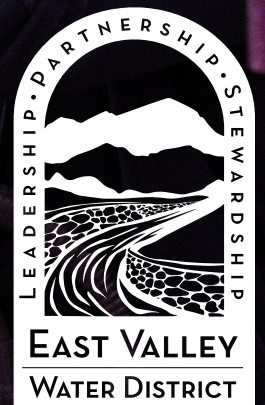


# *the* PIPELINE

## POPULAR ANNUAL FINANCIAL REPORT



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



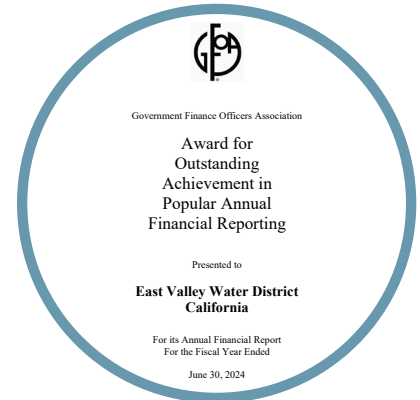
# POPULAR ANNUAL FINANCIAL REPORT



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to East Valley Water District, for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024.

In order to receive this award, a government agency unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

We believe our current PAFR continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another Award. We also welcome and encourage feedback from District ratepayers to help make this publication more useful and/or informative.



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## Board of Directors

<b>James Morales, Jr.</b> <i>Chairman of the Board</i>	<b>Phillip R. Goodrich</b> <i>Governing Board Member</i>
<b>Ronald L. Coats</b> <i>Vice Chairman of the Board</i>	<b>David E. Smith</b> <i>Governing Board Member</i>
<b>Chris Carrillo</b> <i>Governing Board Member</i>	

## District Management

<b>Michael Moore, P.E.</b> <i>General Manager/CEO</i>
<b>Brian Tompkins</b> <i>Chief Financial Officer</i>
<b>Jeff Noelte</b> <i>Director of Engineering &amp; Operations</i>
<b>Justine Hendricksen</b> <i>District Clerk</i>
<b>Kerrie Bryan</b> <i>Director of Administrative Services</i>
<b>Manny Moreno</b> <i>Water Reclamation Manager</i>
<b>Patrick Milroy</b> <i>Operations Manager</i>
<b>Ryan Ritualo</b> <i>IT Manager</i>
<b>William Ringland</b> <i>Public Affairs/Conservation Manager</i>

# TO OUR RATEPAYERS & COMMUNITY

We are pleased to present East Valley Water District's (District) Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025 (FY 2024-25). This report summarizes financial information appearing in the 2025 Annual Report and was created to provide valuable information related to District finances and the 5-Year Capital Improvement Program, that support the quality and reliability of our community's distribution system.

The PAFR is unaudited; however, the financial data presented in the PAFR is developed based on the audited Annual Report, which is consistent with Generally Accepted Accounting Principles. This document can also be reviewed on the District's website at [eastvalleywater.gov/PAFR](http://eastvalleywater.gov/PAFR).

For more detailed information, the District's 2025 Annual Report is available for interested individuals at the District Headquarters, 31111 Greenspot Road, Highland, California 92346. It can also be viewed on the District's website, along with other key financial documents, at [eastvalleywater.gov/AnnualReport](http://eastvalleywater.gov/AnnualReport).

*The organizational chart, District-at-a-Glance, and financial data represent the District during the timeframe reflected in this document.*

Questions, comments, and feedback regarding this report are encouraged. Please do not hesitate to contact Brian Tompkins, Chief Financial Officer, at [finance@eastvalleywater.gov](mailto:finance@eastvalleywater.gov) or (909) 381-6463.

On behalf of the District, thank you for the opportunity to serve you.

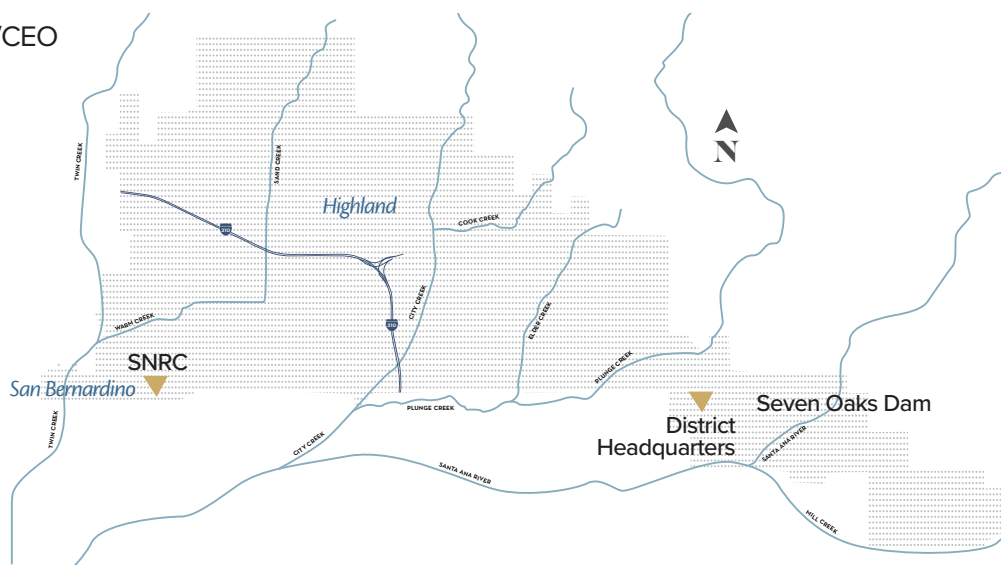


Respectfully submitted,

Michael Moore  
General Manager/CEO

## About the District

The District was formed through a local election of mostly citrus grove farmers, to have water service provided by a public agency. East Valley Water District is located in the foothills of the San Bernardino Mountains, 65 miles east of Los Angeles in the County of San Bernardino.

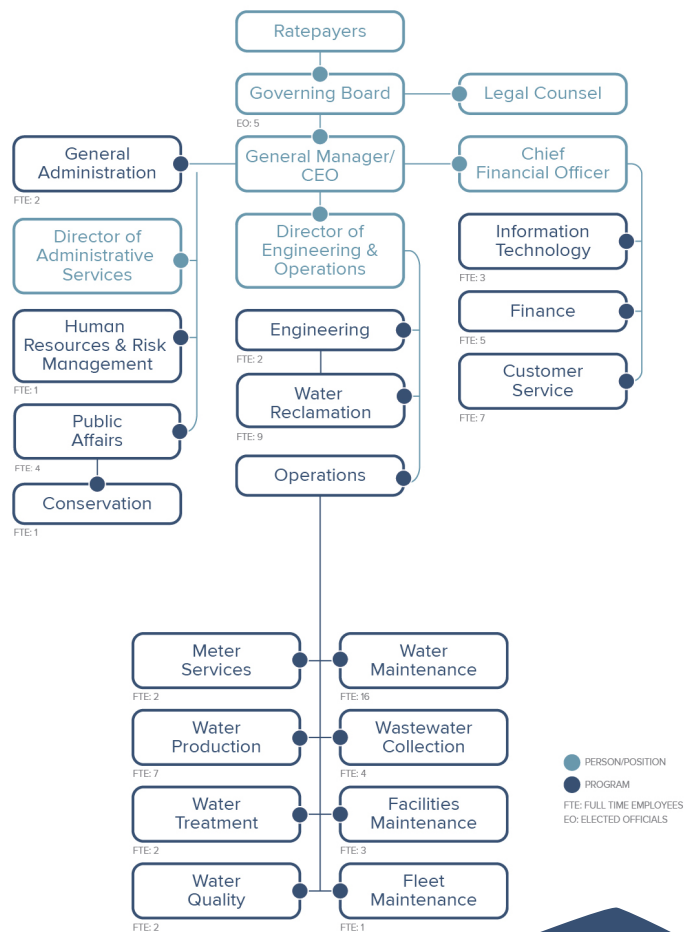


## Organizational Structure

Presented to the right is an overview of East Valley Water District's organizational structure. The District employed 75 full-time positions during FY 2024-25.

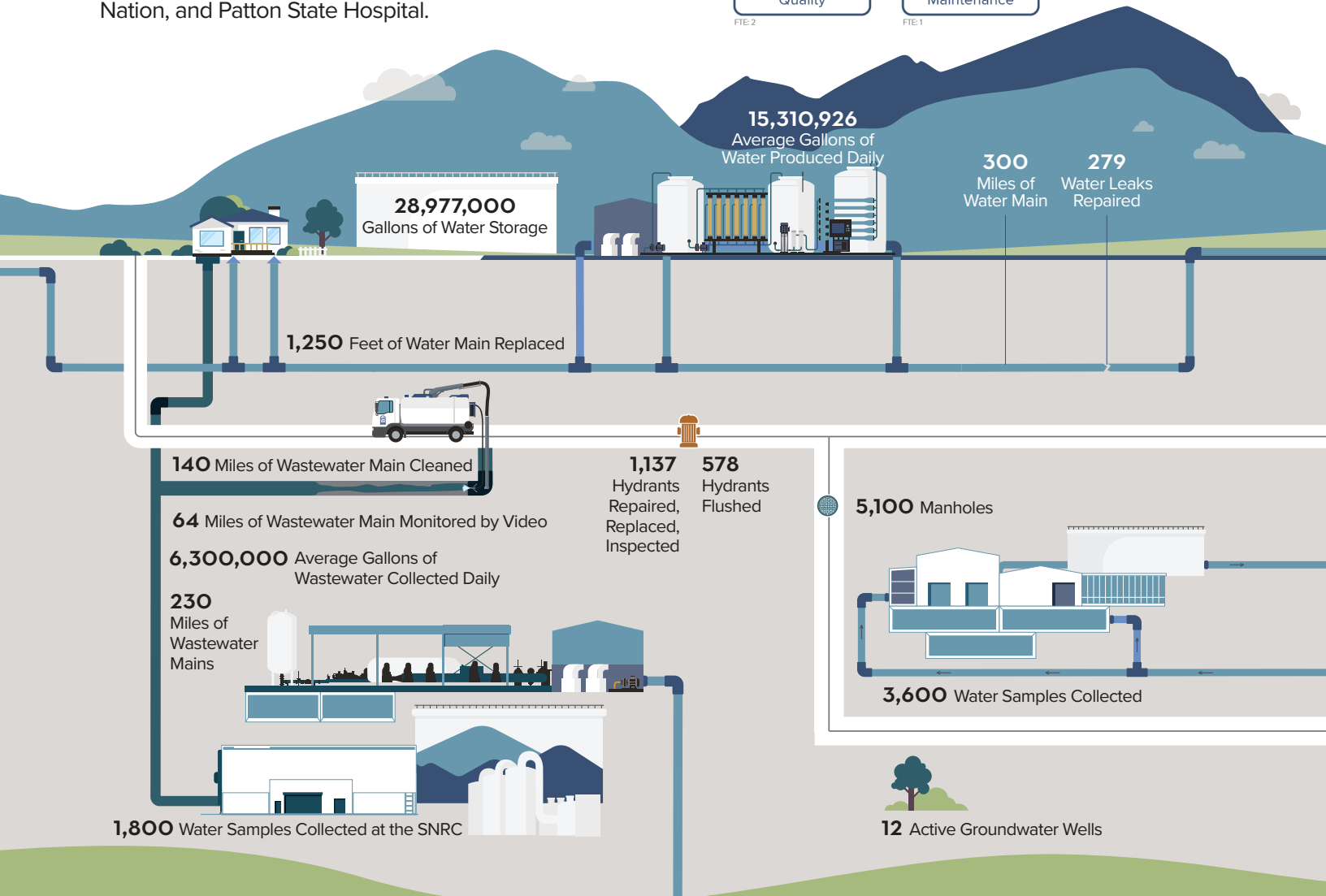


As a performance-based organization, the District takes an active role maintaining staffing levels to performance-based objectives.



## District-At-A-Glance

East Valley Water District provides water and wastewater services to residents within a 30.1 square mile area. This includes over 108,000 people within the cities of Highland and San Bernardino, portions of the unincorporated County of San Bernardino, the Yuhaaviatam of San Manuel Nation, and Patton State Hospital.





## District Pillars & Strategic Plan

The District has established five pillars to provide direction for operational and planning decisions. These pillars are an element of the Strategic Plan and guide initiatives to achieve the District's Mission and Vision. To learn more about each pillar and view the District's Strategic Plan, visit [eastvalleywater.gov/StrategicInitiatives](http://eastvalleywater.gov/StrategicInitiatives).



**Effective  
Solutions**



**Sustainability,  
Transparency, and  
Accountability**



**Organizational  
Resiliency**



**Planning, Maintenance,  
and Preservation of  
District Resources**



**Community  
Engagement, Advocacy,  
and Leadership**

## Investing in the Future Through Community Partnerships

East Valley Water District is making investments beyond the water and wastewater system by partnering with local agencies and the San Bernardino City Unified School District to engage and inspire future water leaders.

### **WATER AND WASTEWATER EDUCATIONAL PATHWAY PROGRAM**

East Valley Water District partnered with Indian Springs High School to provide high school students with an immersive water and wastewater career internship program. This hands-on experience allows students to learn about operations, recycled water, and the various careers available in the field.



### **YOUNG LADIES OF THE FUTURE**

The District partnered with the City of Highland, the Highland Fire Department, and Indian Springs High School to host a mentoring and motivational event for young women. The event featured mentoring sessions, team-building activities, and presentations led by accomplished female professionals, including District staff, the City Mayor, City Battalion Chief and local professionals. Together, they shared their experiences to introduce students to a wide range of career paths and leadership opportunities.





## Capital Improvement Projects

### 1 WATER MAIN REPLACEMENT OAKRIDGE COURT

**Project Budget:** \$119,689    **Date Completed:** May 2025

As part of East Valley Water District's ongoing commitment to system reliability, District field staff replaced over 400 feet of undersized pipeline and installed a new fire hydrant on Oakridge Court in Highland. System enhancements improve services, reduce calls for leaks, and extend the life of the system.



### 2 WATER MAIN REPLACEMENT ELMWOOD ROAD & DOGWOOD STREET

**Project Budget:** \$321,796    **Date Completed:** Feb. 2025

District crews replaced more than 1,000 feet of water main along Elmwood Road. Projects like this enhance flow capacity, improve system reliability, reduce the frequency of repairs, and extend the overall lifespan of the water infrastructure.



### 3 PLANT 56 STORAGE TANK REHABILITATION

**Project Budget:** \$963,175    **Date Completed:** June 2025

To strengthen water supply redundancy and resiliency, East Valley Water District rehabilitated a 500,000-gallon reservoir at Plant 56. The project included applying a new interior coating and installing an advanced anti-corrosion protection system to extend the reservoir's service life, safeguard water quality, and ensure continued service reliability for the community.



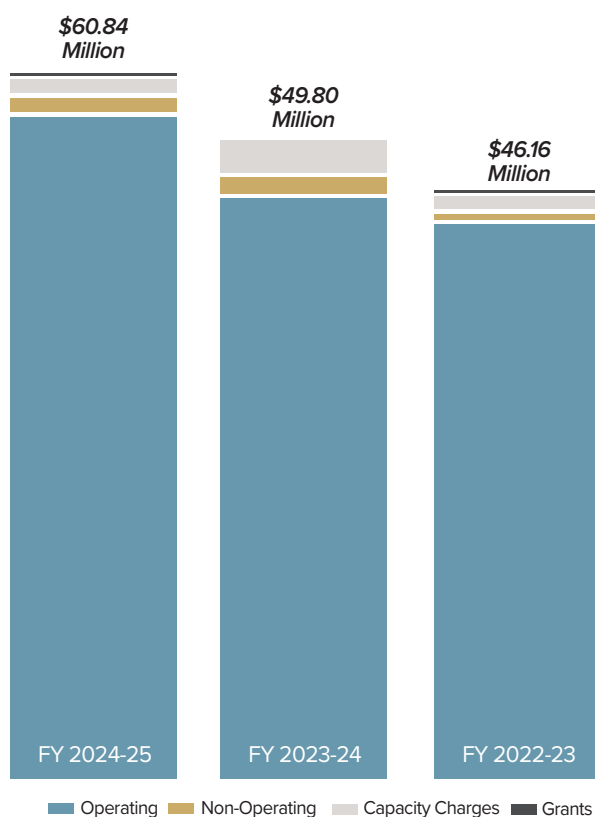


# REVENUES & EXPENSES

Providing safe drinking water to over 108,000 residents every day is the District's top priority and also one of its most significant expenses. The graphs below represent the District's combined revenue and expenses for FY 2024-25. For comparison purposes, FY 2022-23 and FY 2023-24 revenue and expenses have also been included.

Please refer to the District's 2025 Annual Report for a comprehensive breakdown of expenses.

## Revenue



## Expenses



## How is Revenue Managed?

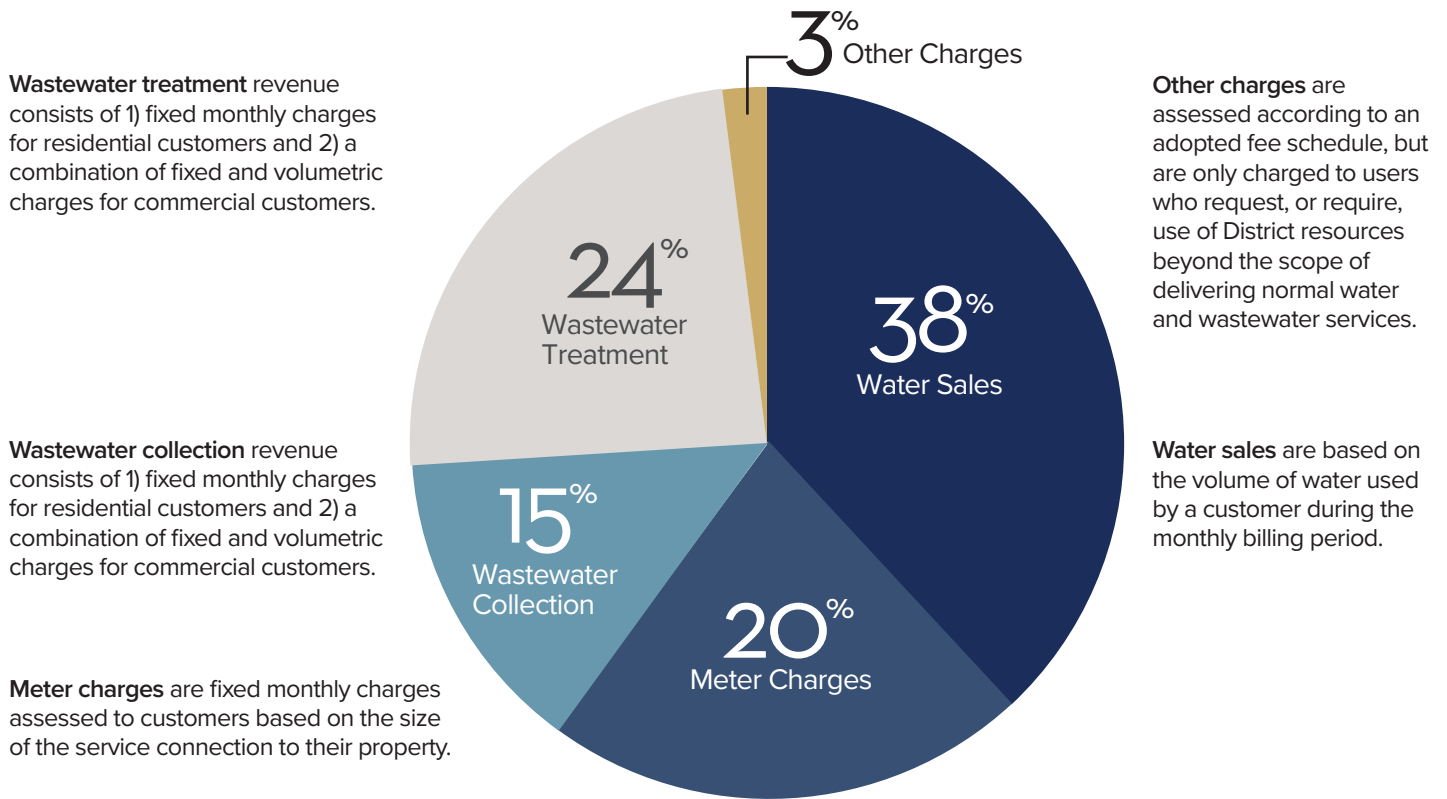
East Valley Water District utilizes revenue to fund daily operations, scheduled capital improvements and replacements, and principal and interest for debt financed construction projects. Remaining revenue is added to reserves or invested back into capital improvement projects to help maintain and improve the system's reliability so that East Valley Water District may continue taking steps to support the District's Vision of providing world-class public service.

Revenue also provides funding for conservation programming, which empowers customers to be efficient water users and encourages water savings indoors and out.

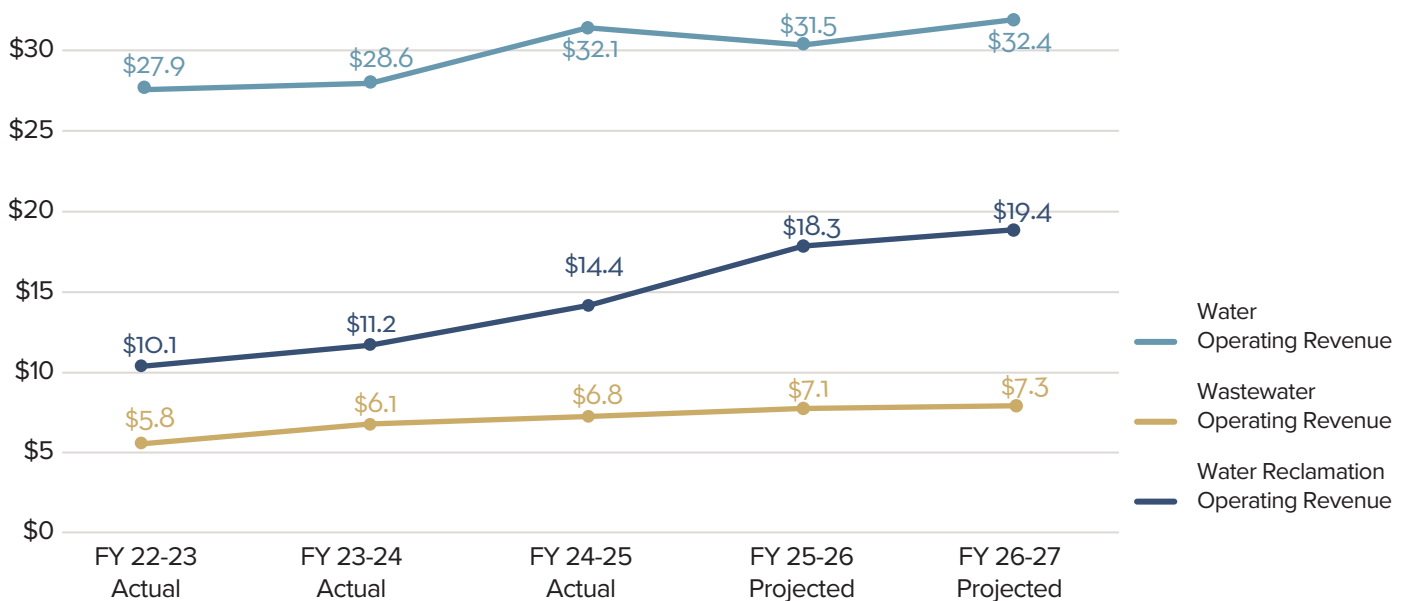
## Revenue by Sources

The District relies on user rates/fees to fund day-to-day operations.

East Valley Water District receives 99 percent of its revenue from user rates and fees; the District receives no funding from property or sales taxes. Rates and fees are reviewed on three to five year cycles and are adjusted to meet the costs of providing services to customers. A summary of FY 2024-25 rate revenue is shown below.



## Revenue History & Forecast (in millions)



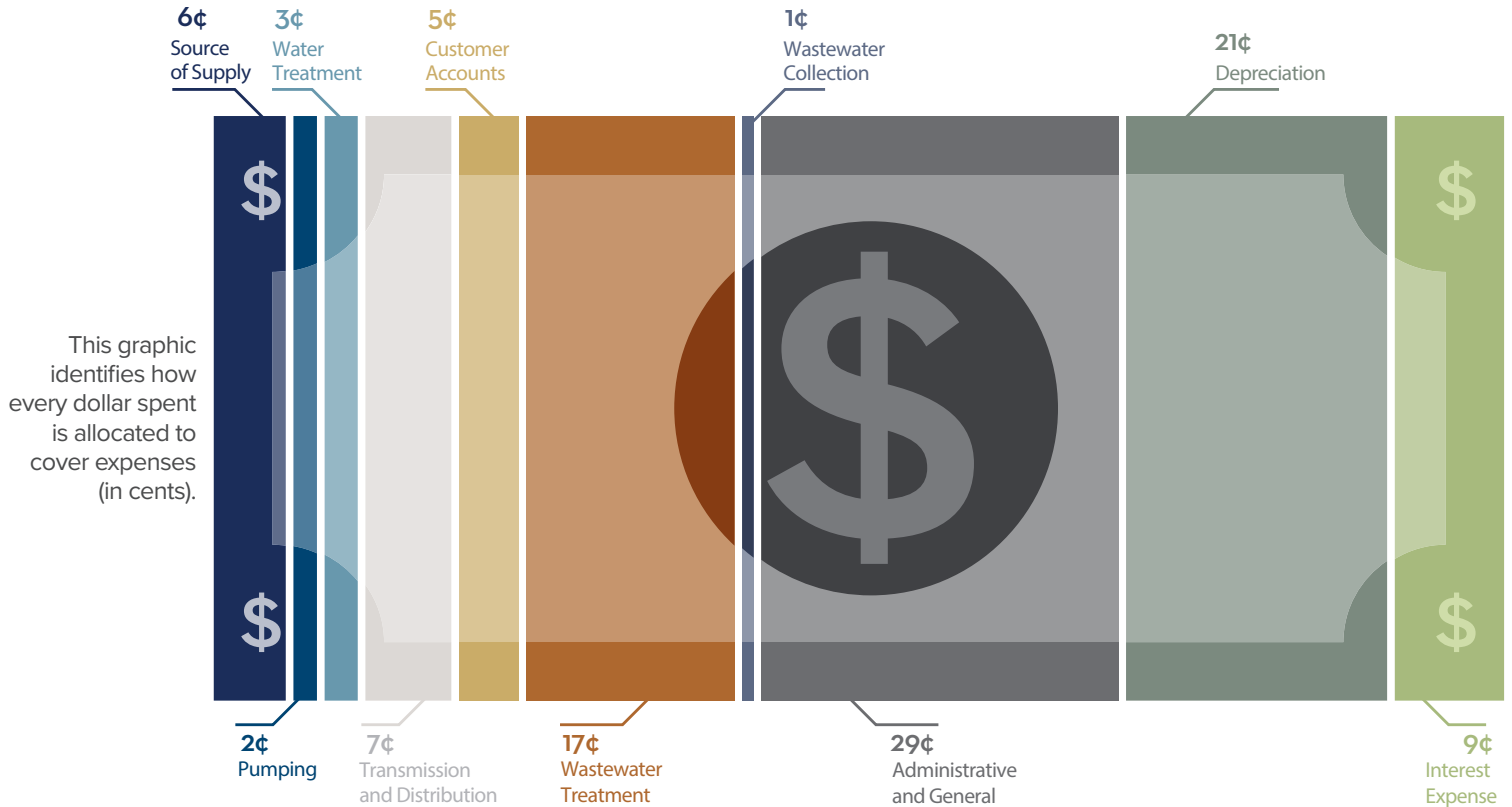


## Breakdown of Expenses

Expenses are the cost of providing water to meet customer demand and collecting and treating wastewater from customer residences or places of business.

East Valley Water District strives to provide safe and reliable water delivery services. The District has put forth significant effort to overcome the challenges of maintaining a fiscally sustainable and operationally dependable organization.

### EXPENSES



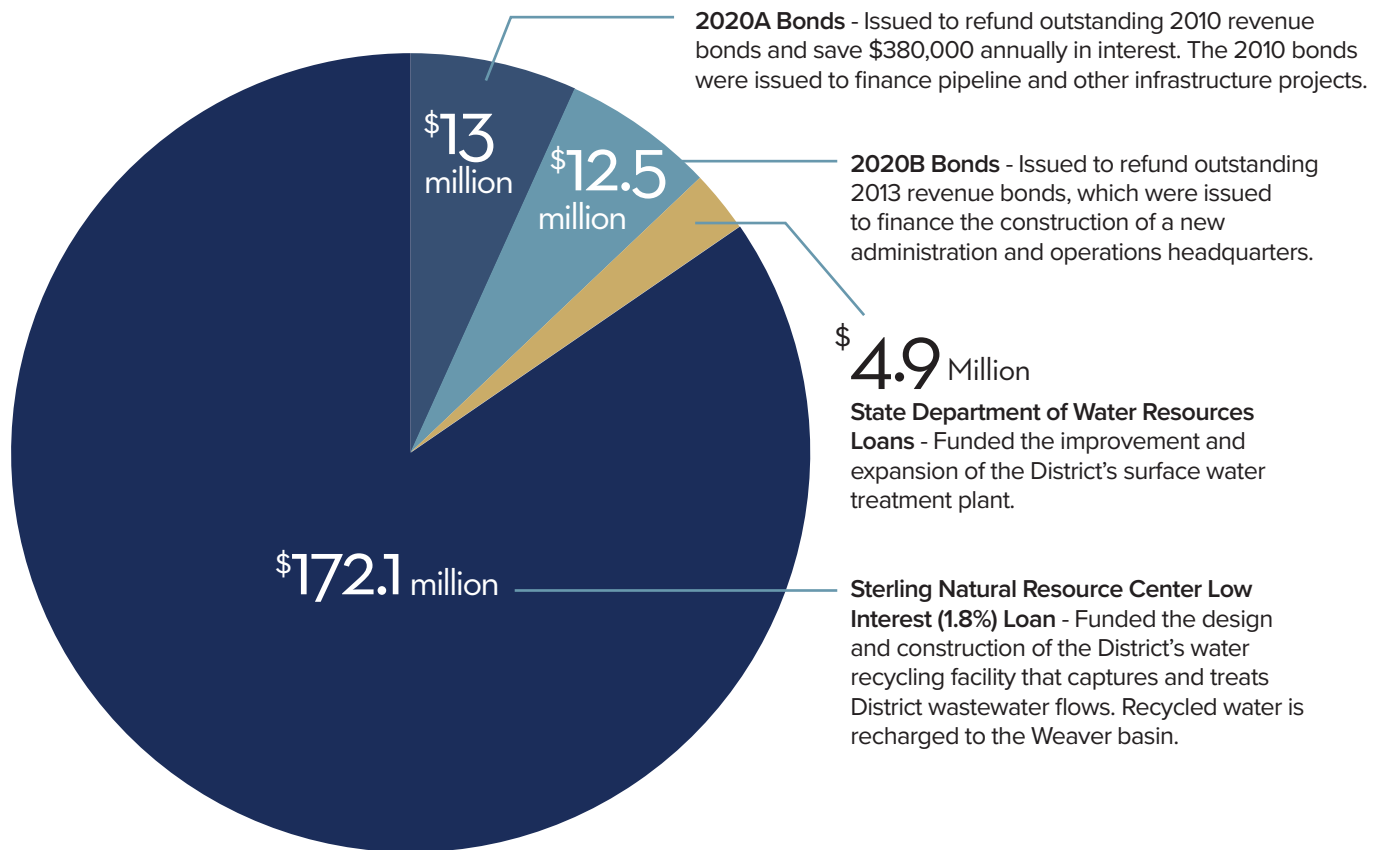
### Explanation of Expenses

- **Source of Supply** - Expenses related to the extraction of groundwater, and for procuring water from the Santa Ana River or State Water Project when supply is available.
- **Pumping** - Expenses related to moving water throughout the District's water distribution system.
- **Water Treatment** - Expenses related to the treatment of water.
- **Transmission and Distribution** - Expenses for transmitting water to treatment plants and storage reservoirs for distribution to commercial and residential customers.
- **Customer Accounts** - Expenses related to the service of customer accounts including, postage, telephone, printing and publishing, and billing services.
- **Wastewater Treatment** - Expenses related to the contracted service currently provided by the City of San Bernardino Municipal Water Department.
- **Wastewater Collection** - Expenses for the operation and maintenance of the District's system of wastewater collection pipelines.
- **Administrative and General** - Expenses related to the administration of District operations. For example, employee compensation, benefits, conservation rebates, office supplies, banking services, materials and supplies, utilities, fuel, permits, insurance claims, legal services, and printing and publishing.
- **Depreciation** - Expenses related to the use of capital assets over time.
- **Interest Expense** - Expenses incurred for borrowing funds.

## Outstanding Long-Term Debt

Much like how a mortgage is financed to spread costs over 30 years, East Valley Water District has incurred debt to fund large capital projects. The District has adopted a Debt Management Policy to clearly state that long-term borrowing is only to be used for Capital Improvement Projects that cannot be funded from current revenues.

Similar to an individual's credit score, public agencies have a bond rating used by investors to determine risk. The District has a bond rating of AA- by both Fitch and Standard and Poor's rating services. This is considered a high quality investment grade. An explanation of debt in millions is shown below.

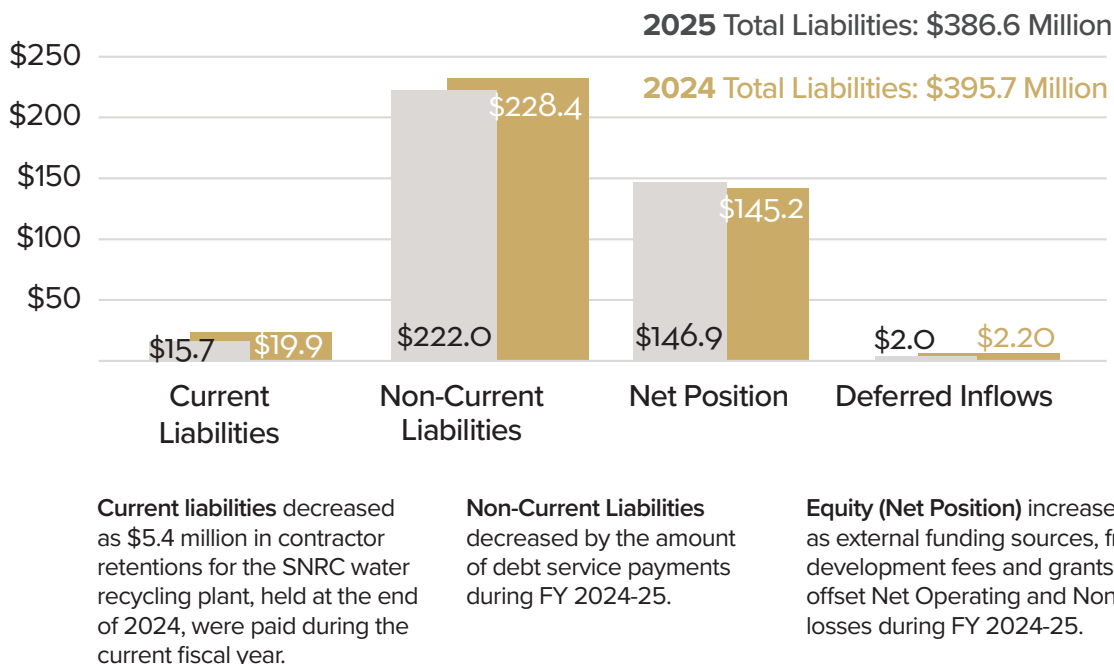
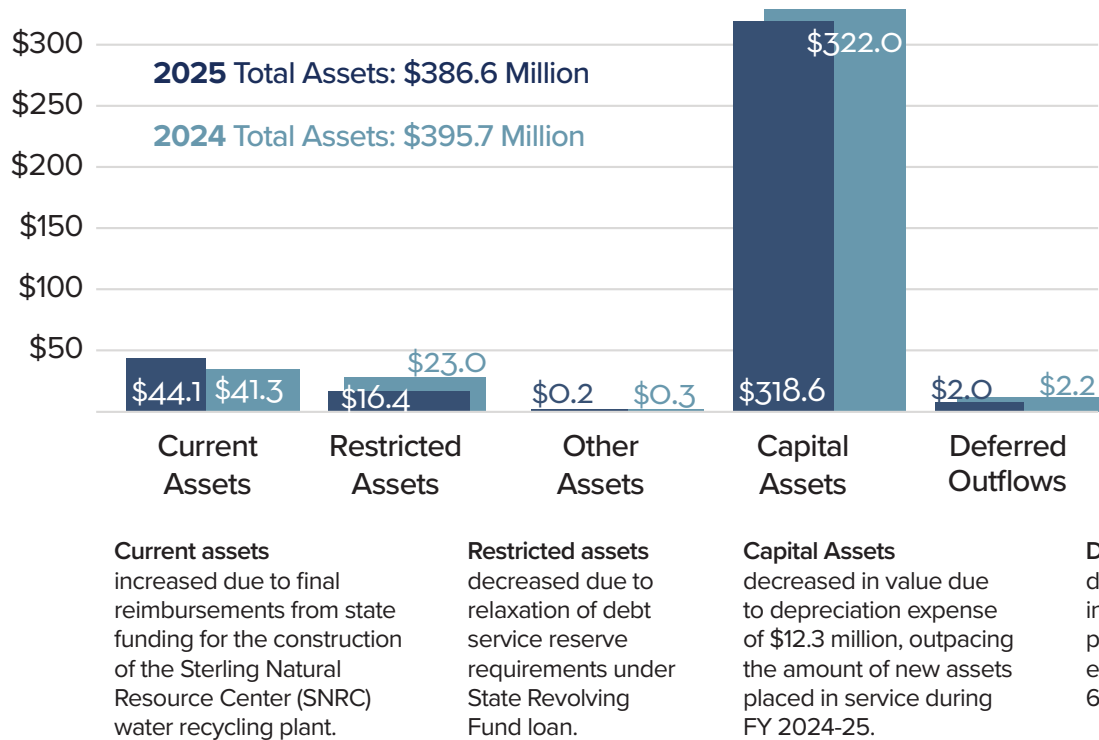


The District's long-term debt consists of bonds and zero or low-interest loans.



## Two-Year Comparative Net Position (In Millions)

As an infrastructure-based organization, the District directs significant resources in capital investments to maintain and improve its water and wastewater system. Comparative net position offers perspective of the District's assets, liabilities, and equity. The information presented below applies to fiscal years ended June 30, 2025 and 2024.



# EAST VALLEY

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## WATER DISTRICT

31111 Greenspot Road  
Highland, California 92346

East Valley Water District was formed in 1954 and provides water and wastewater services to over 108,000 residents within the cities of Highland and San Bernardino, and portions of San Bernardino County. The District operates under the direction of a 5-member elected Board.

[eastvalleywater.gov](http://eastvalleywater.gov)

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### Office Hours

Monday – Thursday 8:00am – 5:00pm  
2nd and 4th Tuesday 9:00am – 5:00pm  
Friday 7:30am – 4:30pm

### District Board Meetings

Second and Fourth Wednesday of Each  
Month at 5:00pm  
District Headquarters Board Room  
31111 Greenspot Road, Highland, CA 92346

Customer Service &  
After-Hours Emergency Service  
(909) 889-9501

District Headquarters  
31111 Greenspot Road  
Highland, California 92346

Sterling Natural Resource Center  
25318 5th Street  
San Bernardino, California 92410