not purchasing or selling any water to the Cadiz Water Project.



CLAIMS VS FACTS

METERS

CLAIM: MSWD charges a meter inspection fee but doesn't actually conduct meter inspections.

CLAIM: MSWD isn't responding appropriately to the meter register failures.

CLAIM: MSWD is overcharging customers impacted by the meter register failures.

CLAIM: MSWD doesn't have a credible way to estimate water for customers affected by the meter register failures.

FACT: MSWD doesn't charge a meter inspection fee. All properties in the District pay a fixed service fee which covers the cost of operating and maintaining meters and the entire treatment and delivery system.

FACT: MSWD immediately notified affected customers and sent a letter to all customers explaining the situation. MSWD created a computer program to flag affected meters, calculate water use estimates and generate a bill that includes notification to the customer. MSWD continues to provide updates to customers and is always available to answer any questions

FACT: MSWD is dedicated to ensuring customer bills are estimated in the most accurate way possible. Water bill estimates are specific to each customer's history of water use. Our estimate method follows industry standards.

FACT: Our estimate method follows industry standards. We base the bill on a 12-month average of past bills, minus 3% to ensure - as much as possible - the result is in the customer's favor. Water use is generally consistent from year to year.

MSWD - DWA LAWSUIT

CLAIM: MSWD is wasting money on legal fees in a lawsuit with Desert Water Agency (DWA).

CLAIM: DWA has always been responsible for the management of groundwater in Desert Hot Springs.

CLAIM: MSWD has never managed local groundwater.

FACT: MSWD is protecting its ratepayers' groundwater rights. DWA has taken control of local groundwater, making MSWD the only water district in the Coachella Valley not in control of its own groundwater. DWA can now dictate how much water can be pumped to MSWD customers. This threatens job growth, economic development and the future of Desert Hot Springs.

FACT: DWA has never managed groundwater in MSWD's boundaries. DWA was created 8 years after MSWD to import supplemental water to the Coachella Valley without interfering with MSWD's ability to serve its ratepayers or manage local groundwater. DWA used the state's Sustainable Groundwater Management Act (SGMA) to seize control of the management of the groundwater in MSWD's service area and to usurp a settlement agreement which mandated joint management related to importation

FACT: MSWD is an award-winning public water utility that has responsibly managed groundwater in the greater Desert Hot Springs community since 1953. MSWD's successful groundwater management practices have ensured a safe, reliable and sustainable water supply.

Additional Facts: www.keepourwater.org

For more information on where the claims originate, please contact Victoria Llort at **760.329.5169 x 145** or email her at **vllort@mswd.org**.