

POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025
Santa Clarita, California



Transparency in
Every Drop
FOR SCV WATER CUSTOMERS

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	I
OUR STORY	1
STRATEGIC PLAN GOALS	2
BY THE NUMBERS	3
WATER SAVINGS AND RESOURCES	4
HUMAN CAPITAL MANAGEMENT SYSTEM IMPLEMENTATION	5
COMMUNITY ENGAGEMENT	6
CAPITAL IMPROVEMENT PROJECTS	9
FINANCIAL HIGHLIGHTS	11
Revenues by Sources	11
Expenses by Department	12
Understanding Financial Numbers	13
Debt Management	15
FINANCIAL REPORTING AND AWARDS	16
CONTACT INFORMATION	BACK

ORGANIZATIONAL STRUCTURE

Board of Directors

The Agency is governed by a nine-member Board of Directors, elected within three electoral divisions. Officers of the Board include a president and two vice presidents. The Board also appoints a general manager, a treasurer and an auditor.



Maria Gutzeit
President



Gary R. Martin
Vice President



William C. Cooper
Vice President



Kathye Armitage
Director



Ken Cooper
Director



Dirk S. Marks
Director



Dan Masnada
Director



Piotr Orzechowski
Director



Kenneth J. Petersen
Director

Executive Management

Our Executive Management team oversees the major strategic direction of the Agency. They work together to ensure that our Agency runs efficiently to serve our customers with reliable, dependable water 24/7.



Matthew Stone
General Manager



Stephen Cole
Assistant
General Manager



Rochelle Patterson
Assistant General Manager
- Finance & Administration



Courtney Mael
Chief Engineer



Keith Abercrombie
Chief Operating Officer

LETTER OF TRANSMITTAL

Dear SCV Water Customers:

We invite you to explore this year's Popular Annual Financial Report (PAFR) and get an inside look at your local water agency - SCV Water. Here you'll discover what we do, how we manage our finances, and the steps we take to provide you with safe, reliable water every day.

Our commitment to responsibly managing ratepayer funds and communicating with transparency runs deep. This report highlights key financial information for the fiscal year ending June 30, 2025, in a format that's clear and easy to understand.

The information in this PAFR is drawn directly from our Annual Comprehensive Financial Report (ACFR), which is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and applicable Governmental Accounting Standards Board pronouncements (GASB). While this report has not been audited, the financial data comes from the same source as the ACFR, which is audited annually by the independent accounting firm Eadie and Payne, LLP.

If you have ever wondered where our water comes from, how we make it safe to drink, or how we deliver it to your home 24/7, you'll find the answers here - along with an overview of how we ensure financial health and stability for future use.

Thank you for taking the time to learn more about SCV Water and how we efficiently manage our finances so we can continue to provide reliable supplies of high-quality water at a reasonable cost to the Santa Clarita Valley.

Sincerely,

Rochelle Patterson, MPA

Assistant General Manager - Finance & Administration
Santa Clarita Valley Water Agency



WHERE OUR
WATER COMES
FROM



HOW WE MAKE
IT SAFE TO
DRINK



HOW WE
DELIVER IT
24/7



OUR STORY

■ SCV Water, a Regional Water Leader



SCV Water has proudly served as the Santa Clarita Valley's regional water leader since January 2018, when local water suppliers united to form a single, full-service agency. Since then, our dedicated team has built strong partnerships and implemented innovative water solutions to meet the needs of nearly 300,000 people. We remain committed to delivering safe, reliable water to our community at a reasonable cost.

OUR POPULATION

Nearly 300,000

SERVICE CONNECTIONS

75,500+

SERVICE AREA

196.8 Square Miles

■ Our 2024 Water Supply

SCV Water invests in a diverse portfolio of water. The amount of water from each source can change year-to-year, depending on climate and other factors. For 2024, our supply looked like this:



26% GROUNDWATER

Local and sustainable, this source is found in the cracks and crevices of soil and rock, between 200 and 2,000 feet beneath our valley, and is accessed through wells. Availability can be impacted by climate, as well as contamination by manufactured chemicals.



57% IMPORTED WATER

[State Water Project (40%), Transfer Water (17%)]

State Water Project supplies travels hundreds of miles from the Sierra Nevada throughout California. Highly dependent on the climate, we may get anywhere from 0-100% of our allocation. Transfer water is purchased annually and not subject to allocation changes.



1% RECYCLED WATER

Recycled Water is used only for outdoor irrigation. SCV Water is working on a master plan to increase use up to 8,000 acre-feet (AF) per year.



16% BANKED WATER and other dry-year reserves

SCV Water has invested in "water banks" in Kern County, just north of Santa Clarita Valley. We add water during wet years and take water in dry years. Other dry year reserve storage is utilized when available, but is not guaranteed.

From Snow-Pack To Supply

Between 2024 and 2025, California experienced a mix of hydrological highs and lows with periods of storms followed by dry spells, but in the end, it was classified as another average water year. Overall, State snowpack for the Fiscal Year 2024/25 winter measured slightly below normal at 96% on April 1, 2025. This snowpack is accounted for in SCV Water's imported water supply, resulting in the Agency receiving 50% of its state water supply in 2025.

The Agency will continue to put water back into its reserve programs to help ensure a reliable water supply for future dry years or potential emergencies.

STRATEGIC PLAN GOALS

SCV Water's goals are vital to guiding our Agency in delivering safe, reliable water to our community.



CUSTOMER AND COMMUNITY

Implement and communicate policies supporting the social, quality of life, and environmental values of the community.



WATER SUPPLY AND RESOURCE SUSTAINABILITY

Implement programs to ensure the service has reliable and sustainable supplies of water.



RELIABLE INFRASTRUCTURE

Implement, Operate and Maintain water infrastructure to ensure sustainable water service provision.



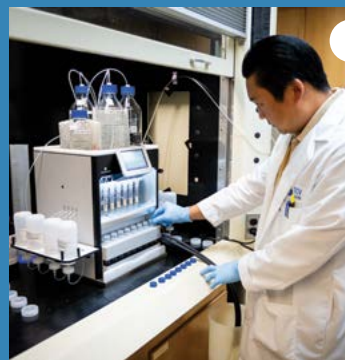
HIGH PERFORMANCE TEAM

Grow a culture of continuous improvement that fosters SCV Water's values.



FINANCIAL RESILIENCY

Maintain a long-range, transparent, stable, and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges.



WATER QUALITY AND ENVIRONMENT COMPLIANCE

Protect the quality of our water supplies and environment and ensure our drinking water quality is consistent and meets or surpasses all water quality requirements.

WATER YOU CAN RELY ON

Measuring What Matters

Our skilled team of water professionals conducts thousands of tests annually to ensure the highest quality for the water we serve. Backed by an extensive system of storage facilities, pumps, pipelines, and other infrastructure, SCV Water operates around the clock to provide continuous service to nearly 300,000 residents.

SCV Water does not profit from the water sold to our customers as a public water agency. The money paid from customer bills is reinvested into our operations, maintenance, and water delivery to ensure you receive water 24/7.



252
EMPLOYEES



967
MILES OF
PIPELINE



20
WELLS IN
SERVICE



7,986
HYDRANTS



103
STORAGE
RESERVOIRS



20,000+
ANNUAL
WATER TESTS



27,354
VALVES



75,500+
SERVICE
CONNECTIONS



126,100
ACRES OF
SERVICE AREA



19.5+ BILLION
GALLONS
OF WATER SERVED
IN FY 2024/25



87
BOOSTER PUMP
STATIONS



171 MILLION
GALLONS
WATER STORAGE
CAPACITY

SUPPORTING SUSTAINABILITY

Expanding Recycled Water Infrastructure

SCV Water's sustainability and conservation programs are designed to make every drop count. By reducing water waste, promoting efficiency, and expanding the use of recycled water, we help protect and extend our drinking water supplies for the Santa Clarita Valley.

In 2024, the Agency advanced its Recycled Water Purple PREP (Planning, Readiness, and Effectuating Program) by partnering with customers across the community. As part of this effort, customers in the Phase 2B, 2C, and 2D expansion areas were invited to convert irrigation systems to recycled water. The Agency provided design assistance, financial incentives, and technical support to ensure conversions met all health and safety requirements.

These efforts pay off in a big way. Once landscapes are converted to recycled water, the Agency will conserve approximately 200 million gallons of drinking water every year — protecting supplies for homes and businesses while putting recycled water to smart, beneficial use.

For more information, visit yourSCVwater.com/recycled-water



Resources & Programs



Smart Controller Rebates



Pool Cover Rebates



Rain Barrel Rebates



Healthy & Efficient Landscape (HELP) Rebates



Landscape Beautification Program and Turf Conversion Incentives



Water Efficiency Kits



Home Water Efficiency Check-Ups



Residential WaterSMART Workshops



Educational Videos



Business Programs On-Site CII Check-ups



Water Efficiency Rebates



School High-Efficiency Retrofit Program



Multifamily Apartment Programs

For more information, visit yourSCVwater.com/rebates

HUMAN CAPITAL MANAGEMENT (HCM) SYSTEM IMPLEMENTATION

Enhancing Work Support and Operational Efficiency

At SCV Water, we believe in innovation and efficiency. Over the past two years, our Human Resources and Payroll teams have worked diligently to implement a new Human Capital Management (HCM) system. The goal: streamline operations, reduce costs, and align departments under a unified, Agency-wide platform.

The system includes key modules such as Core HCM, Talent and Performance Management, Benefits, Onboarding, Recruiting, Journeys, Payroll, Time & Labor, and Absence Management. Together, these tools modernize the way we support our workforce.

By implementing the HCM system, SCV Water has strengthened its ability to support employees, optimize operations, and plan for the future — all while keeping efficiency and accountability at the forefront.



Time & Cost Savings

Eliminated manual data entry and paper record searches; reduced redundancy



Centralized Benefits

Improved accuracy and response times; better employee experience through self-service



Unified Records System

Single source of truth for HR and payroll data, integrated across Agency systems



Analytics & Productivity

Robust reporting tools for trend analysis, forecasting, performance tracking, and decisions



Compliance & Productivity

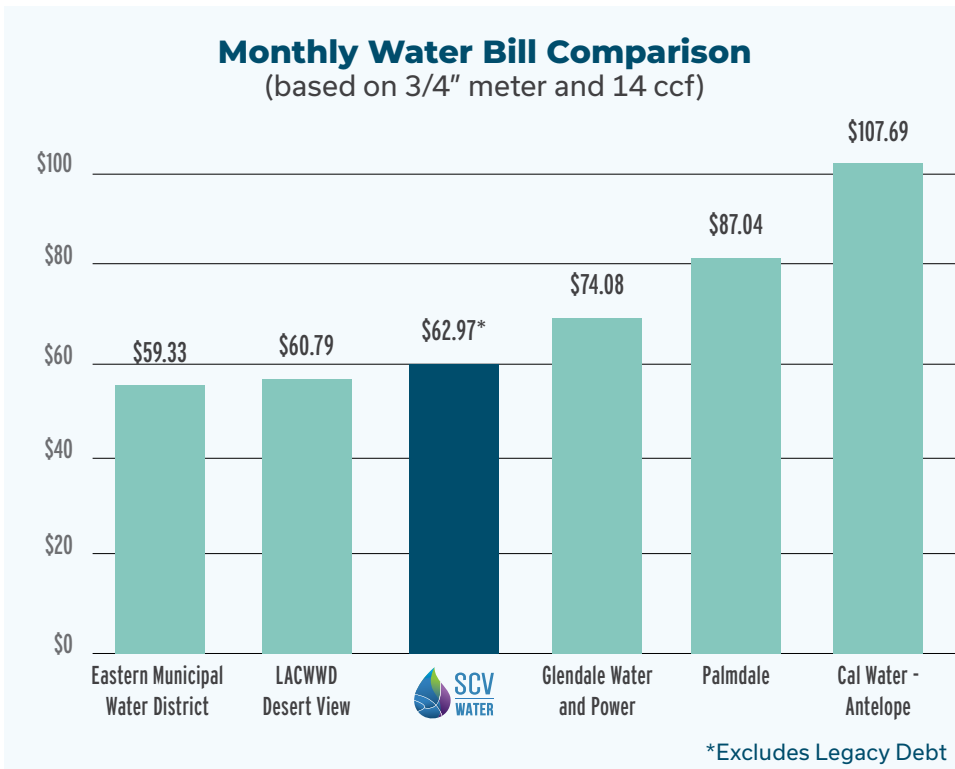
Reduced manual payroll tasks, improved compliance, and boosted staff satisfaction

COMMUNITY ENGAGEMENT

SCV Water is more than just a water provider, we are a trusted community partner and recognized leader in the water industry. Our mission goes beyond delivering clean, reliable water, it is about creating meaningful connections, fostering transparency, and enriching the lives of those we serve. Through hands-on workshops, educational events, customer-driven programs, and industry leadership, we are committed to serving the Santa Clarita Valley with excellence and integrity.

2025 RETAIL WATER RATE STUDY

In fiscal year 2024/25, the Agency completed a detailed and collaborative seven-step process to develop the 2025 Cost of Service and Rate Study. The goal was to make sure rates are fair, reflect the actual cost of service, and keep the process open and transparent, with input from both the Board and customers throughout the process.



A key part of this effort was an Affordability Study, which looked at how the proposed rate changes might impact customers—especially low-income households. Using national benchmarks, the study measured the potential effects and helped the Agency explore ways to reduce financial strain, such as using reserves or delaying certain projects and expenses.

This process is essential for both the Agency and its customers because it helps ensure long-term financial stability, promotes fairness, and builds public trust through transparency. By conducting a cost of service and rate study every three (3) to five (5) years, the Agency ensures a balanced approach—making sure that the revenue collected from its customers adequately covers the costs of delivering water and maintaining water infrastructure.

For more information, visit yourscvwater.com/financial-information



BY THE NUMBERS:

Community Outreach Highlights

- 20+ Community events
- 12+ Pop-up booths
- 55+ SCV Water Academy participants since launch
- 9,371 students and 629 adults reached through SCV Water's TK-8 education program

EXCELLENT SERVICE

Annually, we assist around **60,000** customers over the phone. Additionally, we welcomed **4,500** individuals in our lobby, and our field staff made over **39,000** field visits to customers' homes.

 **60,000**
Customers Assisted

 **4,500**
Customers visited SCV

 **39,000**
Homes Assisted



WATER WISDOM:

Educating current customers and the next generation

At SCV Water, education is at the heart of what we do. By fostering water literacy, we empower our community to take meaningful action at home, at school, and throughout the Santa Clarita Valley.

Here's how we make water education engaging, inclusive, and transformative:

- **SCV Water Academy:** A behind-the-scenes program that educates residents on local water systems, treatment, and sustainability.
- **Scout Days:** Fun, hands-on events where scouts earn badges while learning about water conservation and the water cycle.
- **School Partnerships:** Engaging TK-8 programs that bring water science into classrooms and connect students with real-world water issues.
- **Internship Programs:** Offers students valuable, real-world experience across water industry careers, from our Fleet to our Safety team.

Whether it is teaching the basics of where water comes from or shaping the next generation of water leaders, SCV Water is committed to lifelong learning and community empowerment.

SMARTER ACCESS FOR CUSTOMERS

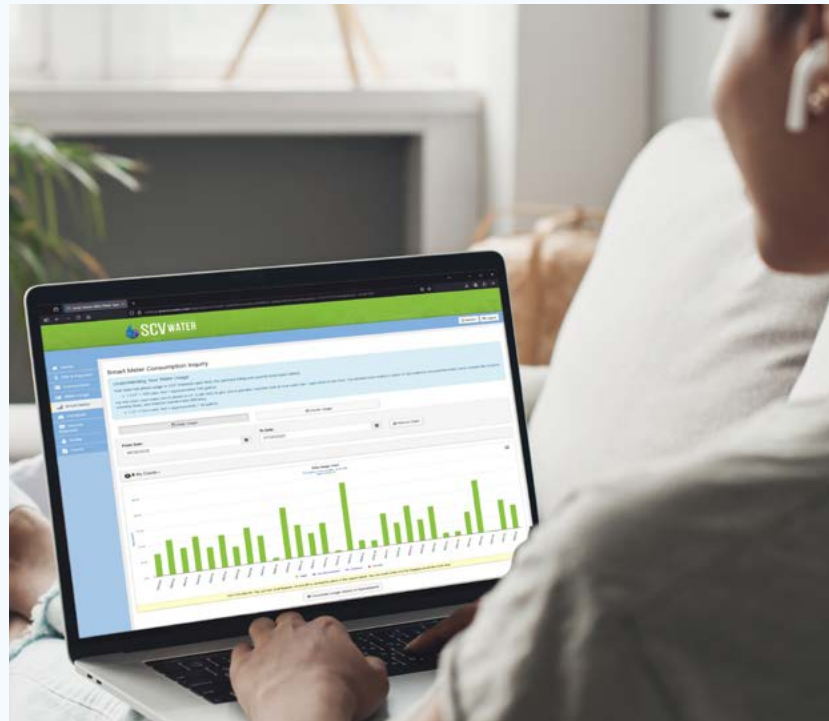
Leveraging AMI and the Customer Portal

At SCV Water, we strive to make every customer interaction seamless and responsive—from starting service to billing questions and usage concerns. To enhance service, we are currently upgrading to Smart Meters with Advanced Metering Infrastructure (AMI) technology.

These upgrades improve efficiency and give customers near real-time access to water-use data through our online portal. Customers can now track daily use, spot leaks, adjust habits, and better manage bills.

With about 15,000 meters left, we expect full AMI conversion by December 2027. Looking ahead, we're exploring a mobile app with chat support to make customer service even more accessible.

For more information, visit yourSCVwater.com/customer-care



STRENGTHENING SAFETY AND RESILIENCE

SCV Water prioritizes the safety of employees, facilities, and infrastructure. In 2025, we expanded surveillance, strengthened badge and access protocols, and provided workplace violence prevention training. Our Security Operations team also coordinated with the Los Angeles County Sheriff's Department for active shooter preparedness and partnered with federal agencies, including the FBI and Cybersecurity and Infrastructure Security Agency (CISA), to stay ahead of evolving threats. These proactive measures strengthen our ability to deliver safe, reliable water to the community.

SAFEGUARDING DATA, STRENGTHENING TRUST

Cybersecurity is a key part of SCV Water's Strategic Plan, ensuring resilience, reliability, and public trust. You may not see it, but behind every drop we deliver a secure stream of data that keeps our systems running and your information safe.

At SCV Water, cybersecurity isn't just an IT buzzword — it's part of our daily routine to protect what matters most: your water, your information, and our operations.

What Cybersecurity Means for a Water Agency

- Protecting customer data through encryption and best-in-class privacy tools
- Monitoring and testing systems to catch issues before they become problems
- Training staff to recognize cyber threats like phishing and ransomware
- Building resilience so that even during an incident, water keeps flowing

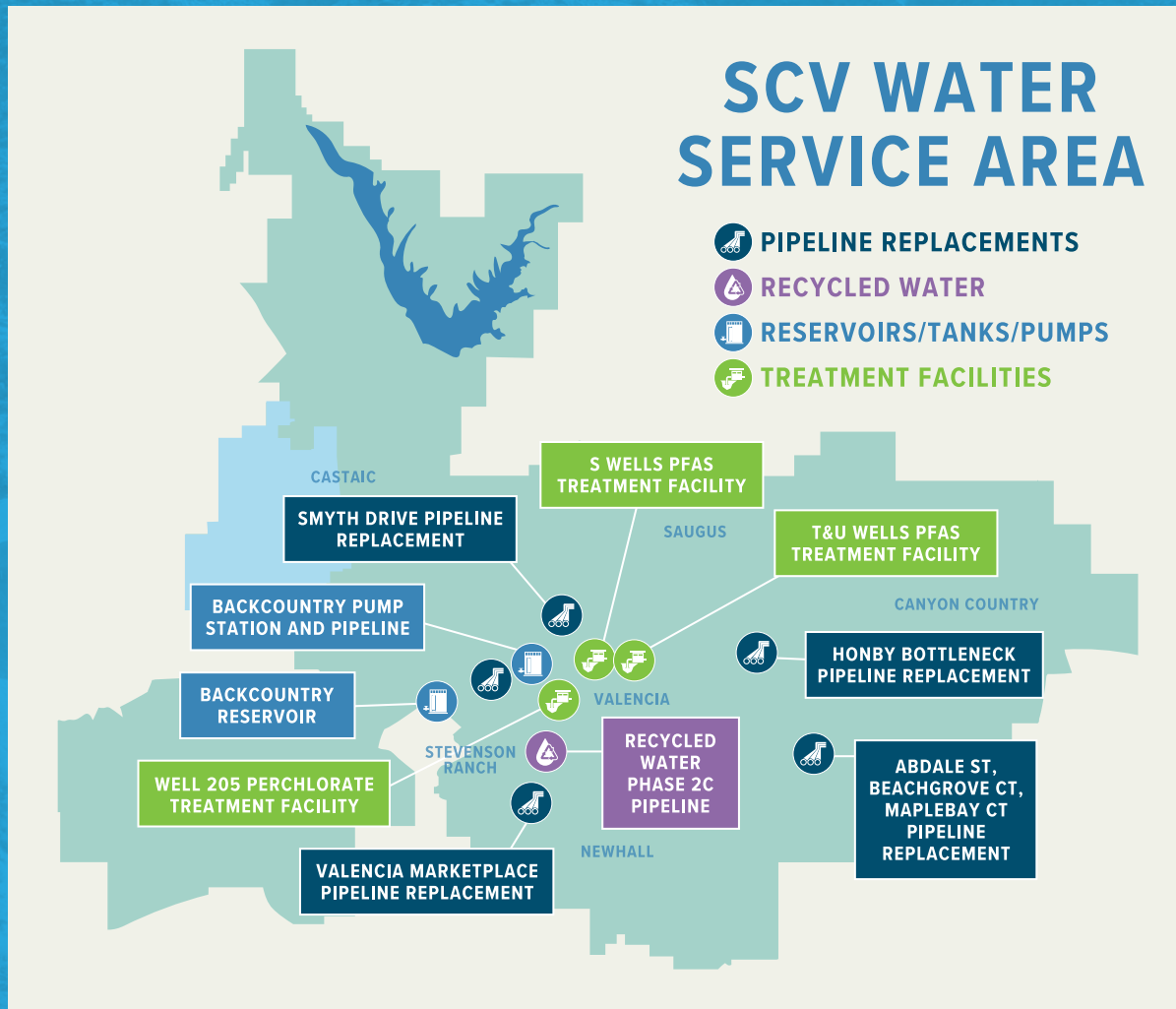
Why It Matters

Every meter, reservoir, and control system is connected through technology. Cybersecurity keeps these systems secure so we can operate smarter and continue delivering safe, reliable service.

PLANNING FOR THE FUTURE WITH CIP PROJECTS

SCV Water’s capital improvement projects (CIP) strengthen our long-term infrastructure, improve service reliability, and prepare us for future growth and increased demand. In fiscal year 2024-2025, we work on more than 89 CIP projects, both pay-as-you-go and debt-funded projects, resulting in roughly \$90 million in CIP expenditures.

For more information, visit yourSCVwater.com/departments/engineering/capital-improvement-projects



Pipeline Replacement Projects

With approximately 967 miles of pipeline in our service area, SCV Water is actively pursuing Pipeline Replacement projects to upgrade aging infrastructure, minimize water loss, and ensure the system can reliably serve the community's needs.

Project Expenditure: \$7.8 million

Recycled Water Projects

Recycled water is essential for conserving our drinking water supply. It offers a sustainable alternative for irrigation, landscaping, and other non-potable uses. SCV Water is actively expanding and improving its recycled water system to advance conservation efforts, ease reliance on imported water, and build a more resilient water future for our community.

Project Expenditure: \$10.1 million

Reservoirs/Tanks/Pumps Projects

With over 100 storage structures in our service area, SCV Water is investing in reservoir, tank, and pump station infrastructure to increase storage capacity, enhance water pressure and reliability, and ensure the system meets both current and future demands.

Project Expenditure: \$5.9 million

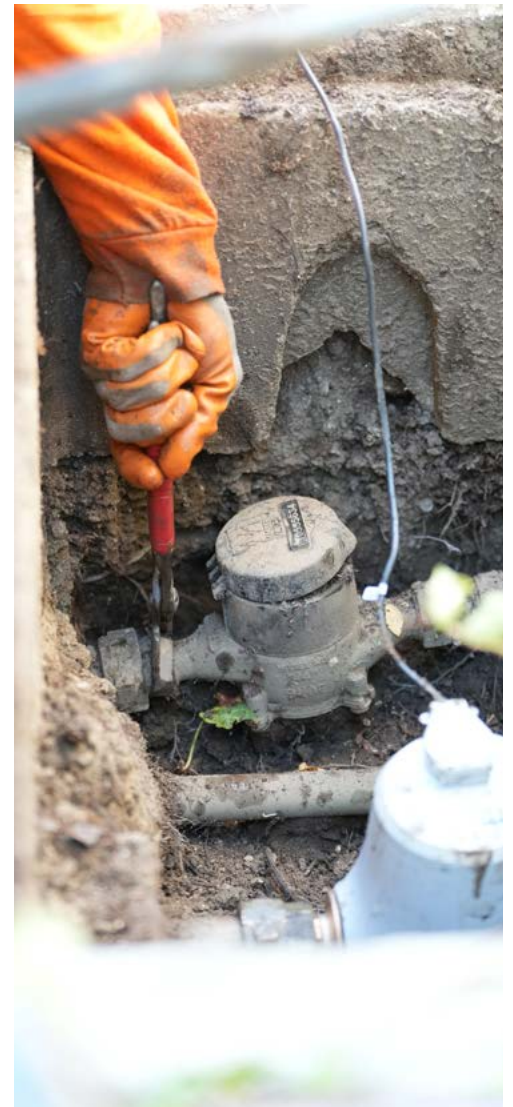
Groundwater Treatment Projects

SCV Water is committed to delivering safe, high-quality drinking water by continually investing in its groundwater well treatment facilities. Groundwater plays a vital role in the Agency's water supply and ongoing upgrades help ensure effective treatment, including the removal of per- and polyfluoroalkyl substances (PFAS), to meet regulatory standards.

Project Expenditure: \$34.0 million

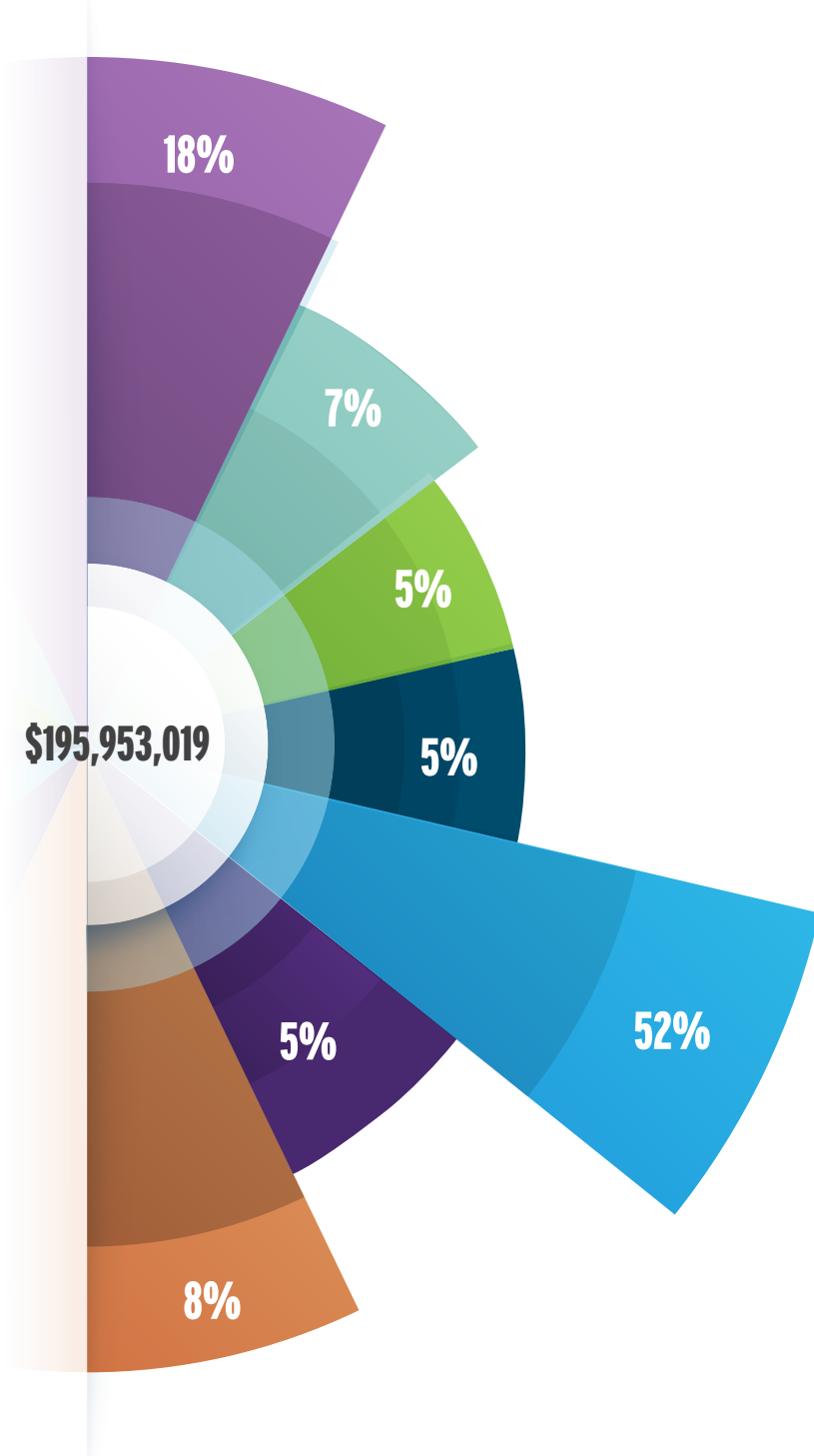
SPOTLIGHT ON GRANTS

The Agency actively pursues grant opportunities at the federal, state, and local levels. By securing grant funding, the Agency can support capital projects, implement innovative programs, and enhance service delivery without having to rely only on money from customer water bills. This helps the Agency keep our services affordable while still improving what we do for the community. As of June 2025, the Agency has been **awarded \$54 million in grant funding since the merger in 2018.**



FINANCIAL HIGHLIGHTS

SCV Water is committed to financial transparency and how we manage money. We believe that sharing clear and simple financial information helps build trust with our community and stakeholders. As a public agency responsible for managing and providing water services, the financial information in this PAFR is easy to read and understand. By being transparent, we aim to empower our community with the information they need to have confidence that we are using funds responsibly and planning wisely for the future.



REVENUES BY SOURCES

PROPERTY TAXES \$36,055,430

1% property tax revenues (unrestricted fund).

EARNINGS ON INVESTMENTS \$13,206,753

Interest earned from investments including reserve funds and bond proceeds.

FACILITY AND CAPACITY FEES \$9,646,857

Collected when a customer requests a new service connection. These revenues are allocated to design and construct new facilities to meet the increased water system demand.

OTHER CHARGES AND SERVICES \$8,964,412

Includes Legacy Debt revenues, application fees, late fees, etc.

WATER SALES \$102,855,118

In Fiscal Year 2024/25, SCV Water sold 64,283 acre-feet of water.

MISCELLANEOUS REVENUES \$9,149,696

Such as cell site and facility rental, leases, laboratory revenues and other non-operating revenues.

GRANTS & REIMBURSEMENTS \$16,074,753

Includes grants for Recycled Water Phase 2C (Reach 1), T&U Wells PFAS Treatment, LARC Ranch Water Pipeline Project, and the AMI Project.

Excludes State Water Project restricted revenues (\$43,110,996) and Interest Expense (\$6,897,509).

EXPENSES BY DEPARTMENT

Maintaining a reliable water supply for the Santa Clarita Valley requires significant annual investment by the Agency. Three major operating costs include: **Purchase Power**, at \$12.8 million, which covers the energy needed for operations; **Core Water Supply**, at \$8.6 million, which represents the cost of sourcing, exchanging, banking and delivering water; and **Technology Services** at \$5 million, which support IT maintenance, software licensing, and network support. These investments make sure our customers have reliable access to safe, high-quality water every day.



Operating Expenses by Department/Type

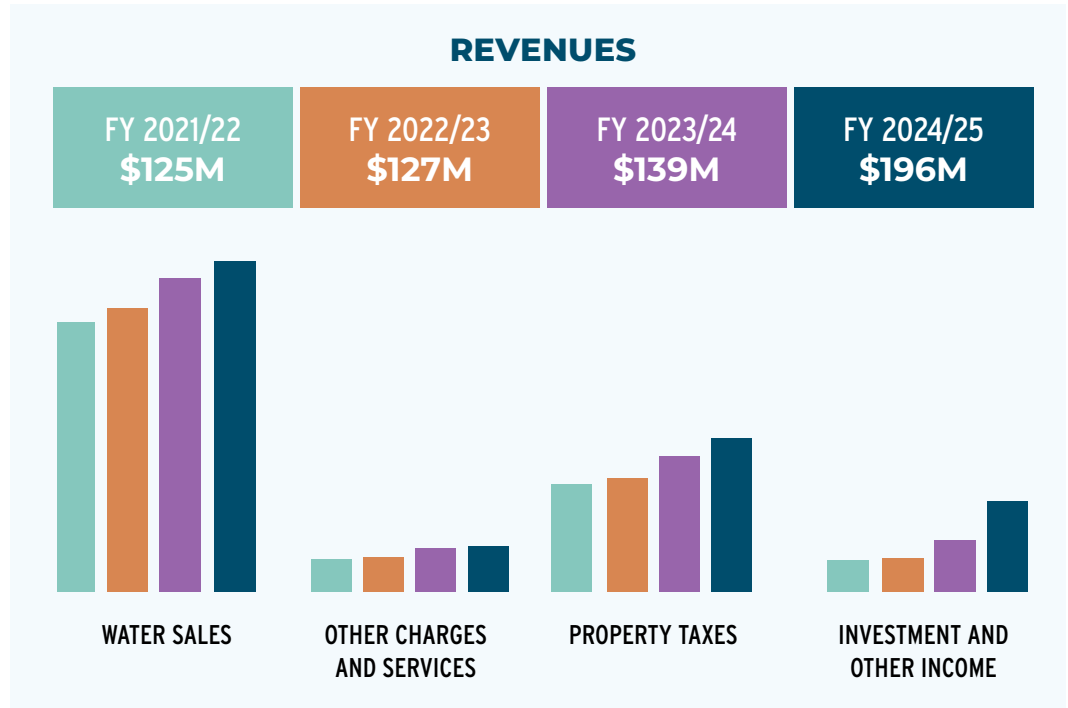
 <p>Finance, Administration & Technology \$23,238,148</p>	 <p>Pumping, Wells & Storage \$17,670,697</p>
 <p>Transmission & Distribution \$13,522,432</p>	 <p>Water Quality, Treatment, & Maintenance \$15,626,458</p>
 <p>Source of Supply \$8,668,915</p>	 <p>Water Resources & Outreach \$8,230,455</p>
 <p>Engineering Services \$4,725,816</p>	 <p>Customer Care \$3,866,227</p>
 <p>Management \$3,240,198</p>	

Excludes State Water Project expenses (\$28,110,787), Depreciation and Amortization expenses (\$41,942,707) and non-departmental expenses (\$4,132,984).

UNDERSTANDING FINANCIAL NUMBERS

Financial data is more than numbers—for our customers, it represents the stability, reliability, and quality of the services they depend on. That's why SCV Water closely reviews its financial performance and tracks key metrics such as revenues, expenses, net position, and cash flow.

This analysis helps identify important trends that guide our strategic planning and future resource allocation. By addressing challenges early and building on our strengths, we can maintain long-term financial stability and support the growth of the Agency and the community we serve.



Revenue Trend Analysis Overview

Over the past four years, SCV Water has experienced contrasting revenue trends across various sources, each influenced by different factors. Including approximately \$4.9 million received from a 3M settlement to address PFAS-related groundwater contamination in fiscal year 2024/25, with a total of \$23.7 million expected through periodic payments by the second quarter of 2033. Additional settlement funds are anticipated from DuPont and Tyco, though the amounts have not yet been determined. This analysis breaks down these trends in property taxes, water sales, and investments and other income:

1. Property Taxes

Increase of 3.06% over the last four years. This growth is primarily driven by rising property values, which have increased consistently over the past four years. Property Tax revenues are stable and growing, providing a solid foundation for funding services.

2. Water Sales Revenues

The increase in water revenues during this period is attributed to several key factors: approved rate adjustment, growth in meter counts from new service connections, and higher overall water consumption driven by drier weather conditions. Collectively, these factors contributed to a moderate but steady rise in revenue, reinforcing the Agency's financial stability.

3. Investment and Other Income

The significant growth in this area is due to a robust investment portfolio. In addition to investment gains, the growth in this category also reflects increased revenues from grants, communication and lease agreements, and various reimbursements. This income stream presents a valuable opportunity for reinvestment and enhanced financial resilience.

Operating Expenses Trend Analysis Overview

The analysis of operating expenses over the past three years shows an upward trend, driven by several key factors, including inflation, new regulations such as PFAS and updated Water Quality Standards, as well as the implementation of necessary fleet and technology initiatives. These factors require careful consideration in future budgeting and financial planning.

Inflation and Tariffs

Rising inflation rates have led to increased costs across various operational categories, including purchase power, labor, materials, and services. In addition, these rising expenses are compounded by tariff adjustments, which further increase overall expenses. Together, these factors reflect broader economic pressures and contribute to the overall rise in the cost of providing essential services, making long-term financial planning more challenging.

Investment in Technology

To improve service delivery and operational effectiveness, the Agency has made investments in cutting-edge technologies. These costs consist of new or updated equipment, software updates and maintenance, enhancing cybersecurity measures, Supervisory Control and Data Acquisition (SCADA), and more. Even while initial expenses might increase ongoing costs, these expenditures lay a strong digital foundation that can result in longer-term cost savings and more efficient service delivery.

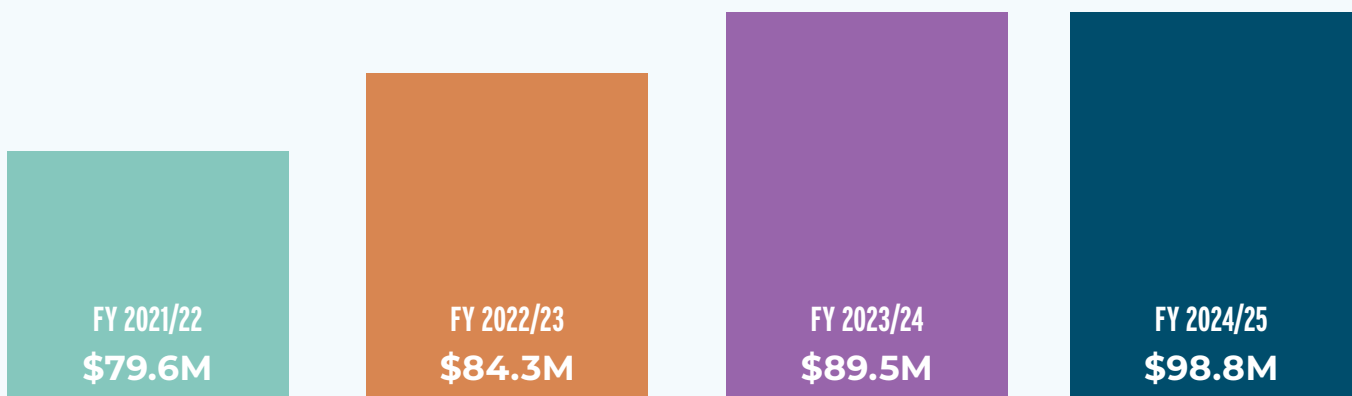
PFAS-Related Costs

A greater focus on per- and polyfluoroalkyl substances, or PFAS, has led to increased costs for well and treatment plant maintenance, and other programs. Operating costs have also increased as a result of improved treatment processes and regulatory compliance. We expect those costs to keep rising as more wells come back online. Ensuring water quality is the Agency's highest priority.

Maintenance and Repair Costs

Maintenance and repair costs are increasing as aging infrastructure—like pipelines, valves, and equipment—requires more frequent fixes and updates to keep systems running safely and efficiently. Many meters are also at the end of their lifespan and need replacement through the meter change-out program to ensure accurate billing and monitoring. These upgrades raise operational costs but are essential to avoid service disruptions and costly emergency repairs.

EXPENSES



Net Position Overview

Net Position is a key measure of SCV Water’s overall financial condition, showing the difference between what the Agency owns (assets) and what it owes (liabilities). For utilities like ours, a strong net position is essential to demonstrate stability and the ability to continue providing reliable service.

For fiscal year 2024/25, SCV Water reported \$57.8 million in income before capital contributions, a positive sign of financial health and our capacity to sustain operations while delivering essential services

Why Does Net Position Matter?

Financial Strength: A positive net position means the Agency has more assets than liabilities, signaling fiscal stability.

Creditworthiness: Strong financial foundations support favorable financing opportunities and build confidence among creditors and investors.

Planning & Budgeting: Net position helps guide decisions on future projects, budgets, and investments.

Public Accountability: Transparency in reporting builds trust, showing how effectively SCV Water manages resources and fulfills its financial obligations.



ASSETS
\$1,340,382,842



DEFERRED OUTFLOWS
\$26,074,827



DEFERRED INFLOWS
(\$8,312,418)



LIABILITIES
(\$454,653,461)



NET POSITION
\$903,491,791



CHANGE IN NET POSITION
\$65,518,179

OUTSTANDING DEBT

One important responsibility of SCV Water is managing our debt. This means making sure we can pay back what we borrow and keeping our finances healthy. We follow a set of guidelines called the “Debt Management Policy,” which acts like a playbook for how and when we borrow money. It helps us make smart choices, stay organized, and plan for the future. It also shows investors and credit rating agencies that we are responsible for our finances and can be trusted. As a result, the Agency continues to maintain its strong AA+ credit rating. Plus, it gives our board and staff a clear plan to follow when making debt-related decisions. As of June 30, 2025, the total outstanding debt is **\$368,678,842**.

LONG-TERM DEBT MANAGEMENT

Our Agency strategically takes on debt primarily to fund long-term capital investments, like purchasing land, buildings, infrastructure, and water supplies. More importantly, this debt enables us to make necessary improvements to our current infrastructure and ensure that water is delivered to customers directly from the source, while positioning ourselves for future growth and sustainability.

SHORT-TERM DEBT MANAGEMENT

In October 2024, the Agency received a short-term credit rating of A-1 from Standard & Poor’s (S&P), reflecting its strong capacity to meet short-term financial commitments. Leveraging this favorable rating and a lower interest rate environment, the Agency issued Commercial Paper (CP) in late 2024, which helped reduce our short-term borrowing costs. Issuing CP for short-term credit saved money on interest and supported our goal of managing funds efficiently.

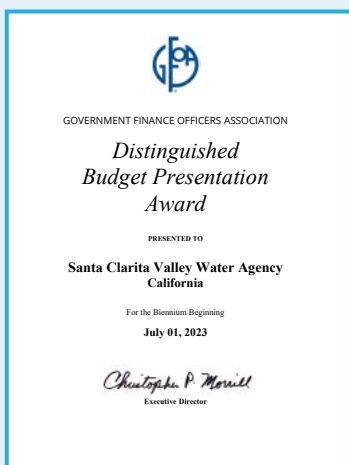
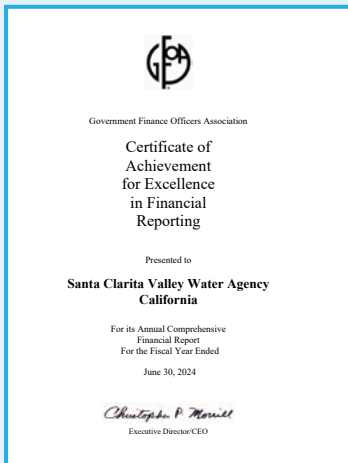
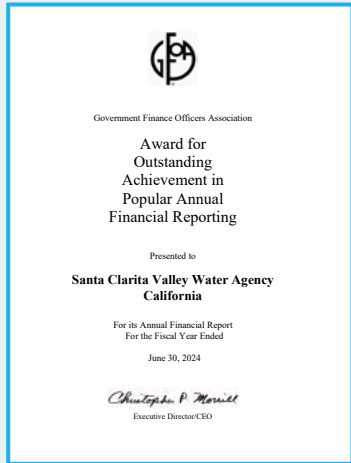


FINANCIAL REPORTING AND AWARDS

In financial management and planning, reporting is at the core of accountability and transparency. For SCV Water, it goes beyond compliance — it's about providing clear insight into the Agency's financial health and building trust with our community.

This dedication has earned SCV Water a place among the few public agencies to receive the Government Finance Officers Association (GFOA) Triple Crown Award, which honors governments that achieve all three of GFOA's top awards in the same fiscal year: the Distinguished Budget Presentation Award for its Biennial Budget, the Certificate of Achievement (COA) for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR), and the Popular Annual Financial Reporting Award (PAFR).

In fact, SCV Water is proud to announce that it earned the prestigious Award for Outstanding Achievement in **Popular Annual Financial Reporting** (PAFR) from the Government Finance Officers Association (GFOA) for its first-ever PAFR for the FY 2022/23 year, shortly following up with its second consecutive win for FY 2023/24. Another first for SCV Water was earning an **Investment Policy Certification** from the California Municipal Treasurers Association (CMTA), which recognizes that the Agency meets industry standards for best practices in California's public sector agencies and districts for its Investment Policy. These awards reflect the Agency's commitment to transparency and due diligence in financial accountability to the SCV community.



A Deeper Look: What is the Annual Comprehensive Financial Report?

SCV Water's Annual Comprehensive Financial Report (ACFR) goes beyond typical financial statements, offering an in-depth look at its financial health and operations. Prepared in accordance with GAAP (Generally Accepted Accounting Principles), the report not only details the Agency's financial performance but also provides additional, optional information to enhance understanding.

SCV Water has been nationally recognized for its commitment to financial transparency and excellence, receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its ACFRs for Fiscal Years 2019/20 through 2023/24. This prestigious award honors agencies that meet high standards of readability, organization, and legal compliance. These awards show SCV Water's strong dedication to managing finances responsibly and being transparent, helping maintain the community's trust.

For more information visit www.yourSCVwater.com/financial-information

FINANCIALLY FIT

AA+ Credit Rating

A PREMIER PERFORMER IN
COMMERCIAL BANKING SECTOR

"Maintaining a AA+ rating across the board recognizes SCV Water's strong financial footing and ability to pay debt."

ROCHELLE PATTERSON
Assistant General Manager
– Finance & Administration

S&P Global
Ratings

AA
2020

➔

AA+
2024



SPECIAL THANKS TO THE PAFR TEAM

Rochelle Patterson
Assistant General Manager -
Finance and Administration

Cris Perez
Director of Technology Services

Matt Dickens
Sustainability Manager

Kevin Strauss
Communications Manager

Kathleen Willson
Customer Care Manager

Aristea Mantis
Human Resources Manager

Darine Conner
Senior Financial Analyst

Tanner Swire
Financial Analyst I

Sarah Fleury
Senior Water Resources Planner

Laura Gallegos
Senior Public Affairs Specialist

Erika Dill
Senior Management Analyst

Joseph Paysinger
Security Operations Specialist



SCV Water | Finance Department

27234 Bouquet Canyon Rd., Santa Clarita, CA 91350
(661) 297-1600 www.yourSCVwater.com

