

POPULAR ANNUAL FINANCIAL REPORT



Rialto, CA

Fiscal Year Ended June 30, 2025



TABLE OF CONTENTS

Introduction 01

Letter from the GM

About our District 02

Who we are
Organization Chart
Board of Directors
Community Engagement

Capital Improvement Projects 07

CIP Projects
Completed Projects FY 2024-25

Financial Performance 09

Earth Day, Regional Events,
Education Programs, Tours



Operating Expenses 10

Explanation of Expenses

District Revenues and Expenses 11

Three Year Comparative Revenues
Three Year Comparative Expenses
Long Term Debt

Net Position and Statement 14

Three Year Comparative

WELCOME MESSAGE



JOHN THIEL

General Manager

Dear Reader,

On behalf of the Board of Directors and staff of the West Valley Water District, it is our pleasure to present our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025. This report is designed to provide clear, accessible information about the District's organization, finances, water services, and other key initiatives.

Guided by the standards of the Government Finance Officers Association (GFOA), the PAFR reflects our ongoing commitment to transparency, accountability, and responsible stewardship of public resources.

The information presented in this report is drawn directly from the District's 2025 Annual Comprehensive Financial Report (ACFR), which was prepared in conformity with Generally Accepted Accounting Principles (GAAP) and audited by The Pun Group, LLP. We are proud to share that the District received an unmodified audit opinion—affirming that our financial statements present fairly, in all material respects, the financial position of the West Valley Water District.

As you review this PAFR, we hope it enhances your understanding of the District's financial health, operational priorities, and long-term commitments to the community we serve. For those interested in a more detailed review, both the 2025 Annual Comprehensive Financial Report and the Fiscal Year 2025–2026 Budget are available at **www.wvwd.org/transparency**.

Thank you for taking the time to learn more about West Valley Water District and the responsible financial practices that support our mission. Should you have any questions or comments, please feel free to contact the District's Finance Department.

Respectfully,

John Thiel

WHO WE ARE:

The West Valley Water District provides our community with high-quality and reliable water service in a cost-effective and sustainable manner.



32
Square
Miles



101,530 People
Served

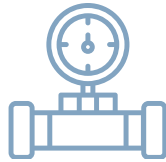
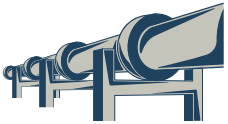


88 Team
Members



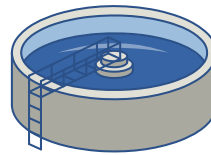
5 Inland Empire
Communities Served

419 Miles of
Pipeline



25,931
Service
Connections

26 Storage
tanks



3,823
Fire Hydrants

OUR VALUES



Innovation

WVWD fosters innovation, creativity, and ingenuity as we constantly seek to strengthen our services, programs, and practices.



Regional Partner

WVWD is a proactive leader and partner in regional collaboration projects and programs that improve our community and the water supply.



Preferred Workplace

WVWD offers an empowering work environment that promotes diversity, equity, and inclusion where employees can succeed.



Public Trust & Integrity

WVWD fosters a culture of openness, transparency, and accountability to our community and stakeholders.

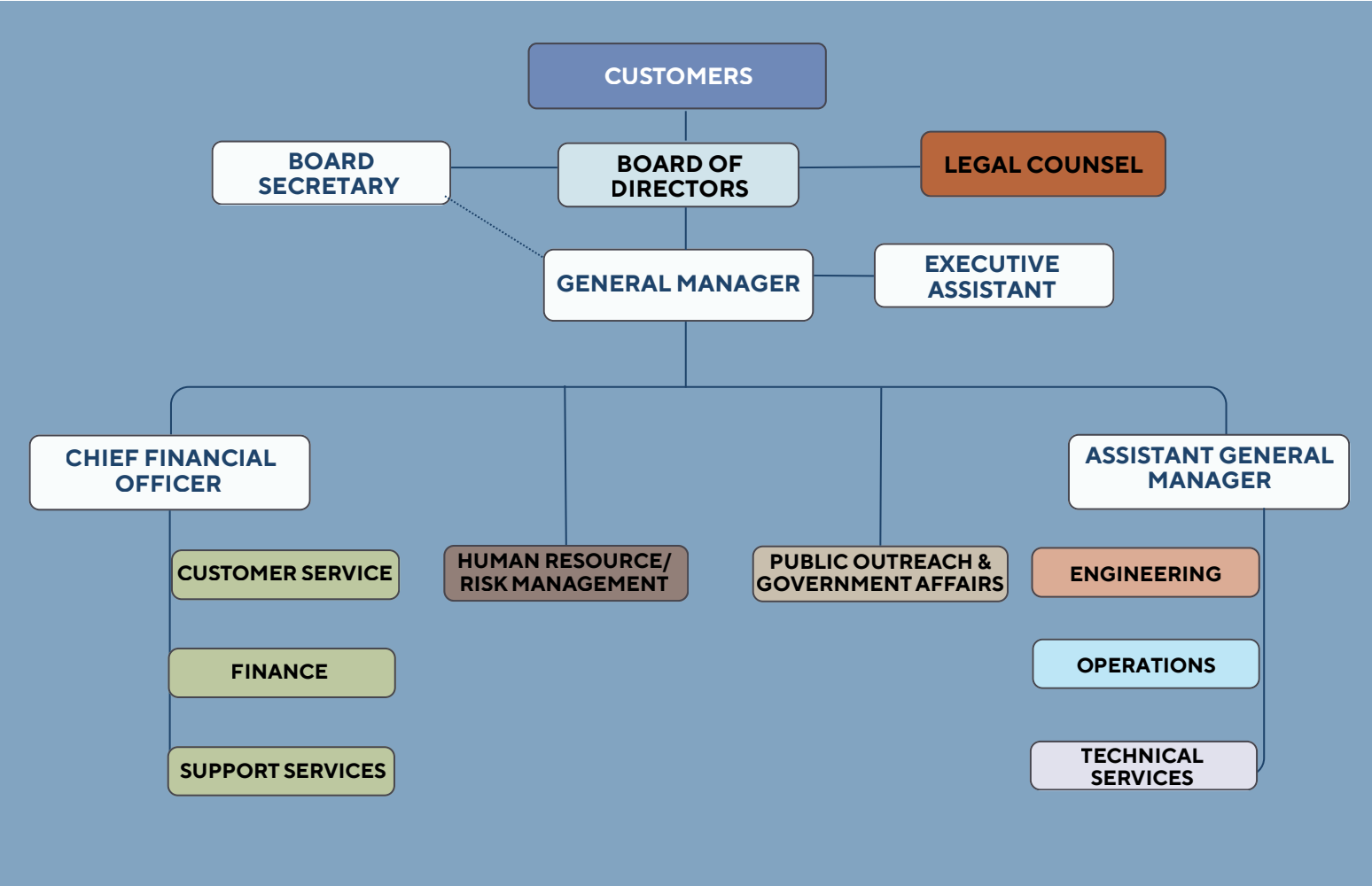


Sustainability

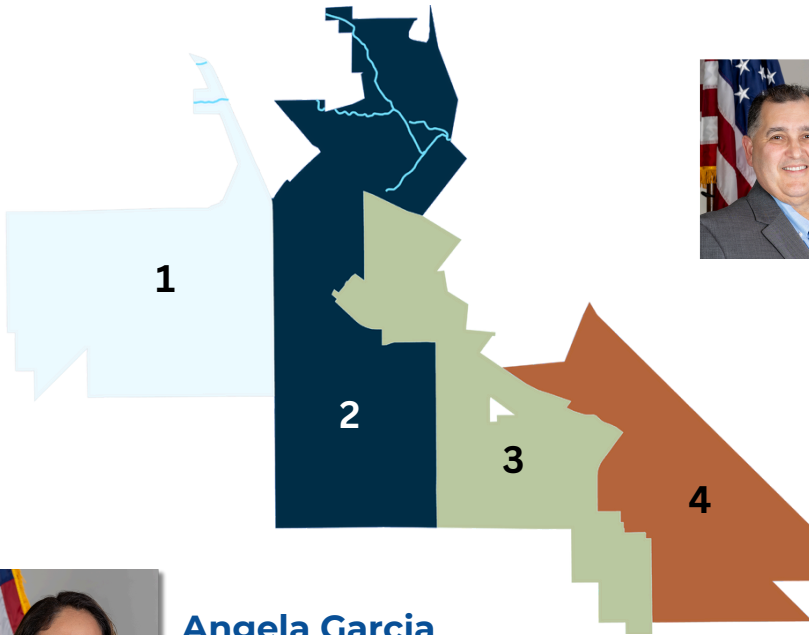
WVWD is committed to innovative solutions that support the long-term success of our organization.

ORGANIZATIONAL STRUCTURE

Below is the West Valley Water District’s organizational structure. The District employed 88 full-time water professionals during FY 2024 -25.



BOARD OF DIRECTORS



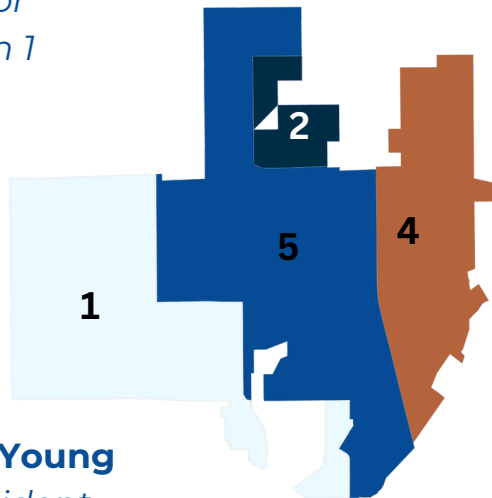
Daniel Jenkins
Vice President
Division 2



Kelvin Moore
Director
Division 3



Angela Garcia
Director
Division 1



Estevan Bennett
Director
Division 4



Greg Young
President
Division 5

Popular Annual Financial Reporting Award

We are proud to announce that West Valley Water District has once again obtained the Government Finance Officers Association (GFOA) award for outstanding achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2024.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

West Valley Water District
California

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Howell
Executive Director/CEO

WVWD COMMUNITY ENGAGEMENT

INVESTING IN OUR COMMUNITY AND YOUNG WATER STEWARDS

ANNUAL EARTH DAY EVENT

As part of our ongoing commitment to community outreach and education, WVWD proudly hosts events such as our annual Earth Day celebration. This year, we welcomed more than 200 second-grade students from Colton Joint Unified School District to our headquarters for a fun and enriching experience. Through a variety of interactive, staff-led stations, students explored the importance of water conservation, learned about careers in the water industry, and enjoyed a memorable day of hands-on learning.



SOCAL STEAM CHALLENGE

As a member of the event committee, WVWD staff collaborated throughout the year to support this regional program that brings together high school students from across the Inland Empire to compete while learning about water, engineering, and teamwork. A key initiative led by the District was helping guide the effort to update the organization's name and mission to better reflect the significance and impact of the event. As a result, the program is now known as the SoCal STEAM Challenge.



EDUCATION PROGRAMS

West Valley Water District offers annual programs that inspire future water leaders and encourage lifelong water-saving habits. WVWD's poster contest and scholarship program help raise awareness and spark student interest in water conservation among those who live or attend school within our service area. Together, these programs help nurture the next generation of water stewards, empowering young minds to protect and value our water resources for years to come.



CAREERS IN WATER

West Valley Water District is proud to invest in the next generation of water leaders. Our staff enjoys connecting with students throughout our service area, from elementary school through college, by inspiring curiosity about careers in the water industry and strengthening our ties to the community we serve. In addition to classroom presentations, WVWD participates in career fairs and provides educational materials and brochures to engage and inform our community.



DISTRICT TOURS

Whether hosting legislative leaders or welcoming community members, West Valley Water District is proud to offer tours that showcase the infrastructure behind our water system and show where all the “magic” happens. These tours provide a behind-the-scenes look at how we deliver reliable water every day. With the expansion of our Roemer Facility, WVWD is excited to offer even more opportunities for tours and community engagement in the future.



COMMUNITY OUTREACH

Recognizing the importance of community engagement, West Valley Water District participates in local community events as part of its outreach initiatives. These events serve as a platform to interact directly with the community it serves, by providing essential resources such as water-saving devices, educational materials, and information. WVWD aims to raise awareness about the importance of responsible water usage during these events. In addition, WVWD provides community sponsorships, underscoring our commitment to being more than just a water supplier, but a true partner within our communities.



CAPITAL IMPROVEMENT PROJECTS

WVWD's Capital Improvement Projects are essential investments in the reliability and efficiency of our water system. These projects help modernize aging infrastructure, enhance system resilience, and ensure we continue delivering high-quality water to our community today and for generations to come.

Reservoir R2-3

Re-coating and Modifications

In partnership with a developer, this project will provide a new coating, install safety upgrades and install a new cathodic protection system to the existing 4-million-gallon welded steel tank in Zone 2.



Project Cost: \$2,022,272

Oliver P. Roemer Water Filtration Facility

7.2 MGD Treatment Plant Expansion

Both Lytle Creek surface water and State Water Project water are treated at the District's Oliver P. Roemer Water Filtration Facility (Roemer Facility). The District is planning to expand the Roemer Facility to treat an additional 7.2 million gallons per day (MGD) of State Water Project water. This expansion will address infrastructure replacement and upgrade needs, increased demands, peak summer usage, and the loss of groundwater well supply due to various contaminants and declining groundwater levels.

The expansion will be constructed in phases; however, the ultimate 16-MGD Roemer Water Filtration Facility design will be completed as part of the initial phase.



Project Cost: \$63,807,852

COMPLETED PROJECTS FY 2024 -25

CIP PROJECT DESCRIPTION	PROJECT NUMBER	PROJECT COST
Annual R/R - Meter Vault Lid Retro Fits (QTY 4)	W23003	17,100.00
Booster Station 4-1 Pump Repairs/Rehab	W24021	18,487.04
Meter Vault Lid Retro Fits - Annual R/R	W24002	20,180.00
Tow Behind Message Board	W25032	20,565.21
Annual R/R - Meter Vault Lid Retro Fits (QTY 4)	W25006	22,000.00
Annual R/R - Meter Vault Lid Retro Fits	W22002	31,250.00
30 Foot Equipment Trailer	W25023	39,943.99
Well 15 VFD Conversion	W25040	40,493.80
New 4" Diesel Sludge Pump	W25020	44,998.24
Minor Building renovation Board Secretary Office	W23018	48,344.43
Material Yard - South District Service Area	W24003	50,326.00
Booster Station 3A-1 Pump Repairs/Rehab	W24020	57,086.03
New Arsenic Online Analyzer	W25009	61,103.18
Roemer Booster Pumps Rehab	W22004	78,357.03
Roemer Booster Pumps Rehab (QTY 9) EFFLUENT	W25014	86,486.43
Wrought iron security fence at Well 30	W25008	139,419.74
Advanced Metering Infrastructure AMI	W22020	151,823.75
Annual R/R - Meters and MXU's (QTY 714) FY2025	W25005	151,907.74
Meters and MXUs - Annual R/R	W24001	156,673.90
Fleet Trucks - Fully Equipped	W24019	171,820.22
Caterpillar Backhoe	W25025	182,313.64
Well 11 Rehabilitation	W25034	184,579.68
Ford F600 Utility Service Truck	W24024	236,998.01
Well 42 Rehabilitation	W24025	248,218.81
Well 2 Rehabilitation	W25038	269,306.10
Roemer Filter #5 Rehabilitation	W25011	592,016.00
Total Cost		\$ 3,121,798.97

FINANCIAL PERFORMANCE

SOURCES OF REVENUE

The District uses revenue to fund daily operations, repay loans, bonds and interest. Remaining revenue is invested back into Capital Improvement Projects to help maintain and improve the longevity and stability of the District's water system.

West Valley Water District receives 76.9% percent of its revenue from user rates and fees. Rates and fees are reviewed and adjusted as necessary to cover the costs of providing services to ratepayers.



Water Consumption

Volumetric revenue based on consumption of potable water.



Water Service Charges

Basic service charge based on number of connected meters.



Other Operating Revenue

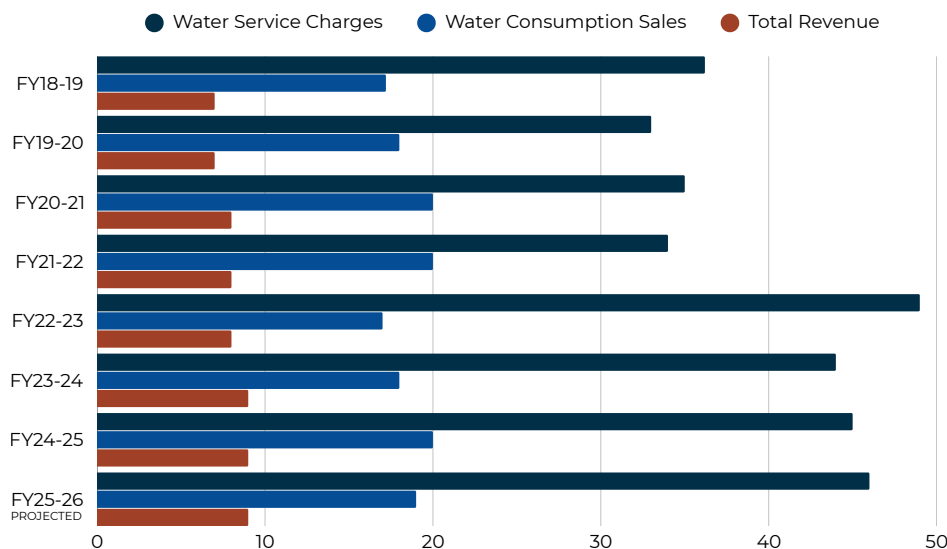
Construction meters, customer service charges/fees, backflow charges, engineering/developer fees, and meter fees.



Non-operating Revenue

Includes investment income and property taxes.

REVENUE HISTORY & FORECAST (IN MILLIONS)



WVWD derives 76.9% of its revenue from water consumption and water service charges. Weather patterns significantly influence water usage, with dry years typically leading to increased consumption.



OPERATING EXPENSES

Operating expenses are essential to ensuring the delivery of reliable water services that protect public health and the environment, while maintaining financial integrity and providing superior customer service. During fiscal year 2025, water consumption levels increased compared to fiscal year 2024. Higher water consumption resulted in increased water sales, which in turn led to higher expenses associated with water treatment and production.

EXPLANATION OF EXPENSES

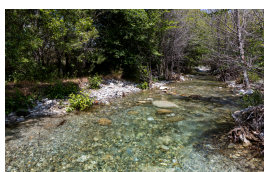
CUSTOMER ACCOUNTS

Expenses related to customer relationships. These include postage, telephone, printing and publishing, and billing services.



SOURCE OF SUPPLY

Expenses related to the extraction of groundwater, and for procuring water from the State Water Project.



GENERAL & ADMINISTRATIVE

Expenses related to the administration of the District operations. For example, office supplies, materials and supplies, insurance claims, legal services, and printing.



PUMPING

Expenses related to moving water throughout the District's water distribution system.



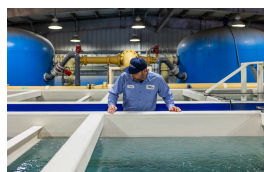
DEPRECIATION

Expenses related to the use of capital assets over time. It's a non-cash expenditure. Amortization for water participation rights is included.



WATER TREATMENT

Expenses related to the treatment of water making it potable.



PUBLIC AFFAIRS

Expenses related to water education, community outreach, and legislative affairs.



TRANSMISSION & DISTRIBUTION

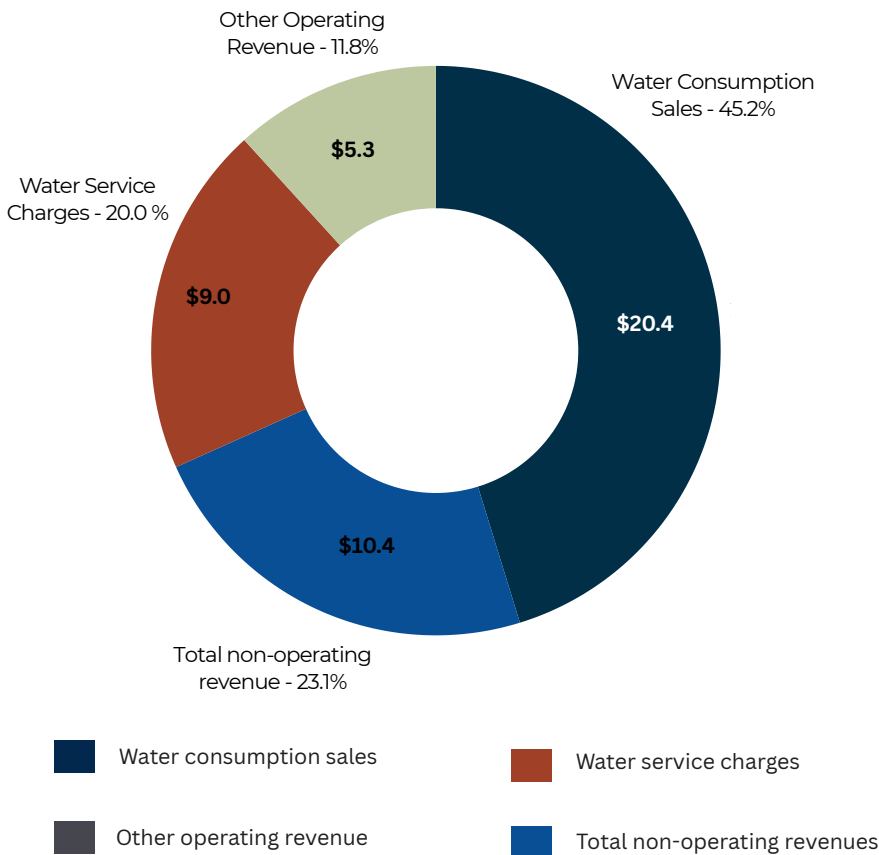
Expenses for transmitting water to treatment plants and storage reservoirs for distribution to commercial and residential customers.



DISTRICT REVENUES

Three Year Comparative Revenues

District Revenue		FY2023		FY2024		FY2025	FY24 to FY25 % Change
Operating Revenues:							
Water Consumption Sales	\$	17,318,706	\$	17,853,480	\$	20,380,439	14%
Water Service Charges		8,350,808		8,746,460		8,959,803	2%
Other Operating Revenue		15,721,986		5,612,568		5,310,473	-5
Total Operating Revenues		41,391,500		32,212,508		34,650,715	8%
Non-operating Revenues:							
Property Taxes	\$	3,738,692	\$	4,263,009	\$	4,564,248	7%
Gain on Disposition of Capital Assets		735,495		2,029,568		(649,966)	-132%
Interest and Investment Earnings		3,259,706		6,046,939		6,492,148	7%
Total Non-operating Revenues		7,733,893		12,339,516		10,406,430	-16%
Total Revenues	\$	49,125,393	\$	44,552,024	\$	45,057,145	1%



MAJOR CHANGES IN REVENUE

Operating Revenues

In fiscal year 2025, the District's operating revenues increased 8%, or \$2,438,207 primarily to an increase in water consumption sales.

Non-operating Revenues

In fiscal year 2025, the District's non-operating revenues decreased 16%, or \$1,933,086. Primarily due to a loss on disposition of capital assets.

DISTRICT EXPENSES

District Expenses

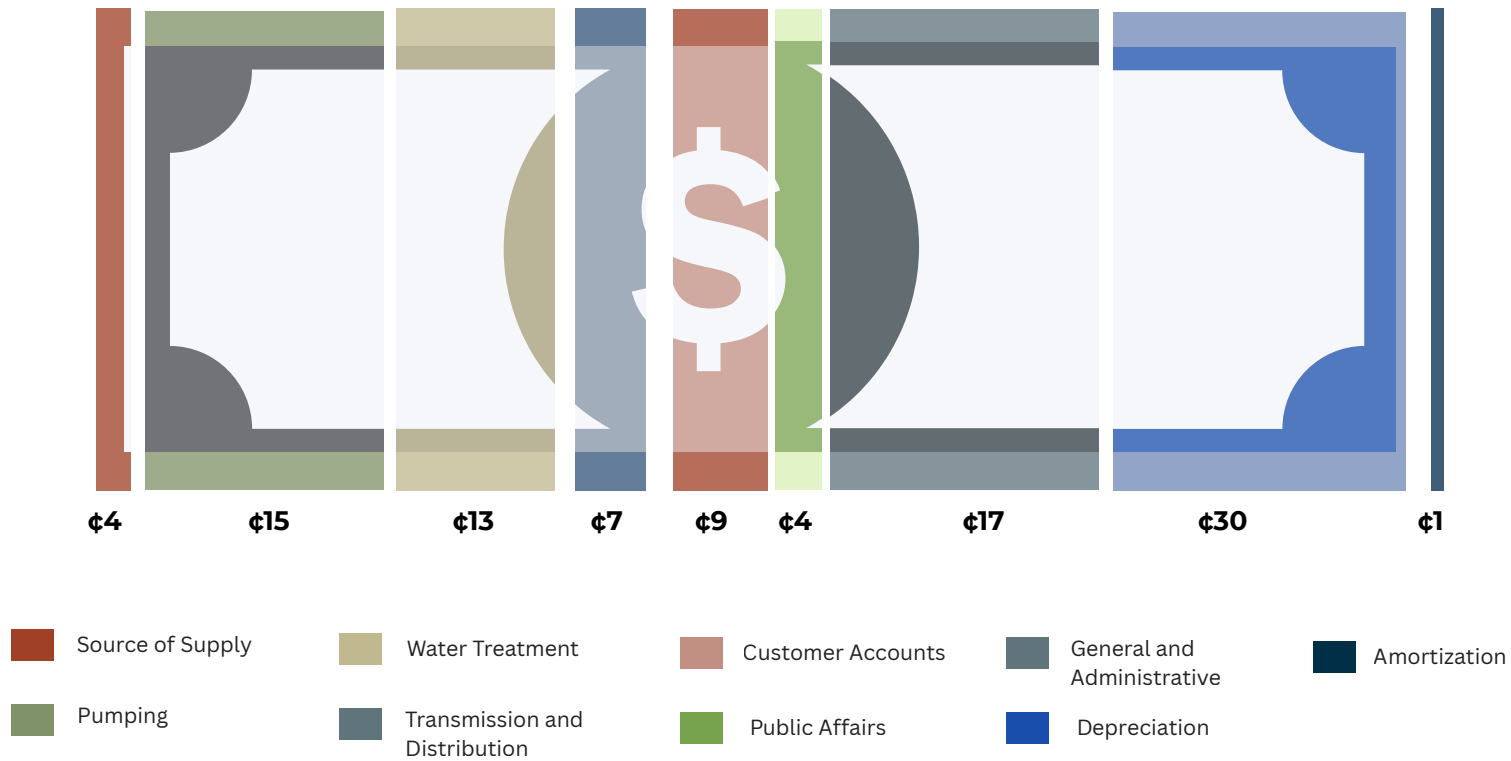
	FY2023	FY2024	FY2025	FY24 to FY25 % Change
Operating Expenses:				
Source of Supply	\$ 1,996,352	\$ 1,650,615	\$ 1,732,363	5%
Pumping	4,673,757	5,337,069	5,231,035	-2%
Water Treatment	4,679,730	5,082,226	5,901,423	16%
Transmission and Distribution	2,677,543	3,046,177	2,982,504	-2%
Customer Accounts	2,664,323	2,857,673	3,509,254	23%
Public Affairs	940,041	857,875	1,452,190	69%
General and Administrative	9,971,366	10,878,825	12,829,075	18%
Depreciation Expense	6,392,240	6,991,531	7,346,255	5%
Amortization of Water Participation Rights	370,216	434,230	436,921	1%
Total Operating Expenses	34,365,568	37,136,221	41,421,020	12%

Major Changes in Expenses

Operating Expenses

In fiscal year 2025, the District's operating expenses increased 12%, or \$4,284,799 primarily to an increase in public affairs, customer accounts, and general and administrative.

The dollar amount identifies how every dollar spent is allocated to cover expenses.



LONG TERM DEBT

The District adopted a Debt Management Policy to clearly state that long-term debt can only be used for Capital Improvement Projects that cannot be funded from current revenues.

A public agency has a bond rating used by investors to determine risk (similar to personal credit scores). The District maintains an AA- rating from Standard & Poor’s for the refunding revenue bonds. The rating was issued on May 9, 2025, and is considered high quality. This rating assesses a bond issuer’s financial strength to repay their debt on time.

Benefits of a good credit rating include easier access to borrow money and lower interest expense. Current bond covenants require that the debt coverage ratio be no less than 1.2 or 120% of annual debt service. The debt coverage ratio for FY 2024-25 is lower at 5.31. This reflects a solid financial position.

Long-term debt increased from \$45 million to \$72 million during FY 2024-25 due to the District obtaining a State Revolving Fund (SRF) Loan for the Roemer Treatment Plant Expansion Project. Principal payments for the SRF Loan will start in FY25-26.

<u>Debt Service Coverage</u>		FY2025	FY2024	% Change
Net Revenues (less interest & Investment earning)	\$	45,057,145	\$ 44,552,024	1.13%
Total Operating Expenses (less depreciation & amortization)		33,638,510	29,710,460	13.22%
Net Earnings	\$	11,418,635	\$ 14,841,564	-23.06%
Bond Debt Service		2,150,384	2,020,870	6.41%
Debt Coverage Ratio		5.31	7.34	-27.70%



Long Term Debt

Beginning: \$45,007,120

Ending: \$72,060,428

Bond Series 2016A

This bond was issued to provide funds: (i) to prepay all amounts payable under the Series 2006D-2 Bonds; and (ii) pay costs of issuance of the 2016A Bonds.

BALANCE:
\$19.3 Million

Hydroelectric Plant

Agreement with San Bernardino Valley Municipal Water District to finance and construct Roemer Hydroelectric Station.

BALANCE
\$0.9 Million

Water Participation Rights Contract

The District acquired water participation rights from San Bernardino Valley Water District. These rights entitle the District to purchase water from the Baseline Feeder system.

BALANCE
\$4.9 Million

State Revolving Fund Loan

The District obtained a Drinking Water State Revolving Fund Loan to fund the Roemer Treatment Plant Expansion Project.

BALANCE
\$46.6 Million

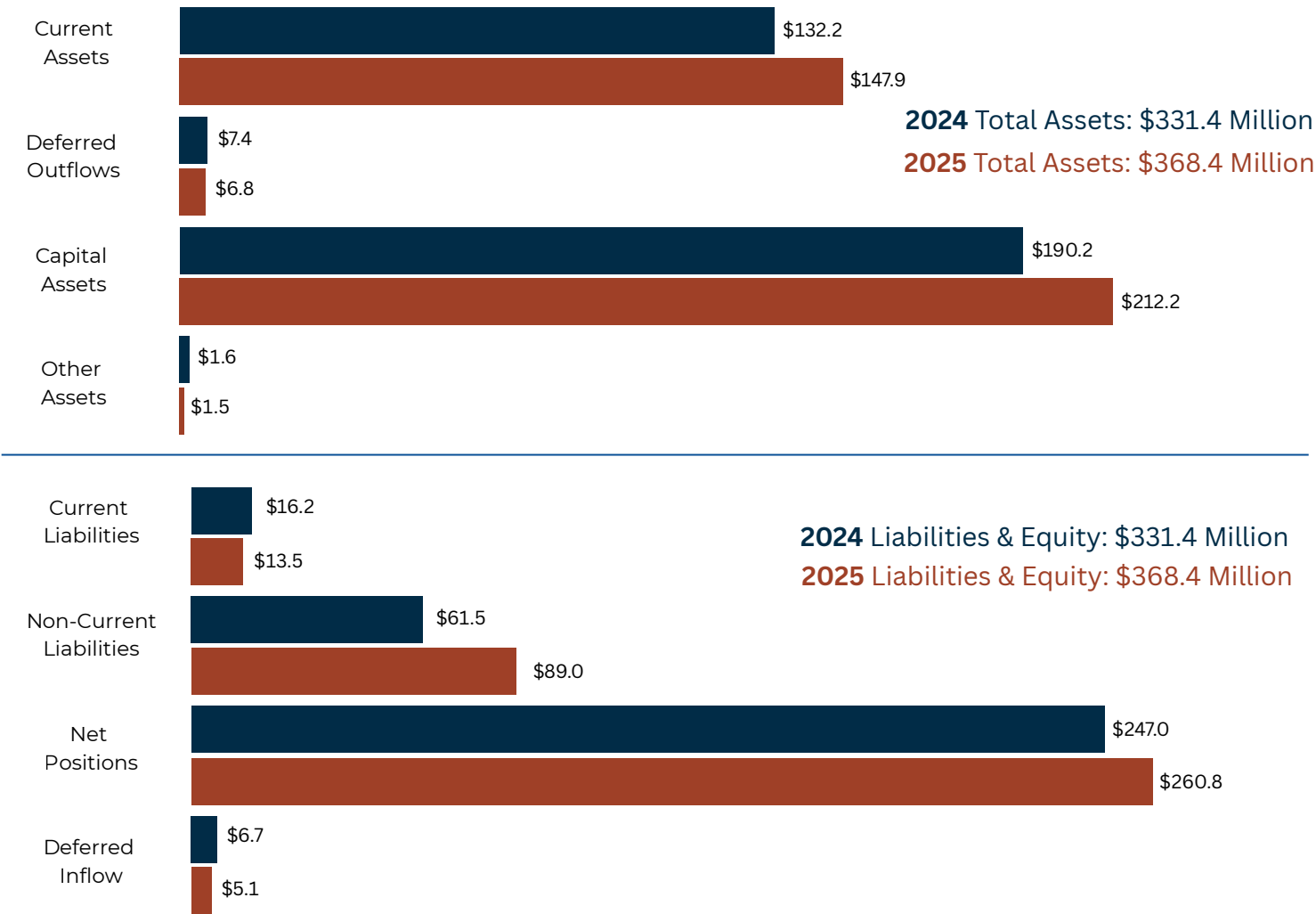
Subscriptions Payable

Subscription liabilities due to any subscription payments to a SBITA vendor.

BALANCE
\$0.2 Million

TWO-YEAR COMPARATIVE NET POSITION (IN MILLIONS)

As an infrastructure-based organization, the District directs significant resources toward capital investments to maintain and improve its water system. The comparative net position provides perspective on the District’s assets, liabilities, and net position. The information presented below applies to the fiscal years ended June 30, 2025 and 2024.



EXPLANATIONS OF ASSETS

Current Assets: Cash and cash equivalents, customer utility receivables, inventory, prepaid expenses, and other liquid assets that can be readily converted to cash.

Capital Assets: Includes land, buildings, equipment, vehicles, inventory, treatment plants, pipeline and water distribution systems.

Deferred Outflow of Resources: Represents outflow of resources that apply to future periods, therefore, will not be recognized as an expense until that time.

Other Assets: Special assessments receivable from certain property owners for system improvements that benefit only their properties.

EXPLANATIONS OF LIABILITIES AND EQUITY (NET POSITION)

Current Liabilities: Present obligations and payments due including payments to vendors, payroll, and employee benefits.

Non-Current Liabilities: Long-term financial obligations include payments for loans, bonds, and employee retirement benefits.

Deferred Inflow of Resources: Receipt of net assets attributed to future reporting periods, such as deferred revenue and advance collections.

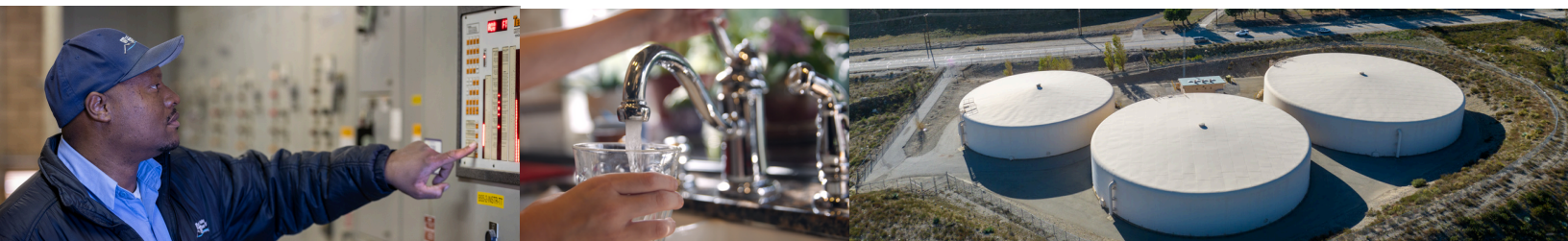
Equity (Net Position): Represents the District’s fiscal position after assets, liabilities, deferred outflow, and deferred inflow have been balanced.

THREE YEAR COMPARATIVE NET STATEMENT

Net position may gradually serve over time as a useful indicator of an agency's financial position. Net position of the District was \$260,816,915 and \$247,031,975 for the years ended June 30, 2025 and June 30, 2024, respectively. This means that the District's overall financial position is better off by \$13,784,940 over the prior year. In the case of the District, net position has been increasing when comparing Fiscal Year 2023 to 2024. When comparing Fiscal Year 2023 to 2025, the change is an increase of \$49,255,396.

Condensed Statement of Net Position

	FY2023	FY2024	FY2025
Assets			
Current	\$ 128,154,026	\$ 132,212,082	\$ 147,842,777
Non-current	1,609,736	1,557,173	1,503,320
Capital Assets	136,622,774	190,223,326	212,228,835
Total Assets	266,386,536	323,992,581	361,574,932
Deferred outflows of resources	7,972,075	7,425,051	6,838,871
Liabilities			
Current liabilities	11,502,920	16,249,238	13,480,105
Non-current liabilities	43,075,441	61,466,898	88,960,077
Total Liabilities	54,578,361	77,716,136	102,440,182
Deferred inflows of resources	8,218,731	6,669,521	5,156,706
Net Position			
Net investment in capital assets	108,469,538	139,078,911	137,603,091
Restricted	47,719,572	29,188,714	57,007,954
Unrestricted	55,372,409	78,764,350	66,205,870
Total Net Position	\$ 211,561,519	\$ 247,031,975	\$ 260,816,915



MORE INFORMATION ABOUT OUR DISTRICT



PHONE :

909-875-1804

ADDRESS :

855 W. Baseline Rd., Rialto, CA 92376

WEBSITE :

www.wvwd.org

EMAIL ADDRESS :

Customerservice@wvwd.org

THANK YOU!

We appreciate the confidence placed in West Valley Water District. Through sound financial management and responsible planning, we remain committed to protecting our water resources and providing dependable, high-quality service to our customers.