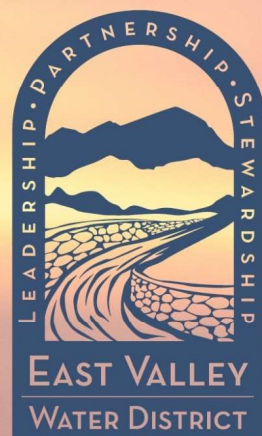


ANNUAL COMPREHENSIVE FINANCIAL REPORT



*Fiscal Year Ended June 30, 2025
Highland, California*

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Intentionally

Annual Comprehensive Financial Report

Fiscal Year Ended

June 30, 2025

East Valley Water District



Prepared by: Finance Department

31111 Greenspot Road
Highland, CA 92346



Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2025

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INTRODUCTORY SECTION





James Morales, Jr.
Chairman of the Board

Ronald L. Coats
Vice Chairman

Chris Carrillo
Governing Board Member

Phillip R. Goodrich
Governing Board Member

David E. Smith
Governing Board Member

Michael Moore, P.E.
General Manager/CEO

3111 Greenspot Road
Highland, CA 92346
(909) 889-9501
eastvalleywater.gov

October 22, 2025

To the Board of Directors and Customers of East Valley Water District,

We are pleased to submit the Annual Comprehensive Financial Report (Annual Report or ACFR) for East Valley Water District for the year ended June 30, 2025. This report was prepared by District staff in accordance with standards established by the Governmental Accounting Standards Board (GASB).

The District's management is responsible for the presented data, and the completeness and fairness of the presentation, including the note disclosures. We believe that the report presented is accurate in all material respects, and that the financial statements and other information are presented in a manner that enables readers to gain a full understanding of the District's financial activities for the year. Readers should also refer to the Management's Discussion and Analysis in the Financial Section of the Annual Report for a detailed discussion regarding the District's financial condition and results of operations.

The Annual Report follows the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. In December 2025, the District will, again, submit the Annual Report to this organization for review and possible recognition for achievement in reporting excellence.

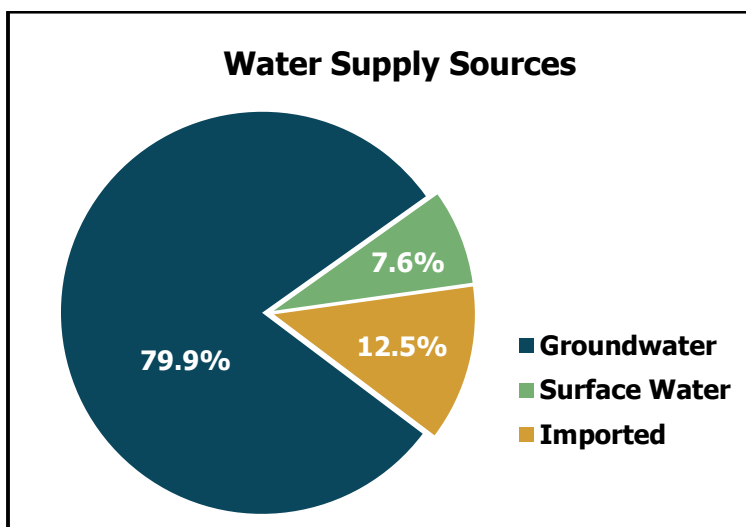
Background

East Valley Water District (the District) was formed on January 18, 1954, and since then, has provided retail water service to customers in an expanding service area which now covers 30.1 square miles. The District directly serves treated water to approximately 108,000 people in the City of Highland, the eastern portion of the City of San Bernardino, the Yuhaaviatam of San Manuel Nation, and portions of the County of San Bernardino. In 1964, the District began providing wastewater collection services to the same service area.

As of June 30, 2025, the District had 21,808 water connections and 20,080 wastewater connections.

Water Supply and Reliability

The District's water supply for the year ended June 30, 2025 includes groundwater (79.9 percent), surface water (7.6 percent), and imported water (12.5 percent). Groundwater is pumped from the Bunker Hill Basin, and surface water from the Santa Ana River is diverted based on rights acquired from the North Fork Water Company.



Local Economy

East Valley Water District is located within San Bernardino County in a metropolitan area referred to as the “Inland Empire”. Since 2015, the District’s population has grown by more than 6 percent and is currently comprised of mostly residential and commercial customers, with no major industrial users. Large consumers remain consistent year to year with the San Bernardino City Unified School District, Yaamava’ Resort & Casino at San Manuel, Patton State Hospital, City of Highland, and the Yuhaaviatam of San Manuel Nation forming the list of top five users.

In 2025, the average household income within the District’s service area was \$67,619, approximately 17% lower than the County of San Bernardino. Customers who reside in the City of Highland account for approximately 65% of the District’s customer base. These customers had an average household income of \$72,222, approximately 7% higher than the overall District average.

Financial Management

The District manages its resources conservatively to deliver safe and reliable services to its customers at a fair and cost-effective price. It focuses on establishing fair rates, cost containment, long-term planning, maintaining and upgrading infrastructure, and pursuing alternative source of funding. This approach has allowed the District to undertake substantial capital improvement projects during tough economic times, while passing a series of modest rate increases. The keys to the District’s successful financial management are the District’s Capital Improvement and Financial Plan (CIFP), comprehensive reviews of water and wastewater rates, and the annual budget process. The CIFP provides a comprehensive view of infrastructure investments necessary over a seven-year period to ensure that water resources are adequate, water quality is maintained, and the water and wastewater service needs of current and future customers are met. The CIFP is reviewed annually by the District’s Board of Directors (Board) during the budget process, at which time the highest priority projects are adopted and receive authorization for expenditure along with the District’s operating budget.

The District’s financial planning also includes the establishment and funding of reserves, and the pursuit of alternative funding sources, both of which help reduce reliance on rates and rate increases. In recent years the District has been very successful in pursuing project funding from the State Revolving Fund and Federal Emergency Management Agency (FEMA) and have applied for water and energy efficiency project funding from the Bureau of Reclamation and Edison.

Internal Control

District management is responsible for establishing a system of internal accounting controls designed to provide reasonable assurances that assets of the District are safeguarded against losses from unauthorized use or disposition, and theft. The District's internal controls also ensure the proper recording of financial transactions, and the preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District's Board of Directors annually adopts a balanced operating and capital budget prior to the new fiscal year. The budget authorizes expenditures and provides a basis for accountability over the District's enterprise operations and capital projects. Each quarter, management provides the Board with a quarterly budget review to allow Board assessment of staff's progress in meeting goals and objectives, and budget adjustments, if necessary, are requested at the mid-year budget review in February.

Debt Administration

The District utilizes proceeds from long-term debt, along with reserves and contributions from the operating budget, to finance major construction projects. Current debt consists of Revenue Bonds and loans from US Bancorp, the State Revolving Fund, and the San Bernardino Valley Municipal Water District.

The District received a credit rating of AA- from Standard and Poor's and Fitch when the Revenue Bonds were issued in September 2020. Fitch affirmed this rating as the result of a review conducted in June 2024.

Investment Policy

The Board of Directors annually adopts an investment policy that conforms to California State Law, District ordinances and resolutions, and the prudent person standard. The objectives of the policy are safety, liquidity, and yield. District funds are normally invested in the State Treasurer's Local Agency Investment Fund (LAIF), and Federal government Treasury notes or agency obligations.

Audit and Financial Reporting

State law requires the District to obtain an annual audit of its financial statements by an independent Certified Public Accountant. This year, the District's Financial statements were audited by Rogers, Anderson, Malody & Scott, LLP from San Bernardino, California. Their audit opinion is included in the Basic Financial Statements section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 13th year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedication and professionalism that our staff bring to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the financial affairs of the District.

Respectfully submitted,

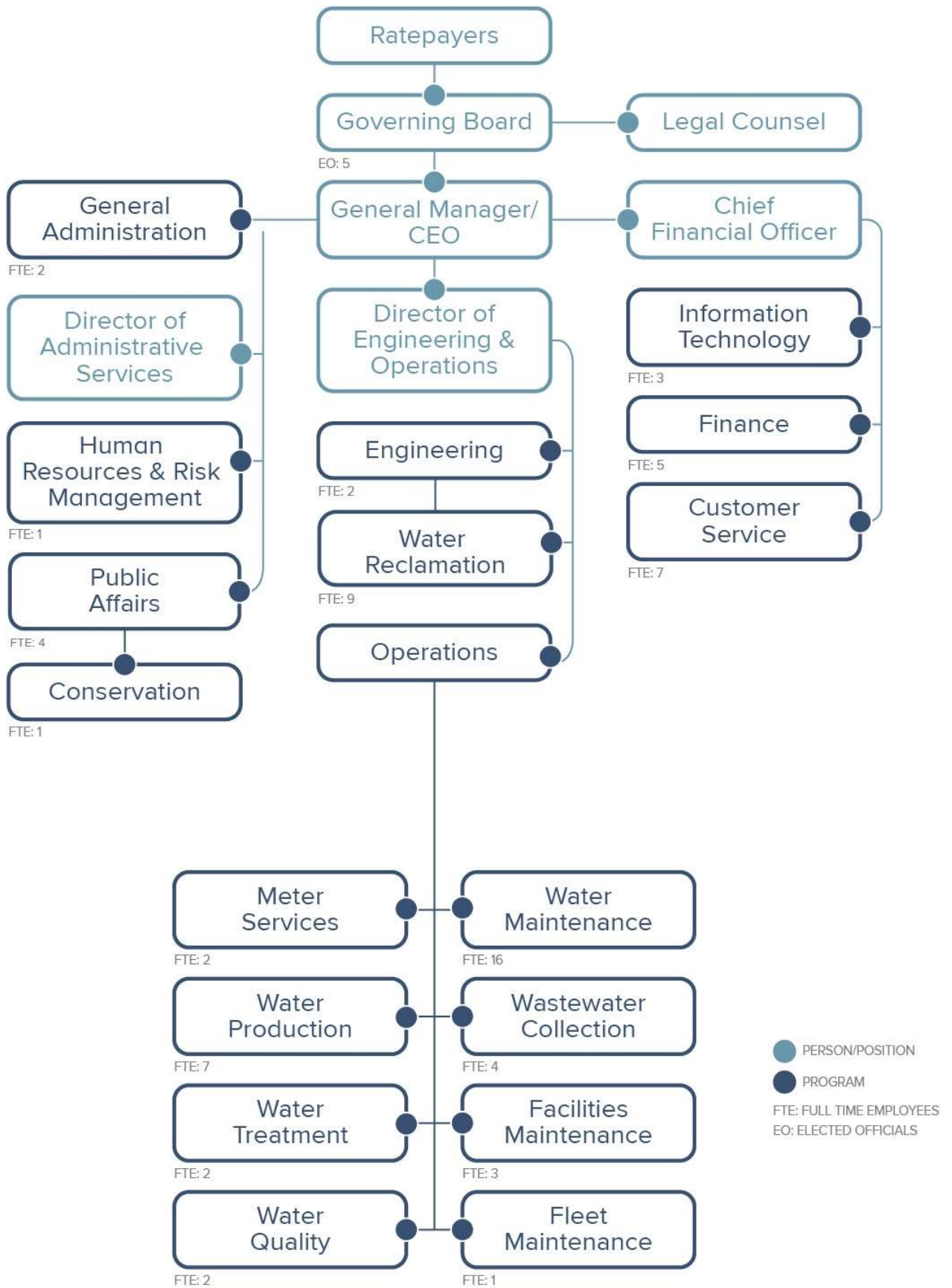


Michael Moore
General Manager/CEO



Brian W. Tompkins
Chief Financial Officer

EAST VALLEY WATER DISTRICT
Organizational Structure
Year Ended June 30, 2025



EAST VALLEY WATER DISTRICT
Principal Officials
Year Ended June 30, 2025

Vision

Enhance & preserve the quality of life for our community through innovative leadership and world class public service.

Core Values

Leadership: Motivating a group of people to act toward achieving a common goal or destination.

Partnership: Developing relationships between a wide range of groups and individuals through collaboration and shared responsibility.

Stewardship: Embracing the responsibility of enhancing and protecting resources considered worth caring for and preserving.

East Valley Water District Governing Board Members as of June 30, 2025

Name	Title	Elected / Appointed	Current Term
James Morales, Jr.	Chairman of the Board	Elected	2022 - 2026
Ronald L. Coats	Vice-Chairman of the Board	Elected	2022 - 2026
David E. Smith	Governing Board Member	Elected	2024 - 2028
Phillip R. Goodrich	Governing Board Member	Elected	2022 - 2026
Chris Carrillo	Governing Board Member	Elected	2024 - 2028

Contact Information

East Valley Water District
Michael Moore, General Manager/CEO
31111 Greenspot Road
Highland, CA 92346

(909) 889-9501
www.eastvalleywater.gov

**EAST VALLEY WATER DISTRICT
GFOA Certificate
Year Ended June 30, 2024**



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**East Valley Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



EAST VALLEY WATER DISTRICT
Independent Auditor's Report
Year Ended June 30, 2025



Independent Auditor's Report

Board of Directors
East Valley Water District
Highland, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of East Valley Water District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2025, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

Report on Summarized Comparative Information

We have previously audited the District's 2024 financial statements, and we expressed an unmodified opinion on the respective financial statements in our report dated October 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

EAST VALLEY WATER DISTRICT
Independent Auditor's Report
Year Ended June 30, 2025

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EAST VALLEY WATER DISTRICT
Independent Auditor's Report
Year Ended June 30, 2025

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 22, 2025

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

The District

East Valley Water District (District) is a California Special District established under section 30000 et seq. of the California Water Code. The District is engaged in pumping, treating, and distributing water to its customers, as well as maintaining a collection system and a newly commissioned reclamation plant known as the Sterling Natural Resource Center (SNRC) for treatment of residential and commercial wastewater.

The District serves the City of Highland and portions of the City and County of San Bernardino in California.

The Basic Financial Statements

East Valley Water District is a special-purpose government agency, engaged in activities that are supported exclusively by user charges. As such, the District's financial statements are presented in the format prescribed for proprietary funds by the Governmental Accounting Standards Board (GASB).

The following financial statements for the year ended June 30, 2025 (2024 for comparative purposes only) consist of three interrelated statements designed to provide the reader with relevant, understandable data about the District's financial condition and operating results. They are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position presents financial information on the District's assets, liabilities, and deferred inflow and outflows of resources, with the difference reported as net position as of the last day of the District's fiscal year (FY). Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the East Valley Water District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows (direct method) conveys to financial statement users how the District managed cash resources during the year. This statement converts the change in net position presented on the Statement of Revenues, Expenses, and Changes in Net Position into actual cash provided by or used for operations. The Statement of Cash Flows also details how the District obtains cash through financing and investing activities, and conversely, how cash is spent for these purposes.

Fiduciary fund statements provide information about fiduciary relationships, also known as custodial funds of the District, in which the District acts solely as a trustee or custodian for the benefit of others, to whom the resources in question belong. The fund is used to account for receipts and disbursements associated with Community Facilities District (CFD), which are administered by, but are not the liability of the District.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Summary Financial Information and Analysis

Financial Condition

During the year ended June 30, 2025, the District's total assets and deferred outflows decreased by \$9.1 million, to \$386.6 million. The decrease included a modest increase to Current Assets, offset by a modest decrease to Deferred Outflows, but the most significant shift was a decrease in the balances of Restricted and Capital assets.

Current assets increased \$2.8 million (7%) to \$44.1 million. The increase is a net between increases and decreases of the various Current asset line items. First, Cash and Cash Equivalents increased by \$3.8 million and Due from Other Governments decreased by more than \$3 million due to receipt of the final reimbursement of SNRC construction costs under the State funding agreement. Utility Accounts Receivable balances grew 12% to \$6.8 million during FY 2024-25 due to scheduled water rate adjustments which became effective in January 2025. Inventory balances also increased by 38% to \$1.4 million. The sustained growth in inventory, such as pipes and fittings, will facilitate the District's plan to replace up to 10,000 feet of undersized water mains in the coming year, working towards a goal of replacing up to 3 miles of pipeline each fiscal year.

Restricted Asset balances decreased from \$23.0 to \$16.3 million due to the revision of a debt service reserve requirement related to State Revolving Fund funding agreement for the Sterling Natural Resource Center water reclamation plant. The requirement under the original agreement was to fund a reserve equal to one year's debt service, approximately \$7.8 million, on day one of the plant's operation. This was a very challenging requirement for the start-up water reclamation enterprise. Amendment 3 to the funding agreement, dated May 1, 2025, revised this requirement allowing this reserve to be accumulated over a period of ten years, rather than requiring that it be funded immediately upon completion of construction. The first contribution to the reserve of \$.78 million must be restricted by December 31, 2025.

	2025	2024
Current Assets	\$ 44.1	\$ 41.3
Restricted Assets	16.4	23.0
Other Assets	0.2	0.3
Capital Assets - Net	318.6	322.0
Total Assets	<u>379.3</u>	<u>386.6</u>
Total Deferred Outflow of Resources	<u>7.3</u>	<u>9.1</u>
Current Liabilities	15.7	19.9
Non-Current Liabilities	222.0	228.4
Total Liabilities	<u>237.7</u>	<u>248.3</u>
Total Deferred Inflows of Resources	<u>2.0</u>	<u>2.2</u>
Net Position		
Net Investment in Capital Assets	113.8	112.1
Restricted	14.1	13.3
Unrestricted	19.0	19.8
Total Net Position	<u>\$ 146.9</u>	<u>\$ 145.2</u>

Capital Assets decreased by \$3.5 million during FY 2024-25. For purposes of the table above, Capital Assets includes construction in progress (CIP), utility plant in service and related accumulated depreciation. Changes in Capital Assets included additions of \$9.0 million, an annual depreciation charge of \$12.3 million and expensing of certain

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

capital projects totaling \$0.1 million. Capital expenditures during the year were primarily Construction in Progress, and assets that were retired had remaining book value of \$0.1 million. A more detailed description of capital spending is in the Capital Assets section of this analysis, and a more detailed schedule showing the changes to fixed assets during the fiscal year is included in Note 4 of the financial statements.

Total Deferred Outflow of Resources consists of pension contributions made after the most recent pension plan actuarial valuation, as well as differences between projected and actual earnings on pension plan investments and changes in assumptions. Investment earnings of 9.3% on pension plan assets during the plan year ended June 2024, compared to actuarial assumptions that the assets would earn 6.8%, led to a decrease in Deferred Outflows-Pensions for 2024-25 of \$1.5 million. This amount was accompanied by a decrease in Deferred Outflows related to Other Post Employment Benefits (OPEB) of \$325 thousand, also related to earnings on plan assets.

Current Liabilities decreased by \$4.2 million to \$15.7 million in FY 2024-25. This decrease is primarily the result of paying the \$5.6 million balance of retentions withheld during construction of the SNRC; this amount was included in accounts payable at the end of the previous fiscal year. Also, with the end of the SNRC project construction the District received an amortization schedule for the state loan, and based on the schedule was able to precisely determine the current portion of long term debt, as well as calculate interest payable, which increased 670% to \$1.76 million due to the state loan.

The increase in Current Assets combined with the decrease in Current Liabilities resulted in an improvement to the District's current ratio from 2.1:1 to 2.8:1.

Non-Current Liabilities decreased \$6.4 million to \$221.9 million during FY 2024-25. The decrease was the result of making regularly scheduled payments on long-term obligations, as follows:

- \$4.2 million in principal payments on SNRC State Revolving Fund loans.
- \$1.3 million in principal payments on 2020 Revenue Bonds.
- \$200 thousand in principal payments on State Revolving Fund loan for water treatment plant upgrade.
- \$700 thousand annual payment on settlement obligation to the City of San Bernardino, payable each year for ten years through FY 2032-33.

Pensions and OPEB (Other Post Employment Benefits) long-term liabilities did not change significantly but are discussed in Notes 8 and 11 of the accompanying financial statements. Long-Term Debt and Compensated Absences are further explained in financial statement Notes 5 and 6, respectively.

The settlement obligation payable to the City of San Bernardino was part of a critical agreement releasing the District from a 1957 wastewater treatment Joint Powers Authority and facilitating the Local Agency Formation Commission's (LAFCO) granting of wastewater treatment authority to the District, ultimately allowing the District's water reclamation plant project (SNRC) to proceed. The total settlement cost has been set up as a long-term obligation being paid by the Water and Wastewater funds.

The District's total Net Position was \$146.9 million at the end of FY 2024-25; a \$1.7 million increase compared to the end of the previous fiscal year. Of the \$146.9 million Net Position balance, \$113.8 million is categorized as Net Investment in Capital Assets, \$14.1 million is Restricted for Capital Expansion Projects, and \$19.0 million is Unrestricted. The calculation of Net Investment in Capital Assets is included in Note 7 of the accompanying financial statements.

EAST VALLEY WATER DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2025

Looking at longer term results, the District's total Net Position has increased \$11.9 million and \$35.0 million over five- and ten-year periods, respectively.

Results of Operations and Changes in Net Position

Water Operations

The District's water enterprise fund received a financial boost from water sales in 2024-25, when customer consumption rebounded to almost 17 thousand acre-feet (5.5 billion gallons) during the fiscal year. In dollars, water sales increased 15% to \$20.1 million, the result of a rate adjustment effective January 2025, and a significant increase in customer water demand from 15,420 acre-feet in 2023-24, to 16,926 acre-feet. This level of water usage was well above projections of 15,528, and well above usage in the prior two consecutive years both of which saw usage of less than 15,500 acre-feet.

The District's weather station located in Highland, California provides data for the District's water budget-based billing, and also data that is used to help explain fluctuations in customer water consumption. The tables of data collected from the weather station show monthly rainfall and average daily high temperatures for each month during FY 2024-25 and FY 2023-24:

07/24	08/24	09/24	10/24	11/24	12/24	01/25	02/25	03/25	04/25	05/25	06/25
0.01"	0.75"	1.03"	0.56"	1.28"	0.97"	1.87"	4.35"	3.01"	1.39"	3.76"	2.58"
99.7°	98.2°	91.4°	86.9°	71.7°	71.5°	66.4°	71.3°	67.2°	73.3°	80.1°	88.8°

07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24	03/24	04/24	05/24	06/24
0.87"	1.94"	1.00"	0.95"	0.62"	0.00"	1.24"	8.55"	2.30"	0.63"	0.00"	0.00"
99.1°	95.1°	84.9°	84.6°	75.0°	70.0°	65.1°	62.4°	65.1°	73.5°	76.8°	89.7°

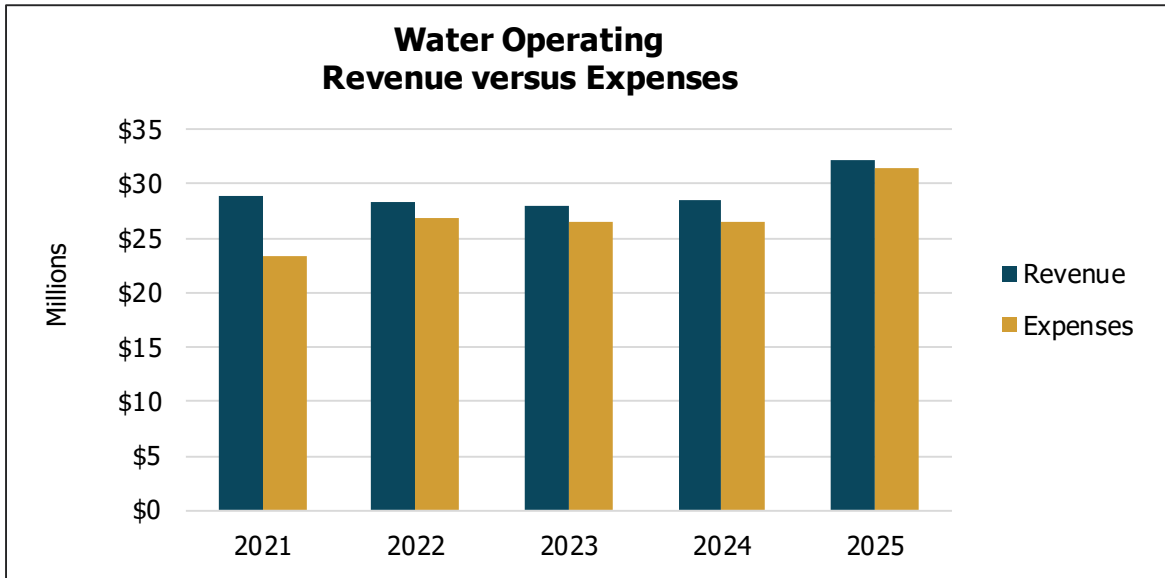
The tables show that during a year when consumption increased, annual rainfall also increased, to 21.6 inches between July 2024 and June 2025, compared to 18.1 inches recorded in 2023-24. This defies the expectation that consumption would decrease with increased rain, as does the fact that 30% of the rain occurred in May and June, while temperatures were rising, and after customers had already established irrigation schedules for the summer.

The tables also show that the average daily high temperatures were higher in the summer months (July through October) and the winter months (January through March) during 2024-25, which likely explains 15% higher water usage by customers.

Total water produced by the District during the year was 17,657 acre-feet, compared to 16,273 acre-feet in the prior year – an increase of 8.5%. The difference between water produced in 2024-25, and water sold (16,926 acre-feet) of 731 acre-feet is the result of District flushing programs, water use at District facilities, and system leaks. The District, like all California water agencies, participates in an annual water audit to identify and work to mitigate unidentified water losses from the District's water distribution system.

The other major water operating revenue collected by the District is Water System, or Meter Charge revenue. Meter Charge revenue grew by 6.7% to \$10.8 million for FY 2024-25. The increase was due to a 6% rate adjustment that became effective in February of 2025, and to a lesser extent, new development. The District added approximately 50 new customers during the fiscal year.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025



Water Operating expenses increased 19% to \$31.5 million for FY 2024-25. Most of the increase occurred in the water enterprise's allocation of shared costs, Customer Accounts and General and Administrative, which are discussed as agency wide costs below.

Costs directly related to water production and treatment were \$11.1 million, which is only a 4.6% increase over the prior year. This increase is in line with an overall CPI increase for the District's area of 3.2% combined with the fact that the District produced more water in 2024-25 as discussed above.

The most notable year-over-year variations in water operating costs are outlined below:

- Power costs, which had risen significantly over the past five years, rose just 0.5% in 2024-25. The primary reason for this was a shift in production, from groundwater to river/purchased water, when four wells had to be taken offline in January 2024 because of their proximity to the recharge point for recycled water being produced by the new SNRC water reclamation plant. By shifting production to river/purchased water, which runs through the District's treatment plant, power costs are reduced as the water does not have to be pumped out of the ground, and the treatment plant is equipped with energy saving equipment which further helps save energy.
- Salaries & Benefits increased approximately 5% across all programs that contribute to the production and delivery of water to customers. This corresponds directly to a negotiated 5% cost of living increase that was effective for the fiscal year. A slightly higher increase in the Transmission & Distribution program is due to authorized overtime, when pipeline maintenance crews responded to requests for assistance at the SNRC plant to help with cleanup of catch basins after a pump failure led to a temporary diversion of wastewater flows to those basins.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Wastewater Collection Operations

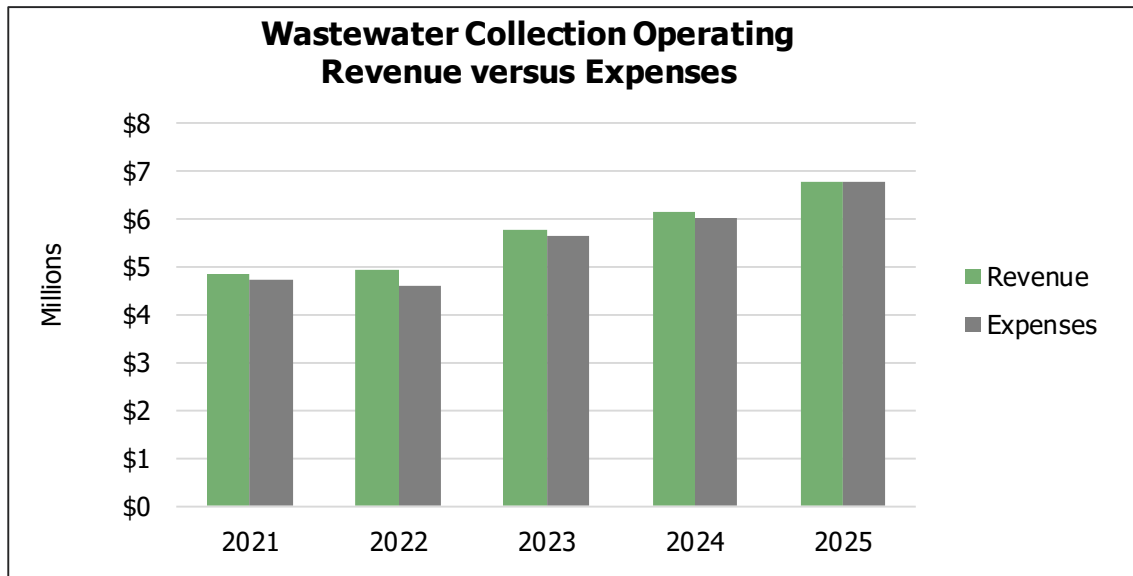
Wastewater Collection operating revenues consists of System Charges and Other Operating Revenue.

System Charge rates are set by the District to cover the cost of maintaining the District's wastewater collection system and to cover a portion of administrative and general expenses. A rate adjustment implemented in July 2024 was primarily responsible for a 9.8% increase in System Charge Revenue to \$6.67 million for 2024-25, but the District also added approximately 200 customers when phase 1 of a large apartment complex was placed in service.

Other Operating Revenue includes inspections, plan checking, and other development related fees; and periodic reimbursements from other public agencies or utilities for shared costs or participation in conservation programs. In FY 2024-25, Other Operating Revenue nearly doubled as development fees, particularly for infill commercial development, picked up again after a slow year in 2023-24.

Wastewater Collection pipeline maintenance costs include video logging the condition of pipelines from the inside; utilizing a camera mounted on a robotic crawler; contracting for the repair of cracks in the pipelines noted on videos; and jetting pipelines with a Vactor to dislodge buildups of fats, oil and grease (FOG) before they can cause backups and spills. The collection system is entirely gravity flow, requiring no pumps and associated facilities. In FY 2024-25, wastewater collection maintenance costs decreased by 5.3% compared to the prior year. This change is the net effect of a 5% Cost of Living Adjustments (COLA) on salaries & benefits costs', offset by a decrease in contract services as the District did not repeat the purchase and installation of flow sensors on manhole covers as was done in the prior year.

Operating income for Wastewater Collections dropped from \$125 to \$15 thousand because of a significant increase in depreciation expense. 2024-25 was the first full year of depreciation taken on a large, \$11.5 million interceptor line that was installed as part of the SNRC project to redirect wastewater flows to the SNRC.



EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Water Reclamation Operations

The District entered FY 2024-25 having produced 819.7 million gallons of recycled water between January and June of 2024, the first six months of operations for the new Sterling Natural Resource Center (SNRC) water reclamation plant. During FY 2024-25, the SNRC produced another 2.272 billion gallons (6,972 acre-feet) of recycled water, affirming the District's decision to pursue water recycling as a supplemental water source. While these production numbers are encouraging, they are also an indicator of higher-than-expected wastewater flows into the plant which has occasionally exceeded treatment capacity and forced the use of overflow retention basins. For this reason, the SNRC construction contract was amended to add a fifth membrane bioreactor (MBR) train to increase the plant's treatment capacity. Additional information regarding the fifth MBR train is provided in the capital section of this discussion.

Water Reclamation does involve some new revenue sources for the District, but the primary and most reliable source is wastewater treatment charges. The District has been collecting these charges since approximately 1957, but as of March of 2024, the District no longer remits those charges to the City of San Bernardino Water Department (City) which provided treatment services for the District prior to that date. The completion of the Sterling Natural Resource Center in 2024 allows the District to treat wastewater and to keep the charges collected for providing that service. Treatment charges for FY 2024-25, which were based on rates established by the District in May 2021, were \$12.7 million. This is an 18.0% increase over prior year revenue of \$10.7 million and resulted from 1) a rate adjustment that went into effect on January 1, 2025, 2) new development, with a 200-unit apartment complex completed near the beginning of the fiscal year, and 3) much higher water consumption compared to recent years, which is factored into billing for non-residential customers.

A second revenue stream in Reclamation is for the production and delivery of recycled water, which the District has reported as a type of Water Sales in the accompanying financial statements. The recharge basins where recycled water is delivered are owned by the San Bernardino Valley Municipal Water District (San Bernardino Valley), with which the District has an agreement under its Local Resource Investment Program (LRIP) to recharge all recycled water produced by the SNRC. In exchange the District receives a contribution from San Bernardino Valley of \$173 per acre-foot of water recharged. During FY 2024-25 the District recharged 6,972.09 acre-feet of recycled water to earn a LRIP contribution of \$1,206,250. This amount exceeded projections by \$134,250 due to higher-than-expected wastewater flows into the plant.

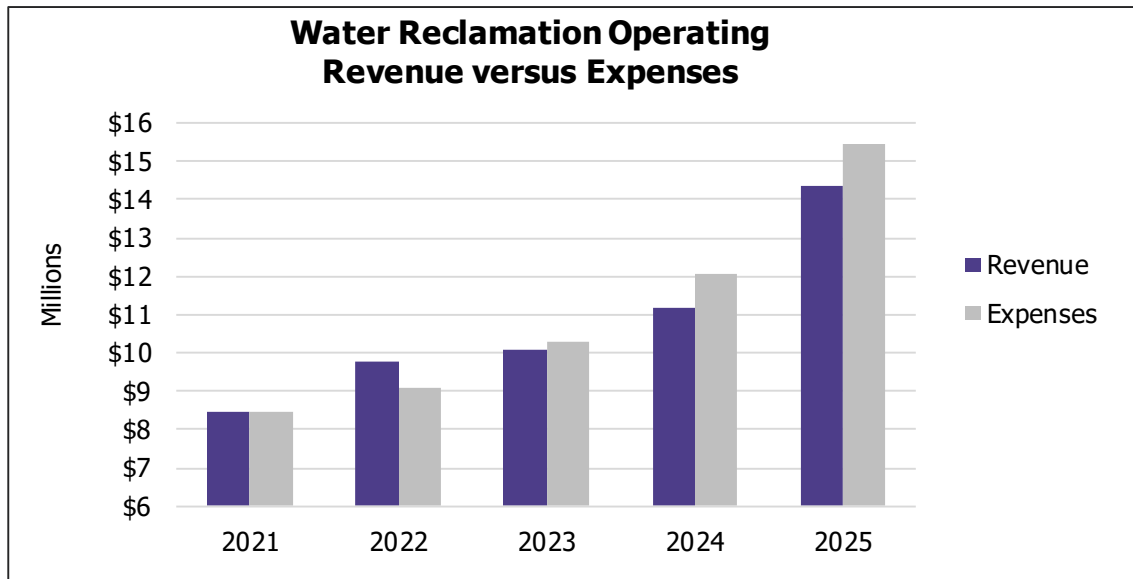
A third Reclamation revenue stream is tipping fees charged to food waste haulers who choose to discharge their waste at the SNRC. This waste is added to sludge generated by plant treatment operations, converted to gas by anaerobic digesters, and then converted to energy for use in powering plant operations. Though the District anticipated generating approximately \$2.04 million in tipping fees during FY 2024-25, power outages and other perplexities continue to hamper attempts to make the digesters fully operational, and by the end of the fiscal year only \$460 thousand, or 22%, of projected tipping fee revenues were realized.

The graph below depicts the District's revenue and expenses related to wastewater treatment and reclamation. Through FY 2021 the District used the City rates to bill its customers and then remit payment to the City at the end of each month. Under this relationship, treatment revenue collected was exactly equal to treatment fees paid to the City. In May 2022, the District established and implemented its own rates and began hiring operators and covering startup costs for commencement of operations at the SNRC. The District's Wastewater Treatment rates were adopted with three phases. Phases 1 and 2 were implemented in May 2022 and January 2023, respectively, with phase 3 scheduled for implementation in January 2024. The District's rate structure consists of fixed monthly

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

charges for all residential customers, and for non-residential customers, a combination of fixed and variable charges, which are assessed based on water usage.

For the year ended June 2025, Water Reclamation Revenue was \$14.3 million, compared to \$11.1 million in the previous fiscal year. The increase was substantially due to rate adjustments that became effective in January 2025.



Operating expenses recorded by the Reclamation fund (before depreciation) in FY 2024-25 were \$10.0 million compared to projections of \$7.7 million. The extended process of commissioning the digesters resulted in energy costs being more than double the \$1.4 million budgeted for FY 2024-25. In addition, the digester delays had unexpected costs such as the need to rent a boiler and use gas to keep the biology in the digesters alive while problems were resolved. Salaries & Benefits of \$2.1 million also exceeded budget by 23% due to unexpected overtime costs as staff worked to address issues such as clogged screens, odors, and leaking seals that arose during start-up.

Finally, a full year of depreciation expense for \$5.44 million was added to total operating expenses of \$15.4 million. Upon completion of construction in FY 2023-24, the cost of the new SNRC plant was allocated to approximately 200 components (facilities and equipment) and capitalized, with useful lives ranging from 10 to 60 years. FY 2024-25 was the first year in which a full 12 month depreciation was recognized for all of these components.

Shared Customer Account & Administrative Costs

Costs related to Customer Accounts are generated by the Customer Service and Meter Services departments. The burden for funding these costs is allocated between the Water and Wastewater Collection funds at roughly a 70%-30% split; the Water Reclamation fund does not currently share in these costs and will not until the fund is more established and revenues are able to cover costs sufficiently.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Customer Account costs increased by 11.3% in FY 2024-25 to \$2,663,991. While there were nominal cost increases in many cost categories, the two categories that were most impactful were:

- Contract Services increased 13% to \$1.1 million due to the increased price of maintenance contracts on District billing and other software applications.
- Salaries & Benefits increased \$138 thousand to \$1,343,602 due to a negotiated COLA increase of 5%, and pension costs and health insurance costs both increasing by approximately 10%.

General and Administrative (G&A) costs increased 32.6% to \$16.9 million from \$12.8 million in the previous fiscal year. These are reported G&A cost totals, for both years, after posting significant Salaries & Benefits expense adjustments related to Net Pension, and Other Post Employment Benefit (OPEB) liabilities in accordance with Governmental Accounting Standards Board (GASB) statements 68 and 75. The amounts of expense adjustments were \$0.8 million and (\$1.8) million for fiscal years 2024-25, and 2023-24, respectively. Prior to the adjustments, cost totals for G&A were \$16.2 million and \$14.6 million in the current and prior years, respectively. This equates to a real dollar increase of \$1.6 million, and some of the reasons for that increase are explained below:

1. Salaries & Benefits increased \$0.4 million to \$7.6 million, compared to \$7.2 million incurred in the previous year. This increase is due to a 5% COLA negotiated with staff for FY 2024-25. In addition to the agency-wide COLA, an FTE was added to the Public Affairs department during the fiscal year.
2. Contract Services in G&A increased 33.9% to \$4.4 million. This increase includes a charge for accumulated costs for environmental and habitat conservation services related to the SNRC water recycling plant. The District has ongoing commitments related to translocation of a fish species whose habitat was impacted by the diversion of recycled water discharge points as a result of the project. In addition, the District has increased the utilization of consultants to pursue grant funding for planned projects, and has also issued a new contract for consultants to update the District's digital mapping software.
3. Insurance costs continued to climb, by 26.4% to \$2.3 million in FY 2024-25. The primary reason for the increase is that 2024-25 was the first full year for the SNRC to be included in the District's insurance.

Non-Operating Activities

The District's Non-Operating Revenue of \$3.7 million includes Investment Income of \$1.9 million (including unrealized gains / losses), and reimbursements of \$1.8 million, the most significant of which was from a greening grant awarded for the landscaping design and installation at the new Sterling Natural Resource Center.

Investment Income is earned on the District's portfolio of U.S. Treasury and Agency Bonds and deposits with two Local Government Investment Pools (LGIP). During FY 2024-25, investment income increased \$626 thousand, or 49%, to \$1,893,149. The increase was due to an increase in the amount of investible cash reserves, and stable interest rates. The average stated rate on the District's portfolio of U.S. bonds is 3.72%, and the yield for the two LGIPs were 4.275% and 4.40% as of June 2025.

Non-Operating Expense includes interest paid on Long-Term Debt, which jumped to \$5.3 million with the first payment on the SNRC State loan coming due in December 2024. Also included in non-operating is a loss on disposal of assets of \$81 thousand which occurred due to an over-estimate of the useful lives of network equipment that had to be replaced in 2024-25.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Capital Contributions

Contributions received during FY 2024-25 included \$3.6 million in developer capacity fees, across all funds, for approximately 243 EDUs (equivalent dwelling units). These fees represent 'moderate' continued development activity from the prior year when fees were received for 156 EDUs. Development is a mixture of both commercial and residential construction, mostly for Tract developments.

East Valley Water District Changes in Net Position
(in millions)

	2025	2024	2023
Water Sales	\$ 21.3	\$ 17.9	\$ 17.0
System Charges	17.5	16.2	15.5
Treatment Charges	12.7	10.7	10.1
Other Operating Rev	1.8	1.1	1.2
Supply & Pumping	(4.9)	(5.0)	(4.9)
Distribution / Collection	(5.1)	(4.8)	(5.1)
Treatment	(11.8)	(12.0)	(10.8)
Customer Accounts	(2.7)	(2.4)	(2.2)
General & Administrative	(16.9)	(12.8)	(13.2)
Depreciation	(12.3)	(7.6)	(6.3)
Investment Income	1.9	1.2	0.3
Gain on Disposal and Other	0.3	0.1	0.1
Interest Expense	(5.4)	(0.8)	(0.9)
Income Before Contributions & Special Item	<u>(3.6)</u>	<u>1.8</u>	<u>0.8</u>
Developer Contributions	3.6	2.6	1.8
Grant Funds Contributed	1.7	-	0.1
Special Item - Settlement Obligation	<u>-</u>	<u>(7.0)</u>	<u>-</u>
Change in Net Position	<u>1.7</u>	<u>(2.6)</u>	<u>2.7</u>
Beginning Net Position, as Previously Reported	145.2	147.8	145.1
Ending Net Position	<u>\$ 146.9</u>	<u>\$ 145.2</u>	<u>\$ 147.8</u>

Components of Net Position

The District is required to present its Net Position in three categories: Net Investment in Capital Assets, Restricted, and Unrestricted.

Net Investment in Capital Assets

The components comprising Net Investment in Capital Assets are presented in Note 7 of the accompanying financial statements. The balance at June 30, 2025 is \$113.8 million, an increase of \$1.7 million compared to June 30, 2024. The increase is the net result of the acquisition or construction of Capital assets for \$8.1 million, combined with a \$5.1 million decrease in outstanding debt (includes associated deferred inflows/outflows), and then offset by an increase in accumulated depreciation of \$11.5 million.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Restricted

Restricted Net Position consists of unexpended development impact fees which may only be appropriated for a project included in the District's Capital Improvement Program. During FY 2024-25 the District received \$3.6 million in capacity fees while \$2.9 million was expended on projects to expand plant capacity. A summary of the accumulation and use of these funds is presented as 'Other Information' in this document.

Restricted Net Position also includes cash owned by the North Fork Water Company, a blended component unit.

Unrestricted

Unrestricted Net Position is the balance after amounts to be classified as Net Investment in Capital Assets or Restricted have been determined. Unrestricted Net Position decreased \$0.9 million to \$19.0 million in FY 2024-25.

Capital Assets

The District spent approximately \$9.1 million for expansion or replacement of property, plant, and equipment during FY 2024-25. These amounts are reflected in Utility Plant, or as additions to Construction in Progress, in the accompanying financial statements.

Placed in Service

During FY 2024-25, District staff, consultants, and contractors completed work on the following:

- Completed rehabilitation of 0.5-million-gallon tank at Plant 56.
- Replaced and upsized to 6 inch pipe, approximately 420' of water main in Elmwood Drive and Oakridge Court with District crews.
- Replaced 40 aging gate valves to ensure proper operation in case of emergency and need to isolate critical sections of District distribution system.
- Camera and fencing upgrades to enhance security at critical District sites.

Utility Plant in Service – June 30th
(in millions)

Department	2025	2024
Water		
Source of Supply	\$ 21.6	\$ 21.4
Pumping	15.6	15.3
Transmission & Distribution	105.4	102.7
Treatment	33.6	33.5
Wastewater		
Collection Lines	39.4	39.4
Reclamation Plant	177.0	176.0
General		
Plant & Equipment	45.0	44.7
Total	\$ 437.6	\$ 433.0

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Construction in Progress (CIP)

Construction in Progress increased from \$491 thousand to \$4.0 million (see Note 4) during FY 2024-25 as the District turned its attention to water facilities after having completed a \$197 million treatment plant in the previous fiscal year. During the current year, \$6.4 million in cost was added to CIP, \$2.8 million was removed 8 projects were closed, capitalized and placed in service, and another \$133 thousand related to two small projects was expensed, leaving a balance at June 30, 2025 of \$4.0 million. Approximately 40 projects, most related to new development, remain in progress at year end.

Future Capital Improvements - Water

The District's ability to meet water quality requirements, promote water conservation, and increase efficiencies in conducting District business are the driving forces by which District management develops long-term capital plans. To meet these objectives, the District's 5-Year Capital Improvement Plan includes the following projects:

- Rehabilitate and extend the useful lives of aging water storage tanks.
- Replace aging water distribution pipelines that require frequent repair and are suspected of causing system water losses.
- Drill and equip three new wells to meet the demands of new development, and to replace the capacity of three existing wells taken out of service due to their proximity to recycled water recharge basins.
- Partner with developers to increase the capacity of new storage tanks they plan to build to serve their projects.

The District has been awarded 10% match funding under the State's Prepare California Match Program for a \$6.8 million project to complete seismic retrofits on several water storage tanks. A FEMA Hazard Mitigation Grant Program (HMGP) grant has been awarded for the design phase (Phase 1) of the project and should facilitate an award for the construction phase (Phase 2) once the design is completed.

The District has also been awarded Phase 1 FEMA funding of over \$1.1 million for design of a significant water main replacement project. Once design is complete, the District will work to finalize Phase 2 funding to cover up to \$40 million in replacement of pipelines which qualify for hazard mitigation assistance.

Future Capital Improvements - Wastewater

The District maintains a list of recommended wastewater main replacements/rehabilitations based on assessments of pipeline conditions noted during video logging of the collection system. Pipelines assessed at the highest risk of structural failure are prioritized on the District's Five-Year Capital Improvement Plan (CIP).

The District will also update its Wastewater Collection System Master Plan during the next two years to identify undersized main pipelines that are susceptible to surcharging during heavy rains. Undersized pipelines can impede new development and will be included in discussions with developers as necessary. Pipelines identified in the District's Wastewater Collection System Master Plan will be built into models developed for an update to the District's capacity fees.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025

Future Capital Improvements - Reclamation

The SNRC has realized higher than expected influent flows during the first eighteen months of treatment operations causing the District to contract for construction of a fifth MBR train, increasing the treatment capacity of the plant overall. The additional capacity will allow for the appropriate rotation of the trains for cleaning and maintenance, and the cost to add the additional MBR train will be approximately \$8.5 million. Current and future development capacity fees are being leveraged to finance the cost of this project.

Long Term Debt / Credit

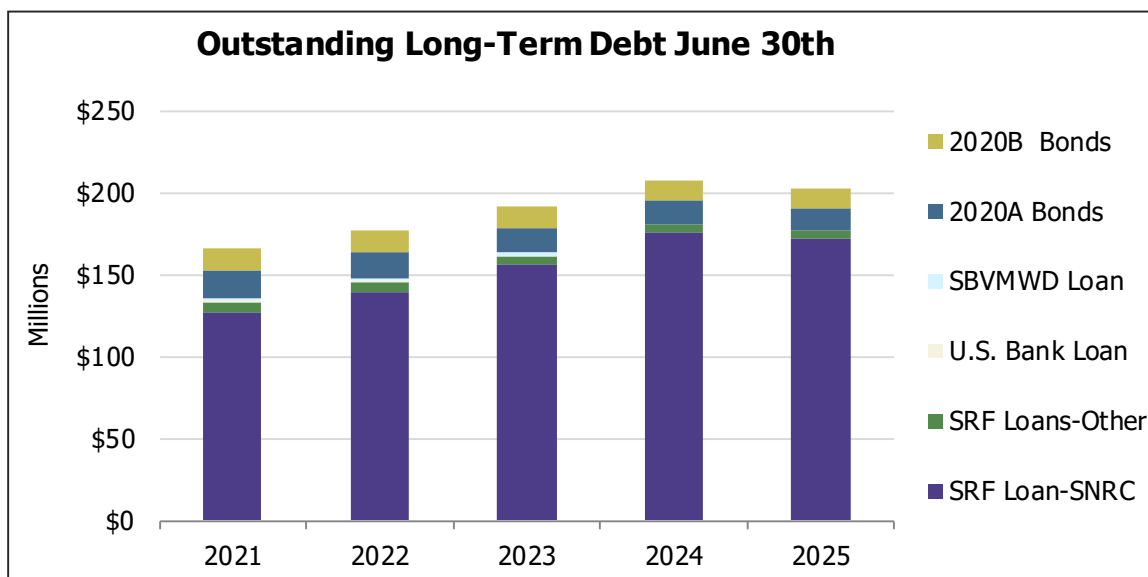
The District's long-term debt consists of Revenue Bonds and loans from the California State Water Resources Control Board State Revolving Fund. Outstanding balances as of June 30, 2025 were as follows:

Revenue Bonds		
2020A Refunding Bonds	\$	13,030,000
2020B Refunding Bonds		12,505,000
SWRCB Loans		
AVAD Construction		40,213
EFAD Construction		234,291
Plant 134 Construction		4,667,975
SNRC Construction		172,053,787
Total	\$	<u>202,531,266</u>

The funding agreement with the State Water Resources Control Board for the SNRC construction consists of a \$168.30 million loan at 1.8% and a \$6.7 million grant. Upon project completion, interest accrued on District draws against the loan during construction, totaling \$7.96 million, was added to the loan balance for a total loan balance of \$176.26 million. The State Water Resources Control Board considered the project complete in December 2023, and according to terms of the State Funding Agreement, the first principal payment of \$4,211,290 (plus interest of \$2,983,285) was made to the state in December 2024. An annual payment of \$7,811,471 will be made in December 2025 and continue through the end of the loan in 2052.

All scheduled debt payments for FY 2024-25 were paid timely. See Note 5 to the accompanying financial statement notes for further discussion about Long-Term Debt.

EAST VALLEY WATER DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2025



Loans from U.S. Bank and San Bernardino Valley Municipal Water District were paid off during FY 2023-24, and are referenced solely because they are included in the five year schedule shown above.

Standard & Poor's and Fitch rated the District's 2020 Series A and B Revenue Bonds at AA- at the time of issuance. Fitch affirmed this rating after a review of the District's financial plans in June 2024. Dun & Bradstreet (D&B), based on audited financial statements and creditor input, also rated the District. The rating given by D&B is currently 5A1 accompanied by a financial condition assessment of 'strong', which is no change from previous years.

Rate Increases

On May 15, 2024, the District adopted rate adjustments for all three of the District's enterprise activities, to be implemented in three phases. Wastewater Collection and Reclamation rate adjustment phases are effective on July 1 of 2024, 2025, and 2026, and water rate adjustments are effective on January 1 of 2025, 2026, and 2027.

Additional information about the District's water and wastewater rates can be found on the District's website at www.eastvalleywater.gov.

Contacting the District's Financial Management

This financial report is designed to give our customers/ratepayers, creditors, and investors a general overview of the District's finances, and to demonstrate the District's accountability for money it receives, and stewardship over facilities it maintains.

If you have questions about this report, or need additional information, contact the District's Finance Department at 31111 Greenspot Road, Highland, California 92346, or call (909) 381-6463.

BASIC FINANCIAL STATEMENTS

EAST VALLEY WATER DISTRICT
Statement of Net Position
June 30, 2025

	2025	For Comparative Purposes Only 2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 11,982,358	\$ 8,197,155
Investments	15,802,745	15,304,169
Accounts Receivable, Net	6,856,863	6,107,689
Interest Receivable	327,422	341,051
Other Receivables	2,766,435	1,959,106
Due from Other Governments	4,221,622	7,553,848
Inventory	1,462,448	1,061,891
Prepaid Expenses	675,291	775,440
Total Current Assets	<u>44,095,184</u>	<u>41,300,349</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	16,349,722	15,207,521
Restricted Due from Other Governments	-	7,800,000
Assessments Receivable	230,355	246,083
Capital Assets not being Depreciated	11,101,646	7,574,139
Capital Assets, Net	<u>307,519,963</u>	<u>314,384,669</u>
Total Non-Current Assets	<u>335,201,686</u>	<u>345,212,412</u>
Total Assets	<u>379,296,870</u>	<u>386,512,761</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	770,237	812,441
Deferred Outflows - Pensions	4,832,914	6,318,359
Deferred Outflows - OPEB	<u>1,679,283</u>	<u>2,004,127</u>
Total Deferred Outflows Of Resources	<u>7,282,434</u>	<u>9,134,927</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 386,579,304</u>	<u>\$ 395,647,688</u>

(Continued)

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Statement of Net Position - Continued
June 30, 2025

	2025	For Comparative Purposes Only 2024
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 4,500,764	\$ 10,449,146
Accrued Payroll and Benefits	1,027,424	944,585
Customer Service Deposits	1,590,870	1,439,016
Construction Advances and Retentions	212,689	140,317
Accrued Interest Payable	1,758,943	228,360
Current Portion of Compensated Absences	486,184	432,702
Current Portion of Long-Term Debt	5,947,873	6,183,942
Due to Other Governments	139,103	76,452
Total Current Liabilities	<u>15,663,850</u>	<u>19,894,520</u>
Non-Current Liabilities:		
Compensated Absences, Less Current Portion	1,304,121	1,108,524
Net Pension Liability	14,505,560	14,902,033
Net OPEB Liability	1,481,136	2,067,180
Long-Term Debt, Less Current Portion	199,070,556	203,977,262
Due to Other Governments	5,600,000	6,300,000
Total Non-Current Liabilities	<u>221,961,373</u>	<u>228,354,999</u>
Total Liabilities	<u>237,625,223</u>	<u>248,249,519</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Refunding	1,019,098	1,076,449
Deferred Inflows - Pensions	304,714	543,111
Deferred Inflows - OPEB	679,624	550,043
Total Deferred Inflows Of Resources	<u>2,003,436</u>	<u>2,169,603</u>
Total Liabilities and Deferred Inflows of Resources	<u>239,628,659</u>	<u>250,419,122</u>
NET POSITION		
Net Investment in Capital Assets	113,835,631	112,073,604
Restricted for:		
Future Capital Expansion Projects	14,135,060	13,314,565
Unrestricted	<u>18,979,954</u>	<u>19,840,397</u>
Total Net Position	<u>\$ 146,950,645</u>	<u>\$ 145,228,566</u>

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

	2025	For Comparative Purposes Only 2024
OPERATING REVENUES		
Water Sales	\$ 21,280,114	\$ 17,900,515
Wastewater Treatment Charges	12,683,579	10,746,724
System Charges	17,507,882	16,222,435
Other Charges	1,812,604	1,060,541
Total Operating Revenues	<u>53,284,179</u>	<u>45,930,215</u>
OPERATING EXPENSES		
Water Department:		
Source of Supply	3,801,843	4,079,366
Pumping	1,124,472	883,731
Treatment	1,753,123	1,592,368
Transmission and Distribution	4,375,616	4,012,276
Customer Accounts	1,958,853	1,757,943
Total Water Department	<u>13,013,907</u>	<u>12,325,684</u>
Wastewater Department:		
Wastewater Collection	747,704	792,350
Customer Accounts	705,138	634,414
Total Wastewater Department	<u>1,452,842</u>	<u>1,426,764</u>
Reclamation Department:		
Treatment	<u>10,001,513</u>	<u>10,411,256</u>
Total Reclamation Department	<u>10,001,513</u>	<u>10,411,256</u>
Administrative and General	<u>16,949,097</u>	<u>12,776,969</u>
Operating Expenses Before Depreciation	41,417,359	36,940,673
Depreciation	<u>12,311,922</u>	<u>7,624,666</u>
Total Operating Expenses	<u>53,729,281</u>	<u>44,565,339</u>
Operating Income	<u>\$ (445,102)</u>	<u>\$ 1,364,876</u>

(Continued)

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position - Continued
Year Ended June 30, 2025

	2025	For Comparative Purposes Only 2024
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	\$ 1,692,203	\$ 1,136,502
Unrealized Investment Gain	200,946	130,536
Other Income	339,433	39,064
Interest Expense	(5,313,021)	(789,683)
Loss on Disposal	(81,006)	-
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	(3,161,445)	516,419
	<hr/>	<hr/>
Income Before Contributions	(3,606,547)	1,881,295
	<hr/>	<hr/>
CONTRIBUTIONS		
Capacity Charges	3,630,874	2,556,388
Capital Grants	1,493,764	-
Operating Grants	203,988	-
	<hr/>	<hr/>
Total Contributions	5,328,626	2,556,388
	<hr/>	<hr/>
SPECIAL ITEM		
Settlement Obligation - Wastewater Treatment Authority Disassociation	-	(7,000,000)
	<hr/>	<hr/>
CHANGE IN NET POSITION	1,722,079	(2,562,317)
TOTAL NET POSITION, BEGINNING	145,228,566	147,790,883
	<hr/>	<hr/>
TOTAL NET POSITION, ENDING	\$ 146,950,645	\$ 145,228,566
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Statement of Cash Flows
Year Ended June 30, 2025

	2025	For Comparative Purposes Only 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 51,879,529	\$ 45,687,123
Cash Payments for Employees Services	(15,569,983)	(13,812,566)
Cash Payments to Suppliers	(30,889,987)	(22,969,278)
Cash to/(from) Other Sources	338,628	39,064
Net Cash Provided by Operating Activities	5,758,187	8,944,343
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Assessments Received	301,968	131,891
Developer Fees Received	3,630,874	2,556,388
Reimbursements Received	1,697,756	6,579,416
Proceeds/Draws from SRF Loan	11,919,642	8,813,935
Due (From) To Water Fund	-	(2,655,077)
Due (From) To Reclamation Fund	-	5,661,647
Principal Paid on Capital Debt	(5,766,446)	(3,242,553)
Interest Paid on Capital Debt	(3,960,686)	(998,343)
Due (From) To Other Agencies	(637,993)	(623,548)
Assessments Received	-	131,891
Acquisition of Capital Assets	(9,137,856)	(15,497,342)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,952,741)	726,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received from Investments	1,414,534	743,713
Acquisition of Investments	(8,692,576)	(11,398,599)
Proceeds from Sale of Investments	8,400,000	1,565,000
Net Cash Provided (Used) by Investing Activities	1,121,958	(9,089,886)
Net Increase (Decrease) in Cash and Cash Equivalents	4,927,404	580,871
Cash and Equivalents, Beginning of Year	23,404,676	22,823,805
Cash and Equivalents, End of Year	\$ 28,332,080	\$ 23,404,676
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and Cash Equivalents	\$ 11,982,358	\$ 8,197,155
Restricted Cash and Cash Equivalents	16,349,722	15,207,521
Total Cash and Cash Equivalents	\$ 28,332,080	\$ 23,404,676

(Continued)

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Statement of Cash Flows - Continued
Year Ended June 30, 2025

	<u>2025</u>	<u>For Comparative Purposes Only 2024</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (445,102)	\$ 1,364,876
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	12,311,922	7,624,666
Miscellaneous Income/(Expense)	339,433	39,064
CIP Projects Expensed	133,319	168,183
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(749,175)	(166,850)
(Increase) Decrease in Inventory	(400,557)	(87,071)
(Increase) Decrease in Prepaids	100,154	(518,642)
(Increase) in Deferred Outflows of Resources - Pensions	1,810,289	(1,821,089)
Increase (Decrease) in Accounts Payable	(5,948,382)	1,890,483
Increase (Decrease) in Accrued Salaries and Benefits	169,588	119,209
Increase (Decrease) in Compensated Absences	162,330	113,459
Increase (Decrease) in Net Pension Liability	(396,473)	1,046,897
Increase in Net OPEB Liability	(586,045)	80,819
Decrease in Deferred Inflows of Resources	(108,816)	(833,419)
Increase (Decrease) in Customer Deposits	(807,329)	(111,296)
Increase (Decrease) in Developer Deposits	173,031	35,054
Total Cash Provided by Operating Activities	<u>\$ 5,758,187</u>	<u>\$ 8,944,343</u>
NON-CASH INVESTING, CAPITAL, AND NON-CAPITAL FINANCING ACTIVITIES:		
Fair Value Adjustments to Investments	\$ 200,947	\$ 130,536
Receivable Offset by Debt	\$ 51,195	\$ 8,616,385
Capital Assets Acquired by Assuming Liabilities, Including Retainage Payable	\$ -	\$ -

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Statement of Fiduciary Net Position
Year Ended June 30, 2025

	2025	For Comparative Purposes Only 2024
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 2,972,682	\$ 3,773,219
Due from Other Governments	135,131	76,662
Assessments Receivable	3,262	5,375
Total Assets	<u>3,111,075</u>	<u>3,855,256</u>
NET POSITION		
Restricted for Debt Obligations	3,111,075	3,855,256
Total Net Position	<u>\$ 3,111,075</u>	<u>\$ 3,855,256</u>

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	2025	For Comparative Purposes Only 2024
ADDITIONS		
Interest Income	\$ 148,698	\$ 140,320
Special Tax Assessments on Behalf of Other Entities	305,955	195,418
Debt Proceeds Collected on Behalf of Other Entities	-	5,517,670
Total Additions	<u>454,653</u>	<u>5,853,408</u>
DEDUCTIONS		
Administrative Costs	11,271	8,482
Principal Payments to Bondholders	135,000	-
Interest Expense	266,306	140,481
Payments to Other Entities	786,257	1,735,960
Costs of Issuance	-	250,920
Total Deductions	<u>1,198,834</u>	<u>2,135,843</u>
CHANGE IN NET POSITION	(744,181)	3,717,565
NET POSITION - BEGINNING OF YEAR	<u>3,855,256</u>	<u>137,691</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,111,075</u></u>	<u><u>\$ 3,855,256</u></u>

The accompanying notes are an integral part of this statement.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The East Valley Water District is a special district that was formed in 1954, as a result of an election by local residents who desired water service by a public water agency. Later, as the population increased, a modern wastewater system was needed to replace the septic tanks used at the time. Citizens voted to give the District responsibility for that service. The District encompasses an area of approximately 30.1 square miles and provides water and wastewater service to the City of Highland, parts of the City of San Bernardino, and unincorporated parts of the County of San Bernardino, California.

The East Valley Water District Financing Authority (Authority), and the North Fork Water Company (Company) are component units of the East Valley Water District. A component unit is an entity which is financially accountable to the primary government, either because the primary government appoints a voting majority of the component unit's Board, or because the component unit will provide a financial benefit or impose a financial burden on the primary government. The Authority and Company are blended component units. Only North Fork Water Company prepares separate financial statements.

The Authority was created in August 2010 by a joint exercise of powers agreement for the purpose of financing public capital improvements. It is governed by a Board of Directors comprised of the District's Board of Directors. The Authority issued debt in October 2010 which is secured solely from installment payments under an installment purchase agreement entered into by the District and the Authority.

The Company was established in February 1885 to deliver water, taken from the Santa Ana River to its property owner /shareholders. The Company is governed by a Board of Directors comprised of, and elected by, Company shareholders. The District has purchased shares of Company stock as they become available to secure rights to the Santa Ana River water and have it delivered to the District's surface water treatment plant. At June 30, 2024, the District owned 7,147 of 7,156 outstanding Company shares.

Due to the number of Company shares owned, the District is able to appoint a majority of the Company's Governing Board and is therefore financially accountable for the Company. In addition, management and staff of the District have complete responsibility for the operations of the Company. As a result, the Company's financial statements have been included in the accompanying financial statements as a blended component unit. Copies of the Company's financial statements may be obtained from the District's Finance Department at 31111 Greenspot Road, Highland, California 92346.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The following condensed combining schedule shows how the District, and its component units are blended in the accompanying financial statements:

Table 1-1

	District	NFWC	Eliminations	Total
Statement of Net Position				
Current Assets	\$ 44,081,601	\$ 13,583	\$ -	\$ 44,095,184
Capital Assets	318,139,708	2,550,632	(2,068,731)	318,621,609
Other Assets	16,331,949	248,128	-	16,580,077
Deferred Outflows	7,282,434	-	-	7,282,434
Total Assets & Deferred Outflows	<u>385,835,692</u>	<u>2,812,343</u>	<u>(2,068,731)</u>	<u>386,579,304</u>
Current Liabilities	15,624,535	39,315	-	15,663,850
Long-Term Liabilities	221,961,373	-	-	221,961,373
Deferred Inflows	2,003,436	-	-	2,003,436
Total Liabilities & Deferred Inflows	<u>239,589,344</u>	<u>39,315</u>	<u>-</u>	<u>239,628,659</u>
Net Investment in Capital Assets	113,330,681	2,573,681	(2,068,731)	113,835,631
Restricted Net Position	13,935,713	199,347	-	14,135,060
Unrestricted Net Position	18,979,954	-	-	18,979,954
Total Net Position	<u>\$ 146,246,348</u>	<u>\$ 2,773,028</u>	<u>\$ (2,068,731)</u>	<u>\$ 146,950,645</u>
Statement of Changes in Net Position				
Sales and Services	\$ 51,471,575	\$ -	\$ -	\$ 51,471,575
Other Operating Revenue	1,812,604	-	-	1,812,604
Operating Expenses	41,241,840	175,519	-	41,417,359
Depreciation	12,256,085	55,837	-	12,311,922
Operating Income	<u>(213,746)</u>	<u>(231,356)</u>	<u>-</u>	<u>(445,102)</u>
Net Non-Operating Revenue				
(Expenses)	(1,953,921)	286,240	-	(1,667,681)
Capital Contributions	3,834,862	-	-	3,834,862
Special Items	-	-	-	-
Change in Net Position	<u>1,667,195</u>	<u>54,884</u>	<u>-</u>	<u>1,722,079</u>
Beginning Net Position	144,579,153	2,718,144	(2,068,731)	145,228,566
Ending Net Position	<u>\$ 146,246,348</u>	<u>\$ 2,773,028</u>	<u>\$ (2,068,731)</u>	<u>\$ 146,950,645</u>
Net Cash from Operating Activities	\$ 5,937,229	\$ (179,042)	\$ -	\$ 5,758,187
Net Cash from Capital and Related Financing Activities	(2,238,818)	286,077	-	(1,952,741)
Net Cash from Investing Activities	1,121,958	-	-	1,121,958
Beginning Cash and Equivalents	23,263,583	141,093	-	23,404,676
Ending Cash & Equivalents	<u>\$ 28,083,952</u>	<u>\$ 248,128</u>	<u>\$ -</u>	<u>\$ 28,332,080</u>

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District uses the economic resources measurement focus and the accrual basis of accounting.

Accordingly, revenues are recognized when they are earned, and expenses are recorded when the liability is incurred.

Fiduciary fund financial statements include a statement of fiduciary net position. The District has one type of fiduciary fund presented: a custodial fund, which is used to account for Community Facilities District assessments, debt issuances, the financing of eligible public facilities, and debt service. All of the assets in this fund are matched by a liability to parties on whose behalf they are held. Accordingly, there is no balance for Net Position, and no Statement of Changes in Net Position.

The custodial fund is used to report resources held by the District in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. Custodial funds use the economic resource measurement focus.

C) Comparative Data

Prior year data has been included where practical for comparison purposes only. The prior year data does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America.

D) Inventory Valuation

Inventories are valued at cost using the average-cost method.

E) Capitalization and Depreciation

Capital assets purchased or constructed by the District are recorded at cost. Donated capital assets are recorded at actual or estimated acquisition value as of the date received. The District has a capitalization threshold of \$5,000.

Depreciation is computed using the straight-line method over the estimated useful lives of the various assets. Water canals, water, and wastewater lines are depreciated over 25 to 50 years; office equipment and vehicles are depreciated over 5 years.

Water stock and rights contributed to the District are recorded at the same value the District is currently paying for the purchase of similar stock.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Restricted Assets

Certain assets of the District are restricted in use by ordinance or debt covenant and accordingly are shown as restricted assets on the accompanying statement of net position. Unexpended Bond proceeds are set aside for capital improvements, District deposits into Bond trustee accounts are to be used for debt service, and utility deposits must be returned to the customers at their request after their account has been paid timely for 12 consecutive months, or when their account is closed.

G) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents have been defined as demand deposits and highly liquid investments purchased with an original maturity of 3 months or less. The District invests funds with the Local Agency Investment Fund (LAIF) and Money Market Mutual Funds. Due to the high liquidity of these investments, these funds are classified as cash equivalents.

H) Investments

The District has adopted the provisions of GASB Statement No. 72, Fair Value Measurement and Application. The objective of this Statement is to enhance comparability of financial statements among governments by measurement of certain assets and liabilities at their fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value.

I) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items which qualify for reporting in this category: Deferred Outflows Charge on Refunding, Deferred Outflows Related to Pensions, and Deferred Outflows Related to OPEB.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items which qualify for reporting in this category: Deferred Inflows related to Pensions, Deferred Inflows related to OPEB, and Deferred Inflows related to Bond Refinancing.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J) Compensated Absences

The District has a policy whereby an employee can accumulate unused sick leave and vacation. Sick leave is to be used for extended periods of sickness; however, upon termination or retirement, a portion will be paid as additional benefits to the employee. At retirement or termination, employees who have accumulated over ten years of service will be paid between 50 to 70% of their unused sick leave (based upon their balance of unused sick leave) at their regular payroll rates in effect at the date of termination. Also, employees can cash out up to 300 hours of unused sick time, per calendar year, provided that a minimum of 160 hours is retained after said cash-out. The District has provided for these future costs by accruing a range of the earned and unused sick leave and 100% of the earned and unused vacation.

K) Classification of Revenue

As an enterprise (proprietary) fund, the District classifies its revenues into three classifications: operating revenue, non-operating revenue, and contributions.

Operating revenues are defined as revenues realized by the District in exchange for providing its primary services of water distribution, wastewater collection, and water reclamation to its customers. Non-operating revenues are those derived from the investment of cash reserves and from the disposal of excess property, and include those resources received from entities other than customers, such as governmental agencies and developers, for purposes not related to capital improvement. Donated plant and cash received for capital improvement without the requirement that the District give resources in exchange are recorded as contributions.

L) Use of Restricted Resources

The District uses restricted resources, prior to using unrestricted resources, to pay expenses meeting the criteria imposed on the use of restricted resources by a third party.

M) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N) Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

O) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability related to the California Employer's Retirement Benefits Trust (CERBT), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CERBT and additions to/deductions.

from the CERBT fiduciary net position have been determined on the same basis as they are reported by the CERBT. For this purpose, the CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

P) Future Accounting Pronouncements

The applicable GASB Statements listed below will be implemented in future financial statements:

Table 1-2

GASB Statement	Description	Effective Date
Statement No. 103	Financial Reporting Model Improvements	Provides guidelines for the accounting and reporting of derivative instruments in governmental entities, focusing on their recognition, measurement, and disclosure. It distinguishes between hedging and investment derivatives, requiring different reporting for each, with all derivatives measured at fair value. The standard also mandates evaluating hedging effectiveness and requires detailed disclosures to enhance financial transparency. The statement is effective for fiscal years beginning after June 15, 2025.
Statement No. 104	Disclosure of Certain Capital Assets	Enhances disclosure requirements for capital assets by building on Statement No. 34 to require separate reporting by major class for lease assets, intangible right-to-use assets from public-private or public-public partnerships, subscription-based IT arrangement assets, and other intangible assets. It also establishes new disclosures for capital assets held for sale requiring governments to reassess this status each reporting period and disclose historical cost, accumulated depreciation, and any related pledged debt by major asset class. The statement is effective for fiscal years beginning after June 15, 2025.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS

Cash and Investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Table 2-1

Cash and Cash Equivalents	\$ 11,982,358
Restricted Cash and Cash Equivalents	16,349,722
Investments	15,802,745
Total	<u>\$ 44,134,825</u>

Cash and investments as of June 30, 2025 consist of the following:

Table 2-2

Cash on Hand	\$ 9,000
Deposits with Financial Institutions	7,687,674
Money Market Accounts with Financial Institutions	1,004,833
Investments with Local Agency Investment Fund	18,627,601
Investments with California CLASS	1,002,972
Investment in Debt Securities	15,802,745
Total	<u>\$ 44,134,825</u>

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized by the District's investment policy and in accordance with Section 52601 of the California Government Code. The table also identifies certain provisions of the District's investment policy that address interest rate risk and concentration of credit risk.

Table 2-3

Authorized Investment Type	Maximum Maturity	Authorized Limit	Required Rating
Municipal Securities including EVWD Issues	5 years	None	None
U.S. Treasury Bills, Notes, or Bonds	5 years	None	None
State Registered Warrants, Notes, or Bonds	5 years	None	None
Notes and Bonds of other Local California Agencies	5 years	None	None
U.S. Agencies	5 years	None	None
Placement Service Deposits	5 years	30%	None
Money Market Mutual Funds and Mutual Funds	5 years	15%	2 - AAA
Collateralized Bank Deposits	5 years	None	None
Commercial Papers	270 days	5%	A
Medium Term Notes	5 years	30%	AA
Local Government Investment Pools	N/A	25%	AA
Local Agency Investment Fund (LAIF)	N/A	None	None
California CLASS	N/A	None	None

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

At June 30, 2025, the District had no investments in repurchase agreements and did not utilize this investment media during the reporting year. As a matter of investment policy, the District does not borrow funds with reverse repurchase agreements.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District minimizes its exposure to this type of risk is by investing in investments with laddered maturity dates.

As of June 30, 2025, the District had the following investments and maturities:

Table 2-4

Investment Type	Fair Value	Average Maturity
Fannie Mae	\$ 299,952	2.54 years
Freddie Mac	2,295,790	2.11 years
Federal Home Loan Bank	7,514,838	2.29 years
Federal Farm Credit Bank	193,370	1.4 years
US Treasury	5,498,795	1.29 years
Tenn Valley Authority	-	-
LAIF	18,627,601	N/A
Cal CLASS	1,002,972	N/A
Money Market Mutual Funds	1,004,833	N/A
	<u>\$ 36,438,151</u>	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year-end for each investment type.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

Table 2-5

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating at Year End AAA	Not Rated
Fannie Mae	\$ 299,952	N/A	\$ -	\$ 299,952	\$ -
Freddie Mac	2,295,790	N/A	-	2,295,790	-
Federal Home Loan Bank	7,514,838	N/A	-	7,514,838	-
Federal Farm Credit Bank	193,370		-	193,370	-
US Treasury	5,498,795	N/A	5,498,795	-	-
Tenn Valley Authority	-	N/A	-	-	-
LAIF	18,627,601	N/A	-	-	18,627,601
Cal CLASS	1,002,972	N/A	-	-	1,002,972
Money Market Mutual Funds	1,004,833	N/A	-	1,004,833	-
	<u>\$ 36,438,151</u>		<u>\$ 5,498,795</u>	<u>\$ 11,308,783</u>	<u>\$ 19,630,573</u>

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

Valuation Technique: Level 2 Investments use the Market Approach which uses prices generated for identical or similar assets or liabilities.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

The District has the following recurring fair value measurements as of June 30, 2025:

Table 2-6

Investments by Fair Value Level	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities				
Fannie Mae	\$ 299,952	\$ -	\$ -	\$ 299,952
Freddie Mac	2,295,790	-	-	2,295,790
Federal Home Loan Bank	7,514,838	-	-	7,514,838
Federal Farm Credit Bank	193,370	-	-	193,370
US Treasury	5,498,795	-	-	5,498,795
Total Investments Measured at Fair Value	<u>\$ 15,802,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,802,745</u>
Investments Measured at Amortized Cost				
LAIF				18,627,601
Cal CLASS				1,002,972
Money Market Mutual Funds				1,004,833
Total Investments				<u>\$ 36,438,151</u>

Disclosure Related to Concentration of Credit Risk

The District's policy places no limits on amounts invested in any given issuer beyond that stipulated by the California Government Code. Freddie Mac and FHLB investments valued at \$2,295,790 and \$7,514,838, respectively, exceeded 5% of District total investments.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires California banks and savings and loan associations to secure deposits by pledging government securities as collateral. Such collateralization of public funds is accomplished by pooling. As such, collateralized securities are held by the pledging financial institution's agent on behalf of the District. The fair value of the pledged securities must equal at least 110% of District deposits. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District may waive collateral requirements for deposits which are fully insured by Federal depository insurance.

As of June 30, 2025, the District had \$7,400,006 deposited with financial institutions that were in excess of federal depository insurance limits. The federal deposit insurance limit is \$250,000.

Investment in State Investment Pool

The management of the State of California Pooled Money Investment Account (generally referred to as LAIF) has reported to its participating agencies that, as of June 30, 2025, the carrying amount (at amortized cost) of the pool was \$178,938,897,012 and the estimated fair value of the pool was \$179,153,321,241. LAIF is regulated by the California Government Code under the oversight of the Treasurers of California. The District's proportionate share of the fair value (as determined by LAIF) as of June 30, 2025, was \$18,627,603. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain State funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. Currently LAIF does not have an investment rating. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

3) RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents at June 30, 2025 are restricted as follows:

Table 3-1

Held for Debt Service	\$ 466,411
Capacity Fees from Developers	13,935,713
Customer Deposits	1,589,966
Construction Advances	109,500
North Fork Water Company	248,132
Total	<u>\$ 16,349,722</u>

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

4) CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Table 4-1				
	Beginning of Year	Additions	Deletions	Adjustments	End of Year
Water Fund					
Non-Depreciable Assets					
Land and Easements	\$ 3,651,696	\$ -	\$ -	\$ -	\$ 3,651,696
Water Rights	732,835	-	-	-	732,835
Construction in Progress	341,102	4,599,372	(2,981,673)	-	1,958,801
Total Non-Depreciable Assets	<u>4,725,633</u>	<u>4,599,372</u>	<u>(2,981,673)</u>	<u>-</u>	<u>6,343,332</u>
Depreciable Assets					
Source of Supply	21,383,763	395,366	(132,813)	-	21,646,316
Pumping Plant	15,320,702	277,539	-	-	15,598,241
Treatment Plant	33,543,906	181,310	(121,874)	-	33,603,342
Transmission and Distribution Plant	102,724,617	2,851,059	(165,788)	-	105,409,888
General Plant	34,312,344	610,345	(324,358)	-	34,598,331
Total Depreciable Assets	<u>207,285,332</u>	<u>4,315,619</u>	<u>(744,833)</u>	<u>-</u>	<u>210,856,118</u>
Accumulated Depreciation					
Source of Supply	(10,443,505)	(730,813)	100,513	-	(11,073,805)
Pumping Plant	(8,984,676)	(493,590)	-	-	(9,478,266)
Treatment Plant	(15,244,880)	(824,817)	77,016	-	(15,992,681)
Transmission and Distribution Plant	(50,296,581)	(2,475,585)	161,941	-	(52,610,225)
General Plant	(10,868,903)	(1,314,549)	324,358	-	(11,859,094)
Total Accumulated Depreciation	<u>(95,838,545)</u>	<u>(5,839,354)</u>	<u>663,828</u>	<u>-</u>	<u>(101,014,071)</u>
Water Fund Capital Assets, Net	<u>116,172,420</u>	<u>3,075,637</u>	<u>(3,062,678)</u>	<u>-</u>	<u>116,185,379</u>
Wastewater Fund					
Non-Depreciable Assets					
Land and Easements	2,698,706	-	-	-	2,698,706
Construction in Progress	149,800	862,293	(112,059)	-	900,034
Total Non-Depreciable Assets	<u>2,848,506</u>	<u>862,293</u>	<u>(112,059)</u>	<u>-</u>	<u>3,598,740</u>
Depreciable Assets					
Wastewater Collection Plant	39,419,357	-	-	-	39,419,357
General Plant	10,204,423	193,855	(153,340)	-	10,244,938
Total Depreciable Assets	<u>49,623,780</u>	<u>193,855</u>	<u>(153,340)</u>	<u>-</u>	<u>49,664,295</u>
Accumulated Depreciation					
Wastewater Collection Plant	(16,960,907)	(645,761)	-	-	(17,606,668)
General Plant	(4,778,338)	(391,750)	153,340	-	(5,016,748)
Total Accumulated Depreciation	<u>(21,739,245)</u>	<u>(1,037,511)</u>	<u>153,340</u>	<u>-</u>	<u>(22,623,416)</u>
Wastewater Fund Capital Assets, Net	<u>30,733,041</u>	<u>18,637</u>	<u>(112,059)</u>	<u>-</u>	<u>30,639,619</u>
Water Reclamation Fund					
Non-Depreciable Assets					
Construction in Progress	-	1,196,428	(36,854)	-	1,159,574
Total Non-Depreciable Assets	<u>-</u>	<u>1,196,428</u>	<u>(36,854)</u>	<u>-</u>	<u>1,159,574</u>
Depreciable Assets					
Reclamation Plant	175,990,516	995,800	-	-	176,986,316
General Plant	115,515	22,947	-	-	138,462
Total Depreciable Assets	<u>176,106,031</u>	<u>1,018,747</u>	<u>-</u>	<u>-</u>	<u>177,124,778</u>
Accumulated Depreciation					
Reclamation Plant	(1,048,372)	(5,411,571)	-	-	(6,459,943)
General Plant	(4,312)	(23,486)	-	-	(27,798)
Total Accumulated Depreciation	<u>(1,052,684)</u>	<u>(5,435,057)</u>	<u>-</u>	<u>-</u>	<u>(6,487,741)</u>
Water Reclamation Fund Capital Assets	<u>175,053,347.00</u>	<u>(3,219,882)</u>	<u>(36,854)</u>	<u>-</u>	<u>1,159,574</u>
Total Capital Assets, Net	<u>\$ 321,958,808</u>	<u>\$ (125,608)</u>	<u>\$ (3,211,591)</u>	<u>\$ -</u>	<u>\$ 318,621,609</u>

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

5) LONG-TERM DEBT

The schedule below summarizes changes in long-term debt during the year ended June 30, 2025:

Table 5-1

	Beginning of Year	Additions	Retirements/ Payments	End of Year	Current Portion	Long-Term Portion
Direct Placement:						
2020A Refunding Bonds	\$ 14,060,000	\$ -	\$ (1,030,000)	\$ 13,030,000	\$ 575,000	\$ 12,455,000
2020A Unamortized Premium	2,650,264	-	(163,101)	2,487,163	163,101	2,324,062
2020B Refunding Bonds	12,780,000	-	(275,000)	12,505,000	375,000	12,130,000
Subtotal Direct Placement	29,490,264	-	(1,468,101)	28,022,163	1,113,101	26,909,062
Direct Borrowing:						
DWR Contracts:						
AVAD Construction	\$ 43,954	\$ -	\$ (3,741)	\$ 40,213	\$ 9,783	\$ 30,430
Plant 134 Construction	4,901,374	-	(233,399)	4,667,975	233,399	4,434,576
EFAD Construction	247,307	-	(13,016)	234,291	13,016	221,275
SNRC	175,478,305	786,772	(4,211,290)	172,053,787	4,578,574	167,475,213
Subtotal Direct Borrowing	180,670,940	786,772	(4,461,446)	176,996,266	4,834,772	172,161,494
Total	<u>\$ 210,161,204</u>	<u>\$ 786,772</u>	<u>\$ (5,929,547)</u>	<u>\$ 205,018,429</u>	<u>\$ 5,947,873</u>	<u>\$ 199,070,556</u>

2020 Revenue Bonds

Series 2020A - On September 10, 2020, the District issued \$16,885,000 of East Valley Water District Refunding Revenue Bonds, Series 2020A (2020A Bonds), to accomplish a current refunding of then outstanding 2010 Revenue Bonds (\$21,635,000). The 2020A Bonds carry interest rates ranging from 3.00% to 5.00% and will be repaid in various principal increments with the final payment due on October 1, 2040. The refunded 2010 Bonds carried interest rates ranging from 4.00% to 5.00% and were due in various principal increments until October 1, 2040.

The 2020A bonds were issued at a premium of \$3,261,890, and after paying issuance costs of \$161,885, net proceeds were \$19,985,005. The net proceeds, combined with a \$2,129,931 sinking fund for 2010 bond debt service, were sufficient to accomplish the refunding of the existing debt. All refunded debt has been retired.

The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$259,548. This difference is included in the accompanying financial statements as a Deferred Outflows of Resources and is being charged to operations through the year 2040 using the straight-line method of amortization. The District completed the refunding to decrease total debt service over the next 20 years by \$6,052,794, and to obtain an economic gain (difference between the present values of the old and new debt service payment) of \$4,765,023.

Series 2020B - Also on September 10, 2020, the District issued \$13,615,000 of East Valley Water District Refunding Revenue Bonds, Series 2020B (2020B Bonds), to accomplish an advance refunding of then outstanding 2013 Revenue Bonds (\$12,085,000). The 2020B Refunding Bonds carry interest rates from 0.42 % to 2.93 % (federally taxable) and will be repaid in various principal increments with the final payment due

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

5) LONG-TERM DEBT - Continued

on October 1, 2043. The refunded 2013 Bonds carried interest rates ranging from 4.00% to 5.00% and were due in various principal increments until October 1, 2043.

The 2020B bonds were issued at face value, and after paying issuance costs of \$123,500, net proceeds were \$13,491,500. The net proceeds, combined with a \$292,563 sinking fund held for 2013 bond debt service, were used to purchase US Government securities which were deposited in an irrevocable trust with an escrow agent to provide debt service on the 2013 Bonds until October 1, 2023 on which date all outstanding bonds will be redeemed. The advance refunding met the requirements of an in-substance defeasance therefore; accordingly, the 2013 Revenue Bonds are no longer reflected as a liability on the accompanying financial statements.

The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$259,548. This difference is included in the accompanying financial statements as a Deferred Outflows of Resources and is being charged to operations through the year 2043 using the straight-line method of amortization. The District completed the refunding to decrease total debt service over the next 23 years by \$3,014,190, and to obtain an economic gain (difference between the present values of the old and new debt service payment) of \$2,154,117.

US Bank Lease Purchase

On November 13, 2013 the District entered into a Lease Purchase Agreement with US Bancorp Government Leasing and Finance, Inc. (US Bank), to implement Energy Conservation Measures (ECM) identified in a comprehensive energy conservation and operational efficiency study prepared by Honeywell International, Inc. (Honeywell). Honeywell had been contracted to install the facilities necessary to achieve the energy savings identified in their study and has guaranteed that the savings will be sufficient to pay the debt service on the lease with US Bank. Project costs paid to Honeywell, and the amount borrowed from US Bank under the lease agreement was \$3,998,560 with an interest rate of 2.38%. Semi-annual payments are \$226,398, to commence in September 2014 through March 2024. As of June 30th, 2024, the District fully paid off its outstanding debt related to US Bank Lease Purchase, with no remaining obligations under the debt agreement.

San Bernardino Valley Municipal Water District - City Creek Turnout and Plant 134 Hydroelectric Station Loan

On January 20, 2015, the District entered into an agreement with the SBVMWD for the construction, financing, and maintenance of a turnout by which the District's surface water treatment plant can receive State Project water. The total amount borrowed for construction of the project is \$4,367,927 bearing interest at the State of California Local Agency Investment Fund (LAIF) apportionment rate, which is 0.75% at June 30, 2022. Debt service payments are to be made annually on February 1st over ten years. As of June 30th, 2024, the District fully paid off its outstanding debt related to City Creek Turnout and Plant 134 Hydroelectric Station Loan, with no remaining obligations under the debt agreement.

Department of Water Resources Contract 00C412 - Arroyo Verde Assessment District (AVAD)

On June 30, 2004, the District entered into a Funding Agreement for replacement of distribution pipelines in the section of the District's service area formerly served by the Arroyo Verde Water Company. The original loan

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

5) LONG-TERM DEBT - Continued

amount was \$169,052 with an annual interest rate of 0%. Semi-annual payments of \$3,381 are due through January 2031 and are secured by annual assessments to property owners within the Arroyo Verde Assessment District. The indenture authorizes, upon default, the Trustee to declare immediate due and payable the total unpaid principal of the Bonds and accrued interest thereon.

Department of Water Resources Contract 10CX110 - Plant 134

On December 21, 2010, the District entered into a Funding Agreement to upgrade treatment methods utilized by the District's surface water treatment plant (Plant 134). The amount borrowed under the agreement is \$7,001,964 with an annual interest rate of 0%. Semi-annual payments of \$116,699 are due through January 2045 and are secured by a pledge of net revenues of the District's water operating fund. The indenture authorizes, upon default, the State to declare immediate due and payable the total unpaid principal of the debt and accrued interest thereon.

Department of Water Resources Contract 11CX101 - Eastwood Farms Assessment District (EFAD)

On June 15, 2011 the District entered into a Funding Agreement for replacement of distribution pipelines in the section of the District's service area formerly serviced by the Eastwood Farms Water Users Association. The amount of the loan is \$390,482 with an annual interest rate of 0%. Semi-annual payments of \$6,508 are due for 30 years through January 2043. Repayment of the loan is secured by annual assessments to property owners within the Eastwood Farms Assessment District. The indenture authorizes, upon default, the Trustee to declare immediate due and payable the total unpaid principal of the Bonds and accrued interest thereon.

California State Water Resources Control Board Contract C-06-8106-110 – Sterling Natural Resource Center

On June 26, 2018, the District entered into a Funding Agreement with the State Water Resources Control Board for the construction of a 6 million gallon per day (mgd) water recycling plant known as the Sterling Natural Resource Center (SNRC). The initial agreement plus two amendments provides \$175 million for the plant's construction and includes a \$6.7 million grant and a low interest (1.8%) loan for the balance of \$168.3 million.

During fiscal year 2023-24 the District completed construction on the SNRC, and all reimbursement requests totaling \$175 million had been submitted to the state as required by the SWRCB funding agreement. At June 30, 2024, approximately \$15.4 million of reimbursement requests were outstanding and are included in a receivable Due From Other Governments in the accompanying financial statements.

As the SWRCB has not paid out all the loan funds, a final 30-year amortization schedule for the loan has not been produced. However, the first payment on the loan is due by the end of December 2024, so providing a repayment schedule for purposes of District financial reporting is essential. Accordingly, the District has produced a schedule based on the maximum loan amount of \$168.3 million, plus construction period interest of \$7.2 million accrued on loan draws that were taken during construction for a total amortizable balance of \$175.5 million. This amount amortized over 30 years at an interest rate of 1.8% results in an annual payment of \$7.6 million.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

5) LONG-TERM DEBT - Continued

The District has pledged available water and wastewater revenue for the repayment of the loan, including the following new revenue streams:

- Wastewater treatment charges (previously paid to the City of San Bernardino);
- Sale of electrical energy produced by plant digesters (beyond energy used on site);
- Local Resource Investment Program fees for recycled water delivered for groundwater recharge; and
- Tipping fees from waste haulers.

The aggregate debt service requirements to maturity for long-term debt as of June 30, 2025 are as follows (excludes unamortized premiums/discounts):

Table 5-2

Year Ending June 30,	Principal	Interest	Total
2026	\$ 5,785,132	\$ 3,931,035	\$ 9,716,167
2027	5,895,796	3,823,283	9,719,079
2028	6,014,543	3,703,420	9,717,962
2029	6,134,797	3,579,577	9,714,374
2030	6,261,586	3,451,586	9,713,172
2031-2035	33,295,013	15,236,195	48,531,209
2036-2040	36,828,030	11,701,195	48,529,226
2041-2045	39,133,841	7,810,020	46,943,861
2046-2050	33,846,128	4,489,734	38,335,862
2051-2055	29,336,761	1,331,929	30,668,689
	<u>\$ 202,531,627</u>	<u>\$ 59,057,974</u>	<u>\$ 261,589,601</u>

Security for debt is as follows:

Table 5-3

Debt	Security
2020A and 2020B Refunding Revenue Bonds and Department of Water Resources Construction Loans	The District is required to maintain net revenues, as defined by the revenue bond trust agreements and State of California Department of Public Health Funding agreements of at least 120% of District's annual debt service (principal and interest). The debt service coverage is agency wide, as pledged for in the loan documents. At June 30, 2025, net revenues represented 203% of the annual debt service.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

6) COMPENSATED ABSENCES

Compensated absences are comprised of unused vacation leave and a limited amount of sick leave which is accrued as earned in accordance with District policy. The District's liability for compensated absences is determined annually. Current portions are determined based on estimates of usage, amounts in excess of 196 hours that will be voluntarily cashed out and amounts that will be cashed out upon termination of employment.

Table 6-1

	Beginning of Year	Additions	Usage / Payments	End of Year	Current Portion	Long-Term Portion
Accrued Vacation Leave	\$ 799,995	\$ 757,801	\$ (698,470)	\$ 859,326	\$ 325,943	\$ 533,383
Accrued Sick Leave	741,231	472,546	(282,798)	930,979	160,241	770,738
Total	<u>\$ 1,541,226</u>	<u>\$ 1,230,347</u>	<u>\$ (981,268)</u>	<u>\$ 1,790,305</u>	<u>\$ 486,184</u>	<u>\$ 1,304,121</u>

7) NET INVESTMENT IN CAPITAL ASSETS

Net Investment in capital assets at June 30, 2025 consisted of the following:

Table 7-1

Non-Depreciable Capital Assets	\$ 11,101,646
Depreciable Capital Assets	437,645,192
Accumulated Depreciation	(130,125,228)
North Fork Water Company	481,311
Loans Payable	(176,996,266)
Bonds Payable	(28,022,163)
Deferred Inflows	(1,019,098)
Deferred Outflows	770,237
Total	<u>\$ 113,835,631</u>

8) DEFINED BENEFIT PENSION PLAN (PERS)

A) General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District participates in two rate plans (two miscellaneous). Benefit provisions under the Plan are established by State statute and District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website, at www.calpers.ca.gov.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (PERS) - Continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2 W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

Table 8-1

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.7% @55	2.0% @62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8.0%	8.0%
Required Employer Contribution Rates	15.53%	7.94%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (PERS) - Continued

For the year ended June 30, 2025, the contributions recognized as part of pension expense for the Plans were as follows:

Table 8-2

	<u>Miscellaneous</u>
Contributions - Employer	\$ 2,121,368

B) Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plans as follows:

Table 8-3

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 14,505,560

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Table 8-4

	<u>Miscellaneous</u>
Proportion - June 30, 2024	0.29802%
Proportion - June 30, 2025	0.29991%
Change - Increase (Decrease)	0.00189%

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (PERS) - Continued

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2024 is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

For the year ended June 30, 2025, the District recognized pension expense of \$2,971,942. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Table 8-5

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,254,139	\$ 48,936
Changes in Assumptions	372,823	-
Net differences between projected and actual earnings on plan investments	835,067	-
Change in employer's proportion	40,828	217,157
Difference between the employer's contributions and the employer's proportionate share of contributions	208,689	38,621
Pension contributions subsequent to measurement date	2,121,368	-
Total	<u>\$ 4,832,914</u>	<u>\$ 304,714</u>

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (PERS) - Continued

Contributions subsequent to the measurement date of \$2,121,368 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Table 8-6

Year Ended June 30,	Amount
2026	\$ 760,390
2027	1,902,578
2028	30,033
2029	(286,168)
	\$ 2,406,833

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with updated procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

Table 8-7

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

- ⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (PERS) - Continued

Change of Assumptions

There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (PERS) - Continued

The table below reflects the long-term expected real rate of return by asset class.

Table 8-8

Asset Class	Assumed Asset Allocation	Real Return (1)(2)
Global Equity - cap weighted	30.0%	4.54%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management Study

C) Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents East Valley Water District's proportionate share of the net pension liability for the Plan, calculated using the current discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

Table 8-9

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$ 23,012,949
Current Discount Rate	6.90%
Net Pension Liability	\$ 14,505,560
1% Increase	7.90%
Net Pension Liability	\$ 7,502,727

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (PERS) - Continued

D) Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

E) Payable to the Pension Plan

At June 30, 2025, the District reported a payable of \$0 for the outstanding number of contributions to the pension plan required for the year ended June 30, 2025.

9) COMMITMENTS AND CONTINGENCIES

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

10) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The District participates in a joint powers agreement (JPA) with the Special District Risk Management Authority (Authority). The Authority is a risk-pooling self-insurance authority created under the provisions of California Government Code Section 6500 et. sec. The Authority is governed by a Board consisting of 7 directors that are either a manager or Board member of a current member agency that were elected by members of SDRMA. The Board controls the operations of the Authority including selection of management and approval of operation budgets. The relationship between the District and the Authority is such that the Authority is not a component unit of the District for financial reporting purposes. Settled claims have been immaterial and claims liabilities have not been reported in these financial statements as of June 30, 2024, or in the previous two fiscal years.

The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

10) RISK MANAGEMENT - Continued

At June 30, 2025, the District's participation in the self-insurance programs of the Authority was as follows:

Table 10-1

Description	Limits		Deductible
Personal Injury and Property Damage Liability Coverage - General	\$ 10,000,000	Per occurrence / aggregate where applicable	\$500 (property damage only)
Personal Injury and Property Damage Liability Coverage - Auto	\$ 10,000,000	Per accident	None
Public Officials and Employees Errors and Omissions Liability	\$ 10,000,000	Per wrongful act / annual member aggregate	None
Employment Practices Liability	\$ 10,000,000	Per wrongful employment practice / aggregate limits per member included with Public Officials and Employee Errors and Omissions Coverage	None up to \$10,000, 50% co-insurance from \$10,000 to \$50,000, none for amounts greater than \$50,000
Employee Benefits Liability	\$ 10,000,000	Per wrongful act / annual member aggregate	None
Employee Dishonesty Coverage	\$ 1,000,000	Per loss	None
Public Officials Personal Liability	\$ 500,000	Per occurrence / annual aggregate per Board Member	\$ 500
Automobile Physical Damage	ACV Limits	Replacement cost (stated value adjusted for depreciation on selected vehicles)	\$250/\$500 or \$500/\$1,000 comprehensive / collision (as elected per vehicle)
Uninsured Motorist Bodily Injury Coverage	\$ 750,000	Per accident	None
Property Coverage	\$ 1,000,000,000	Replacement cost for scheduled property if replaced (if not replaced within two years, actual cash value basis)	\$ 1,000
Boiler and Machinery	\$ 100,000,000	Replacement cost	\$ 1,000

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

11) POST-EMPLOYMENT HEALTHCARE BENEFITS

The District provides post-employment healthcare benefits for retired employees and eligible surviving spouses in accordance with the plan as established by the District. As of June 30, 2025, the District's total liability for post-employment healthcare benefits and details of the plan are explained below:

Table 11-1

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Benefits Plan	\$ 1,481,136	\$ 1,679,283	\$ 679,624	\$ 366,457

Plan Description and Eligibility

The District contributes to the retiree health coverage of eligible retirees and eligible surviving spouses. As of June 7, 2011, the District is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues an Annual Comprehensive Financial Report (Report). The Report is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS Report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Membership in the health benefit plan consisted of the following as of June 30, 2024, the date of the latest actuarial valuation:

Table 11-2

Participant Type	Number of Participants
Inactive participants currently receiving benefits	27
Inactive participants entitled to but not yet receiving benefit	0
Active employees	75
Total	102

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. At retirement, the District provides the minimum employer contribution under the CalPERS Health Program for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement with the District. Vesting requires at least five years of service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon death of the retiree.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

11) POST-EMPLOYMENT HEALTHCARE BENEFITS - Continued

Employees retiring with at least 10 years of District service will receive an additional District contribution through attainment of Medicare eligibility age. The additional contribution is based on the negotiated dollar amount at retirement (currently \$850 per month). The surviving spouse of an eligible retiree is eligible for the District's contribution upon the death of the retiree through the spouse's attainment of Medicare eligibility age.

The District's funding policy is to contribute the Annual Determined Contribution (ADC) to their account within the CERBT. For fiscal year ended June 30, 2024, the District paid \$582,171 to the plan including the implicit rate subsidy. The District contributed \$339,896 including the implicit rate subsidy for retiree health benefits to the Trust during the fiscal year ended June 30, 2025.

Net OPEB Liability

The table herein shows the components of the net OPEB liability of the District:

Table 11-3

	Balance June 30, 2025
Total OPEB Liability	\$ 3,963,551
Plan Fiduciary Net Position	(2,482,415)
District's Net OPEB Liability (Asset)	<u>\$ 1,481,136</u>

Investments

As described above, at June 30, 2025, all Plan investments are held in the CERBT through CalPERS.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources as follows:

Table 11-4

Deferred Outflows and Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 577,908	\$ -
Differences between expected and actuarial experience in	797,815	154,053
Changes of assumptions	238,102	525,571
Differences between projected and actual earnings on OPEB plan investments	65,458	-
Total	<u>\$ 1,679,283</u>	<u>\$ 679,624</u>

The deferred outflow of resources results from a change of assumptions and is amortized over the expected average remaining service life (EARS�) of the plan participants. Contributions submitted subsequent to the measurement date will be recognized in the following fiscal year. The EARS� for the OPEB plan for

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

11) POST-EMPLOYMENT HEALTHCARE BENEFITS - Continued

June 30, 2025 is five years. The year of amortization is recognized in OPEB expense for the year the gain or loss occurs. The remaining amount is deferred and will be amortized over the remaining periods not to exceed four years.

The deferred inflows of resources related to OPEB resulting from the net differences between projected and actual earnings on planned investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period and the remaining amount is deferred and will be amortized over the remaining four-year period.

Deferred inflows and outflows will be amortized as follow:

Table 11-5

Year Ending June 30,	Amount
2026	\$ 90,553
2027	117,042
2028	60,169
2029	52,281
2030	51,003
Thereafter	50,703
	\$ 421,751

Actuarial Methods and Assumptions

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. Liabilities in this report were calculated as of the valuation date.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the actuarial assumptions shown herein, applied to all periods included in the measurement, unless otherwise specified.

Table 11-6

Actuarial Methods and Assumptions

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Salary Increases	2.80%
Investment Rate of Return	6.10%
Health Care Trend Rate	8% HMO / 8% PPO

Mortality rates were based upon the rates under the CalPERS pensions plan updated to reflect the most recent experience study.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

11) POST-EMPLOYMENT HEALTHCARE BENEFITS - Continued

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation at June 30, 2024 are shown herein:

Table 11-7

Asset Class	Target Allocation	L/T Expected Gross ROR
Global Equity	34%	N/A
Fixed Income	41%	N/A
Treasury Inflation - Protected Securities	5%	N/A
Commodities	3%	N/A
Real Estate Investment Trusts	17%	N/A
Total	100%	6.10%

The discount rate used to measure the total OPEB liability was 6.1 percent. The discount rate assumes the District continues to fully fund its retiree health benefits through the CERBT under its investment allocation strategy 2. The rate reflects the CERBT published median interest rate for strategy 2 with an additional margin for adverse deviation.

Changes in the Net OPEB Liability

Table 11-8

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(Asset) (a)
Balances at June 30, 2024	\$ 4,036,052	\$ 1,968,872	\$ 2,067,180
Changes for the year:			
Service Cost	164,417	-	164,417
Interest	224,452	-	224,452
Differences between expected and actual experience	(36,071)	-	(36,071)
Employer Contributions	-	582,171	(582,171)
Net Investment Income	-	174,321	(174,321)
Change of assumptions	(183,024)	-	(183,024)
Benefit Payments	(242,275)	(242,275)	-
Administrative Expenses	-	(674)	674
Other Expenses	-	-	-
Net Changes	(72,501)	513,543	(586,044)
Balances at June 30, 2025	\$ 3,963,551	\$ 2,482,415	\$ 1,481,136

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

11) POST-EMPLOYMENT HEALTHCARE BENEFITS - Continued

The following presents the District's net OPEB liability calculated using the discount rate of 6.1 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.1 percent) or 1-percentage-point higher (7.1 percent) than the current rate:

Table 11-9

Discount Rate	Net OPEB Liability (Asset)
1% Decrease (5.1%)	\$ 1,855,805
Current Discount Rate (6.1%)	\$ 1,481,135
1% Increase (7.1%)	\$ 1,152,630

The following presents the District's net OPEB liability calculated using the current healthcare cost trend rate of 8.0 percent, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

Table 11-10

Healthcare Trend Rate	Net OPEB Liability (Asset)
1% Decrease (7% HMO/7% PPO Decreasing to 3.50% HMO/3.50% PPO)	\$ 1,035,613
Current Healthcare Cost Trend Rates (8% HMO/8% PPO Decreasing to 4.50% HMO/4.50% PPO)	\$ 1,481,135
1% Increase (9% HMO/9% PPO Decreasing to 5.50% HMO/5.50% PPO)	\$ 2,014,899

OPEB Expense

For the year ended June 30, 2025, the District recognized OPEB expense of \$366,457 and recorded deferred outflows of resources of \$1,679,283 for contributions made during fiscal year 2025 after the measurement date. Contributions subsequent to the measurement date will reduce the OPEB liability in the next period. Other deferred amounts are either amortized over the EARS L or five years.

The District recorded \$679,624 of deferred inflows of resources resulting from the differences between projected and actual earnings on OPEB plan investments for the period ending June 30, 2024. The deferred inflows of resources will be amortized and recognized in OPEB expense over three remaining periods ending June 30, 2028.

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

12) CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The District has six significant active construction project commitments as of June 30, 2025. The following contracts are related to infrastructure upgrades and the recycled water facility.

Table 12-1

Contractual Commitments	Spent to Date	Remaining Commitment
Plunge Creek Fire Repair	\$ 66,500	\$ 243,500
Reservoir Seismic Retrofit Project Ph. 1	\$ 223,043	\$ 289,328
Well Plant 129 Drilling	\$ 553,350	\$ 436,226
Water Main Seismic Retrofit	\$ 475,254	\$ 708,746
Plant 101 Rehabilitation Project	\$ 12,185	\$ 1,049,732
SNRC - MBR Train #5	\$ 1,074,955	\$ 7,306,175

13) DEBT WITHOUT DISTRICT COMMITMENT

The District authorized the formation of CFD 2021-1 Mediterra Project for purpose of the issuance of bonds under improvement acts of the State of California to finance eligible public facilities to serve residential, and/or mixed-use developments. Bonds issued by the CFD is secured by annual special tax levies or liens placed on properties within each CFD. The District is not liable for repayment and the District, acting as an agent on behalf of the CFD, is only responsible for levying and collecting the special tax assessments, forwarding the collections to the bond trustee on behalf of bondholders, and initiating foreclosure proceedings on faulted special tax payments when necessary.

The bonds issued by the CFD are limited obligations and are payable solely from special tax assessments, specific bond reserves, and the proceeds from property foreclosures. Since these debts do not constitute an obligation of the District and the District is not obligated to make payments on the bonds, the CFD Bonds (whose terms are disclosed in Note 5) are not reported as long-term liabilities in the accompanying District financial statements. The activities related to the District Bond reserves, special assessment tax collection, remittance to the bond trustee, repayment of District Bonds and use of new bond proceeds for developer capital projects for infrastructure, are reported as a custodial fund.

As of June 30, 2025, debt without District commitment is as follows:

Table 13-1

	Balance June 30, 2025
2023 Special Tax Bonds, IA No. 1 - 30 years	\$ 5,585,000

EAST VALLEY WATER DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2025

14) DUE TO OTHER GOVERNMENTS

During fiscal year 2023-24, the District recorded a settlement obligation of \$7 million as part of an agreement with the City of San Bernardino. This settlement, a critical component in releasing the District from a 1957 wastewater treatment Joint Powers Authority (JPA), was necessary to facilitate the Local Agency Formation Commission's (LAFCO) granting of wastewater treatment authority to the District. This release enabled the District to move forward with its water reclamation plant project, the Sterling Natural Resource Center (SNRC).

The settlement obligation is payable in annual installments of \$700,000 per year for 10 years, beginning in fiscal year 2023-24. The entire settlement obligation was accrued and expensed as a special item in fiscal year 2023-24.

The Water and Wastewater funds, which were the funds in existence when the obligation was incurred, are being charged for the settlement payments. The settlement expense is reflected as a one-time charge of \$7 million in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

East Valley Water District
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2025
Last Ten Years

Schedule of District's Proportionate Share of the Net Pension Liability

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the proportionate share of the net pension liability associated with the District.

	2025	2024	2023	2022	2021
Proportion of the Net Pension Liability	0.119609%	0.119452%	0.119950%	0.123102%	0.113169%
Proportionate Share of the Net Pension Liability	\$ 14,505,560	\$ 14,902,033	\$ 13,855,136	\$ 6,657,689	\$ 12,313,294
Covered-Employee Payroll	\$ 7,750,618	\$ 7,393,654	\$ 6,565,118	\$ 6,197,060	\$ 5,888,338
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	187.15%	201.55%	211.04%	107.43%	209.11%
Plan's Fiduciary Net Position	\$ 48,539,972	\$ 44,216,314	\$ 41,301,132	\$ 44,006,462	\$ 36,172,219
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	81.69%	74.79%	74.88%	86.86%	77.71%
	2020	2019	2018	2017	2016
Proportion of the Net Pension Liability	0.11521%	0.28782%	0.11699%	0.11585%	0.11551%
Proportionate Share of the Net Pension Liability	\$ 11,805,140	\$ 10,846,955	\$ 11,601,798	\$ 10,024,712	\$ 7,928,173
Covered-Employee Payroll	\$ 5,658,626	\$ 5,447,702	\$ 4,489,575	\$ 5,097,156	\$ 4,715,712
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	208.62%	199.11%	258.42%	196.67%	168.12%
Plan's Fiduciary Net Position	\$ 34,016,773	\$ 33,563,265	\$ 27,706,747	\$ 27,529,345	\$ 28,045,198
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.73%	77.69%	71.37%	74.06%	78.40%

The accompanying notes to required supplementary information are an integral part of this schedule.

East Valley Water District
Required Supplementary Information
Schedule of District's Contributions
Year Ended June 30, 2025
Last Ten Years

Schedule of District's Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution (Actuarially Determined)	\$ 2,121,368	\$ 2,047,342	\$ 1,976,052	\$ 1,938,185	\$ 1,900,734
Contributions in Relation to the Actuarially Determined Contributions	<u>\$ 2,121,368</u>	<u>\$ 2,047,342</u>	<u>\$ 1,976,052</u>	<u>\$ 1,938,185</u>	<u>\$ 1,900,734</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 8,504,206	\$ 7,750,618	\$ 7,393,654	\$ 6,565,118	\$ 6,197,060
Contributions as a Percentage of Covered-Employee Payroll	24.94%	26.42%	26.73%	29.52%	30.67%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 1,798,495	\$ 1,228,277	\$ 1,579,268	\$ 1,035,102	\$ 895,822
Contributions in Relation to the Actuarially Determined Contributions	<u>\$ 1,798,495</u>	<u>\$ 1,228,277</u>	<u>\$ 1,579,268</u>	<u>\$ 1,035,102</u>	<u>\$ 895,822</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 5,888,338	\$ 5,658,626	\$ 5,447,702	\$ 4,489,575	\$ 5,097,156
Contributions as a Percentage of Covered-Employee Payroll	30.54%	21.71%	28.99%	23.06%	17.57%

The accompanying notes to required supplementary information are an integral part of this schedule.

East Valley Water District
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability
Year Ended June 30, 2025
Last Ten Years*

Schedule of Changes in the Net OPEB Liability

Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

Total OPEB Liability	2025	2024	2023
Service Cost	\$ 164,417	\$ 145,701	\$ 118,145
Interest	224,452	198,070	213,973
Differences between expected and actual experience	(36,071)	644,957	(173,230)
Changes of assumptions	(183,024)	(293,567)	340,147
Benefit Payments, including refunds of member contributions	<u>(242,275)</u>	<u>(226,323)</u>	<u>(207,859)</u>
Net Change in Total OPEB Liability	(72,501)	468,838	291,176
Total OPEB Liability - Beginning	4,036,052	3,567,214	3,276,038
Total OPEB Liability - Ending (a)	<u><u>\$ 3,963,551</u></u>	<u><u>\$ 4,036,052</u></u>	<u><u>\$ 3,567,214</u></u>
Plan Fiduciary Net Position	2025	2024	2023
Contributions - Employer	\$ 582,171	\$ 558,324	\$ 556,222
Net Investment Income	174,321	56,506	(181,313)
Benefit Payments	(242,275)	(226,323)	(207,859)
Administrative Expense	(673)	(489)	(359)
Other Expense	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	\$ 513,544	\$ 388,018	\$ 166,691
Plan Fiduciary Net Position - Beginning	1,968,872	1,580,854	1,414,163
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 2,482,416</u></u>	<u><u>\$ 1,968,872</u></u>	<u><u>\$ 1,580,854</u></u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u><u>\$ 1,481,135</u></u>	<u><u>\$ 2,067,180</u></u>	<u><u>\$ 1,986,360</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	62.63%	48.78%	44.32%
Covered-Employee Payroll	\$ 8,548,186	\$ 6,536,459	\$ 6,007,798
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	17.33%	31.63%	33.06%

(Continued)

Note: Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

The accompanying notes to required supplementary information are an integral part of this schedule.

East Valley Water District
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability
Year Ended June 30, 2025 - Continued
Last Ten Years

Schedule of Changes in the Net OPEB Liability

Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

Total OPEB Liability	2022	2021	2020	2019	2018
Service Cost	\$ 122,441	\$ 122,428	\$ 106,297	\$ 103,452	\$ 97,138
Interest	199,913	189,204	174,233	166,826	160,043
Differences between expected and actual experience	278,335	75,893	192,265	-	-
Changes of assumptions	(163,361)	-	(65,796)	-	-
Benefit Payments, including refunds of member contributions	(225,321)	(220,316)	(168,787)	(149,550)	(168,724)
Net Change in Total OPEB Liability	212,007	167,209	238,212	120,728	88,457
Total OPEB Liability - Beginning	3,064,031	2,896,822	2,658,610	2,537,882	2,449,425
Total OPEB Liability - Ending (a)	<u>\$ 3,276,038</u>	<u>\$ 3,064,031</u>	<u>\$ 2,896,822</u>	<u>\$ 2,658,610</u>	<u>\$ 2,537,882</u>
Plan Fiduciary Net Position	2022	2021	2020	2019	2018
Contributions - Employer	\$ 412,106	\$ 405,008	\$ 278,539	\$ 149,548	\$ 218,724
Net Investment Income	204,887	38,644	48,769	37,365	36,877
Benefit Payments	(225,321)	(220,316)	(168,787)	(149,548)	(168,724)
Administrative Expense	-	-	(330)	-	(261)
Other Expense	(563)	(427)	(240)	(683)	-
Net Change in Plan Fiduciary Net Position	\$ 391,109	\$ 222,909	\$ 157,951	\$ 36,682	\$ 86,616
Plan Fiduciary Net Position - Beginning	1,023,054	800,145	642,194	605,512	518,896
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,414,163</u>	<u>\$ 1,023,054</u>	<u>\$ 800,145</u>	<u>\$ 642,194</u>	<u>\$ 605,512</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 1,861,875</u>	<u>\$ 2,040,977</u>	<u>\$ 2,096,677</u>	<u>\$ 2,016,416</u>	<u>\$ 1,932,370</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	43.17%	33.39%	27.62%	24.16%	23.86%
Covered-Employee Payroll	\$ 5,847,005	\$ 5,902,604	\$ 5,744,627	\$ 5,495,000	\$ 5,495,000
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	31.84%	34.58%	36.50%	36.70%	35.17%

Note: Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

The accompanying notes to required supplementary information are an integral part of this schedule.

East Valley Water District
Required Supplementary Information
Schedule of OPEB Healthcare Contributions
Year Ended June 30, 2025
Last Ten Years*

Schedule of OPEB Healthcare Contributions

Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

OPEB Contributions	2025	2024	2023
Actuarially Determined Contribution (ADC)	\$ 362,038	\$ 339,896	\$ 332,001
Contributions in Relation to the ADC	577,908	582,171	558,324
Contribution Deficiency (Excess)	<u>\$ (215,870)</u>	<u>\$ (242,275)</u>	<u>\$ (226,323)</u>
District's Covered-Employee Payroll	\$ 8,787,535	\$ 8,548,186	\$ 7,729,384
Contributions as a Percentage of Covered-Employee Payroll	6.58%	6.81%	7.22%

OPEB Contributions	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 332,001	\$ 348,363	\$ 348,363	\$ 350,024	\$ 346,520
Contributions in Relation to the ADC	556,222	412,106	405,008	278,539	149,548
Contribution Deficiency (Excess)	<u>\$ (224,221)</u>	<u>\$ (63,743)</u>	<u>\$ (56,645)</u>	<u>\$ 71,485</u>	<u>\$ 196,972</u>
District's Covered-Employee Payroll	\$ 6,007,798	\$ 5,847,005	\$ 5,902,604	\$ 5,744,627	\$ 5,495,000
Contributions as a Percentage of Covered-Employee Payroll	9.26%	7.05%	6.86%	4.85%	2.72%

Note: Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

The accompanying notes to required supplementary information are an integral part of this schedule.

**East Valley Water District
Notes to the Required Supplementary Information
Purpose of Schedules
Year Ended June 30, 2025**

Schedule of District's Proportionate Share of the Net Pension Liability

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Schedule of District's Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

Schedule of Changes in Net OPEB Liability

The schedule is intended to show the funded status of the District's actuarially determined liability for postemployment benefits other than pensions. In the future, as data becomes available, 10 years of information will be presented.

Schedule of OPEB Healthcare Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented. Pertinent valuation dates and methods and assumptions used to determine the OPEB liability and required contributions are as follows:

Measurement Date	June 30, 2024
Valuation Date	June 30, 2024
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	14 years
Assets Valuation Method	5 Year
	2.8% Annually Plus Merit
Salary Increases	Increases Based on 2021
	Experience Study
Investment Rate of Return	6.10%

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SUPPLEMENTARY INFORMATION

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East Valley Water District History and Organization Year Ended June 30, 2025

Formation of the District

The Board of Supervisors of San Bernardino County approved a petition in writing for the formation of the East Valley Water District (formerly East San Bernardino County Water District) under Division 12 of the Water Code of the State of California and ordered an election held January 12, 1954. The formation of the District was voted for by the electors. The Board of Supervisors of San Bernardino County, by action on January 18, 1954, approved the formation of the District. Incorporation of the "East Valley Water District" was approved by the State of California on February 1, 1954.

East Valley Water District Financing Authority

The East Valley Water District Financing Authority (Authority) is a public body organized and existing under a Joint Exercise of Powers Agreement, and under the Constitution and laws of the State of California, between East Valley Water District and the California Municipal Finance Authority. The Authority was formed to assist in the financing and refinancing of capital improvement projects of the District for the use, benefit, and enjoyment of the public.

Nature of Business

The District has been engaged in the furnishing of water service and wastewater services to its customers since inception.

Location

The District Headquarters office is located at 31111 Greenspot Road, Highland, California. The office is situated within the District's boundaries which encompass an area of approximately 30.1 square miles within the County of San Bernardino, California.

Directors

East Valley Water District		East Valley Water District Financing Authority	
James Morales, Jr.	Chairman of the Board	James Morales, Jr.	President
Ronald L. Coats	Vice-Chairman of the Board	Ronald L. Coats	Vice-President
David E. Smith	Governing Board Member	Michael Moore	Secretary/Executive Director
Phillip R. Goodrich	Governing Board Member	Brian W. Tompkins	Director of Finance
Chris Carrillo	Governing Board Member		

Management

East Valley Water District	
Michael Moore	General Manager/CEO
Brian W. Tompkins	Chief Financial Officer/Treasurer

District General Counsel

East Valley Water District	
Jean Cihigoyenetché	JC Law Firm

East Valley Water District
Combining Schedule of Net Position
June 30, 2025

	<u>Water</u>	<u>Wastewater</u>	<u>Water Reclamation</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 4,482,833	\$ 4,064,369	\$ 3,435,156	\$ -	\$ 11,982,358
Investments	13,821,318	1,981,427	-	-	15,802,745
Accounts Receivable, Net	5,725,339	372,123	759,401	-	6,856,863
Interest Receivable	200,111	79,199	48,112	-	327,422
Other Receivables	2,766,435	-	-	-	2,766,435
Due From Other Fund	3,000,000	-	-	(3,000,000)	-
Due from Other Governments	644	-	4,220,978	-	4,221,622
Inventory	1,455,727	6,721	-	-	1,462,448
Prepaid Expenses	619,667	55,624	-	-	675,291
Total Current Assets	<u>32,072,074</u>	<u>6,559,463</u>	<u>8,463,647</u>	<u>(3,000,000)</u>	<u>44,095,184</u>
Non-Current Assets:					
Restricted Cash and Cash Equivalents	9,164,541	3,678,670	3,506,511	-	16,349,722
Assessments Receivable	230,355	-	-	-	230,355
Capital Assets not being Depreciated	6,343,332	3,598,740	1,159,574	-	11,101,646
Capital Assets, Net (Note 4)	<u>109,842,047</u>	<u>27,040,879</u>	<u>170,637,037</u>	<u>-</u>	<u>307,519,963</u>
Total Non-Current Assets	<u>125,580,275</u>	<u>34,318,289</u>	<u>175,303,122</u>	<u>-</u>	<u>335,201,686</u>
Total Assets	<u>157,652,349</u>	<u>40,877,752</u>	<u>183,766,769</u>	<u>(3,000,000)</u>	<u>379,296,870</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	524,362	245,875	-	-	770,237
Deferred Outflows - Pensions	3,383,040	1,449,874	-	-	4,832,914
Deferred Outflows - OPEB	<u>1,175,498</u>	<u>503,785</u>	<u>-</u>	<u>-</u>	<u>1,679,283</u>
Total Deferred Outflows	<u>5,082,900</u>	<u>2,199,534</u>	<u>-</u>	<u>-</u>	<u>7,282,434</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 162,735,249</u>	<u>\$ 43,077,286</u>	<u>\$ 183,766,769</u>	<u>\$ (3,000,000)</u>	<u>\$ 386,579,304</u>

(Continued)

East Valley Water District
Combining Schedule of Net Position – Continued
June 30, 2025

	<u>Water</u>	<u>Wastewater</u>	<u>Water Reclamation</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Expenses	\$ 4,468,837	\$ 31,927	\$ -	\$ -	\$ 4,500,764
Accrued Payroll and Benefits	696,434	198,139	132,851	-	1,027,424
Customer Service Deposits	1,590,870	-	-	-	1,590,870
Construction Advances and Retentions	188,012	3,500	21,177	-	212,689
Accrued Interest Payable	190,572	24,072	1,544,299	-	1,758,943
Current Portion of Compensated Absences	333,496	99,373	53,315	-	486,184
Current Portion of Long-Term Debt	1,194,659	175,000	4,578,214	-	5,947,873
Due To Other Fund	-	-	3,000,000	(3,000,000)	-
Due To Other Governments	139,103	-	-	-	139,103
Total Current Liabilities	<u>8,801,983</u>	<u>532,011</u>	<u>9,329,856</u>	<u>(3,000,000)</u>	<u>15,663,850</u>
Non-Current Liabilities:					
Compensated Absences, Less Current Portion	822,653	253,650	227,818	-	1,304,121
Net Pension Liability	10,153,892	4,351,668	-	-	14,505,560
Net OPEB Liability	1,036,795	444,341	-	-	1,481,136
Long-Term Debt, Less Current Portion	27,740,341	3,855,000	167,475,215	-	199,070,556
Due To Other Governments	3,920,000	1,680,000	-	-	5,600,000
Total Non-Current Liabilities	<u>43,673,681</u>	<u>10,584,659</u>	<u>167,703,033</u>	<u>-</u>	<u>221,961,373</u>
Total Liabilities	<u>52,475,664</u>	<u>11,116,670</u>	<u>177,032,889</u>	<u>(3,000,000)</u>	<u>237,625,223</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Refunding	1,019,098	-	-	-	1,019,098
Deferred Inflows - Pensions	213,300	91,414	-	-	304,714
Deferred Inflows - OPEB	475,737	203,887	-	-	679,624
Total Deferred Inflows	<u>1,708,135</u>	<u>295,301</u>	<u>-</u>	<u>-</u>	<u>2,003,436</u>
Total Liabilities and Deferred Inflows of Resources	<u>54,183,799</u>	<u>11,411,971</u>	<u>177,032,889</u>	<u>(3,000,000)</u>	<u>239,628,659</u>
NET POSITION					
Net Investment in Capital Assets	87,237,315	26,598,316	-	-	113,835,631
Restricted for:					
Future Capital Expansion Projects	7,136,579	3,491,970	3,506,511	-	14,135,060
Unrestricted	14,177,556	1,575,029	3,227,369	-	18,979,954
Total Net Position	<u>\$ 108,551,450</u>	<u>\$ 31,665,315</u>	<u>\$ 6,733,880</u>	<u>\$ -</u>	<u>\$ 146,950,645</u>

East Valley Water District
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

	Water	Wastewater	Water Reclamation	Eliminations	Total
OPERATING REVENUE					
Water Sales	\$ 20,073,864	\$ -	\$ 1,206,250	\$ -	\$ 21,280,114
Wastewater Treatment Charges	-	-	12,683,579	-	12,683,579
System Charges	10,829,537	6,678,345	-	-	17,507,882
Other Revenue	1,224,599	112,285	475,720	-	1,812,604
Total Operating Revenue	32,128,000	6,790,630	14,365,549	-	53,284,179
OPERATING EXPENSES					
Source of Supply:					
Salary & Benefits	590,561	-	-	-	590,561
Contract Services	344,450	-	-	-	344,450
Utilities	1,813,742	-	-	-	1,813,742
Insurance	8,860	-	-	-	8,860
Materials & Supplies	102,188	-	-	-	102,188
Purchased Water	621,508	-	-	-	621,508
Water Assessments	168,221	-	-	-	168,221
Chemicals	129,485	-	-	-	129,485
Professional Development	596	-	-	-	596
Taxes	22,232	-	-	-	22,232
Total Source of Supply	3,801,843	-	-	-	3,801,843
Pumping:					
Salary & Benefits	206,014	-	-	-	206,014
Contract Services	59,075	-	-	-	59,075
Utilities	848,512	-	-	-	848,512
Materials & Supplies	10,871	-	-	-	10,871
Total Pumping	1,124,472	-	-	-	1,124,472
Treatment:					
Salary & Benefits	546,095	-	2,138,747	-	2,684,842
Contract Services	623,950	-	3,871,431	-	4,495,381
Utilities	216,076	-	2,906,069	-	3,122,145
Materials & Supplies	86,987	-	420,784	-	507,771
Chemicals	280,015	-	630,086	-	910,101
Memberships & Dues	-	-	1,565	-	1,565
Tools	-	-	16,840	-	16,840
Professional Development	-	-	15,991	-	15,991
Total Treatment	1,753,123	-	10,001,513	-	11,754,636
Transmission & Distribution:					
Salary & Benefits	2,854,020	-	-	-	2,854,020
Contract Services	615,205	-	-	-	615,205
Materials & Supplies	833,948	-	-	-	833,948
Chemicals	14,069	-	-	-	14,069
Permits	3	-	-	-	3
Tools	58,371	-	-	-	58,371
Total Transmission & Distribution	\$ 4,375,616	\$ -	\$ -	\$ -	\$ 4,375,616

(Continued)

East Valley Water District
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Continued
Year Ended June 30, 2025

	Water	Wastewater	Water Reclamation	Eliminations	Total
OPERATING EXPENSES - Continued					
Wastewater Collection:					
Salary & Benefits	\$ -	\$ 587,665	\$ -	\$ -	\$ 587,665
Contract Services	-	118,448	-	-	118,448
Materials & Supplies	-	24,907	-	-	24,907
Tools	-	16,684	-	-	16,684
Total Wastewater Collection	-	747,704	-	-	747,704
Customer Accounts:					
Salary & Benefits	1,027,269	316,333	-	-	1,343,602
Contract Services	776,362	328,512	-	-	1,104,874
Utilities	4,401	1,562	-	-	5,963
Materials & Supplies	1,374	-	-	-	1,374
General Office Supplies	13,781	589	-	-	14,370
Printing & Publishing	1,883	807	-	-	2,690
Postage	127,914	54,820	-	-	182,734
Professional Development	5,869	2,515	-	-	8,384
Total Customer Accounts	1,958,853	705,138	-	-	2,663,991
General & Administrative:					
Salary & Benefits	6,166,322	2,186,711	-	-	8,353,033
Contract Services	3,309,399	1,069,124	-	-	4,378,523
Conservation Rebates	84,635	-	-	-	84,635
Utilities	455,364	103,418	-	-	558,782
Insurance	1,729,860	526,801	-	-	2,256,661
Materials & Supplies	357,263	178,331	-	-	535,594
General Office Supplies	17,654	8,041	-	-	25,695
Legal Services	135,155	57,924	-	-	193,079
Permits	40,184	21,844	-	-	62,028
Memberships & Dues	86,333	32,492	-	-	118,825
Tools	11,067	4,187	-	-	15,254
Printing & Publishing	118,243	43,413	-	-	161,656
Professional Development	143,292	47,693	-	-	190,985
Rents & Leases	10,043	4,304	-	-	14,347
Total General & Administrative	12,664,814	4,284,283	-	-	16,949,097
OPERATING EXPENSES BEFORE DEPRECIATION					
	25,678,721	5,737,125	10,001,513	-	41,417,359
Depreciation	5,839,354	1,037,511	5,435,057	-	12,311,922
Total Operating Expenses	31,518,075	6,774,636	15,436,570	-	53,729,281
OPERATING INCOME (LOSS)	\$ 609,925	\$ 15,994	\$ (1,071,021)	\$ -	\$ (445,102)

(Continued)

East Valley Water District
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Continued
Year Ended June 30, 2025

	<u>Water</u>	<u>Wastewater</u>	<u>Water Reclamation</u>	<u>Eliminations</u>	<u>Total</u>
NON-OPERATING REVENUES					
Investment Income	\$ 1,228,235	\$ 282,198	\$ 181,770	\$ -	\$ 1,692,203
Unrealized Investment Gain	161,798	39,148	-	-	200,946
Other Income	339,433	-	-	-	339,433
Total Non-Operating Revenues	<u>1,729,466</u>	<u>321,346</u>	<u>181,770</u>	<u>-</u>	<u>2,232,582</u>
NON-OPERATING EXPENSES					
Interest Expense	700,343	109,831	4,502,847	-	5,313,021
Loss on Disposal of Assets	81,006	-	-	-	81,006
Total Non-Operating Expenses	<u>781,349</u>	<u>109,831</u>	<u>4,502,847</u>	<u>-</u>	<u>5,394,027</u>
INCOME BEFORE CONTRIBUTIONS	<u>1,558,042</u>	<u>227,509</u>	<u>(5,392,098)</u>	<u>-</u>	<u>(3,606,547)</u>
CONTRIBUTIONS:					
Capacity Charges	2,061,493	533,455	1,035,926	-	3,630,874
Capital Grants	-	-	1,493,764	-	1,493,764
Operating Grants	203,988	-	-	-	203,988
Total Contributions	<u>2,265,481</u>	<u>533,455</u>	<u>2,529,690</u>	<u>-</u>	<u>5,328,626</u>
CHANGE IN NET POSITION	<u>3,823,523</u>	<u>760,964</u>	<u>(2,862,408)</u>	<u>-</u>	<u>1,722,079</u>
TOTAL NET POSITION, BEGINNING	<u>104,727,927</u>	<u>30,904,351</u>	<u>9,596,288</u>	<u>-</u>	<u>145,228,566</u>
TOTAL NET POSITION, ENDING	<u>\$ 108,551,450</u>	<u>\$ 31,665,315</u>	<u>\$ 6,733,880</u>	<u>\$ -</u>	<u>\$ 146,950,645</u>

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East Valley Water District
Combining Schedule of Cash Flows
Year Ended June 30, 2025

	Water	Wastewater	Water Reclamation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 30,836,827	\$ 6,769,524	\$ 14,273,178	\$ -	\$ 51,879,529
Cash Payments for Employees Services	(10,731,338)	(2,814,460)	(2,024,185)	-	(15,569,983)
Cash Payments to Suppliers	(20,207,903)	(2,680,430)	(8,001,654)	-	(30,889,987)
Misc Income / (Expense)	338,628	-	-	-	338,628
Net Cash Provided by Operating Activities	236,214	1,274,634	4,247,339	-	5,758,187
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Assessments Received	301,968	-	-	-	301,968
Developer Fees Received	2,061,493	533,455	1,035,926	-	3,630,874
Reimbursements Received	203,992	-	1,493,764	-	1,697,756
Proceeds/Draws from SRF Loan	-	-	11,919,642	-	11,919,642
Due (From) To Other Fund	9,526,922	2,257,875	(11,784,797)	-	-
Due (From) To Reclamation Fund	-	-	-	-	-
Principal Paid on Capital Debt	(1,379,796)	(175,000)	(4,211,650)	-	(5,766,446)
Interest Paid on Capital Debt	(905,140)	(96,998)	(2,958,548)	-	(3,960,686)
Due (From) To Other Agencies	(427,993)	(210,000)	-	-	(637,993)
Acquisition of Capital Assets	(5,923,315)	(999,366)	(2,215,175)	-	(9,137,856)
Net Cash Provided (Used) by Capital and Related Financing Activities	3,458,131	1,309,966	(6,720,838)	-	(1,952,741)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received from Investments	845,176	413,346	156,012	-	1,414,534
Acquisition of Investment Securities	(7,893,566)	(799,010)	-	-	(8,692,576)
Proceeds from Sales of Investments	7,400,000	1,000,000	-	-	8,400,000
Net Cash Provided (Used) by Investing Activities	351,610	614,336	156,012	-	1,121,958
Net (Decrease) Increase in Cash and Cash Equivalents	4,045,955	3,198,936	(2,317,487)	-	4,927,404
Cash and Equivalents:					
Beginning of Year	9,601,419	4,544,103	9,259,154	-	23,404,676
End of Year	\$ 13,647,374	\$ 7,743,039	\$ 6,941,667	\$ -	\$ 28,332,080
RECONCILIATION TO STATEMENT OF NET POSITION					
Cash and Cash Equivalents	\$ 4,482,833	\$ 4,064,369	\$ 3,435,156	\$ -	\$ 11,982,358
Restricted Cash and Cash Equivalents	9,164,541	3,678,670	3,506,511	-	16,349,722
Total Cash and Cash Equivalents	\$ 13,647,374	\$ 7,743,039	\$ 6,941,667	\$ -	\$ 28,332,080

(Continued)

East Valley Water District
Combining Schedule of Cash Flows - Continued
Year Ended June 30, 2025

	<u>Water</u>	<u>Wastewater</u>	<u>Water Reclamation</u>	<u>Eliminations</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 609,925	\$ 15,994	\$ (1,071,021)	\$ -	\$ (445,102)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	5,839,354	1,037,511	5,435,057	-	12,311,922
Miscellaneous Income/(Expense)	339,433	-	-	-	339,433
CIP Projects Expensed	41,190	55,275	36,854	-	133,319
Change in Assets and Liabilities:					
Customer Receivables	(635,698)	(21,106)	(92,371)	-	(749,175)
Inventory	(400,557)	-	-	-	(400,557)
Prepays	113,764	(13,610)	-	-	100,154
Deferred Outflow of Resources	1,267,202	543,087	-	-	1,810,289
Accounts Payable - Supplier	(5,675,784)	(75,679)	(196,919)	-	(5,948,382)
Salaries & Benefits Payable	26,824	28,202	114,562	-	169,588
Compensated absences	129,970	32,360	-	-	162,330
Net Pension Liability	(277,531)	(118,942)	-	-	(396,473)
Net OPEB Liability	(410,232)	(175,813)	-	-	(586,045)
Deferred Inflows of Resources	(76,171)	(32,645)	-	-	(108,816)
Other Receivables	(807,329)	-	-	-	(807,329)
Customer / Developer Deposits	151,854	-	21,177	-	173,031
Total Cash Provided by Operating Activities	<u>\$ 236,214</u>	<u>\$ 1,274,634</u>	<u>\$ 4,247,339</u>	<u>\$ -</u>	<u>\$ 5,758,187</u>
NON-CASH INVESTING, CAPITAL, AND					
NON-CAPITAL FINANCING ACTIVITIES:					
Fair Value Adjustments to Investments	\$ 161,799	\$ 39,148	\$ -	\$ -	\$ 200,947
Retentions Related to Construction	\$ 51,195	\$ -	\$ -	\$ -	\$ 51,195

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STATISTICAL INFORMATION SECTION





Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2025

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Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

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EAST VALLEY WATER DISTRICT
Changes in Net Position by Component
Last Ten Fiscal Years

Year ended June 30,

	2016	2017	2018	2019	2020
Change In Net Position					
Operating Revenue	\$ 33,024,082	\$ 37,448,549	\$ 40,291,125	\$ 39,309,298	\$ 39,812,912
Operating Expenses	<u>32,655,921</u>	<u>32,299,587</u>	<u>35,980,099</u>	<u>35,898,073</u>	<u>36,249,650</u>
Operating Income (Loss)	<u>368,161</u>	<u>5,148,962</u>	<u>4,311,026</u>	<u>3,411,225</u>	<u>3,563,262</u>
Non-Operating Revenue					
(Expenses)					
Investment Income	146,874	69,237	221,359	571,549	524,675
Other Income	830,806	401,323	258,560	307,247	121,983
Interest Expense	(1,843,440)	(1,776,684)	(1,777,852)	(1,684,986)	(1,579,104)
Gain (Loss) on					
Disposal of Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>705,285</u>	<u>-</u>
Total Non-Operating					
Revenue (Expenses)	<u>(865,760)</u>	<u>(1,306,124)</u>	<u>(1,297,933)</u>	<u>(100,905)</u>	<u>(932,446)</u>
Special Item					
Abandoned Projects	-	(1,615,241)	-	-	-
Hazard Mitigation	-	-	(155,177)	-	-
Settlement Obligation	-	-	-	-	-
Capital Contributions	732,642	2,446,118	523,918	611,673	9,961,522
Change in Net Position	235,043	4,673,715	3,537,011	3,921,993	12,592,338
Prior Period Adjustment	-	-	-	-	-
Cumulative Effect of Change					
in Accounting Principles	-	-	(1,711,803)	-	-
Net Position - Beginning	<u>112,814,877</u>	<u>113,049,920</u>	<u>117,723,635</u>	<u>119,393,666</u>	<u>123,315,659</u>
Net Position - Ending	<u>\$ 113,049,920</u>	<u>\$ 117,723,635</u>	<u>\$ 119,548,843</u>	<u>\$ 123,315,659</u>	<u>\$ 135,907,997</u>
Net Position By Component					
Net Investment in					
Capital Assets	\$ 103,222,160	\$ 104,659,796	\$ 103,210,762	\$ 95,468,735	\$ 106,708,555
Restricted	2,276,695	2,847,924	3,334,940	3,460,835	6,659,487
Unrestricted	<u>7,551,065</u>	<u>10,215,915</u>	<u>12,847,964</u>	<u>24,386,089</u>	<u>22,539,955</u>
	<u>\$ 113,049,920</u>	<u>\$ 117,723,635</u>	<u>\$ 119,393,666</u>	<u>\$ 123,315,659</u>	<u>\$ 135,907,997</u>

(Continued)

SOURCE: East Valley Water District - Finance Department

EAST VALLEY WATER DISTRICT
Changes in Net Position by Component - Continued
Last Ten Fiscal Years

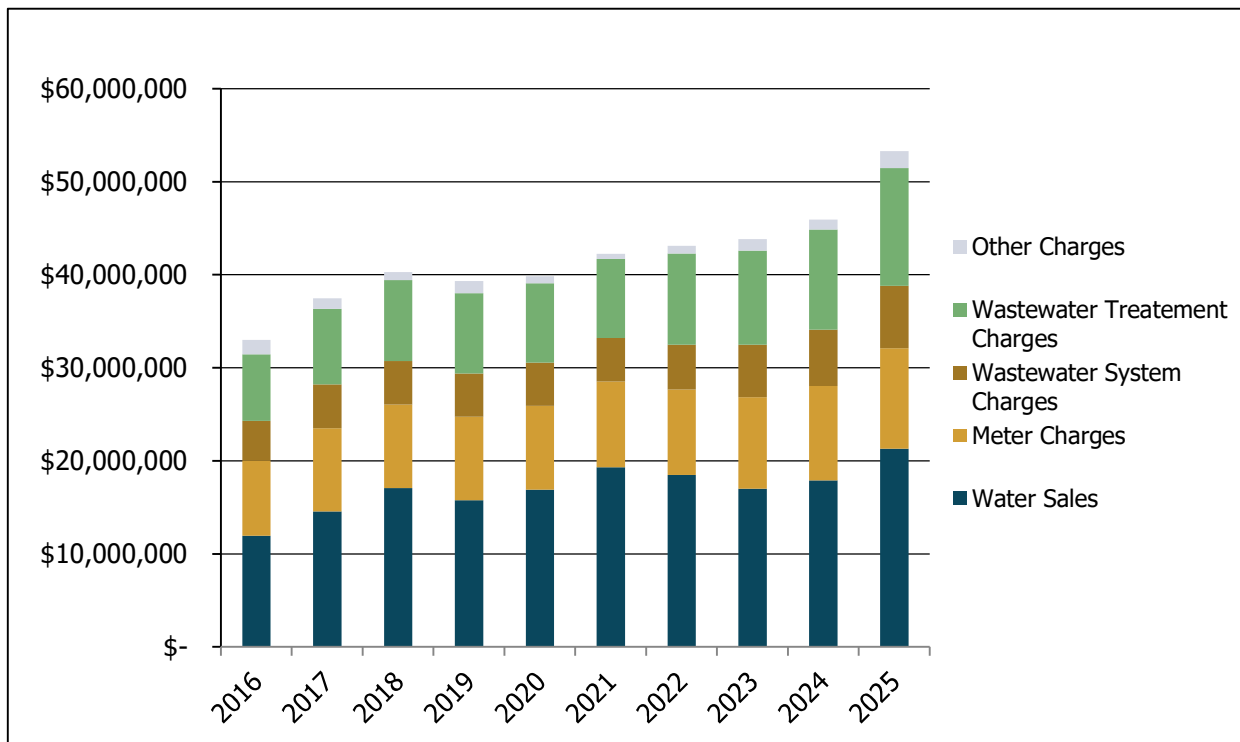
Year ended June 30,

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Change In Net Position					
Operating Revenue	\$ 42,236,814	\$ 43,093,615	\$ 43,810,012	\$ 45,930,215	\$ 53,284,179
Operating Expenses	<u>36,496,064</u>	<u>40,578,341</u>	<u>42,515,136</u>	<u>44,565,339</u>	<u>53,729,281</u>
Operating Income (Loss)	<u>5,740,750</u>	<u>2,515,274</u>	<u>1,294,876</u>	<u>1,364,876</u>	<u>(445,102)</u>
Non-Operating Revenue					
(Expenses)					
Investment Income	167,499	165,989	352,273	1,136,502	1,692,203
Other Income	43,744	(269,768)	(37,876)	169,600	540,379
Interest Expense	(1,387,113)	(1,295,223)	(869,397)	(789,683)	(5,313,021)
Gain (Loss) on					
Disposal of Assets	<u>(1,236,600)</u>	<u>1,042,562</u>	<u>30,134</u>	<u>-</u>	<u>(81,006)</u>
Total Non-Operating Revenue (Expenses)	<u>(2,412,470)</u>	<u>(356,440)</u>	<u>(524,866)</u>	<u>516,419</u>	<u>(3,161,445)</u>
Special Item					
Abandoned Projects	-	-	-	-	-
Hazard Mitigation	-	-	-	-	-
Settlement Obligation	-	-	-	(7,000,000)	-
Capital Contributions	877,185	2,826,525	1,922,052	2,556,388	3,834,862
Change in Net Position	4,205,465	4,985,359	2,692,062	(2,562,317)	228,315
Prior Period Adjustment	-	-	-	-	-
Cumulative Effect of Change in Accounting Principles	-	-	-	-	-
Net Position - Beginning	<u>135,907,997</u>	<u>140,113,462</u>	<u>145,098,821</u>	<u>147,790,883</u>	<u>145,228,566</u>
Net Position - Ending	<u>\$ 140,113,462</u>	<u>\$ 145,098,821</u>	<u>\$ 147,790,883</u>	<u>\$ 145,228,566</u>	<u>\$ 145,456,881</u>
Net Position By Component					
Net Investment in					
Capital Assets	\$ 114,767,362	\$ 117,079,071	\$ 112,909,956	\$ 112,073,604	\$ 113,835,631
Restricted	6,435,505	9,076,014	10,761,677	13,314,565	14,135,060
Unrestricted	<u>18,910,595</u>	<u>18,943,736</u>	<u>24,119,250</u>	<u>19,840,397</u>	<u>18,979,954</u>
	<u>\$ 140,113,462</u>	<u>\$ 145,098,821</u>	<u>\$ 147,790,883</u>	<u>\$ 145,228,566</u>	<u>\$ 146,950,645</u>

SOURCE: East Valley Water District - Finance Department

EAST VALLEY WATER DISTRICT
Operating Revenue by Source
Last Ten Fiscal Years

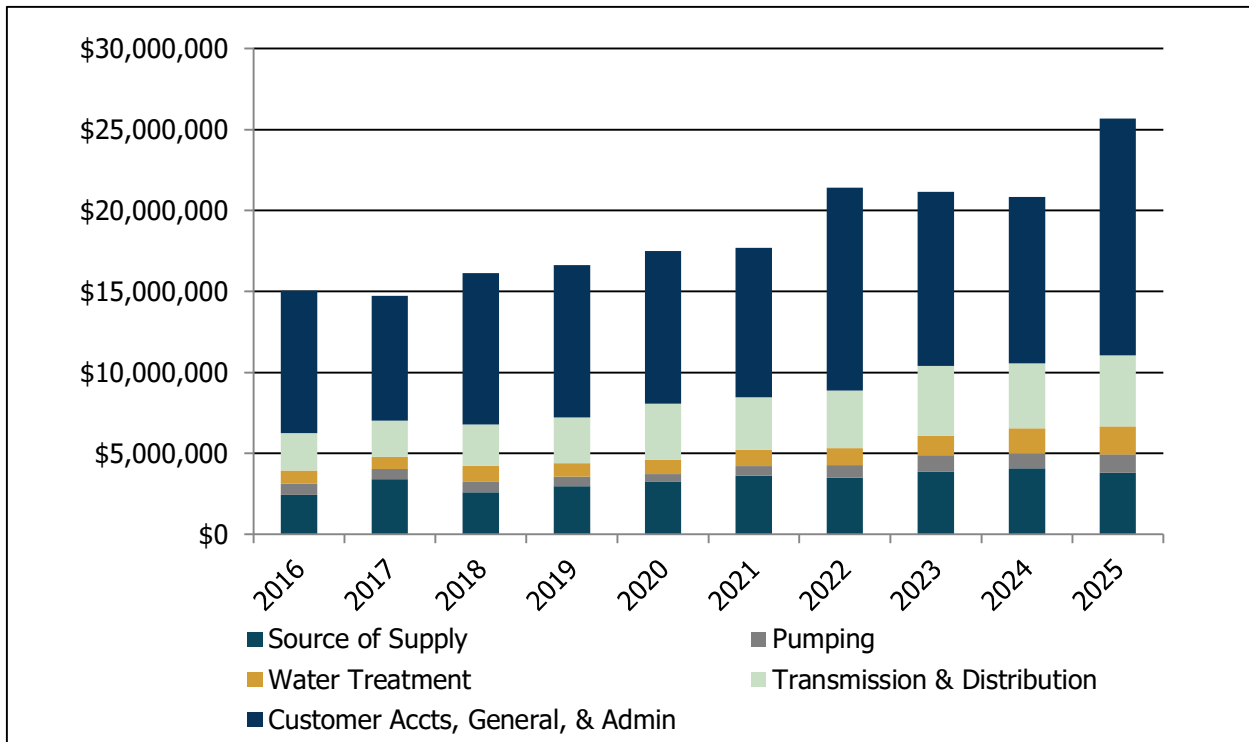
Year Ended June 30,	Water Sales	Meter Charges	Wastewater System Charges	Wastewater Treatment Charges	Other Charges	Total Operating Revenue
2016	\$ 11,927,523	\$ 8,063,077	\$ 4,286,594	\$ 7,165,655	\$ 1,581,233	\$ 33,024,082
2017	14,556,339	8,944,652	4,703,439	8,128,030	1,116,089	37,448,549
2018	17,063,891	8,999,756	4,668,923	8,697,671	860,884	40,291,125
2019	15,746,654	9,009,881	4,643,732	8,592,950	1,316,081	39,309,298
2020	16,902,370	9,023,267	4,647,347	8,496,012	743,916	39,812,912
2021	19,305,631	9,217,003	4,705,683	8,456,508	551,989	42,236,814
2022	18,472,876	9,192,297	4,828,526	9,764,357	835,559	43,093,615
2023	17,004,576	9,831,561	5,651,554	10,108,850	1,213,471	43,810,012
2024	17,900,515	10,149,281	6,073,154	10,746,724	1,060,541	45,930,215
2025	21,280,114	10,829,537	6,678,345	12,683,579	1,812,604	53,284,179



SOURCE: East Valley Water District - Finance Department

EAST VALLEY WATER DISTRICT
Water Operating Expenses
Last Ten Fiscal Years

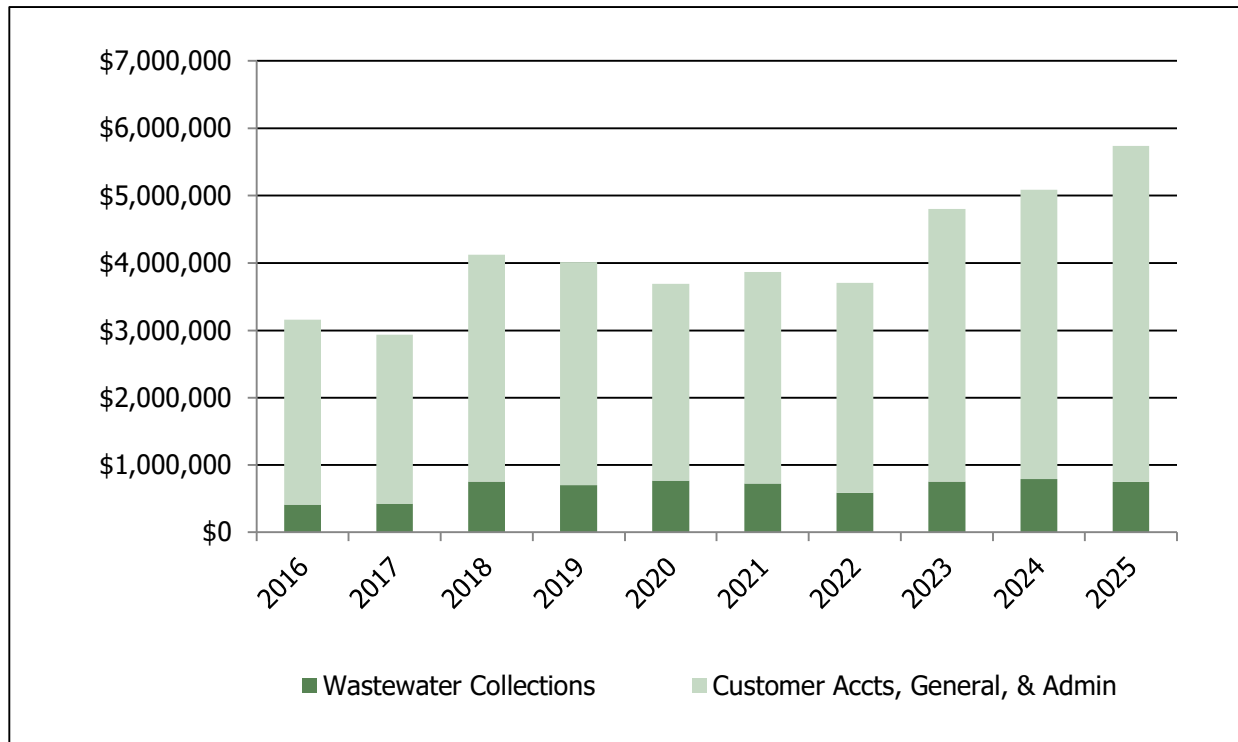
Year Ended June 30,	Source of Supply	Pumping	Water Treatment	Transmission & Distribution	Customer Accts, General, & Admin	Total Water Oper Expenses
2016	\$ 2,442,061	\$ 696,432	\$ 799,947	\$ 2,327,185	\$ 8,782,957	\$ 15,048,582
2017	3,401,062	646,940	750,052	2,222,953	7,696,211	14,717,218
2018	2,595,071	683,296	969,460	2,538,910	9,347,724	16,134,461
2019	2,975,348	585,585	840,623	2,819,288	9,393,555	16,614,399
2020	3,263,403	457,846	891,127	3,460,642	9,414,762	17,487,780
2021	3,617,788	596,586	1,008,129	3,253,175	9,208,176	17,683,854
2022	3,515,262	756,843	1,045,730	3,563,328	12,534,090	21,415,253
2023	3,890,634	1,003,038	1,212,646	4,311,606	10,744,909	21,162,833
2024	4,079,366	883,731	1,592,368	4,012,276	10,271,373	20,839,114
2025	3,801,843	1,124,472	1,753,123	4,375,616	14,623,667	25,678,721



SOURCES: East Valley Water District - Customer Service, Finance, and Operations Departments

EAST VALLEY WATER DISTRICT
Wastewater Operating Expenses
Last Ten Fiscal Years

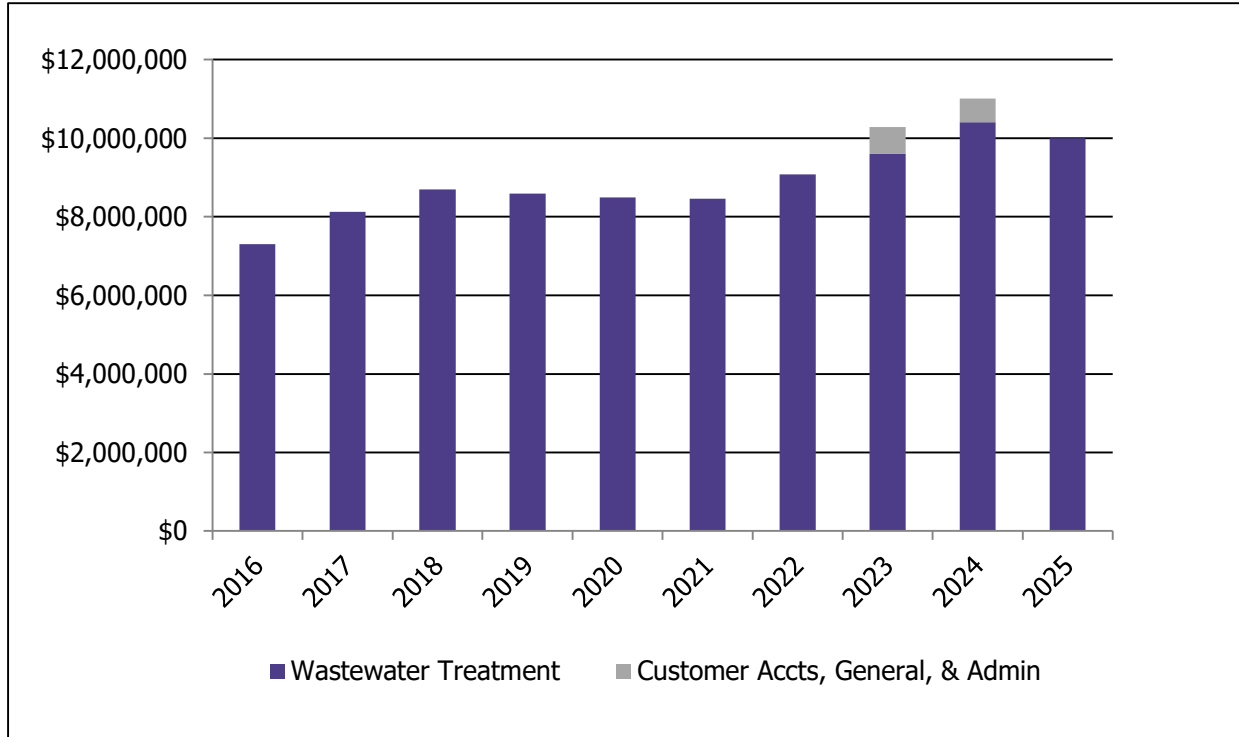
Year Ended June 30,	Wastewater Collections	Customer Accts, General & Admin	Total Wastewater Oper Expenses
2016	\$ 407,913	\$ 2,752,779	\$ 3,160,692
2017	425,944	2,510,920	2,936,864
2018	753,000	3,367,091	4,120,091
2019	700,507	3,309,983	4,010,490
2020	767,448	2,922,949	3,690,397
2021	722,680	3,140,650	3,863,330
2022	587,128	3,113,309	3,700,437
2023	752,489	4,048,730	4,801,219
2024	792,350	4,293,503	5,085,853
2025	747,704	4,989,421	5,737,125



SOURCES: East Valley Water District - Customer Service and Finance Departments

EAST VALLEY WATER DISTRICT
Water Reclamation Operating Expenses
Last Ten Fiscal Years

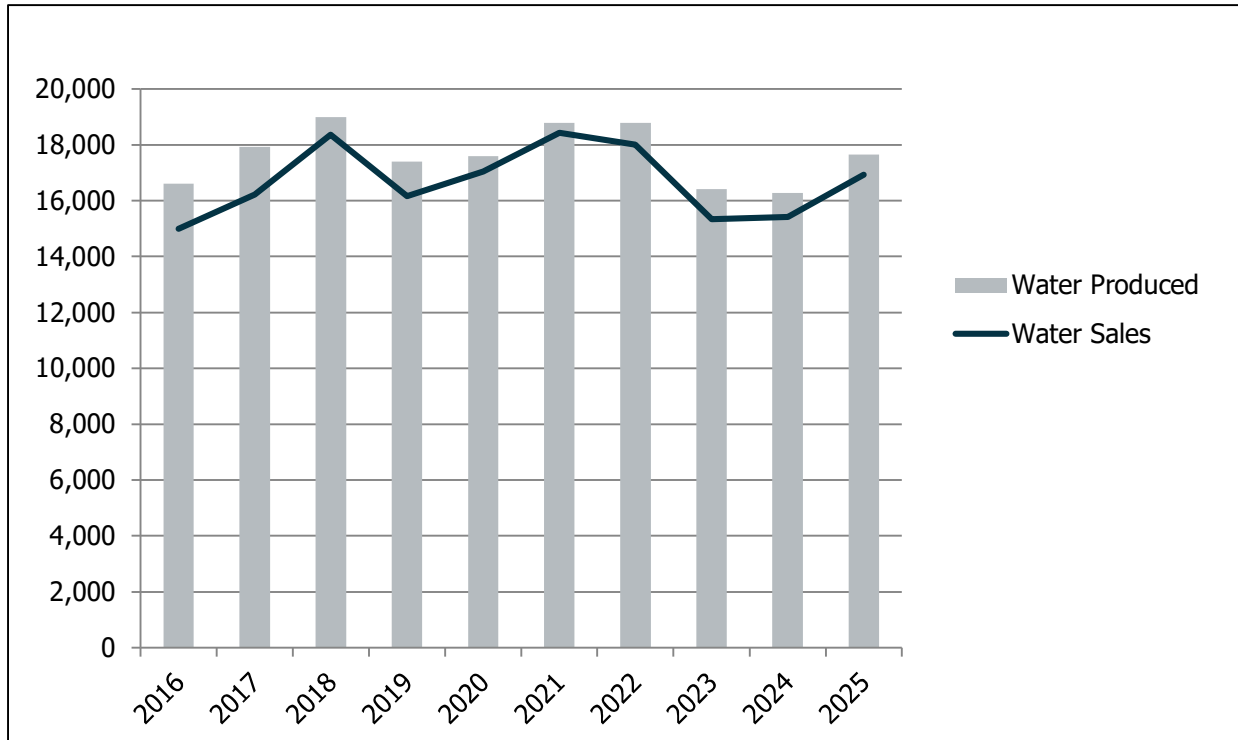
Year Ended June 30,	Wastewater Treatment	Customer Accts, General, & Admin	Total Water Recl Oper Expenses
2016	\$ 7,302,389	\$ -	\$ 7,302,389
2017	8,128,030	-	8,128,030
2018	8,697,671	-	8,697,671
2019	8,592,950	-	8,592,950
2020	8,496,012	-	8,496,012
2021	8,456,508	-	8,456,508
2022	9,084,061	-	9,084,061
2023	9,601,461	685,246	10,286,707
2024	10,411,256	604,450	11,015,706
2025	10,001,513	-	10,001,513



SOURCES: East Valley Water District - Customer Service and Finance Departments

EAST VALLEY WATER DISTRICT
Water Sales and Production
Last Ten Fiscal Years

Year Ended June 30,	Water Sales (Acre Feet)	Water Produced (Acre Feet)
2016	14,999	16,614
2017	16,223	17,922
2018	18,361	18,997
2019	16,167	17,397
2020	17,037	17,596
2021	18,429	18,784
2022	17,998	18,789
2023	15,341	16,408
2024	15,420	16,273
2025	16,926	17,657



SOURCES: East Valley Water District - Finance and Operations Departments

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EAST VALLEY WATER DISTRICT
Revenue Rates for Water
Last Ten Fiscal Years

Water Consumption Rates (Charge per HCF)

Year ended June 30,

	2016	2017	2018	2019	2020⁽¹⁾
Residential	Tier 1-\$1.45	Tier 1-\$1.63	Tier 1-\$1.73	Tier 1-\$1.73	Tier 1-\$1.83
	Tier 2-\$2.07	Tier 2-\$2.32	Tier 2-\$2.46	Tier 2-\$2.46	Tier 2-\$2.61
	Tier 3-\$2.89	Tier 3-\$3.24	Tier 3-\$3.44	Tier 3-\$3.44	Tier 3-\$3.64
Commercial Flat-Rate⁽⁴⁾	N/A	N/A	N/A	N/A	N/A

Water Monthly System Charges

Year ended June 30,

Meter Size (inches)	2016	2017	2018	2019	2020⁽¹⁾
5/8	\$ 20.96	\$ 23.06	\$ 23.06	\$ 23.06	\$ 23.06
3/4	26.61	29.27	29.27	29.27	29.27
1	37.92	41.71	41.71	41.71	41.71
1 1/2	66.19	72.81	72.81	72.81	72.81
2	100.12	110.13	110.13	110.13	110.13
3	207.54	228.30	228.30	228.30	228.30
4	365.85	402.44	402.44	402.44	402.44
6	744.67	819.14	819.14	819.14	819.14
8	1,366.62	1,503.28	1,503.28	1,503.28	1,503.28

(Continued)

NOTES:

HCF = Hundred Cubic Feet = 748 gallons

- (1) On January 1, 2020 the District adopted New Water Rates.
- (2) On January 1, 2022 the District adopted New Water Rates.
- (3) On May 15, 2024 the District adopted New Water Rates.
- (4) Starting January 1, 2025 Commercial customers are billed using a flat-rate instead of tiered rates.

SOURCE: East Valley Water District - Water and Wastewater Rate Resolutions

EAST VALLEY WATER DISTRICT
Revenue Rates for Water - Continued
Last Ten Fiscal Years

Water Consumption Rates (Charge per HCF)

Year ended June 30,

	2021	2022⁽²⁾	2023	2024	2025⁽³⁾
Residential	Tier 1-\$1.83	Tier 1-\$1.98	Tier 1-\$2.04	Tier 1-\$2.11	Tier 1-\$2.19
	Tier 2-\$2.61	Tier 2-\$2.54	Tier 2-\$2.62	Tier 2-\$2.70	Tier 2-\$2.84
	Tier 3-\$3.64	Tier 3-\$3.93	Tier 3-\$4.05	Tier 3-\$4.18	Tier 3-\$4.10
Commercial Flat-Rate⁽⁴⁾	N/A	N/A	N/A	N/A	\$ 2.39

Water Monthly System Charges

Year ended June 30,

Meter Size (inches)	2021	2022⁽²⁾	2023	2024	2025
5/8	\$ 23.06	\$ 24.01	\$ 24.74	\$ 25.49	\$ 27.52
3/4	29.27	30.85	31.78	32.74	34.62
1	41.71	44.52	45.86	47.24	48.83
1 1/2	72.81	78.69	81.06	83.50	84.35
2	110.13	119.70	123.30	127.00	126.97
3	228.30	229.05	235.93	243.01	368.48
4	402.44	352.07	362.64	373.52	901.23
6	819.14	693.79	714.61	736.05	1,433.89
8	1,503.28	1,923.98	1,981.70	2,041.16	2,854.65
10				2,041.16	4,630.48
12				2,041.16	5,695.98

NOTES:

HCF = Hundred Cubic Feet = 748 gallons

- (1) On January 1, 2020 the District adopted New Water Rates.
- (2) On January 1, 2022 the District adopted New Water Rates.
- (3) On May 15, 2024 the District adopted New Water Rates.
- (4) Starting January 1, 2025 Commercial customers are billed using a flat-rate instead of tiered rates.

SOURCE: East Valley Water District - Water and Wastewater Rate Resolutions

EAST VALLEY WATER DISTRICT
Revenue Rates for Wastewater
Last Ten Fiscal Years

Wastewater Collection Charges					
	2016	2017	2018	Year ended June 30,	
				2019	2020
Single-Family Residential (1 to 3 units)					
Flat Monthly Charge (per unit)	\$ 15.36	\$ 15.36	\$ 15.36	\$ 15.36	\$ 15.36
Multi-Family Residential (4 or more units)					
Flat Monthly Charge (per unit)	N/A	N/A	N/A	N/A	N/A
Commercial Non-Residential					
Flat Monthly Charge	3.90	3.90	3.90	3.90	3.90
plus,					
Charge per HCF	0.55	0.55	0.55	0.55	0.55
Wastewater Treatment Charges					
	2016	2017	2018	Year ended June 30,	
				2019	2020
Residential (Flat Monthly Charge)					
Flat Monthly Charge					
Residential (1 unit)	\$ 19.18	\$ 20.85	\$ 21.55	\$ 21.55	\$ 21.55
Residential (2 units)	N/A	N/A	N/A	N/A	N/A
Residential (3 units)	N/A	N/A	N/A	N/A	N/A
Multi-Family (2 units)	38.37	41.72	43.10	43.10	43.10
Multi-Family (3 units)	57.55	62.58	64.64	64.64	64.64
Multi-Family (4 or more units)	N/A	N/A	N/A	N/A	N/A
Commercial					
Multi-Family (4+ units)	1.71	1.90	1.97	1.97	1.97
Non-Residential	3.18	3.42	3.52	3.52	3.52
plus,					
Charge per HCF:					
Multi-Family (4+ units)	1.36	1.48	1.53	1.53	1.53
Retail	2.28	2.47	2.55	2.55	2.55
Restaurants/Lounges	2.93	3.18	3.28	3.28	3.28
Schools/Churches	1.19	1.29	1.33	1.33	1.33
Governments/Municipal	1.63	1.77	1.83	1.83	1.83
Laundromats	1.63	1.77	1.83	1.83	1.83
Dry Cleaners	2.28	2.47	2.55	2.55	2.55
Convalescent Homes	1.46	1.58	1.63	1.63	1.63
Auto Repair/Svc Stations	1.41	1.53	1.58	1.58	1.58
Car Wash	1.41	1.53	1.58	1.58	1.58
Patton State Hospital	N/A	N/A	N/A	N/A	N/A
Hotels	2.93	3.18	3.28	3.28	3.28
Ofc Bldgs/Motels	1.63	1.77	1.83	1.83	1.83
Supermarkets	2.93	3.18	3.28	3.28	3.28

NOTES:

(Continued)

HCF = Hundred Cubic Feet = 748 gallons

- (1) Starting in May 2022, the District transitioned from rates established by the City of San Bernardino to rates adopted as the result of a wastewater Cost of Service Analysis for the District's Sterling Natural Resource Center Water Reclamation Plant.

SOURCE: East Valley Water District - Water and Wastewater Rate Resolutions

EAST VALLEY WATER DISTRICT
Revenue Rates for Wastewater - Continued
Last Ten Fiscal Years

Wastewater Collection Charges					
	2021	2022⁽¹⁾	2023	Year ended June 30,	
				2024	2025
Single-Family Residential (1 to 3 units)					
Flat Monthly Charge (per unit)	\$ 15.36	\$ 14.25	\$ 15.25	\$ 16.32	\$ 16.70
Multi-Family Residential (4 or more units)					
Flat Monthly Charge (per unit)	N/A	13.46	14.41	15.42	15.48
Commercial Non-Residential					
Flat Monthly Charge	3.90	10.33	11.06	11.84	10.59
plus,					
Charge per HCF	0.55	-	-	-	-
Wastewater Treatment Charges					
	2021	2022⁽¹⁾	2023	Year ended June 30,	
				2024	2025
Residential (Flat Monthly Charge)					
Flat Monthly Charge					
Residential (1 unit)	\$ 21.55	\$ 23.37	\$ 25.01	\$ 26.77	\$ 29.79
Residential (2 units)	N/A	23.37	25.01	26.77	29.79
Residential (3 units)	N/A	23.37	25.01	26.77	29.79
Multi-Family (2 units)	43.10	20.86	22.33	23.90	25.67
Multi-Family (3 units)	64.64	20.86	22.33	23.90	25.67
Multi-Family (4 or more units)	N/A	20.86	22.33	23.90	25.67
Commercial					
Multi-Family (4+ units)	1.97	N/A	N/A	N/A	N/A
Non-Residential	3.52	10.83	11.59	12.41	9.16
plus,					
Charge per HCF:					
Multi-Family (4+ units)	1.53	N/A	N/A	N/A	N/A
Retail	2.55	1.31	1.41	1.52	2.96
Restaurants/Lounges	3.28	1.31	4.16	4.46	4.73
Schools/Churches	1.33	1.31	1.41	1.52	2.96
Governments/Municipal	1.83	1.31	1.41	1.52	2.96
Laundromats	1.83	1.99	2.14	2.30	3.31
Dry Cleaners	2.55	1.99	2.14	2.30	3.31
Convalescent Homes	1.63	1.99	2.14	2.30	3.31
Auto Repair/Svc Stations	1.58	1.99	2.14	2.30	3.31
Car Wash	1.58	1.99	1.41	1.52	2.96
Patton State Hospital	N/A	2.36	2.53	2.72	1.74
Hotels	3.28	3.88	4.16	4.46	4.73
Ofc Bldgs/Motels	1.83	3.88	1.41	1.52	2.96
Supermarkets	3.28	1.31	4.16	4.46	4.73

NOTES:

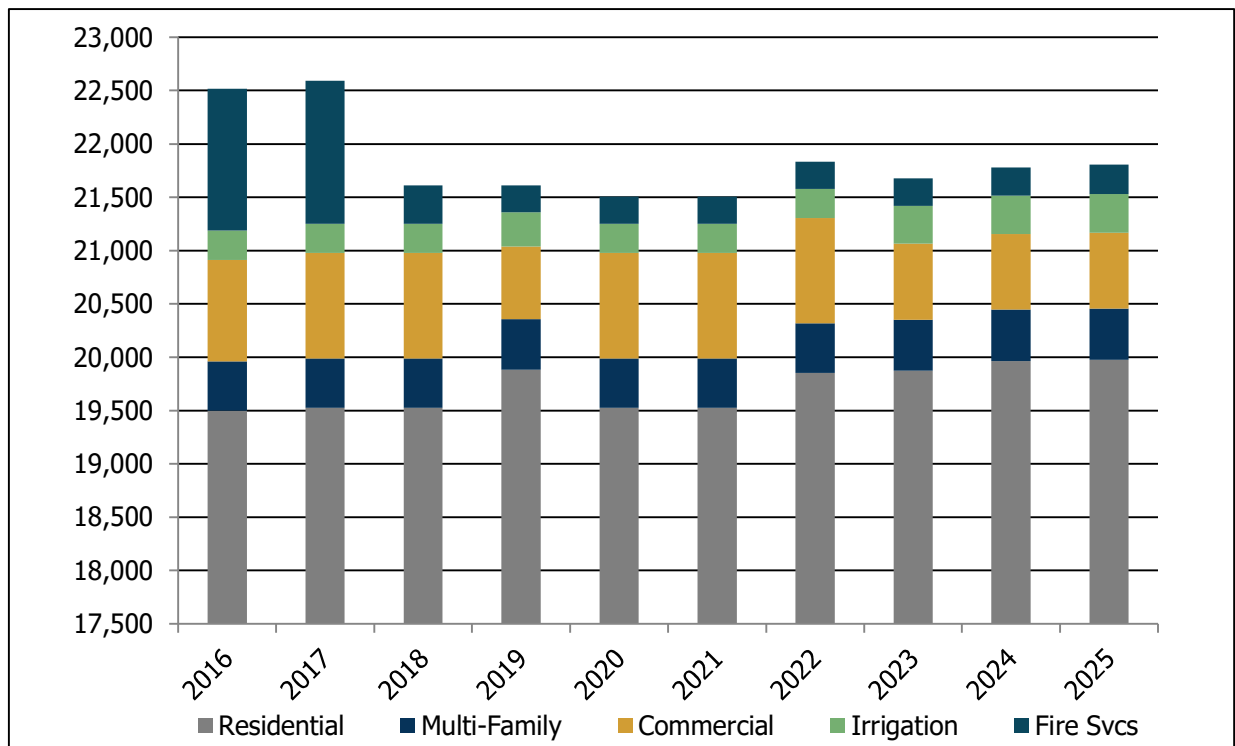
HCF = Hundred Cubic Feet = 748 gallons

- (1) Starting in May 2022, the District transitioned from rates established by the City of San Bernardino to rates adopted as the result of a wastewater Cost of Service Analysis for the District's Sterling Natural Resource Center Water Reclamation Plant.

SOURCE: East Valley Water District - Water and Wastewater Rate Resolutions

EAST VALLEY WATER DISTRICT
Active Services by Type
Last Ten Fiscal Years

Year Ended June 30,	Residential (1 to 3 units)	Multi-Family (4+ units)	Commercial	Irrigation	Fire Svcs	Total Service
2016	19,500	463	949	275	1,330	22,517
2017	19,526	463	988	275	1,339	22,591
2018	19,526	463	988	275	361	21,613
2019	19,883	474	681	322	252	21,612
2020	19,526	463	988	275	255	21,507
2021	19,526	463	988	275	255	21,507
2022	19,853	463	988	275	255	21,834
2023	19,876	474	715	354	260	21,679
2024	19,966	479	710	360	265	21,780
2025	19,976	479	712	364	277	21,808



SOURCES: East Valley Water District - Customer Service and Finance Departments

EAST VALLEY WATER DISTRICT
Principal Customers
Current Fiscal Year and Nine Years Ago

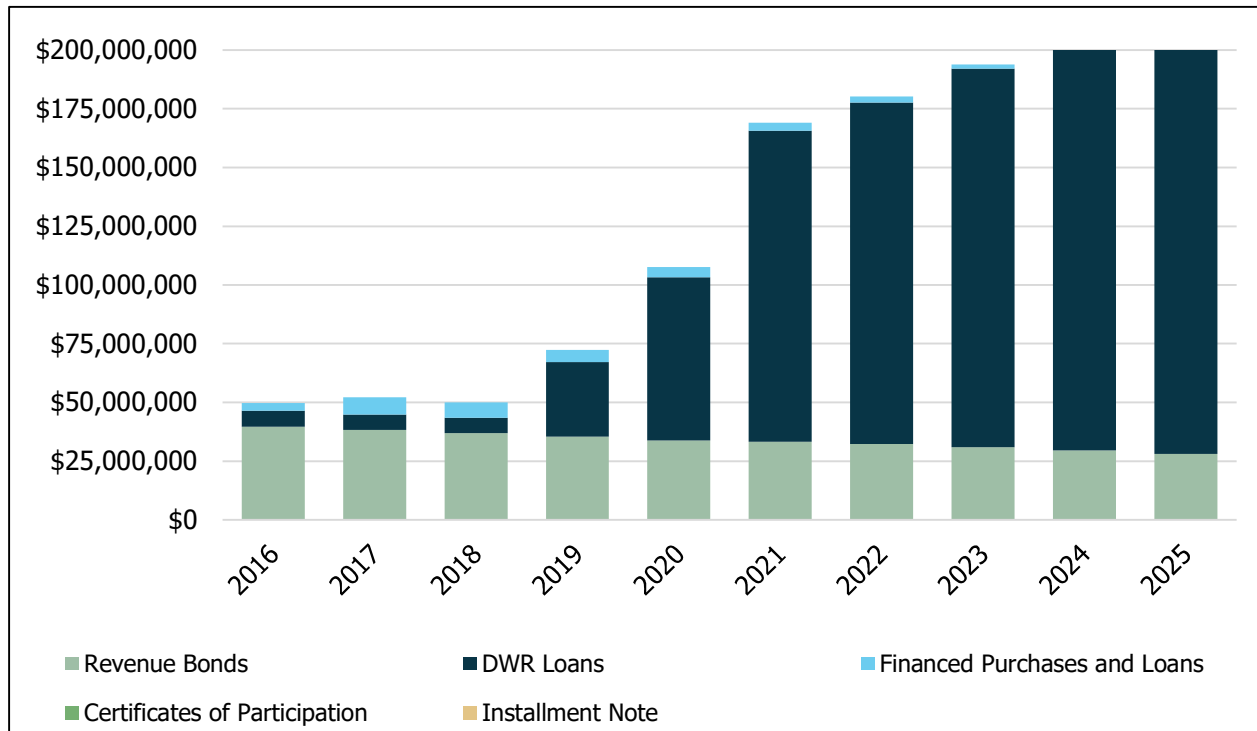
Customer	2025			2016		
	Water Consumed (AF)	Rank	Percentage of Total (%)	Water Consumed (AF)	Rank	Percentage of Total (%)
San Bernardino City Unified School District	650	1	3.68%	599	1	3.61%
Yaamava' Resort & Casino at San Manuel	345	2	1.95%	208	6	1.25%
Patton State Hospital	333	3	1.89%	345	2	2.08%
City of Highland	283	4	1.60%	274	3	1.65%
The Yuhaaviatam of San Manuel Nation	268	5	1.52%	238	4	1.43%
East Highlands Ranch	206	6	1.17%	228	5	1.37%
Amusement Industry, Inc.	141	7	0.80%	-	-	0.00%
Stubblefield Mobile Home Parks & Offices	125	8	0.71%	102	8	0.61%
Valencia Lea Mobile Home Park	116	9	0.66%	100	9	0.60%
Victoria Village Apartments	111	10	0.63%	105	7	0.63%
Village Lakes Homeowners Association				99	10	0.60%
Total - Top 10	<u>2,578</u>		<u>14.61%</u>	<u>2,298</u>		<u>13.83%</u>
Total - Water Produced	<u><u>17,657</u></u>			<u><u>16,614</u></u>		

SOURCES: East Valley Water District - Customer Service

EAST VALLEY WATER DISTRICT

Ratio of Outstanding Debt Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	DWR Loans	Financed Purchases and Loans	Certificates of Participation	Installment Note	Outstanding Debt	\$ Per Capita	As a Share of Personal Income
2016	\$ 39,615,000	\$ 6,818,565	\$ 3,299,108	\$ -	\$ -	\$ 49,732,673	\$ 476	1.31%
2017	38,235,000	6,565,166	7,278,478	-	-	52,078,644	510	1.37%
2018	36,800,000	6,721,695	6,392,308	-	-	49,914,003	489	1.27%
2019	35,300,000	31,947,551	5,131,238	-	-	72,378,789	710	1.73%
2020	33,720,000	69,565,404	4,295,104	-	-	107,580,508	1,044	2.30%
2021	33,261,998	132,399,838	3,449,724	-	-	169,111,561	1,642	3.30%
2022	32,288,904	145,368,048	2,582,889	-	-	180,239,841	1,733	3.56%
2023	30,923,365	161,169,730	1,719,375	-	-	193,812,470	1,864	3.64%
2024	29,490,264	180,670,939	-	-	-	210,161,203	1,946	*
2025	28,022,163	176,996,266	-	-	-	205,018,429	1,898	*



NOTE:

* This data was not developed in the format required for this fiscal year.

SOURCE: East Valley Water District - Finance Department

EAST VALLEY WATER DISTRICT
Debt Service Coverage
Last Ten Fiscal Years

Water Department

Year Ended June 30,	Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service			Coverage
				Principal ⁽³⁾	Interest	Total	
2016	\$ 22,543,107	\$ 15,048,582	\$ 7,494,525	\$ 1,851,139	\$ 1,718,658	\$ 3,569,797	2.10
2017	25,257,709	14,717,219	10,540,490	1,926,956	1,653,322	3,580,278	2.94
2018	27,537,072	16,134,461	11,402,611	2,479,570	1,584,820	4,064,390	2.81
2019	27,071,082	16,614,399	10,456,683	2,904,466	1,593,181	4,497,647	2.32
2020	27,466,707	17,487,780	9,978,927	2,564,310	1,456,842	4,021,152	2.48
2021	29,738,333	17,638,854	12,099,479	4,703,778	1,104,438	5,808,216	2.08
2022	30,465,196	21,415,253	9,049,943	2,100,233	957,953	3,058,186	2.96
2023	29,402,076	22,050,672	7,351,404	2,141,913	917,000	3,058,913	2.40
2024	30,804,396	20,839,114	9,965,282	2,197,774	885,675	3,083,449	3.23
2025	36,287,535	25,678,721	10,608,814	1,363,399	788,441	2,151,840	4.93

Wastewater Department

Year Ended June 30,	Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 12,095,372	\$ 10,463,081	\$ 1,632,291	\$ 90,000	\$ 225,775	\$ 315,775	5.17
2017	13,134,564	11,064,894	2,069,670	95,000	221,625	316,625	6.54
2018	13,758,976	12,817,762	941,214	95,000	217,350	312,350	3.01
2019	14,433,970	12,603,440	1,830,530	100,000	212,475	312,475	5.86
2020	22,954,385	12,186,049	10,768,336	105,000	207,350	312,350	34.48
2021	13,586,909	12,319,838	1,267,071	110,000	158,476	268,476	4.72
2022	16,697,201	12,784,498	3,912,703	170,000	100,145	270,145	14.48
2023	16,833,359	15,087,926	1,745,433	175,000	99,316	274,316	6.36
2024	19,102,805	16,101,559	3,001,246	175,000	98,274	273,274	10.98
2025	24,722,440	15,738,638	8,983,802	4,386,650	3,055,545	7,442,195	1.21

NOTES:

- (1) Gross revenue includes all operating revenue, interest income, other non-operating revenue and connection fees from the utility fund.
- (2) Operating expenses, less depreciation, for the utility fund.
- (3) Excludes Debt Service for Assessment Districts' Arroyo Verde and Eastwood Farms.

SOURCE: East Valley Water District - Finance Department

EAST VALLEY WATER DISTRICT
Demographics and Economic Statistics
Last Ten Calendar / Fiscal Years

Year Ended June 30,	District Population ₍₃₎₍₄₎	County of San Bernardino			
		Unemployment Rate ₍₁₎₍₃₎₊	Population ₍₂₎₊	Personal Income (thousands of dollars) ₍₂₎₊	Personal Income Per Capita (dollars) ₍₂₎₊
2016	104,457	6.0%	2,126,834	\$ 77,453,102	\$ 36,417
2017	102,208	5.5%	2,145,333	80,031,472	37,305
2018	102,000	4.5%	2,160,491	83,514,331	38,655
2019	102,000	4.0%	2,171,521	89,202,022	41,078
2020	103,000	6.5%	2,183,391	99,009,671	45,347
2021	103,000	9.3%	2,193,087	109,085,530	49,741
2022	104,000	5.4%	2,194,908	106,853,756	48,683
2023	104,000	4.2%	2,195,611	112,402,797	51,194
2024	108,000	4.9%	*	*	*
2025	108,000	5.2%	*	*	*

NOTES:

+ This data was revised in 2025.

* This data was not developed in the format required for this fiscal year.

SOURCES:

(1) U.S. Department of Labor, Bureau of Labor Statistics (BLS)
 Census Bureau midyear population estimates.

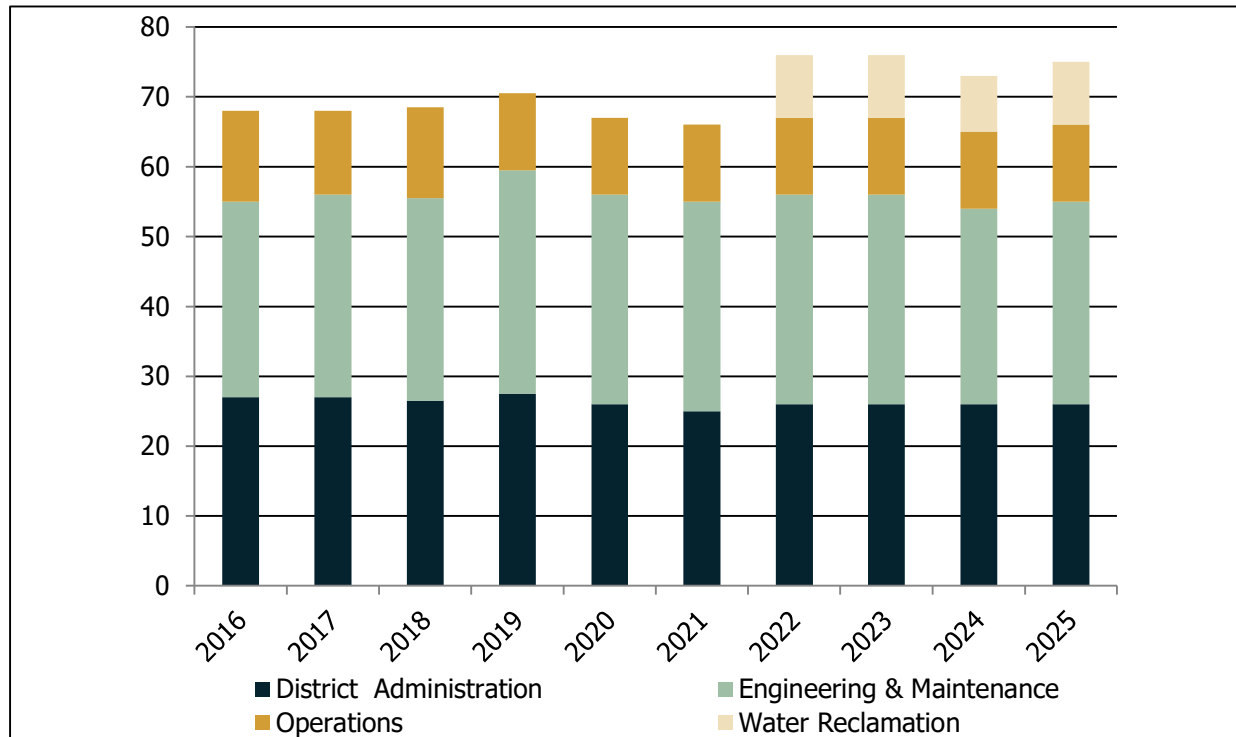
(2) Bureau of Economic Analysis (BEA)
 Computed using mid-year population estimates.

(3) Fiscal Year ends on June 30 of the year that is shown.

(4) East Valley Water District - Finance Department

EAST VALLEY WATER DISTRICT
Full-Time Equivalent Employees by Department
Last Ten Fiscal Years

Year Ended June 30,	District Administration	Engineering & Maintenance	Operations	Water Reclamation⁽¹⁾	Total
2016	27	28	13	0	68*
2017	27	29	12	0	68*
2018	26.5	29	13	0	68.5*
2019	27.5	32	11	0	70.5*
2020	26	30	11	0	67
2021	25	30	11	0	66
2022	26	30	11	9	76
2023	26	30	11	9	76
2024	26	28	11	8	73
2025	26	29	11	9	75



NOTES:

* Includes Part-Time Employees (PTEs)

(1) Water Reclamation program started in FY 2021-22

SOURCES: East Valley Water District - Finance and Human Resources & Risk Management Departments

EAST VALLEY WATER DISTRICT
Operating and Capacity Indicators for Water and Wastewater
Last Ten Fiscal Years

Water System				
Year Ended June 30,	Miles of Water Main	Number of Fire Hydrants	Annual Production (MG)	Average Production (MGD)
2016	316	3,005	4,887	13
2017	316	3,005	5,286	14
2018	300	3,018	5,983	16
2019	300	3,025	5,268	14
2020	300	3,025	5,552	15
2021	300	3,029	6,121	17
2022	300	3,043	6,122	17
2023	300	3,048	5,347	15
2024	300	3,073	5,303	15
2025	300	3,099	5,754	16

Wastewater System				
Year Ended June 30,	Miles of Wastewater	Service Connections	Annual Sewerage (MG)	Daily Sewerage (MGD)
2016	224	19,572	2,167.71	5.94
2017	260	20,290	2,175.40	5.96
2018	225	20,581	2,149.85	5.89
2019	214	20,563	2,091.45	5.73
2020	214	19,679	2,220.61	6.08
2021	214	19,686	2,220.61	6.08
2022	220	19,766	2,448.97	6.71
2023	230	19,831	2,138.63	5.86
2024	230	19,859	2,121.03	5.81
2025	230	20,080	2,301.42	6.31

SOURCE: East Valley Water District - Engineering and Finance Departments

OTHER INFORMATION



EAST VALLEY WATER DISTRICT
Capacity Charge Funds
Year Ended June 30, 2025

Capacity Charge Funds

Government Code Section 66013 requires local agencies that collect capacity charges to deposit and account for these fees in a separate capital facilities fund. In addition, local agencies are required to annually provide the information in this report to the public upon request. Government Code Section 66013 (b) (3) defines "Capacity charge" means a charge for public facilities at the time the charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense related to its use of the use of existing or new public facilities. "

Government Code Section 66013 (d) outlines the reporting requirements on the capital facilities funds and expenditures. Government Code Section 66013 (f) (2) exempts capacity charges that are used to pay existing debt service from the reporting requirements of Section 66013 (d). Two of the District's capacity charges are used to pay existing debt service; therefore, they are exempt from the reporting requirements. For the purpose of enhancing transparency, the District has provided the reporting information on its capacity charges that are exempt from Section 66013 (d).

The District has the following capacity charge funds:

Water Capacity Fee Fund. This fund collects System Capacity Charges for new water service connections to pay for proportionate shares of the District equipment replacements and facility improvements.

Wastewater Capacity Fee Fund. This fund collects a fee for the capacity used by new wastewater connections and the funds are used to pay facilities and to help ensure the wastewater collection system can contain additional wastewater flows from new customers.

Water Reclamation Capacity Fee Fund. This fund collects fees for the expansion of the Sterling Natural Resource Center to treat the flows generated by new development.

EAST VALLEY WATER DISTRICT
Capacity Charge Funds
Year Ended June 30, 2025

A summary of changes in Water Fund Capacity Fees collected for the year ended June 30, 2025 is as follows:

Categories	Beginning of Year	Contributions	Usage	End of Year
Storage	\$ 498,076	\$ 552,409	\$ -	\$ 1,050,485
Supply/Treatment	2,751,002	765,717	(974,248)	2,542,471
Trans & Distribution	2,348,505	640,319	-	2,988,824
General	252,404	103,048	-	355,452
	<u>\$ 5,849,987</u>	<u>\$ 2,061,493</u>	<u>\$ (974,248)</u>	<u>\$ 6,937,232</u>

A summary of Projects Funded by Capacity Fees for the year ended June 30, 2025:

Categories	CIP Project*	FY 2024-25 Expended	% Funded by Capacity	Total Capacity Fees Usage
Storage		\$ -		\$ -
Supply/Treatment	Plant 129 - Well Project	974,250	100%	974,250
Trans & Distribution				
General				
New Treatment Plant				
		<u>\$ 974,250</u>		<u>\$ 974,250</u>

Note: * The District did not have any CIP projects utilizing Capacity Fee funds for the year ended June 30, 2025.

EAST VALLEY WATER DISTRICT
Capacity Charge Funds
Year Ended June 30, 2025

A summary of changes in Wastewater Fund Capacity Fees collected for the year ended June 30, 2025 is as follows:

Categories	Beginning of Year	Contributions	Usage	End of Year
Collection	\$ 3,420,965	\$ 310,155	\$ (798,209)	\$ 2,932,911
General	335,759	223,300	-	559,059
	<u>\$ 3,756,724</u>	<u>\$ 533,455</u>	<u>\$ (798,209)</u>	<u>\$ 3,491,970</u>

A summary Project Funded by Capacity Fees for the year ended June 30, 2025:

Categories	CIP Project	FY 2024-25 Expended	% Funded by Capacity	Total Capacity Fees Usage
Collection	Recycled Water Pipeline	\$ 798,209	100%	\$ 798,209
General				-
		<u>\$ 798,209</u>		<u>\$ 798,209</u>

EAST VALLEY WATER DISTRICT
Capacity Charge Funds
Year Ended June 30, 2025

A summary of changes in Water Reclamation Fund Capacity Fees collected for the year ended June 30, 2025 is as follows:

Categories	Beginning of Year	Contributions	Usage	End of Year
Treatment	\$ 3,630,159	\$ 1,035,926	\$ (1,159,574)	\$ 3,506,511
	<u>\$ 3,630,159</u>	<u>\$ 1,035,926</u>	<u>\$ (1,159,574)</u>	<u>\$ 3,506,511</u>

A summary Project Funded by Capacity Fees for the year ended June 30, 2025:

Categories	CIP Project	FY 2024-25 Expended	% Funded by Capacity	Total Capacity Fees Usage
Treatment	SNRC Membrane Bio-Reactor	\$ 1,159,574	100%	\$ 1,159,574
		<u>\$ 1,159,574</u>		<u>\$ 1,159,574</u>

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ANNUAL COMPREHENSIVE
FINANCIAL REPORT
JUNE 30, 2025

EAST VALLEY WATER DISTRICT

District Headquarters

3111 Greenspot Road
Highland, California 92346

Sterling Natural Resource Center

25318 5th Street
San Bernardino, California 92410

District Board Meetings

Second and Fourth Wednesday of Each
Month at 5:00pm

District Headquarters Board Room
3111 Greenspot Road, Highland, CA 92346